



EXPLAINING BUDGET DEVIATION

A BUDGET CREDIBILITY SNAPSHOT

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The study of budget credibility examines the extent, nature, causes and consequences of deviations from approved budgets. In this series, part of the International Budget Partnership's Assessing Budget Credibility Project, 24 civil society partners in 23 countries probed a specific area in which execution of the national budget repeatedly diverged from the approved plan to learn whether adequate reasons were provided for the deviation. The broader synthesis report on these findings can be found [here](#).

INDONESIA: MATERNAL AND CHILD NUTRITION

In 2013, 24 percent of pregnant women in Indonesia aged 15-49 were at risk of chronic energy deficiency and 37 percent of pregnant women were anemic. A survey conducted in 2014 showed that 56 percent of Indonesian children under age 5 had low energy intake. Recognizing that adequate nutrition is fundamental to reducing susceptibility to disease and to facilitating personal growth and development, the Government of Indonesia has made the improvement of maternal and child nutrition a priority in recent years.

BUDGET CREDIBILITY CHALLENGE

Despite the government's commitment, the principal body responsible for improving the nutrition of these groups, the Directorate of Community Nutrition (previously known as the Directorate General of Nutrition and Maternal and Child Health), has consistently underspent their budget. Between 2014-2016, the Directorate of Community Nutrition spent, on average, approximately 79 percent of their budget. Moreover, under-spending has worsened over this period; the execution rate fell from 89 percent in 2014 to 62 percent in 2016.

EXECUTION RATE OF DIRECTORATE OF COMMUNITY NUTRITION, 2014-2016

Year	Approved (billion INR)	Executed (billion INR)	Execution rate
2014	1,926	1,713	89%
2015	2,683	2,333	87%
2016	2,639	1,645	62%

Source: Central Government Financial Reports and Budget Implementation Reports

WERE EXPLANATIONS FOR THE DEVIATIONS FOUND IN GOVERNMENT REPORTS?

Yes. The Performance Accountability Reports from the Ministry of Health provided explanations that related to the shifting of funds to other areas, poor planning, and procurement delays. Other documents reviewed, including the Ministry of Health's annual budget report and performance accountability report, did not offer any reasons for the deviations.

DID THE GOVERNMENT AGREE TO BE INTERVIEWED TO EXPLAIN FURTHER?

Yes. An interview was conducted with Director of Community Nutrition, Public Health Department, Ministry of Health. The explanations provided were similar to the ones published in the written reports: delays with procurement and distribution of goods and poor planning.

WERE THE REASONS PROVIDED BY GOVERNMENT ADEQUATE?

The reasons provided by published reports and the interview are generic and fail to explain the variance in the budget execution levels over time or in the execution of performance goals in a given year. For example, in 2016, the directorate's budget was underspent by 38 percent, but with uneven performance results: i.e., the goal for providing supplementary food to pregnant women with chronic energy deficiency was exceeded, but the goal for providing supplementary food to underweight toddlers was missed completely. There are no explanations for this outcome. The reasons offered also lack important details: if funds were shifted from one program to another, how and why were these decisions made? Likewise, if procurement delays are a consistent issue, then what aspects are particularly problematic and why have they not been addressed?