



Enhanced EBT (EBT+): Guatemala Prototype

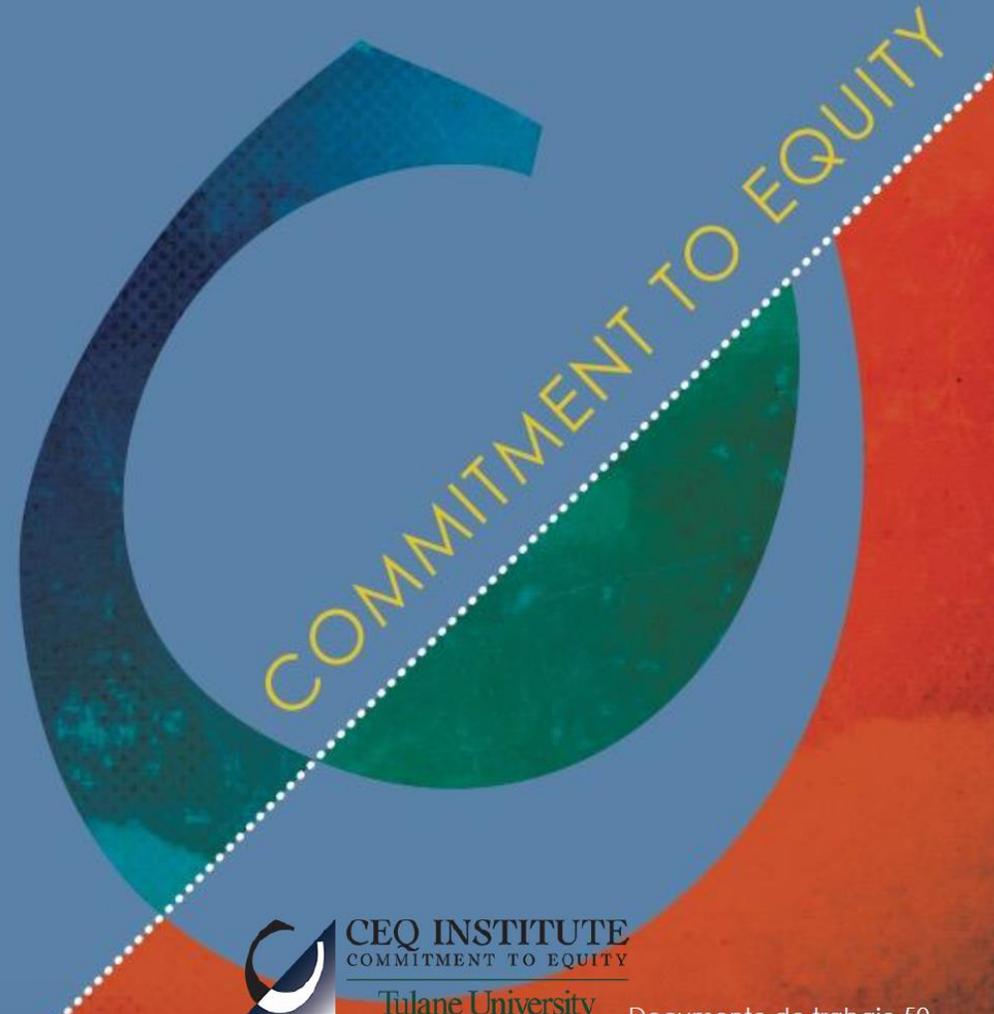
ATI Webinar Series
14 September 2022



Policy Brief Guatemala, 2020

The Equity Budgeting Tool (EBT) in Guatemala: Strengthening equity in public finances within the 2030 Agenda context

Assessment of budget planning and execution of the
Ministry of Public Health and Social Assistance (MSPAS) and the
Ministry of Agriculture, Livestock and Food (MAGA)



