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# Achievements of the implementation of budgeting for results: the Peruvian experience

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## **Abstract**

This review aims to establish how the Budget for Results (BpR), is constituted as a strategic tool of public management, whose structural principle is to link the allocation or budget allocation of public resources with the products and results, the same ones that are measured. through socioeconomic indicators, seeking to achieve greater effectiveness and efficiency of public spending, when the government provides products and services to residents in order to increase or improve their quality of life. The established methodological development verifies the achievement of the objectives established in the (PpR), its implementation within the public policy of the National Government, from its main intervention axes in health issues, educational development, land transitivity and identity, to prevail the assignment of the budget in interventions that are more effective, in making improved budget decisions based on performance information, relating planning to the budget, carrying out constant monitoring and evaluation of the assigned goals through indicators; replicate, improve and innovate the capacity of the institutional administration, and make the accountability process transparent and others related to citizens. It is concluded that the application of the (PpR) is decisive because it constitutes a public management tool, whose fundamental objectives are the improvement of the performance of products, goods, and services, when they are offered by the public administration seeking citizen welfare.

**Keywords:** Results-based budgeting, multilateral organizations, public administration.

## **1. INTRODUCTION**

When trying to answer the questions of the (PpR), about what it seeks, the impacts it generates, the instruments it uses and the roles that the actors involved must fulfill in its application; We are talking about the articulation strategies and synergies to achieve the objectives of the (PpR), which are made up of the following instruments: socioeconomic indicators of performance and achievement, periodic and independent evaluations, and incentives to improve management. , always focused on achieving results in favor of citizens. The importation and inclusion of these instruments to the agenda of the Peruvian public administration, comes from the influence of action of multilateral organizations, in coherence with debt policies and sectoral reforms, from social programs, through fiscal and tax modernization, decentralization, to public investment and budgeting with spending quality and with efficiency in the coverage or provision of goods and services that are provided for the benefit of citizens. In this analysis we will see in a general way, about the statistical evolution of some quantitative achievements of implementation in the public administration and the methodological evolution of this budgeting tool, in the aspects related to monitoring and evaluation through various indicators that allow measuring the of performance and results, in permanent independent evaluations and the permanent incentive to improve management, to achieve results in favor of citizens.

In the 1970s, many developed countries, to deal with fiscal problems and be able to correct State distortions, adopted measures that involved privatization and paradigm changes,

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especially in the performance approach of the Public Administration, forging the new Public Management or Modern Public Management.

In this context, the (PpR) emerges as a structural reform, renewal in the way of conceiving management in public administration and the function that the state must fulfill in society. Likewise, this conceptualization includes two relevant characteristic factors in the emergence of (PpR) and they are:

The political approach, where traditional state crises have been the origin of structural reforms to respond effectively and efficiently to the challenges of globalization and to the legitimate needs and requirements of citizens.

From the economic point of view, especially in emerging countries, from the mandatory nature of fiscal discipline and the quality of public spending that contribute to minimizing inequities and economic growth.

In Peru, the beginning of the design and the implementation process of the (PpR) began in 2007, through the so-called Reform in the National Budget System, whose main objective is to continuously guarantee that citizens were provided with products and services they need, in the best quality conditions to increase their quality of life. Likewise, the (PpR) was conceived as a strategic tool for public management, in which the endowment and/or allocation of public resources are linked to products and/or services and quantifiable results for the benefit of citizens, having as its axis The main priority is the prioritization and improvement of the choice of expenses, and to increase the performance in budget allocation.

In the same way, in relation to the budget reform in Peru, it is necessary to highlight Results-Based Management (MfR), which is a strategic management tool, whose main characteristic is to direct and focus the action of the actors and public officials. so that they can generate development and greater public value, using for this purpose management instruments or tools, which, coordinated, collective, and complementary, must be implemented by the public administration through public institutions, with the aim of generating structural changes equitably and sustainably for the benefit of the country's inhabitants. The (MfR) can be viewed as processes focused on results, but not on pure processes and functions, and also focused on transparency and support or accountability, making it necessary to adopt the following instruments that must be carried out during the reform process: institutional strategic planning, results-based budgeting, medium-term fiscal framework, from integrated financial management to risk management, public procurement systems and processes, human resource policies; agreements, contracts and management plans, incentive policies, quality standards and parameters, performance measurement variables and indicators, permanent monitoring and evaluation; and accountability and/or accountability.

