

Subnational Budget Analysis for Scaling Up Nutrition

Tracking nutrition expenditures at the subnational level

The Scaling Up Nutrition (SUN) Movement's 2013 [State of the SUN Movement Progress Report](#) outlined the importance of resource availability for meeting nutrition goals and the challenges of tracking financing. Following the publication of this report, SUN countries committed to improving financial tracking of resources for nutrition. This has focused primarily on the national level; as of 2016, 47 countries have reported that they conducted some form of the budget analysis. However, there is growing interest in expanding budget analysis and financial tracking to the subnational level.

Many SUN countries have multiple tiers of government. Subnational governments are responsible not only for a significant proportion of total government expenditure but also for spending allocations for nutrition-specific and nutrition-sensitive service delivery. In addition, the prevailing trend in many SUN countries is towards further decentralisation of powers from the national to subnational level. This means that, to get a better understanding of nutrition financing, the SUN Movement increasingly will need to focus on the subnational level.

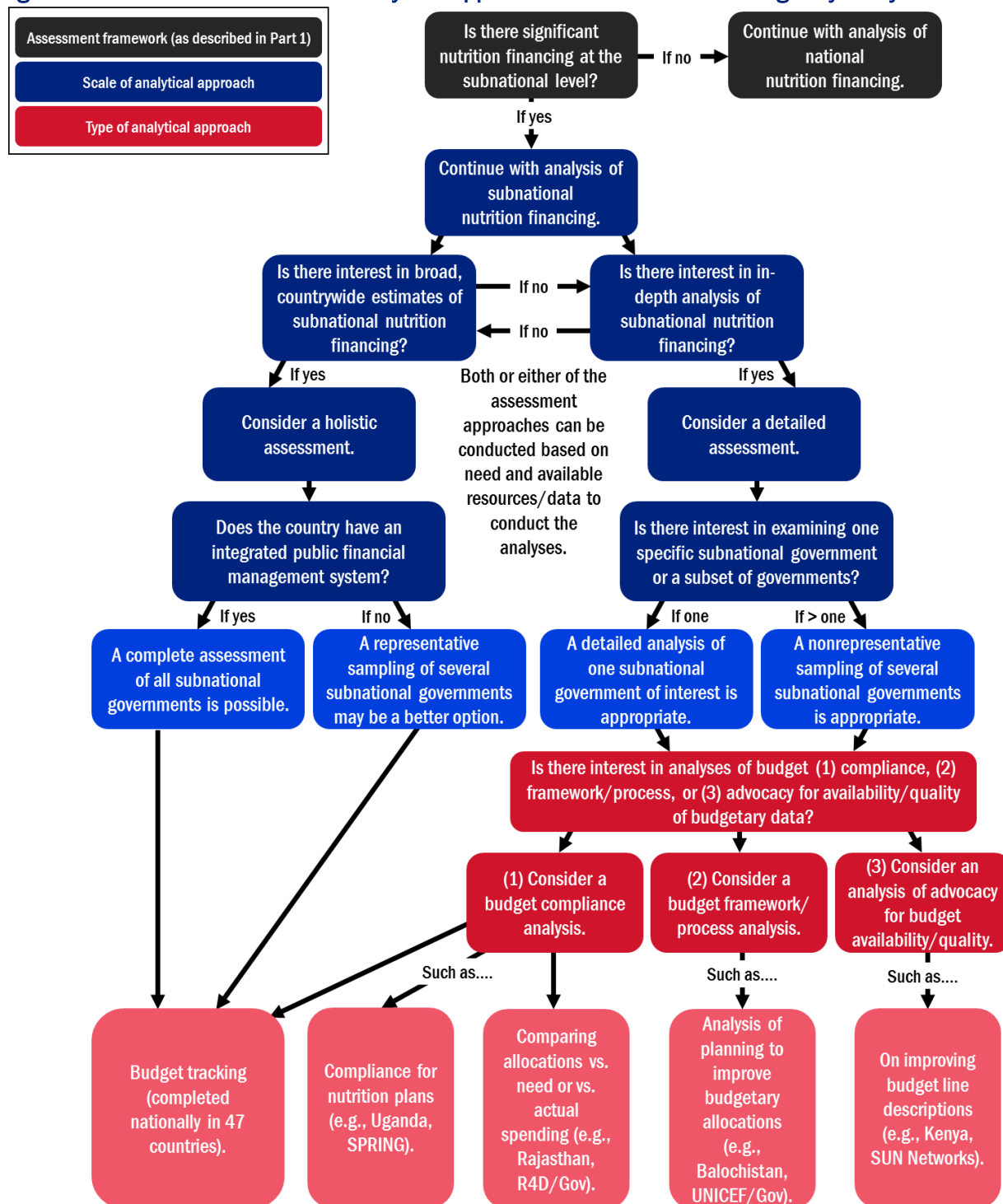
This guidance note is one of three related reference documents to assist countries in subnational budget analysis. This note describes a set of potential analytical approaches for tracking subnational nutrition expenditure. These approaches are based on various countries' experiences, and they are guided by the methodology for tracking nutrition at the national level.