INCIDENCIA DE LA POLITICA FISCAL EN LA DESIGUALDAD Y LA POBREZA EN
GUATEMALA

Instituto Centroamericano de Estudios Fiscales –ICEFI-

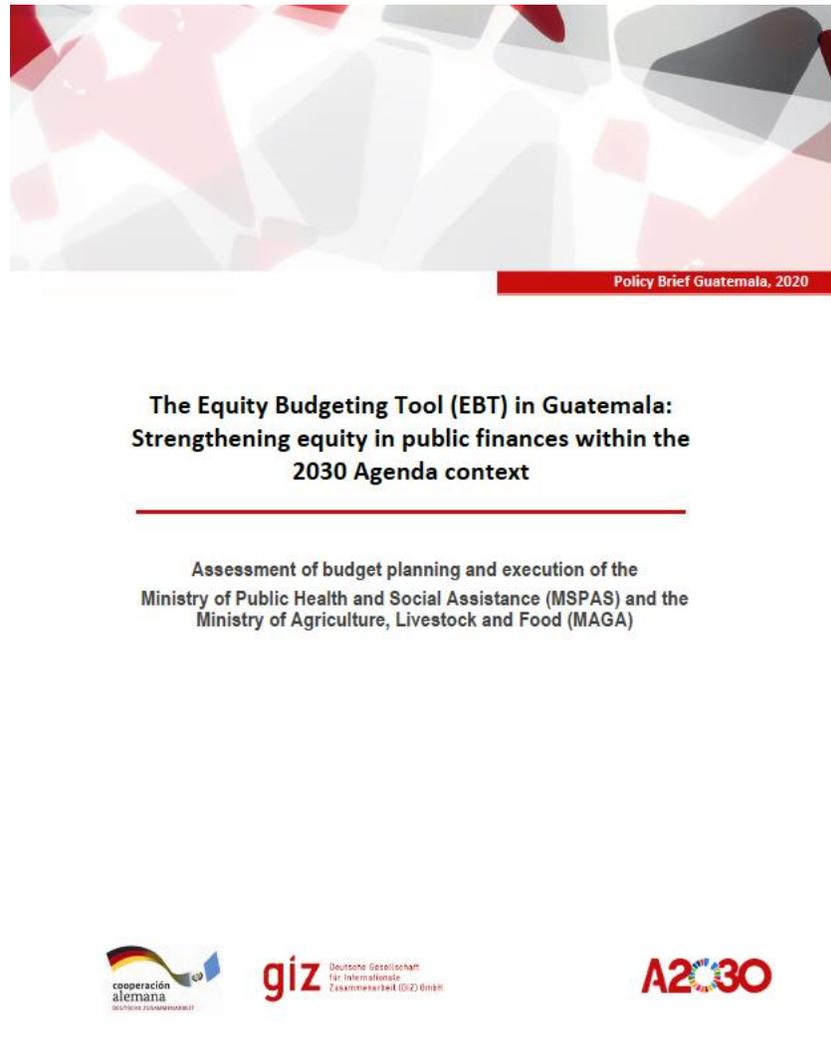
COMMITMENT TO EQUITY



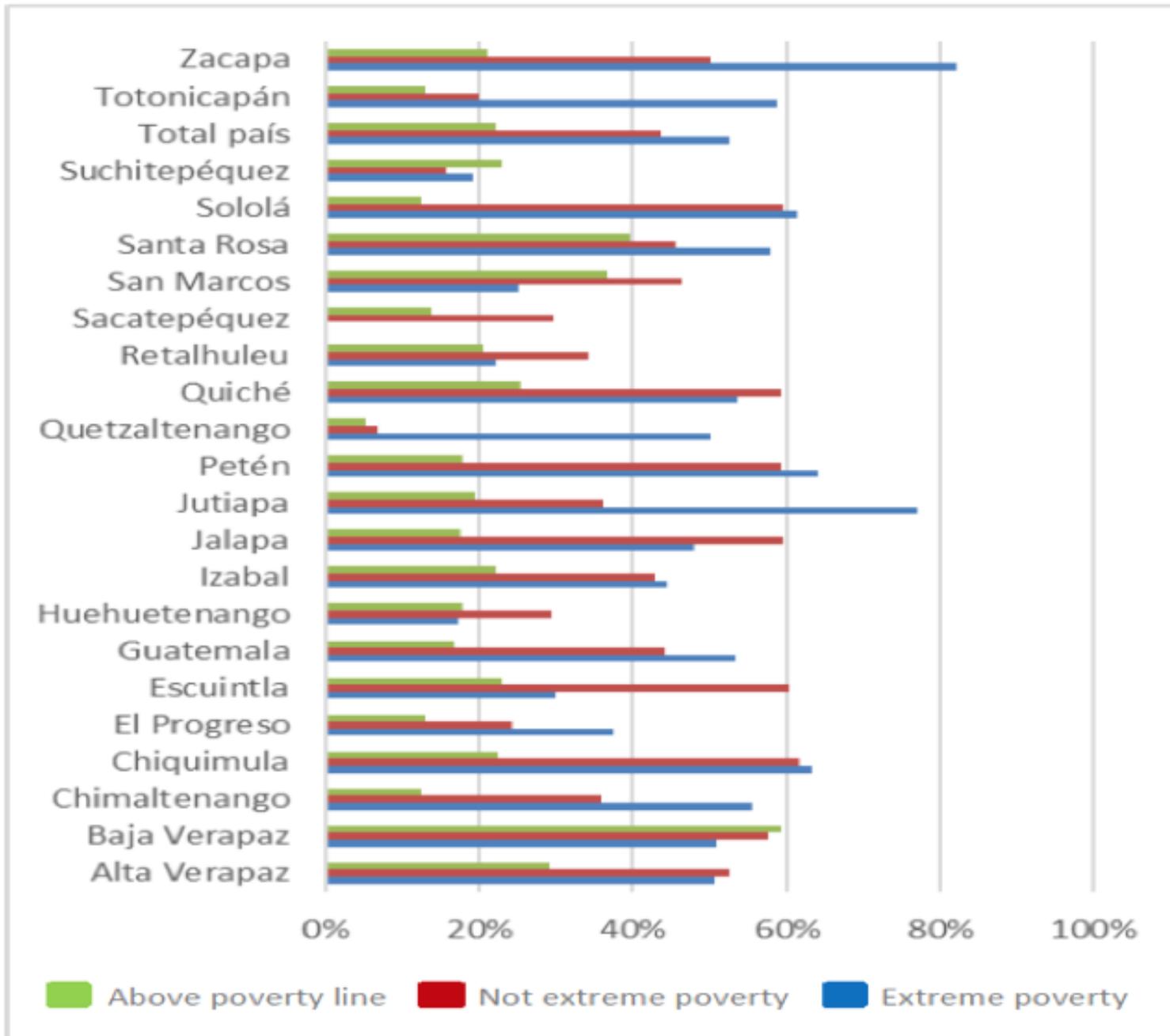
CEQ INSTITUTE
COMMITMENT TO EQUITY
Tulane University

Documento de trabajo 50
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Original EBT – Health and Agricultural Sectors



“Guatemala decided to apply the EBT methodology to help government bodies identify inequalities within the budgets of two key sectors, **health and agriculture**. The analysis reviews their budget, as well as the planning and execution process, and formulates recommendations to improve public policies in support of equity.”