Since the beginning of the implementation of the (PpR) that started in 2007 and during the last decade, the (PpR) is defined as a process developed in stages. In this temporality, it is remarkable as a propelling element in the reform, the consideration of five fundamental axes and the Budget Design and Execution Evaluations (EDEP). From this point, progress and achievements can be analyzed and evaluated considering different perspectives.

Technically, the reform begins with the structuring of strategic programs and simultaneously the implementation of actions or activities of analysis and evaluation of said programs. In a subsequent stage, the model incorporates or includes more elaborate instruments such as the Incentive Plan and Commitment Matrices and in the following stages, instruments

and tools such as the Logical Framework, territorial linkage or articulation and diffusion or dissemination strategies are incorporated and feedback with the use of results.

Strategically, it is important to highlight that programmatic structuring, feedback and constant evaluation of programs do not always start in all sectors simultaneously but are prioritized based on political decisions. Thus, initially the evaluations were carried out in the areas of health and education, later the areas of childhood, adolescence and the area of public spending were incorporated. The areas of technological modernization and updating of methodologies have always been a constant.

The design and implementation of the PpR-oriented reform processes in Peru was based on four technical aspects: the structuring or design of the budget programs, which in turn are constituted as a technical nucleus on which the three other aspects; tracking elements or components; management incentive elements, and evaluation elements based on permanent feedback.

So, it is deducible that the key to the implementation of the (PpR) in Peru was the design and structuring of government programs, distinguishing those that had territorial linkage from those that did not. The latter is fundamental, because programs without territorial linkage are meaningless under the approach that the (PpR) wants to assign to them. Therefore, the programmatic structuring becomes activities that manage to interrelate the system, linking the design and implementation of the model.

According to the (MEF), the Budget Programs (PP), are programmatically structured in units or modules that contain actions that public entities must implement, so that they focus integrated and articulated on the provision of products and services, in order to achieve specific results in favor of citizens, contributing to the achievement of final results linked to public policy objectives. In the same way the (PP) are constituted in budgetary categories as an instrument of (PpR).

## 2. MATERIALS AND METHODS

For Ricse, the parsimoniousness of the structural changes and economic and social reforms in Peru have their beneficial side; despite the more than 10 years delay in which they are produced, compared to other Latin American countries. The characteristics of this process is that they provide references of the changes and processes and how they affected the economic and social situations of the different latitudes mentioned, being also references for the non-commission of errors and failures in the implementation of the changes. , as happened with the public debt policy (2016, p. 264-267).

Peñaloza, Vassallo and Fernández, stated that within the framework of these sectoral changes and to break the inertia of action and development of the public administration, in 2007, Congress approved the Budget, Indebtedness and Fiscal Balance Laws. The Public Budget Law, in its Chapter IV, refers to the Implementation of the (PpR) as a priority (2017, p. 3).

Cavero, Cruzado and Cuadra report that, in the mid-1990s, many Latin American countries launched important and structural reforms in their economic and social policies, such as the significant increase in social spending, created institutions that direct policies social and also introduced programs to address problems concerning the population in a state of poverty. Programs for child development and care were implemented, oriented towards aspects of better

nutrition, improvements in cognitive and psychosocial development of children; monetary allocations aimed at breaking the chain of intergenerational transmission of poverty; social protection pension programs for the elderly population, among others (2017, p. 3).

Simultaneously, there is a permanent interest in evaluating the impacts of these interventions, through experimental and non-experimental evaluations, finding positive and representative impacts regarding the cognitive and psychosocial development of children. However, it has not been possible to determine the impacts on children's health in a decisive way, since among the observed impacts it has been found that greater exposure to interventions has favored greater compliance with established vaccination programs; but negative impacts have also been found in the variables considered and minimal effects with respect to chronic child malnutrition.

