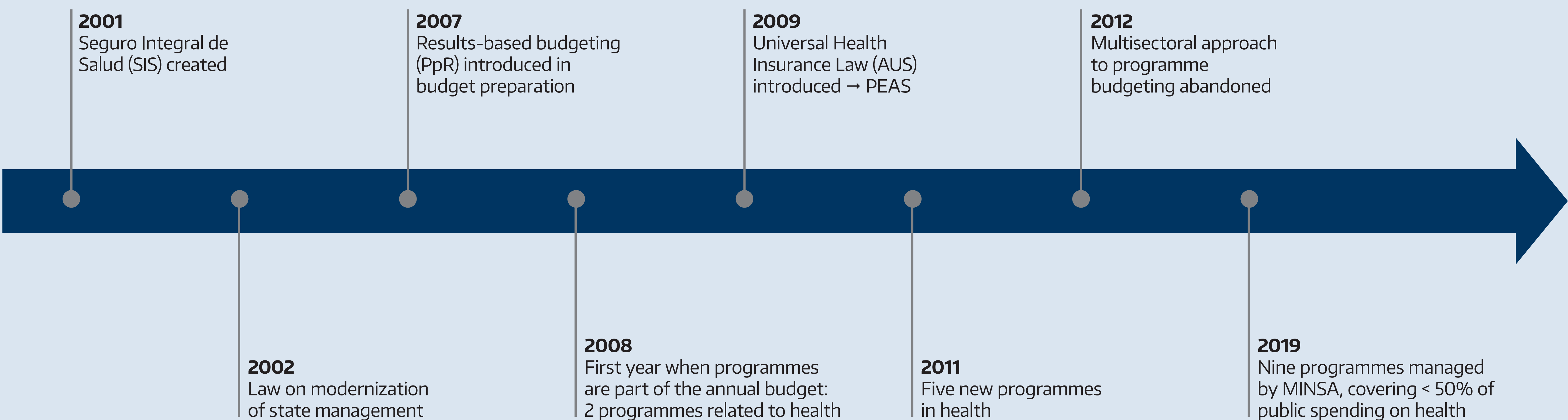




PROGRAMME-BASED BUDGETING FOR HEALTH

HISTORY OF THE BUDGET APPROACH IN PERU



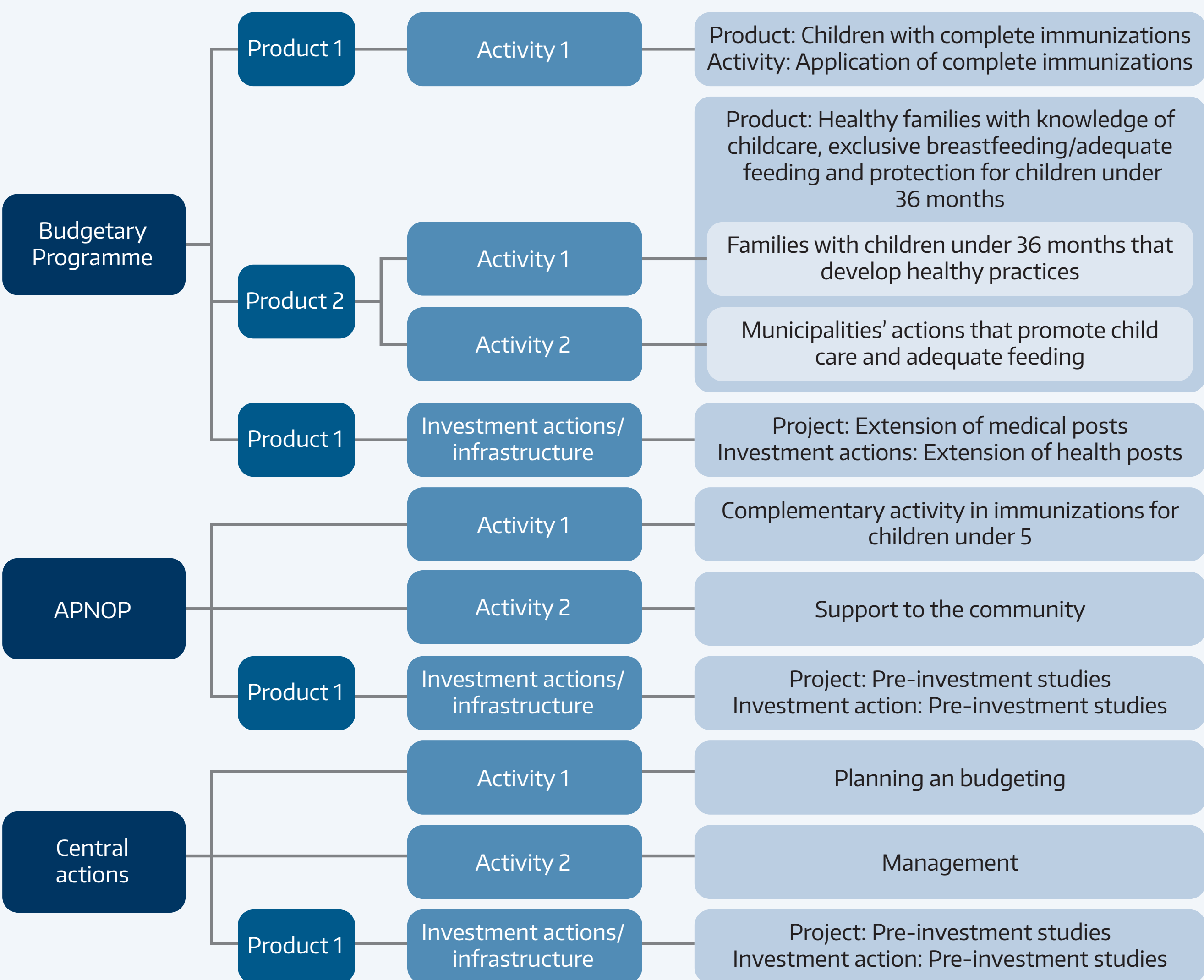
KEY OUTPUTS

- Real documented changes in health outcomes for conditions targeted by budgetary programmes, particularly malnutrition and maternal and neonatal health
- Programmes based on process oriented towards rigorous evidence-based approach
- Robust IFMIS (SIAF) operating as one single system for all three levels of government (i.e. central, regional and local) with a special module to monitor financial and non-financial performance as part of programme budgeting

REMAINING CHALLENGES

- Programme budgeting still covers less than half of public spending on health: large portion of spending categorized as “Budget assignments that do not result in products” (APNOP)
- Current programme structure does not support system-wide approach and integrated care: fragmentation in budget structure affects service provision
- Budget prioritization towards the essential package of health services (PEAS), a key step on the path to UHC in Peru, is not supported by current programme structure: ~ 40% of the services covered by PEAS are not part of the programmes
- Programme budgeting increased budget rigidities faced by service providers

FIGURE: BUDGET STRUCTURE



MOVING FORWARD

- Strengthen role of MINSA as a body setting national health policy and spending priorities
- Adopt system-wide approach to designing programmes and move away from focus on specific population groups and health conditions and allow budget prioritization of essential package (PEAS)
- Enhance spending flexibility within programmes, shifting focus from compliance budgeting to results accountability
- Revise budget structure to increase programme coverage and eliminate the category APNOP which will require reviewing methodology of developing programmes in Peru
- Results or output orientation in budgeting should be translated to the way providers are paid to align incentives from top to bottom