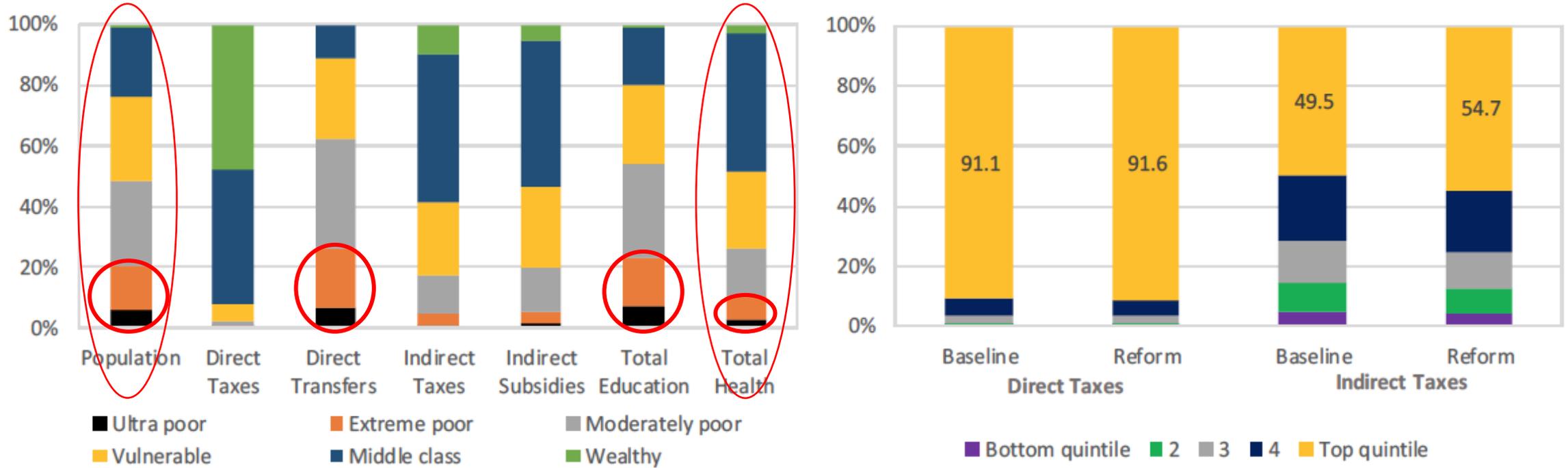


EBT Conclusion: Poor and extreme poor are the *most frequent* users of public healthcare services.

Note that non-poor can opt out of publicly-provided services when there are private alternatives

Figure 9. Guatemala: Concentration of Measures by Income Groups

(Percent of Total Amount)



Source: Authors' estimates.

CEQ conclusions:

1. Concentration shares of health spending received by poor < education, direct transfers
2. Concentration shares of health spending received by poor < population shares

**Tabla 3. Guatemala:
Cobertura de programas sociales, por grupo de ingreso y área geográfica (2011)**

Guatemala	Porcentaje de individuos en hogares beneficiados a nivel nacional			Porcentaje de individuos en hogares beneficiados en el sector urbano			Porcentaje de individuos en hogares beneficiados en el sector rural		
	y < 2.5	y < 4	y > 4	y < 2.5	y < 4	y > 4	y < 2.5	y < 4	y > 4
Transferencias condicionadas	57.9	85.8	14.2	45.6	76.5	23.5	60.7	87.9	12.1
Pensiones no contributivas	28.9	48.6	51.4	25.2	37.0	63.0	31.8	57.7	42.3
Educación preescolar	37.5	66.1	33.9	23.0	53.5	46.5	49.5	76.5	23.5
Educación primaria	47.3	75.6	24.4	33.0	62.7	37.3	56.0	83.5	16.5
Educación secundaria	26.3	54.7	45.3	17.0	42.4	57.6	39.5	71.9	28.1
Educación terciaria	2.4	6.8	93.2	2.0	5.8	94.2	6.9	19.1	80.9
Gasto total educación	35.8	60.3	39.7	20.1	41.5	58.5	51.9	79.5	20.5
Salud	19.4	37.0	63.0	10.8	23.6	76.4	34.6	60.7	39.3
Subsidio a la electricidad	23.4	48.2	51.8	15.7	36.1	63.9	33.8	64.3	35.7
Subsidio al transporte	6.6	20.6	79.4	6.1	18.7	81.3	9.7	33.6	66.4
Exenciones impositivas	17.3	37.9	62.1	5.0	16.2	83.8	27.8	56.5	43.5
Pensiones contributivas	0.6	2.7	97.3	0.5	1.9	98.1	1.7	14.6	85.4
Porcentaje de población	33.3	58.5	41.5	19.0	40.5	59.5	46.7	75.5	24.5

Fuente: Icefi/FIDA, con base en la *Encovi* 2011, acorde con la metodología del CEQ

CEQ conclusion:

Coverage of poor populations of health services is low especially in urban areas

Note: Coverage rates of non-poor are greater than population shares; indicates non-poor opt into private service provision

EBT conclusion:

Poor and vulnerable cannot access healthcare services as there are too few hospitals and primary care centers (on a per-capita basis) in the areas where the majority of poor individuals live.