### **3. RESULTS**

The (PpR) is a management tool whose fundamental objective is to improve the performance of products, goods and services offered by the public administration for citizen welfare; but this tool depends on and is complemented at the same time with other tools and sectors of public administration, for example, with strategic planning to define the objectives to be achieved; the assistance of a control and evaluation system with permanent feedback is needed for the budgeting process with the progress of goals set in the initial planning stage; achieving more effective and efficient decision-making with greater positive impacts of public spending on citizens.

Likewise, the diagnosis of results-based budgeting must contemplate and incorporate other key elements beyond the budget issue, so that in some way the success of budgeting and public management is ensured.

The National Government and Local Governments must integrate the (PpR) in their public management targeting reforms, to achieve the expected results, rather than in their internal processes, improving efficiency and effectiveness in public spending.

This context of management modernization is called management for results and is made up of a set of management strategies where public actors are oriented towards generating greater public value, using the support of management instruments in a coordinated, joint, and complemented. These strategies must be implemented by public entities in search of equitable and sustainable social changes for the inhabitants.

Public value is constituted by the results or achievements that the public sector seeks to achieve and is represented by the changes and social policies that the Government implements to satisfy social demands.

The five interdependent pillars of managing for results are: planning for results; results-based budgeting; program and project management; economic and financial management; and monitoring and evaluation.

Results-based planning defines the expected results with the intervention of public administration entities, establishing goals that at the same time allow management progress. Planning also implies temporality since the objectives and strategic results are generally obtained in the long term, adjusting the vision with this criterion.

This long-term vision must be agreed upon in accordance with the challenges that the country also needs to face in the long term, setting the strategic lines and parameters on which its growth and development will focus. These strategic definitions are based on a diagnosis of the current social and economic situation, based on reliable information and statistics.

Mechanisms and resources must be established to achieve the expected results given in the current context, through the analysis of alternatives that will materialize in a variety of programs and projects. It is advisable to use the logical framework methodology, also called the results chain, consisting of determining the cause-effect relationships that exist between the strategic objectives, the programs to be carried out, the deliverables, the execution units and the processes and processes. required supplies.

Financial Management in public administration and local governments, contemplates the administrative elements of said entities, which make possible the financing of resources and the form of their application, for the achievement of objectives and goals established by the public sector. Likewise, it is made up of norms, principles, organisms, systems, resources, and procedures that will intervene in the processes, operations and activities of programming, management and control for financing or fundraising, as well as for the provision of resources. Modern financial management improves the effectiveness, efficiency, and transparency of public spending, having a key role in structuring the allocation process and use of public resources, as well as in macroeconomic management

In Peru, a common way of evaluating financial management is through the degree of development of the Integrated Financial Administration System (SIAF), a system made up of financial administration, budget, treasury, accounting, and public credit subsystems; the same ones that are integrated with each other, even though they fulfill different functions; understanding that variations and movements in one of the subsystems impact the rest. There are also other subsystems integrated into the main subsystems, such as: tax management, acquisitions, assets, human resources, and public investment. The planning and control subsystems require a global or comprehensive vision, to achieve planning, monitoring, evaluation of results and auditing functions.

The findings made in the cash transfer programs show several positive impacts regarding attendance at services provided by health centers and educational services; increases in household per capita consumption and food spending; and in several cases the reduction of poverty has been achieved, as well as its severity. However, the impacts on the nutritional status and cognitive development of children are not consistent.

The evaluations of the non-contributory pension programs developed in Brazil, Mexico and Argentina show a decrease in the labor supply of the elderly and an increase in household consumption. Positive effects have also been found in the mental health of the elderly, but not in relation to their physical health.

In Peru, in 2005, the National Government, to manage its social inclusion agenda, created the Together Program, based on the "Include to grow" strategy, based on the life cycle and implementation through different programs. for the care of the poor and excluded population according to age ranges.

Velásquez and Rivera Sivirichi (2017) indicate that Results-Based Management (GpR), from which the (PpR) derives, originates from the need to achieve greater efficiencies in the allocation, as in the use of public resources, with the Due orientation to the achievement of the

established results and not only to the fulfillment of the processes and activities. The (MfR) is based on a decision-making process with information, being a public management strategy for optimizing the decision-making process based on timely and reliable information, referring to the impacts that government management is causing in the society, taking as reference the different factors of the management process: design, planning, financial management, budgeting, program and project management, monitoring, and evaluation (2017, p. 3).