What is the best approach? While there is an increasing need globally to focus on nutrition financing at the subnational level, there is no one-size-fits-all approach. In each country, there is a different set of governance structures, processes and circumstances. This requires countries to formulate approaches that work in their particular context. For example:

- National governments in some countries may deliver all services, meaning that subnational analysis is not required.
- The large number of subnational government units in some countries may mean it is not possible to analyse them all (due to logistics or cost). In this case, a sample is needed instead.
- In some cases, the lack of available or high-quality financial information on subnational governments prevents countries from conducting an analysis. This means that improvements in reporting are needed; otherwise, only those with enough information available can be sampled.

Figure 1 depicts the analytical approaches that are available. Details about these approaches are provided throughout this guidance note.

Figure 1. From the assessment to analytical approaches for subnational budgetary analysis.



These examples are based on past assessments conducted in SUN countries, but they do not encompass all possibilities for conducting subnational budget analyses.

Abbreviations: Gov, government; R4D, Results for Development; SPRING, Strengthening Partnerships, Results and Innovations in Nutrition Globally; SUN, Scaling Up Nutrition; UNICEF, United Nations Children's Fund; vs, versus.

Approaches for carrying out subnational government nutrition budget analysis

Before undertaking subnational nutrition budget analysis, countries may find it useful to first assess the level of subnational government financing for nutrition-specific and nutrition-sensitive areas, as well as their role in this financing.

This note details several possible approaches, with examples, for carrying out subnational government budgetary analysis. It also proposes areas that could be considered as part of the overarching budget tracking that is conducted at the national level. The analytical approaches are divided into two different scales:

- **Holistic approach:** A holistic approach may be considered if the objective is to gain broad, country-wide insights on the levels of nutrition-specific and nutrition-sensitive spending in order to complement national figures.
- **Detailed approach:** A detailed approach may be considered when seeking more in-depth insights into budgetary compliance, framework and process analysis or data quality/availability. Given the more extensive nature of a detailed approach, it is likely that this only can be conducted in one or a few subnational governments.

This guidance note is not meant to prescribe one particular approach; rather, it documents the possible approaches that are available from past country experiences. A country may elect to use either or both of the assessment approaches based on need and available resources/data. Selecting the right approach will depend on stakeholder needs, country context, data quality and availability and the resources and capacity available. The accompanying guidance note on “Assessing the role of subnational governments in financing nutrition” may help to inform this decision process.

1. Holistic nutrition budget tracking

As mentioned above, a holistic approach to nutrition budget tracking can provide useful country-wide insights on the levels of nutrition-specific and nutrition-sensitive spending on a budget. A holistic approach aids in understanding the levels of subnational-level nutrition financing; this information can complement national-level figures. While this approach is broad in nature, it is less time and resource intensive compared to the detailed approach described in section 2. It may also help guide consideration of a more detailed approach in specific subnational governments. There are two main methodologies for undertaking a holistic analysis:

- 1.1) Complete subnational nutrition expenditure analysis.
- 1.2) Estimated subnational nutrition expenditure through representative or scale sampling.