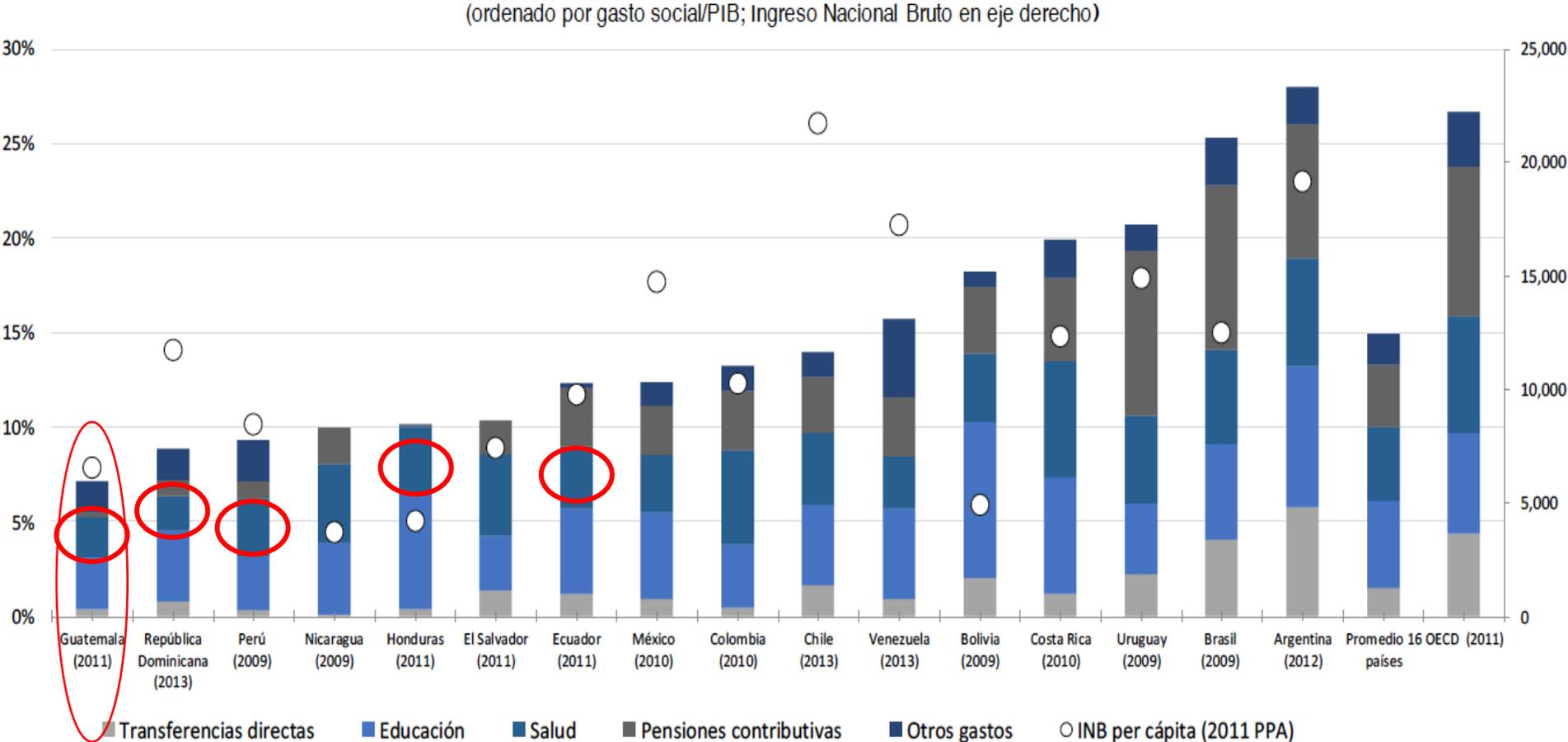
3.2 Barriers to accessing health services