The advantages of public management with efficiency, effectiveness, transparency, and openness are important and decisive, but achieving these objectives are not such simple aspects to achieve. In Latin America, since the year 2000, MfR has been a permanent concern, with initiatives originating from the crises that occurred in the 1980s. The Inter-American Development Bank (IDB), between the years of 2007 and 2013, made comparisons of the situation and progress in 24 Latin American countries, among which was Peru, finding favorable evolutions in the institutional capacities to be able to implement the (MfR), but with weaknesses in aspects related to the implementation of the (PpR), in the same way with its monitoring and evaluation.

Ricse (2016), Results-based budgeting is after the Strategic Budget Programming methodology, which also led to five priorities of the National Government's public policy: maternal death, child malnutrition, educational development, land transitivity and identity, and dozens of other products, also important. This strategic budgeting already in itself presented a certain orientation in the economic and social impacts towards the citizens, but due to the fact that Peru at the beginning of the 2000s, faced the remnants of the recessive international crisis and despite the increases in more than 50% of the budgets of the social sectors: education, food and nutrition, housing and sanitation; it did not achieve the expected results, with social indicators remaining below the Latin American average, rather highlighting economic and geographic inequities (2016, p. 264-267).

The previous situations and the government motivations of that time, especially the motivation of the (MEF), based on demands and agreements established with multilateral organizations to comply with macroeconomic policies, set the guidelines in the framework of the approval of the Budget Laws, of Indebtedness and Fiscal Balance for the year 2007. The Budget Law in its Chapter IV, referring to the Implementation of Budget for Results (BpR), initially establishes the implementation based on priorities declared in the previous year and incorporates the evaluations and monitoring of various indicators of a non-financial nature, components of the methodology to be implemented. The implementation was in charge of the General Directorate of Public Budget (DGPP), belonging to the (MEF).

The statistical evolution in figures, according to the (MEF), the Modified Institutional Budget (PIM) in 2016 amounted to S/ 158,282.2 million, and the budget programs that make up the mechanism of the (PpR), amounted to S/ 81,973.4 million; In this way, the (PIM) destined for this type of (PpR) was 52%. These figures were made up as follows: The National Government with 56%, the Regional Governments with 24% and the Local Governments with 20%. Likewise, in the first half of 2017, the (PpR) amounted to S/ 87,697 million, of which 39% was executed, representing S/ 33,767 million.

The allocation for the year 2019 of the Public Sector Budget was S/ 168,074 million, representing a growth of 6.9% compared to 2018. The budget allocation decentralization process hopes to generate greater momentum for investments in infrastructure aimed at reducing of

gaps, reconstruction with significant changes, improvement of educational and health services, climatic emergencies, eradication of corruption and the fight against violence against women.

Let's analyze the case about the Education function. There are several key indicators with which the performance or effectiveness of this function can be evaluated, among the most important being performance in mathematical reasoning and reading comprehension. The evolution of spending on Education in terms of the Initial Opening Budget (PIA) and performance in mathematical reasoning and reading comprehension for the period between 2015 and 2020. Spending has increased from S/ 22,000 million to S/ 31,500 million between 2015 and 2020, while the average achievements in mathematical reasoning and reading comprehension (assessed in second grade students at the national level) have decreased significantly, especially in recent years.

In the Health function, the evolution for the period between 2015 and 2020 on Health expenditures (PIA) and the evolution of the percentage of children with anemia. Health expenditures from S/ 12,800 million in 2015 have increased to S/ 18,800 million in 2020. This significant increase in spending has not been able to offset the continuous increase in the percentage of children with anemia.

Regarding the function of Public Order and Security, the evolution of the number of cases of femicide and violence against women, car thefts, cell phone thefts and other property thefts, for the period between 2015 and 2020; has increased at a faster rate than the increase in spending on security. In other words, the more the National Government spends on Public Order and Security, the crime indicators increase in greater proportions. The increase in spending from S/ 7,500 million in 2015 to S/ 11,000 million in 2020 is more than 46% and the indicators in terms of crime have not shown a reduction.