In countries where governments have an integrated public financial management (PFM) system in place, option 1.1 is preferred. For governments without an integrated PFM, option 1.2 can be used. These two approaches are detailed in the following sections.

1.1 Complete subnational nutrition expenditure analysis

An increasing number of SUN countries are reforming their PFM structures to be more integrated vertically across governments. In integrated PFM systems, budgetary classification and reporting standards are uniform across different vertical tiers of government. This means that the expenditure tracking approaches that SUN countries devised at the national level may be easily expanded to capture subnational government as well.

However, it should be noted that among countries with integrated PFM systems in place, there is variation in how the budgetary information is made available, ranging from open data platforms to integrated budget repository websites and separate website portals (see [Box 1](#)).

Box 1. Examples of different forms of budgetary documentation in countries with integrated PFM

Integrated open data platforms: Some countries with integrated public financial management (PFM) have built an overall open data platform that contains standardised budgetary data across all tiers of government. For example, the Ministry of Economics and Finance in Peru has created a '[Portal de Transparencia Economía](#)', which details standardised budgetary allocation and disbursements across national, regional and local government.

Integrated government websites that provide subnational budgets alongside national budgets: An increasing number of Scaling Up Nutrition countries are creating integrated web portals that contain budget libraries of both national and subnational governments. Notable examples are [Ghana](#), [Rwanda](#) and [Uganda](#), although they are not available in machine-readable formats.

Integrated PFM data standards, but separate web platforms: Other countries such as Kenya have integrated PFM systems in place, but subnational government budgetary information is only made available on their own separate website portals.

As shown in [Box 1](#), when governments publish financial information in non-machine-readable formats, this presents a strain on resources; therefore, countries may not be able to analyse a significant number of government budgetary documentation even when there are integrated PFM systems in place. Although the best approach is to get the data in a machine-readable format (e.g., spreadsheets), through the use of computer programming languages like Python, there is potential to turn time-consuming manual data collection processes into streamlined automated ones.¹

1.2 Estimated subnational nutrition expenditure through representative or scale sampling

When the required data are not available centrally, sampling can be used to curtail the cost and duration of the tracking exercise. Sampling captures allocations from a smaller sample of localities and then extrapolates from them an estimate of all subnational allocations. Findings may provide relevant insights into other subnational governments that are not included in the sample size. Findings also can be used to estimate total expenditure by subnational government tiers. The downside of this approach is that you can only track estimated levels year on year; you cannot identify specific interventions to be improved in each local government.

Across various sectors, methodologies have been developed to analyse a sample of subnational governments. This has been done either by studying a representative sample or by capturing the largest budgetary flows through selecting the largest subnational units.

¹ This approach has been used by Development Initiatives to systematically collect budget data that are in PDF format from Uganda districts. Development Initiatives present these data on its [Spotlight on Uganda](#) visualisation. This [blog post](#) provides more detail about approaches for automating data collection from PDF documents.

There are a range of different methodologies that had been produced by various actors (e.g., the [PEFA methodology](#), the United Nations Children's Fund ([UNICEF child protection benchmark](#)) and the [Tanzania nutrition public expenditure review](#)). These methodologies can be broken down into sampling options in three main areas: horizontal, vertical and situational (see [Box 2](#)). Ultimately, the selection of a sample size is dependent on the country context and resource availability. As shown by the experiences of other sectors, as well as Tanzania's nutrition public expenditure review, the sample size does not have to be large to produce findings that are relevant more widely. The success of this approach in Tanzania suggests that it may be a useful option for other SUN Movement countries.

Also critical to this process is the selection of sample localities; in particular, bias towards poorer or richer subnational localities should be avoided. SUN countries may also want to take into account other factors like malnutrition burden (including samples of subnational governments facing low and high levels of stunting and wasting, for example). Other practical concerns, like accessibility (in terms of cost, security, and networks), are also valid considerations. The number of localities should be sufficient enough to provide a reasonable ground for extrapolation; at the same time, the sample size should enable countries to minimise costs. Compromising on some aspects of the sampling strategy (e.g., by reducing the sample size to fit budget constraints or using less scientifically robust selection criteria, such as proximity to the capital or existence of known contacts) may make the final estimate less robust. However, it may nonetheless be an acceptable start.