By 2017, the MSPAS reported the existence of 44 hospitals and 1,552 health posts and health centers throughout the country (MSPAS, 2019).¹¹ However, one of the main barriers to accessing health services is the small number of primary and secondary health care facilities (health centers, health posts, and/or community health centers). This situation presents greater difficulties in the municipalities with the highest incidence of poverty, since the poor are the one that uses them the most.

The department with the lowest number of health posts and health centers for every 100,000 inhabitants is Guatemala, but it is also the one with the lowest levels of poverty. By contrast, Alta Verapaz, which has the highest incidence of poverty, is the second department with the fewest health facilities for every 100,000 inhabitants (Figure 4). At the other end of the scale is Baja Verapaz, with ten times more health facilities for every 100,000 inhabitants than its neighbor. They are followed by El Progreso and Zacapa, which have the highest offer of health facilities per capita, and are the two least populated departments in the country. **It can be argued from these data that there are no clear criteria for allocating resources based on the needs of the population.**

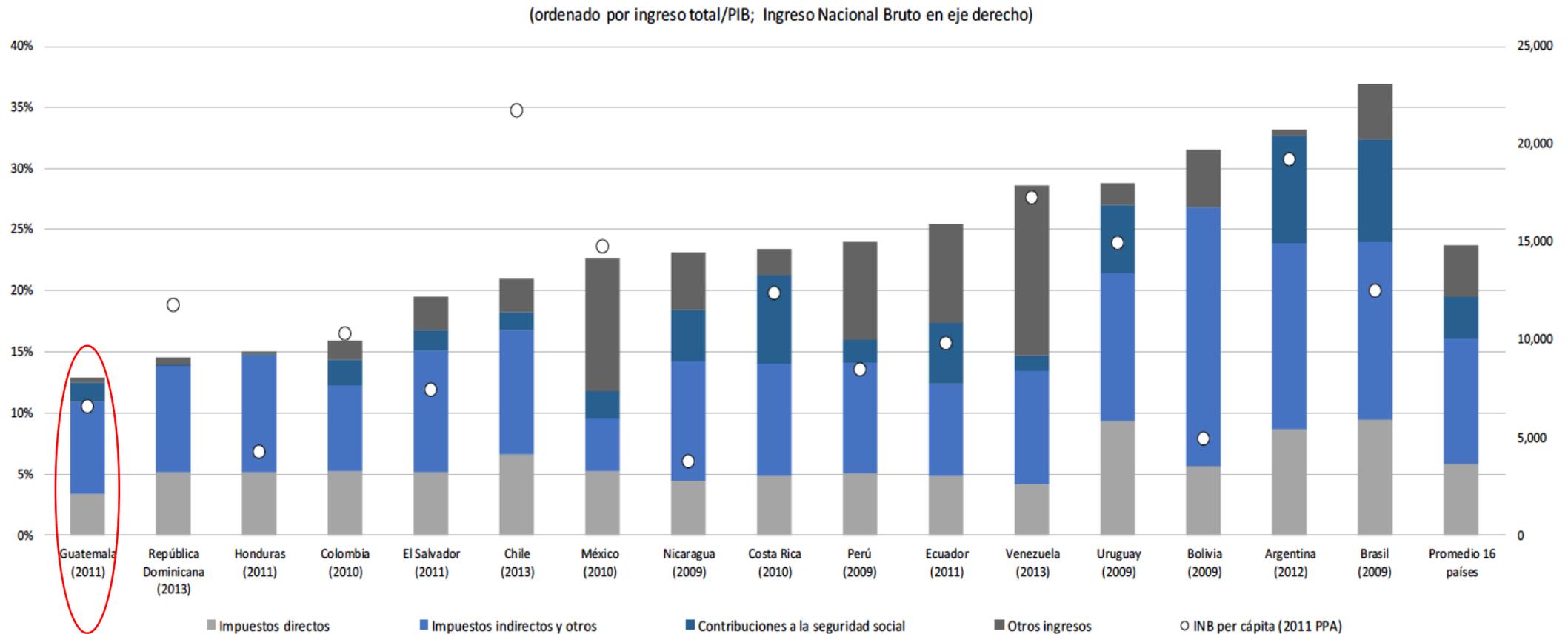
Is it a spending or composition of spending issue? CEQ database indicates not specifically in health