#### **4. DISCUSSION**

The results evaluated clearly indicate that the National Government, in its intervention, is not meeting the goals set for its different functions.

Not meeting the goals in the education, health, public order and security sectors, etc., is mainly due to the poor management capacity of the different sectors analyzed and which translates into low percentages of budget execution specifically in investment projects. .

Likewise, another of the critical points refers to errors generated in the definition of priorities.

The (PpR) methodology is not working in the different sectors analyzed. A rethinking of the strategies defined by the different sectors is necessary. Although it is true that there are urgent needs in all sectors, the results indicate a clear deficiency in the prioritization of spending.

The methodological design for the implementation and execution of the (PpR) is based on the criteria and fundamentals of Strategic Planning, consisting of a budget allocation based preferentially and rationally on social priorities. Subsequently, some decisive changes were made in the (DGPP), modifying the methodology of the (PpR), and including the Strategic Programs (SP), to interrelate the results and products, and with the respective monitoring of evaluation indicators, in compliance with the demands of a management tool, supported by evidence on the problems and their probable causes, without violating the orientation of social priorities.

Gracia O., then, the methodological orientation of these budget tools is the search for efficiency, with the assurance of results and products in the beneficiaries, without having the limitations of costs in the short term, nor of the entity to which the budget would be assigned, nor the limitations on its execution. This methodology differs in some respects from the standards established by the (WB) and the Inter-American Development Bank (IDB) in this regard, despite the existence of successful experiences in other countries. This aspect is based not only on reinforcing the management of non-financial indicators and autonomous evaluations associated with incentives, but rather on efficient spending, over effectiveness (2016).

It was arranged that the five public policy priorities of the National Government and others that were subsequently designed, would be progressively incorporated into the established budget structure, with the considerations that they could represent, so that from now on, the entities of the National and Regional Government could accommodate to these priorities in their budgets, with the respective incentives for additional budgets. Likewise, follow-up strategies, constant evaluations, management incentives, training, and regulatory reinforcements and modifications were designed, to achieve its implementation, from then on. Then it is deductible that the quality in the execution of public spending can be defined as the capacity of the Government, through the public budget, to provide products and services to the population with high quality standards, being able to achieve to a great extent part of the resolution of their problems, in addition to placing special emphasis on the poor and the excluded. From this point, it is possible to establish the principle of effectiveness, which is the ability to obtain the purposes that the Government seeks to achieve.

In carrying out the diagnosis, it is necessary to proceed by building an optimized model for the region to be intervened, said model will lead to a (GpR) model to which all public entities should aspire. The model in question will be established as unique for the sector in intervention, but will be based on experience, feedback and review of literature and studies carried out in other sectors. In the same way, models of other experiences of intervened sectors can be varied, because they also contemplate minimum characteristics or combinations of them, which are considered essential in public management.

The optimal model to develop should be a (PpR) model that considers approaches or extensions oriented to a broader management such as (GpR), as long as it is required, therefore, this model should not pretend to be a demanding model. of (GpR), but rather pragmatic for the sectors of intervention.

Then, in the construction or formulation of the intervention model, minimum components must be selected that will be present in the intervened sectors. For each component, a set of indicators capable of estimating whether the components are present in the public management system or in the public sectors will be structured, so that, if these indicators are sufficient, it will be guaranteed that the component works optimally in the intervened sector. The components to be selected must meet the following characteristics:

- Medium-term perspectives, to verify if the intervened sector contemplates or is framed legally and budgetarily in an adequate way, allowing to establish budgetary solvency in the medium term. If there are not sufficient and healthy public finances, it is not possible to launch a (PfR) model.



