Tracking Agricultural Expenditures using Existing Government Public Accounts

Presented by Tewodaj Mogues (IFPRI)
Based on ongoing work in IFPRI in collaboration with Mariam Umarji and Evildo Semo (MB Consulting)
Tracking Public Expenditures for Agriculture – An Imperative in the Policy Arena

• Several major policy initiatives requiring measurement and tracking of public expenditures in support of the agriculture sector
• Prominent among these: CAADP initiative and the country- and region-bodies tasked with tracking agricultural spending
• Several initiatives seek to track ag PEs across developing countries, including:
  • MAFAP (Monitoring African Food and Agricultural Policies), by FAO
  • RESAKSS data, facilitated by IFPRI
  • SPEED (Statistics on Public Expenditures for Economic Development), by IFPRI
  • FAOStat Investment Dataset, by FAO
  • PSE (Producer Support Estimates), by OECD
  • ASTI (Agricultural Science and Technology Indicators), by IFPRI
  • Etc.
• Different ag PE data, different methods, different purposes, across these and other initiatives
• Need to develop innovative approaches to meet the pressing policy demand to understand how much—and how—public expenditures are allocated to agriculture (not all ag. PEs are equal!)
Tracking Aggregate Ag. PE over Time – Growth of Funds or of Coverage?

Ghana

CAADP guideline: 10 % ag spending share

- Data in earlier years didn’t include public expenditures related to cocoa, debt servicing (though elsewhere in COFOG); subsequently included
- Most recent data started including local government funds, and feeder roads (although elsewhere in COFOG)
Comparison IMF Data & Government Accounts – Mozambique
Classification of Functions of Government (COFOG)

- 01 - General public services
- 02 - Defense
- 03 - Public order and safety
- 04 - Economic Affairs
- 05 - Environmental protection
- 06 - Housing and community amenities
- 07 - Health
- 08 - Recreation, culture, and religion
- 09 - Education
- 10 - Social protection
COFOG classification – Level 2
(reporting in int’l classification)

04 – Economic Affairs

- 041 – General economic affairs
- 042 – Agriculture, forestry, fishing and hunting
- 043 – Fuel and energy
- 044 – Mining, manufacturing, and construction
- 045 – Transport
- 046 – Communication
- 047 – Other industries
- 048 – R&D economic affairs
- 049 – Other economic affairs
COFOG classification – Level 2
(reported in int’l classification)

05 – Environmental Protection

- 051 – Waste management
- 052 – Waste water management
- 053 – Pollution abatement
- 054 – Protection of biodiversity and landscape
- 055 – R&D Environmental protection
- 056 – Environmental protection n.e.c.
COFOG classification – Level 3
(coded in int’l classification)

042 – Agriculture, forestry, fishing and hunting
  • 0421 – Agriculture
  • 0422 – Forestry
  • 0423 – Fishing and hunting

048 – R&D economic affairs
  • 0482 – R&D in agriculture, forestry, fishing, hunting

054 – Protection of biodiversity and landscape
  • 0540 – Protection of biodiversity and landscape

055 – R&D Environmental protection
  • 0550 – R&D Environmental protection
COFOG classification – Level 4? (not coded in int’l classification)

- 0421 – Agriculture
  - Conservation, reclamation, or expansion of arable land; agrarian reform and land settlement; supervision and regulation of the agricultural industry
  - Flood control, irrigation, and drainage systems
  - Stabilize or improve farm prices and farm incomes; extension or veterinary services, pest control, crop inspection, crop grading
  - General information, technical documentation, statistics on agricultural affairs and services
  - Compensation, grants, loans, subsidies to farmers for agricultural activities (e.g. for output, allowing land to remain uncultivated)
COFOG classification – Level 4? (not coded in int’l classification)

- **0482 – R&D in agriculture, forestry, fishing, hunting**
  - Administration and operation of government ag/forestry/fishery/hunting R&D agencies
  - Grants, loans, subsidies to support ag/f/f/h R&D undertaken by nongovernment bodies

- **0540 – Protection of biodiversity and landscape**
  - Administration, supervision, inspection, operation, support of activities re. protection of biodiversity & landscape
  - Grants, loans, subsidies to support activities re. protection of biodiversity and landscape
Open access data with functional disaggregation

Detailed data 2002-2011 (www.dno.gov.mz)
Open access data with functional disaggregation

Snapshot of functional classification of agriculture

<table>
<thead>
<tr>
<th>Código</th>
<th>Função</th>
<th>Despesa de Funcionário</th>
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But: Only for limited years and types of expenditure data

COFOG Level 4
Open access data with administrative disaggregation

Snapshot of administrative classification of agriculture

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<th>Código</th>
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Administrative classification is the type of data with the most detail and richness.
Next Steps

- Systematically analyse the existing administrative coding system of existing expenditure data, to devise a mapping from administrative to functional classification.
- Do so in a way that it generates conceptually well-defined and temporally consistent figures for total agricultural public spending as well as functional categories.
- Will create foundation for credible analysis of the contributions of different types of public spending to agricultural performance and other development outcomes.
- Provides tool for Mozambique-based researchers and technical staff in government to conduct such analysis.
- Mapping can be reconfigured and extended in ways to directly inform categories of investment in the PNISA.
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