

Budget Analysis Options

Focus of Analysis & Approach



Budget analysis options



Budget analysis options

- Social sector
- Population groups
- Issues
- Program / project / activity
- International agreements, benchmarks
- Policy documents



Approaches to Policy Analysis

- **Analycentric** - focuses on individual problems and its solutions
- Its scope is micro-scale and its problem interpretation is usually of a technical nature
- Primary aim is to identify the most effective and efficient solution in technical and economic terms
 - (e.g. most efficient allocation of resources)

Approaches cont'd

- **Policy process** – focus on political processes and involved stakeholders
- Its scope is the meso-scale and its problem and its problem interpretation is usually of a political nature
- Aims to determine what processes and means are used and tries to explain role and influence of stakeholders within the policy process (public participation, consultations in identifying solutions)

Meta-policy approach

- Is a system and context approach – its scope is macro-scale and its problem interpretation is usually of a structural nature
- Aims at explaining the contextual factors of the policy process, i.e. political, economic and socio-cultural factors influencing problem



Budget and related processes?

- **Poverty Reduction Strategy (PRS)**
– consultations and new commitment towards participation and inclusion
- **NSGRP (*Mkukuta*)** – compiles diverse strategies for all sectors to tackle poverty reduction and stimulate economic growth

PMS

- **Poverty Monitoring System (PMS)** – influence budget guidelines and allocations;
- Effectiveness and efficiency in achieving set national strategy outcomes
- Poverty and Human Development Report, PPA, Govt. Reporting System

Medium Term Expenditure Framework

- Conceptually, MTEFs are the ideal tool for translating PRSPs into public expenditure programs within a coherent multi-year macroeconomic and fiscal framework.
- MTEF provides the “linking framework” that allows expenditures to be “driven by policy priorities and disciplined by budget realities”
 - (World Bank, 1998a: 32).
- Potential solution to problem of disconnected policy-making, planning, and budgeting

Objectives of an MTEF

- Improved macroeconomic balance, especially **fiscal discipline**
- Better inter- and intra-sectoral resource **allocation**
- Greater budgetary **predictability** for line ministries; **more efficient use of public monies**
- Greater political accountability for public expenditure outcomes through more legitimate decision making processes
 - Greater credibility of budgetary decision-making (political restraint)