Lastly, it should be recognized that any extrapolations would require some sweeping assumptions, which must be documented. In practice, it may not be possible to produce a defensible countrywide estimate from a small sample of subnational governments, particularly if the subnational governments vary substantially in key characteristics.

Box 2. Sampling options for subnational government selection

In order to determine the best sampling option, countries may find it useful to first undertake an assessment of the extent of subnational government financing structures in their country. The *Assessing the Role of Subnational Governments in Financing Nutrition* accompanying guidance note details this process. The options below can be informed by that assessment.

Horizontal sampling based on asymmetric decentralisation or government size: If a particular tier of government is asymmetric (e.g., differing service delivery responsibilities), then it would be advisable to select a horizontal sample that reflects this. This could occur, for example, where governments have different responsibilities depending on whether they are in a mainly rural or urban location.

Vertical sampling to ensure each subnational tier of government is captured: If there are a number of different tiers of government investing in nutrition-specific and nutrition-sensitive areas, then a sampling approach that takes a vertical perspective and captures each of the respective tiers of government would be advisable.

Sampling based on geographic or situational status: In addition to vertical and horizontal sampling, Scaling Up Nutrition countries may also want to consider sampling within different geographical areas and based on situational status, such as differing nutrition-relevant outcome indicators, overall spending per capita and donor support. Sampling could also be based on the largest governments (e.g., population/total spending) to capture the most significant level of subnational government spending.

2. Detailed analytical approach to subnational budgetary analysis

In cases where more in-depth insight is required beyond what the holistic approach can offer, countries may consider carrying out a detailed analysis in one or a nonrepresentative sampling of subnational governments. Conducting detailed analysis of a nutrition-related budget can provide insights into a range of different research areas around budgetary issues. However, the nature of the analysis means that widespread analysis is unfeasible unless it is part of a systematic reporting system.

To date, detailed subnational budgetary analysis has not been carried out systematically. Most analyses have either focused on case studies of one government or compared a few. This analysis centres on ascertaining the level of nutrition-specific and nutrition-sensitive funding. Analyses related to the budgeting process, PFM, and the links of budget allocations to nutrition plans have also been undertaken.

Benefits to a detailed approach: This approach can provide insightful findings relevant to other national and subnational actors. It can focus on wider budgeting and planning issues.

Limitation of this type of approach: This approach does not provide a holistic understanding of subnational budgeting across the country.

Detailed analytical approaches to subnational budget analysis can be summarised into three main areas:

- 2.1) Compliance analysis: Assessing how budgetary allocations are compliant with planning.
- 2.2) Framework and process analysis: Analysing allocations within wider frameworks and processes.
- 2.3) Advocacy analysis: Analysing PFM systems to advocate for improvements in budget availability and quality.

Each of these is briefly outlined below and detailed further through case study examples.

2.1 Compliance analysis

The main purpose of compliance analysis at the subnational level is to assess how budgetary allocations are compliant with planning. Once data have been collected on a government's nutrition-specific and nutrition-sensitive budget allocation, it can be compared to: 2.1.1) stated needs, 2.1.2) nutrition plans or 2.1.3) how allocations compare with actual disbursements, as outlined below.

2.1.1) Allocations versus need (gap analysis): To analyse how the subnational government budgetary allocation compares with stated needs.

- *When can you use this analysis:* In cases where subnational governments have costed nutrition plans that detail estimated yearly resource needs or a needs assessment.
- *Benefit of this analysis:* This work can be used to advocate for increases in a government's own allocations towards nutrition. It could also highlight the need for other actors to provide greater resources (e.g., central government or development partners).

Box 3 provides a recent example of this type of analysis carried out by the Results for Development Institute (R4D) in Rajasthan, India.

Box 3. Measuring budget allocations versus need in Rajasthan, India

Although the Government of Rajasthan had declared nutrition as a priority, it was not aware of how much it allocated towards nutrition, which was a pressing concern given the continued increase in fiscal decentralisation. The [report](#) produced by R4D not only examined the relative budget amounts of budget allocations to nutrition-specific and nutrition-sensitive areas, but also created a needs assessment based on the resources needed to provide key nutrition interventions.

