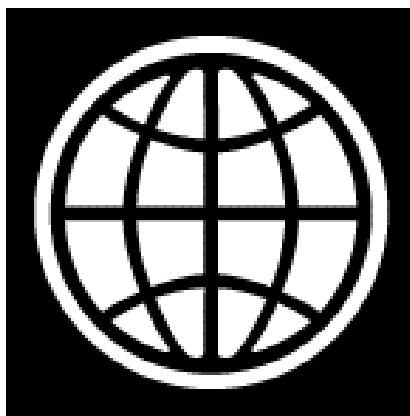


The Peru Budget

*User's Manual to
The Peru Expenditures Database*



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1. Introduction

A central function of any government involves collecting and spending public funds and maintaining records of such expenditures. Budgets are at the core of government activity: they provide a clear picture of what the national priorities are, and where governments can make efficiency gains. From that perspective, timely and concise budget analysis is necessary for policymaking. Despite their relevance for policymakers, public budgets are usually hard to access and understand, even though IT-based applications can open doors for analysis and policymaking. In that spirit, the World Bank has collaborated with governments around the World to create easy-to-use public expenditure databases that make budgets accessible, understandable, and ready to use.

As part of its commitment with a more efficient and effective Public Financial Management, the World Bank created, with the authorization of the Government of Peru, a public expenditure database to track and analyze public expenditures.

The purpose of this project was to construct a comprehensive database of Peru's budget by collecting expenditures executed by the state government from data provided by the Ministry of Finance for the period between 1999 and 2011, and presenting the final product in a user-friendly manner. This is a tool designed for budgetary analysis by public officials and researchers. This manual describes the database and provides the information necessary to analyze Peru public expenditures. This document is organized as follows:

- Part II outlines the structure of the data provided by the Peru Government.
- Part III presents the organization of the database.
- Part IV explains how to use the database in the user-friendly interface of the World Bank's Open Budget Portal.

The Peru Expenditure Database was built as part of the BOOST project. The purpose of the BOOST project (started by the World Bank in early 2010) is to enhance budget analysis across the globe by improving access to government expenditure data and linking spending to outputs and outcomes to the extent of possibilities. As of June 2013, the BOOST Team has collected and processed detailed government expenditure data from more than twenty countries across four regions, creating easy-to-use databases that have been employed by World Bank researchers and policymakers on a variety of projects. As of today, 12 countries and states have agreed to make their databases publicly available.

The core BOOST team for Peru consists of Massimo Mastruzzi (mmastruzzi@worldbank.org) and Francisco Vazquez-Ahued (fvazquezahued@worldbank.org). Please feel free to contact us with any questions or suggestions about BOOST.

We hope this database is helpful in opening new avenues of analysis and providing answers to important questions regarding the efficiency, equity, and effectiveness of government spending.

2. Structure of the Database

The data for Peru includes expenditures executed by different agencies of the central government. The data is disaggregated by administrative, functional, program, geographic, and economic classification. The source of funding for each budget line is also identified.

For comparison purposes, Table 1 classifies the variables of the Peru database according to the economic, functional, and administrative classifications of other BOOST public expenditure databases created by the World Bank.

As far as expenditures are concerned, the Peru database presents 6 stages of the budgetary cycle:

- Approved budget (*Monto PIA*), which is the budget originally approved by the Peruvian Parliament.
- Modified budget (*Monto PIM*), which is the modified budget.
- Commitment (*Monto Comprometido*).
- Accrued (*Monto Devengado*).
- Ordered (*Monto Girado*).
- Paid (*Monto Pagado*)

Table 1. Variable description

BOOST Variables	Original Variables
Administrative variables	
ADMIN1	<i>Tipo de Gobierno (Central, Regional, Municipal)</i>
ADMIN2	<i>Sector</i>
ADMIN3	<i>Pliego for units of the Central Government</i>
ADMIN4	<i>Ejecutora for units of the Central Government</i>
ADMIN5	<i>Pliego for units of the Regional Governments</i>
ADMIN6	<i>Ejecutora for units of the Regional Governments</i>
ADMIN7	<i>Pliego for units of the Municipal Governments</i>
ADMIN8	<i>Ejecutora for units of the Municipal Governments</i>
Functional Variables	
FUNCTION1	<i>Funcion</i>
Program Classification Variables	
PROGRAM1	<i>Programa</i>
PROGRAM2	<i>Sub-programa</i>
Economic classification variables	
ECON1	<i>Categoria de gasto</i>
ECON2*	<i>Grupo de Gasto / Generica</i>
ECON3*	<i>Modalidad de Gasto / Subgenerica</i>