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- Production of statistics, their standardization and institutionalization, because they are fundamental elements within the optimal PfR model, since they support feedback for an adequate decision-making process and planning or structuring of management policies for the intervened sector, while they should facilitate the monitoring and evaluation of compliance with established goals and objectives.
  - Planning is constituted as a fundamental part in the processes and activities of the (MfR), because through it, the results are definable, measurable, and achievable in the interventions of the sectors, or public entities. In the same way, the temporality stipulated in the planning is constituted as fundamental since if the objectives set and the expected results are really strategic, they cannot be achieved in a short term, but rather require time for continuous and sustainable intervention. For its realization, Due to this reason, long-term planning originates, which must be articulated to medium-term planning, so that the objectives and results set for the medium term can lead to the achievement of more representative and significant results for the intervened sector.
  - The Planning-Budget interrelation, such as the capacity of the budget process to combine information on the results proposed and achieved, an aspect known as performance, being a key element to implement the (PpR).
  - The Budget Programs, which although it is true are not essential requirements in the implementation of the (BpR), the structuring or formulation of the budget by programs, is relevant because it allows organizing and guiding the actions of the sectors or public entities so that can focus on providing quality products and services, mainly with the purpose of generating favorable results in the people to whom they are directed
  - The need has been demonstrated that, among the most relevant and effective instruments for achieving the objectives of State policies, is the structuring or formulation of the government budget, because through it the priorities or policy criteria are oriented public, and based on an efficient scheme, a transparent process of accountability must also be given. One of the fundamental priorities is gender equality, becoming one of the Sustainable Development Goals (SDG), considering it necessary to measure progress in this area in the budgetary policies of the intervened sectors.
  - Financial Management, where the issues of spending inflexibility, execution capacity, budget structuring and developing agile and transparent acquisitions and contracting, levels of progress of the (SIAF) that facilitates recording and permanent monitoring of budget programs and as well as to its physical execution; are very important for a proper implementation of a (PpR).
  - The Monitoring and Evaluation of the most relevant elements or activities for the implementation of the (PpR) model makes it necessary to have a system for monitoring and permanent evaluation of the budget programs. With this, it will be possible to have real-time

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performance information to develop the budget process in an agile way, allowing frequent deviations that arise during budget execution to be corrected.

- The Incentive for Management, considering that capital or human resources is the most relevant factor that organizations possess, therefore, incentives become a determining part of a (PpR) model. It turns out that, now that the institutional and personal interests are aligned with the strategic objectives of the planning and the approach is based on the expected results, it is possible to establish optimal conditions for the achievement of these strategic objectives, in addition to promoting or encouraging innovation and productivity in public institutions in charge of budget execution.
- The rendering of accounts carried out before the different respective control bodies, as well as to the citizenry, will allow transparent management, capable of promoting citizen participation and involvement in prioritizing and achieving the objectives established by the National Government.

The methodology used must be capable of carrying out a diagnosis that incorporates various kinds of comparisons, with the purpose of understanding the degree of achievement of each sector and public entity intervened, reflected in individual reports and for each module or component. With this, it will be possible to diagnose and evaluate the progress of the intervened sector with the implementation of the (PpR) in a generic way and individually with each one of the components considered.

This analysis is characteristic because the collection of information was carried out through inquiries, without the need to carry out on-site visits that would allow deepening the subject or verifying determining aspects. Therefore, always, various sources of information collection must be considered with standardized structures with a minimum of elements or indicators that are not very extensive so as not to exceed the limit that would discourage the obtaining of indicators in the intervened sectors, in such a way that the percentage of relevant data are conclusive with slight exceptions of partial information from some sectors.

In the elaboration of the analysis, relevant information from the (MEF) was used, in addition to other databases, which show indicators for the (GpR), complemented in turn with related literature, adapted to each intervened sector.

Obtaining corresponding indices, according to each sector intervened, is based on the assignment of differentiated weights considered or formulated based on criteria established by experts in the field. These indicators in turn derive from the existing dimensions of greater relevance based on the stated objectives of this analysis. Therefore, the highest weights have been assigned to the modules: Plans-Budgets, Budget Programs, Monitoring, Evaluation and Incentives, and the lowest weights to the modules Generation of Statistical Information, Planning, Budget, Financial Management and Accountability.

