

Indicator 16.6.1

Indicator Name, Target and Goal

Indicator 16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)

Target 16.6 Develop effective, accountable and transparent institutions at all levels

Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Target 16.6: Develop effective, accountable and transparent institutions at all levels

Definition and Rationale

○ Definition

Primary government expenditures as a proportion of original approved budget. This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports. The coverage is budgetary central government (BCG) and the time period covered is the last three completed fiscal years.

○ Concepts

Primary government expenditures are the amount of aggregate expenditure outturn measured by settlement account basis. It includes actual expenditures incorporating those incurred as a result of unplanned or exceptional events—for example, armed conflicts or natural disasters.

Original approved budget is the amount of planned expenditure measured by initial account basis. It needs to be noted that the amount does not include supplementary budgets to be formulated after the approval of initial budget.

○ Rationale and Interpretation:

The indicator attempts to capture the reliability of government budgets: do governments spend what they intend to and do they collect what they set out to collect. It is a simple and intuitive indicator that is easily understood and the methodology is transparent and every rating easily verifiable.

Data Sources and Collection Method

Primary government expenditures: General Account settlement (Total expenditures of Central Government)

Original approved budget: General Account Budget (Total expenditures of Central Government)

Method of Computation and Other Methodological Considerations

○ Computation Method

Calculation: Actual government expenditures / Original approved expenditures.

Dividing the actual government expenditures by the original approved expenditures.

○ Comments and limitations

While this indicator is intended to measure budget reliability it should be understood that actual expenditure outturns can deviate from the originally approved budget for reasons unrelated to the accuracy of forecasts—for example, as a result of a major macroeconomic shock.

Data Disaggregation

Primary government expenditures as a proportion of original approved budget, by sector

References

Initial Budget, Account Settlement

(<https://www.mof.go.jp/budget/reference/statistics/data.htm>)

* Initial Budget: Table19, Account Settlement: Table20

World Bank (www.worldbank.org)

PEFA“Framework for assessing public financial management”

(https://www.pefa.org/sites/pefa.org/files/attachments/PEFA%20Framework_English.pdf)

Custodian Ministries of Data

Ministry of Finance

Custodian Ministries of Related Policies

Ministry of Finance

International Organizations

World Bank