Using the information, it was found that the government was underfunding some key areas, such as infant and young child feeding and micronutrient supplementation. The conclusion of the report outlined the potential of the government to reallocate resources to better target specific populations, especially babies.

2.1.2) *Measuring compliance of budget allocation to stated nutrition plans:* To compare how budgetary allocations are aligned and if they are compliant with nutrition plans.

- *When can you use this analysis:* In cases, where subnational governments have created nutrition plans and outlined clear high-priority areas.
- *Benefit of this analysis:* Can provide insights into how nutrition funding is aligned to high-priority areas. **Box 4** provides an example of this from the work of Strengthening Partnerships, Results and Innovations in Nutrition Globally (SPRING) in Lira and Kisoro districts in Uganda (see **Box 4**).

Box 4. Measuring compliance of budget allocation to plans in Lira and Kisoro district governments, Uganda

In SPRING's Pathways to Better Nutrition programme, some national and subnational case studies were produced to look at how policy translated into practice. As part of this programme, two reports were published on district governments in Uganda ([Lira](#) and [Kisoro](#)). These looked at the nutrition-specific and nutrition-sensitive budgeted allocations, but also at how they match up to the Uganda Nutrition Action Plan at district level.

In both district governments, it was found that where nutrition priorities had links to specific sectors, there was significant funding going to them, though the funding was still not sufficient. But where priorities were not linked to sectors and the responsibility of the district government, there was little or no funding allocated, such as to household and community-level promotion of post-harvest technologies.

2.1.3) *Budgetary execution analysis:* Analyse the difference between planned and actual disbursements for nutrition-specific and nutrition-sensitive spending.

- *When can you use this analysis:* In cases where subnational governments report both allocated (planned) and actual disbursements.
- *Benefit of this analysis:* Can highlight wider PFM challenges faced by subnational governments. For example, it can show issues in receiving funding (either through central government transfers or development assistance) or capacity issues related to implementing specific projects or programmes. This analysis was undertaken within the [Tanzanian nutrition public expenditure review](#).

1.2 Framework or process analysis

Framework or process analysis can be used to highlight key government structural or process challenges, which can impact the scale, efficiency, and effectiveness of allocations. For example, in the Balochistan provincial government in Pakistan, the results of budgetary tracking were used to analyse how government planning, alignment, and budget processes could be improved (see **Box 5**).

Box 5. Strengthening planning processes to improve budgetary allocation in the Balochistan provincial government in Pakistan.

In 2017, the Planning and Development Department of the Balochistan provincial government undertook nutrition budgetary analysis in collaboration with the United Nations Children's Fund (UNICEF). The results showed that although there was significant funding going to nutrition-related areas, nutrition outcomes were still not improving. Therefore, analysis research was undertaken to understand why different departments were allocating resources in the way they were.

During consultations with different departments, it was found that because many of the allocations were linked to sectors, departments had not realised they were relevant to nutrition. It also highlighted issues with lack of coherence across departments. As a result, the report proposed new planning and budgeting processes to improve the quality and effectiveness of nutrition-relevant investments.

1.3 Analysing PFM systems to advocate for improvements in data quality and availability

A central theme often touched on in reports on government nutrition financing is the availability and quality of data to accurately estimate nutrition expenditure. Beyond outlining the challenge, there is potential to analyse and detail how PFM systems can be improved to strengthen reporting quality. This can be done by improving the quality of descriptions within relevant nutrition budget lines (see **Box 6**) or detailing improvement in other areas of PFM that, while not specific to nutrition, could have implications if strengthened (e.g., improved budgetary reporting, timely release of financial documentation, etc.). **Box 6** below provides an illustrative example from Kenya.

Box 6. Advocating for better budget line item descriptions, SUN Civil Society Alliance Kenya

Devolution in Kenya has shifted the emphasis on nutrition financing away from the national government towards the newly created counties. Given this, the SUN Civil Society Alliance has been working with other Scaling up Nutrition network actors to identify nutrition champions at county level who can advocate for governments to produce their own nutrition action plans. Once these have been established, their work moves to ensuring that the objectives and activities outlined in the plans are reflected in county budgets, seeking to improve the quality of budget line descriptions, so that nutrition-related allocations can be tracked more effectively.