Gráfica 2: Composición del gasto social más pensiones contributivas como porcentaje del PIB (circa 2010)



Is it a revenue problem? CEQ database indicates no...

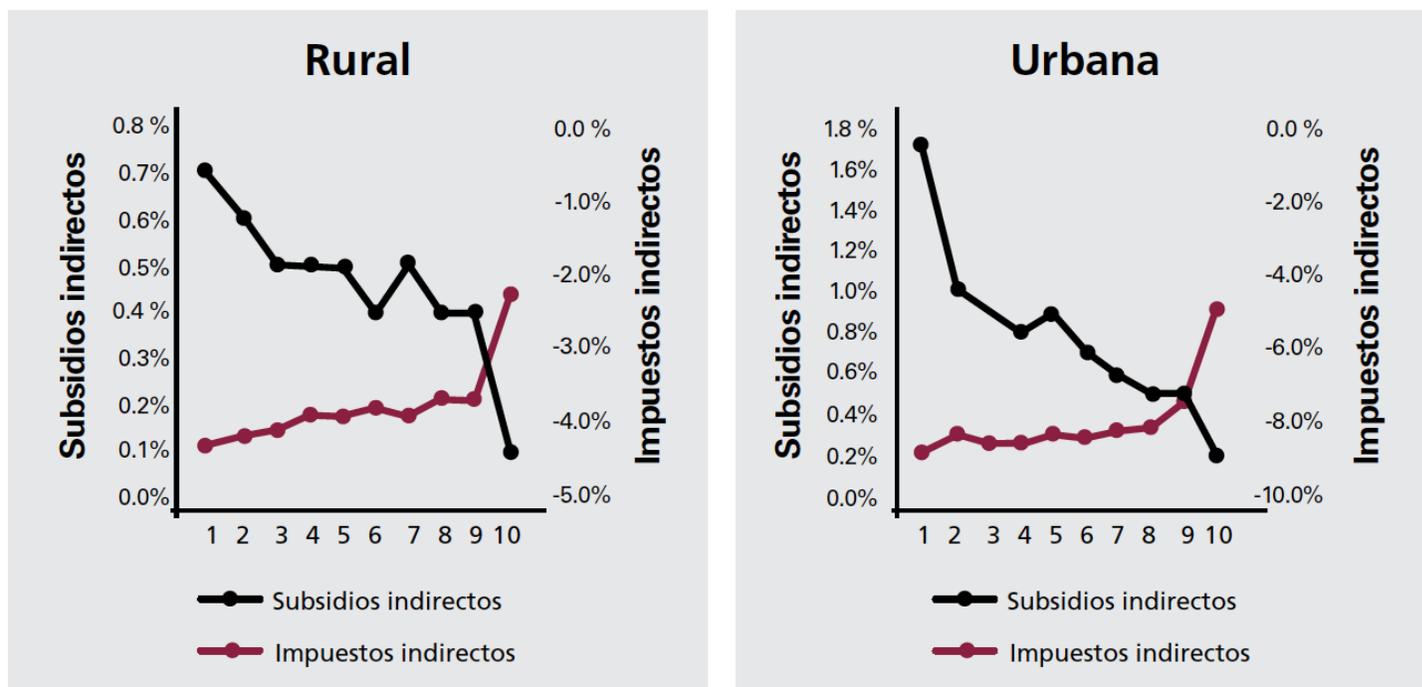
Gráfica 3: Composición de los ingresos totales del gobierno como porcentaje del PIB (circa 2010)