ECON4*	<i>Elemento de Gasto / Subgenerica_Det</i>
ECON5+	<i>Especifica</i>
ECON6+	<i>Especifica_Det</i>
Source of funding variables	
SOURCE_FIN1	<i>Fuente de financiamiento agregada</i>
SOURCE_FIN2	<i>Fuente de financiamiento</i>
SOURCE_FIN3	<i>Tipo de recurso</i>
Geographic variables	
GEO1A	<i>Departamento where expenditure takes place</i>
GEO2A	<i>Provincia where expenditure takes place</i>
GEO3A	<i>Distrito where expenditure takes place</i>
GEO1B	<i>Departamento where spending unit is located</i>
GEO2B	<i>Provincia where spending unit is located</i>
GEO3B	<i>Distrito where spending unit is located</i>
Expenditure variables	
APPROVED	<i>MONTO_PIA (Original budget)</i>
MODIFIED	<i>MONTO_PIM (Modified budget)</i>
COMMITTED	<i>Monto Comprometido</i>
ACCRUED	<i>Monto Devengado</i>
ORDERED	<i>Monto Girado</i>
PAID	<i>Monto Pagado</i>

* The chart of accounts changed in 2009.

+ Available only since 2009

2.1 Particularities of the Data

Compared with other datasets, the Peru database presents the following particularities:

- Inclusion of three levels of source of funding for investment expenditures.
- The inclusion of GEO identifier variables, which allow assessing how much money is really spent in every municipality of the country.
- The main limitations of the database are:
 - In order to make the database user friendly, the data presented in the portal presents data at the PROGRAM2 (*sub-programa*) level. More detailed information (*accion*, for instance) is available in the Peru's fiscal transparency site, [Consulta Amigable](#).
 - Changes in the chart of accounts make intra-year comparisons difficult. This is particularly the case for the economic and functional classifications, which were entirely reshuffled in 2009. Table 2 presents the functional classification in place since 2009 and compares it with the pre-2009 classification. In addition, the table below shows how the functional classification structure can be grouped to fit into the Classification of Function of Government (COFOG), for cross country comparisons.
 - The databases are too big to handle in Excel.

Table 2. Functional Classifications: Peru 1999-2008, Peru 2009-onwards, and COFOG

1999-2008	2009-onwards	COFOG
1 Legislativa	1 Legislativa	1 Servicios Públicos Generales
13 Relaciones Exteriores	2 Relaciones Exteriores	
3 Administración y Planeamiento	3 Planeamiento, gestión y reserva de contingencia	
3 Administración y Planeamiento	25 Deuda Pública	
7 Defensa y Seguridad Nacional	4 Defensa y seguridad nacional	2 Defensa
7 Defensa y Seguridad Nacional	5 Orden Público y Seguridad	3 Orden Público y Seguridad
2 Justicia	6 Justicia	
15 Trabajo	7 Trabajo	4 Asuntos Económicos
11 Industria, comercio y servicios	8 Comercio	
11 Industria, comercio y servicios	9 Turismo	
4 Agraria	10 Agropecuaria	
12 Pesca	11 Pesca	
10 Energía y Recursos Minerales	12 Energía	
10 Energía y Recursos Minerales	13 Minería	
11 Industria, comercio y servicios	14 Industria	
16 Transportes	15 Transporte	
6 Comunicaciones	16 Comunicaciones	
14 Salud y Saneamiento	17 Medio Ambiente	5 Protección del Medio Ambiente
14 Salud y Saneamiento	18 Saneamiento	
17 Vivienda y Desarrollo Urbano	19 Vivienda y Desarrollo Urbano	6 Vivienda y Desarrollo Urbano
14 Salud y Saneamiento	20 Salud	7 Salud
9 Educación y Cultura	21 Cultura y deporte	8 Cultura y deporte
9 Educación y Cultura	22 Educación	9 Educación
5 Protección y previsión social	23 Protección social	10 Protección y Previsión
5 Protección y previsión social	25 Previsión social	