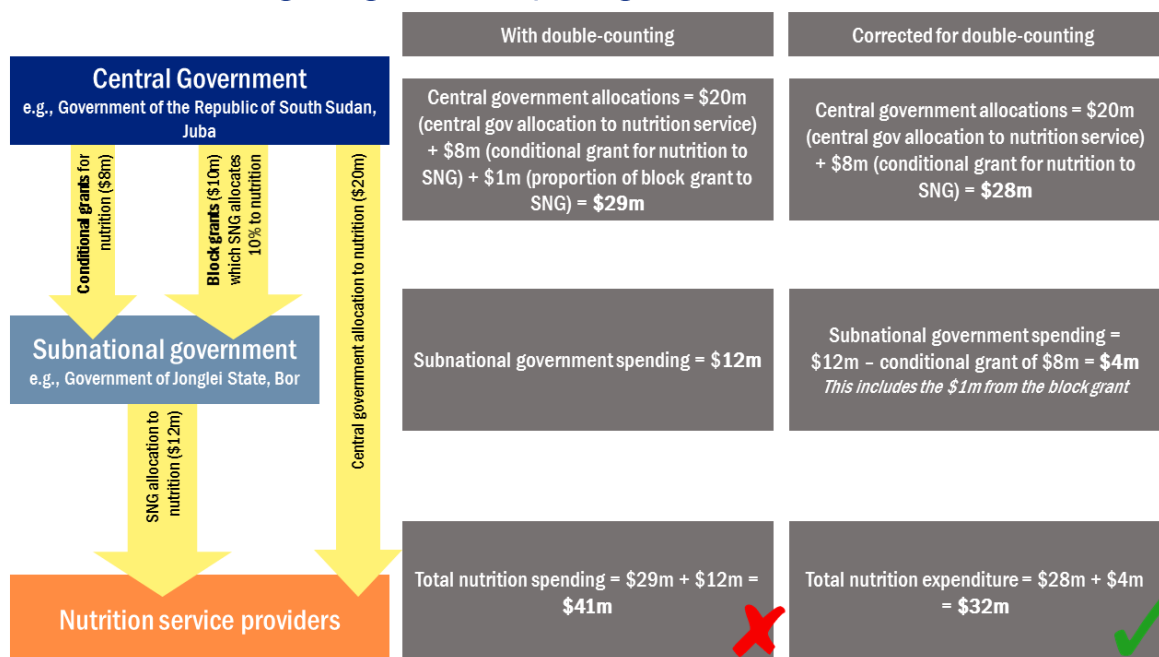
Source: www.enonline.net/page/renderforpdf/5250?rand=e1234415-e29b-406a-8fd3-6c4f1636a59a

Potential methodological challenges: double-/triple-counting nutrition investments

After a subnational tracking exercise has been completed, governments will likely merge the results with the national budget review to produce a countrywide estimate of nutrition allocations/expenditure. When doing so, care must be taken to avoid double-counting. Double-counting is when transfers to subnational levels of government are captured in calculations at the central government level and again at the local level. This would result in some money being counted twice, leading to an overestimation of total expenditure on nutrition. To avoid double-counting, it is important to introduce and consistently document and apply a clear rule based on a country's particular institutional set up.

In countries where conditional transfers are a common occurrence, there is significant risk of double- or even triple-counting the same expenditure. Therefore, when combining nutrition investments across different vertical tiers of government, spending should be subtracted from the higher government tier if the spending is in the form of conditional transfer or the spending is for a specific project that is being implemented by a lower government level. **Figure 2** illustrates this point well.

Figure 2. Accounting for double-counting of financial flows across tiers of government is an important consideration if estimating total government spending on nutrition



Source: Allan S, Picanyol C. Tracking Public Spending on Nutrition at Subnational Levels: Lessons From Other Sectors. [Publisher city]: Maximising the Quality of Scaling Up Nutrition MQSUN; 2016.

Abbreviations: gov, government; m, million; SNG, subnational government.

About MQSUN+

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