Likewise, it is possible to rely on information generated by tools called questionnaires, for the elaboration of diagnoses of the intervened sectors and institutions, to establish the level of implementation of (PpR). This collection strategy must be coordinated with the authors or public actors to obtain tax information.

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General compliance rates can be estimated based on established measurement criteria, dividing them into several stages for better analysis. The first stages will consist of the product of all the indicators fulfilled according to the dimensions from which they are derived, in each sector or entity intervened. The subsequent stages will consider the weighted scores of the dimensions, adding them to obtain a total score by sector or entity, which will be contrasted with the scores for the established dimensions of each sector. If each sector complies with all the established measurement indicators, it will aspire to an effectiveness and efficiency score when it provides products and services to citizens.

Regarding the essential contents in the design of each budget program, five dimensions must be integrated into said work and each one fully complies with a specific list of contents. These dimensions are framed between the strategic, as in the so-called general strategic aspects of the structuring or design of the budget program, and the operational part that includes Products of the Budget Program. This process of programmatic design is constituted as a key in the adequate identification of the product that the (PP) must generate and offer to the population.

Regarding the monitoring of the (PP), these consist of continuous processes of collection, analysis and feedback of performance information, referring to the extent to which the projects, programs or policies are achieving the established results and the way in which they are being carried out. running. The MEF has established the following guiding objectives of the monitoring activities and functions: Verification of the achievement of objectives in favor of citizens and the provision of the proposed products, goods and services; verification of efficiency and effectiveness in the use of public resources; the identification of difficulties in the internal management process, and also of factors external to the organization that make it difficult for it to achieve its objectives and the improvement or increase of transparency directed towards internal and external actors.

Throughout this process, as part of the monitoring, the Peruvian model has defined two different classes of indicators.

Performance indicators, which are intended to measure the achievement of results expected from a (PP). These indicators are located at the level of products and results, being relative measures; there may be more than one indicator to measure performance for outputs and outcomes.

Physical production indicators, which are units that allow measuring the volume of goods and services provided to citizens in a public intervention. These indicators are located at the level of products and activities. All products and activities have only one physical production indicator.

The (PP), in the same way as other instruments or programs, must be monitored or followed up, where the sectors or entities responsible for said instruments or programs use information regarding performance indicators, established on the basis of data and administrative records of the public sectors or entities or of statistics carried out by the (MEF), (INEI) and others through their studies, censuses and surveys. In the same way, permanent and independent evaluations (EI) will be carried out, consisting of systematic evaluations and objectives of the programs or policies that are being given or the conclusion regarding their structuring, implementation, management, results achieved performance and the impacts they

are generating, which will contribute to optimizing the allocation or allocation of public resources, to the design and start-up.

It is also constituted as a fundamental instrument in the implementation of the Peruvian (PpR), the Incentive Program for the improvement of municipal management (PI), based on the transfer of financial resources on a conditional basis, which are additional resources to local governments when they meet their six-monthly and/or annual goals, which contributes to improving collections, promoting administrative simplification, and improving the provision of products and services to citizens. The objectives of the (PI) were established based on the following aspects.

The improvement of the levels of collection and management of municipal taxes, increasing and strengthening the continuity and efficiency in the collection or collection of said taxes.

Improvement in the execution of public investment projects, respecting the parameters and policy guidelines for improving the quality of spending.

The reduction of levels that occur in chronic child malnutrition in each region or territory of the country.

The simplification of procedures generating favorable conditions for business development and the promotion of local competitiveness.

The improvement in the provision of local public products, goods and services, provided by local governments, framed in Law No. 27972, Organic Law of Municipalities.

Prevention and mitigation of disaster risks.

Those responsible involved in the (PI) are the (MEF), public entities with responsibility for achieving the goals and the Municipalities.

## **5. CONCLUSIONS**

In the intervention of the National Government in the Education function, the emphasis on the formation of skills is greater than on the early stimulation of the student. This is caused by neglect in prenatal care, feeding and nutrition of the infant and also the key aspects in preschool education, both for performance and training in learning abilities.

The relationship is scarce and sometimes non-existent between obtaining the established goals and the allocation of expenditure, in addition to the low budget execution of the investment projects of the different sectors, for which an urgent redefinition of the budget processes is required. with the effective reframing of its objectives.

The approval of the budget law for the coming year requires an urgent review of the budget for this sector that considers the results obtained in previous years and the experience of other countries in the region.

It is the responsibility of the different actors, and in particular of the budget commission of the Congress of the Republic, to prepare their proposals not only in terms of amounts budgeted by the different functions, but above all to evaluate the achievement of goals and objectives achieved by each function. The joint preparation of the (PpR) is the responsibility of the (MEF) and the sectors. Each sector must develop its own Sectoral Strategic Program (PES) and its permanent updating. Most of the PES of the sectors are outdated and in many cases their monitoring and evaluation is non-existent, with little or no relation to the budget design.

When analyzing and evaluating progress in (PfR), it is useful to use a broader framework that contemplates or considers other areas of public management, constituting an alternative to (MfR), which considers strategic planning, management and financial planning, incentives, among other instruments. This evaluation must consider all the aspects or areas of the (MfR), but only those that are directly related to the (PfR), so as not to lose the orientation or focus of the work.

From the analysis carried out, it can be inferred that Peru, with respect to other Latin American countries, is lagging behind in the implementation and evaluation of the (PpR), even though most of the countries have not fully implemented the models formulated for their (PpR), nor have the implementation objectives of the models designed by the (GpR) been fully met. This is established by making comparisons of the countries of the region in relation to the implementation of optimal models of (PpR), the same ones that reach medium figures.

If the diagnoses or evaluations would classify into two aspects, one that takes into account the dimensions and indicators that are directly related to the budget issue and the other that interrelates complementary aspects or support for its implementation; then it is deductible that the average performance of the countries of the region shows a greater progress in the first aspect, while the complementary dimensions or aspects show significant differences with respect to the comparison baseline.

Each sector of intervention is constituted in a range of experiences and situations. Each sector has outstanding aspects, with challenges to face and different starting points. Disparity is a constant and an element of great contribution to the performance of each intervened sector.

The advances and achievements of the implementation of the (PpR) in the Peruvian experience can be described in statistical and methodological terms.

According to the (MEF), on the (PIM), in 2016 it amounted to S/ 158,282.2 million, and the results-based budgeting programs (BpR), had a 52% share: The National Government with 56%, Regional Governments with 24% and Local Governments with 20%. Likewise, in the first half of 2017, budgeting for results (PpR) amounted to S/ 87,697 million. The allocation for the year 2019 of the Public Sector Budget was S/ 168,074 million, representing a growth of 6.9%, in relation to the year 2018.

JubitzaFranciskovic (2013), The use of the results-based approach or method for budget formulation, is a tool that allows public spending to be executed with higher quality, an aspect that the state has taken as a national priority. Likewise, it is necessary for accountability to be constituted as a main management element in the administration and execution of public funds, and not only as a political-administrative issue. The relationship that exists between budget design and transparency in accountability is direct and not only theoretical and conceptual, taking place in a process of constant feedback; based on the economic principle that, to each action or activity of any mechanism or management strategy, a response or reaction will correspond or touch in the application that occurs in the other mechanism or strategy, and vice versa. However, the foregoing is not so true in practice, since, in Peru, despite having advanced with the implementation of the results-based budgeting (BpR) formulation approach; the mechanisms, tools or instruments and applications on accountability, do not present the same progress (2013, p. 28-32).

Peñaloza, Vassallo and Fernández refer that the results-based budgeting (BpR) mechanism seeks that the allocation of budget resources, including any additional incentives, be

transparent at all levels of government and above all based on the achievement of objectives. a certain set of goals linked to budget programming, hoping that in the medium term greater effectiveness will be achieved on the part of public management, promoting compliance with both public policies and strategies, striving to improve monitoring and evaluation of the same and implementing the necessary and corrective measures or adjustments related to the problems and difficulties that arise and that restrict and make it impossible to achieve the expected results (2017, p. 7).

Finally, it is to be considered that the methodological evolution of the implementation of the (PpR), will always be based on criteria and foundations framed in strategic planning and directed in a preferential and rational budget allocation to social priorities.

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