Is it a funding problem?

transferencias directas sobre el ingreso de ... impacto negativo sobre el ingreso es mayor en

Gráfica 18. Guatemala:
Curvas de incidencia de los subsidios e impuestos indirectos, por área geográfica
(Como porcentaje del ingreso, según deciles del ingreso de mercado per cápita)

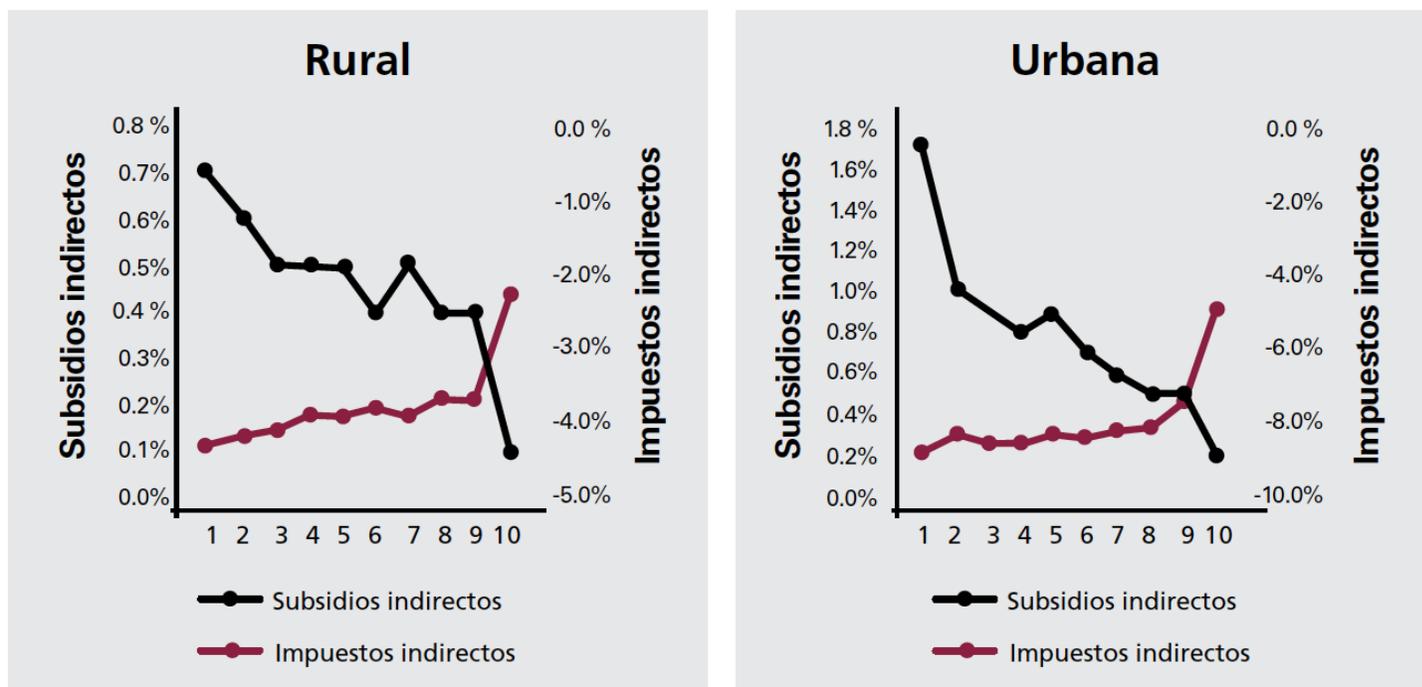


CEQ Conclusion: Bottom 40 percent pay between 4% (rural) and 8% (urban) of income in of indirect taxes; but receive only 0.5% (rural) to 1.7% (urban) of income in indirect subsidies.

Is it a funding problem?

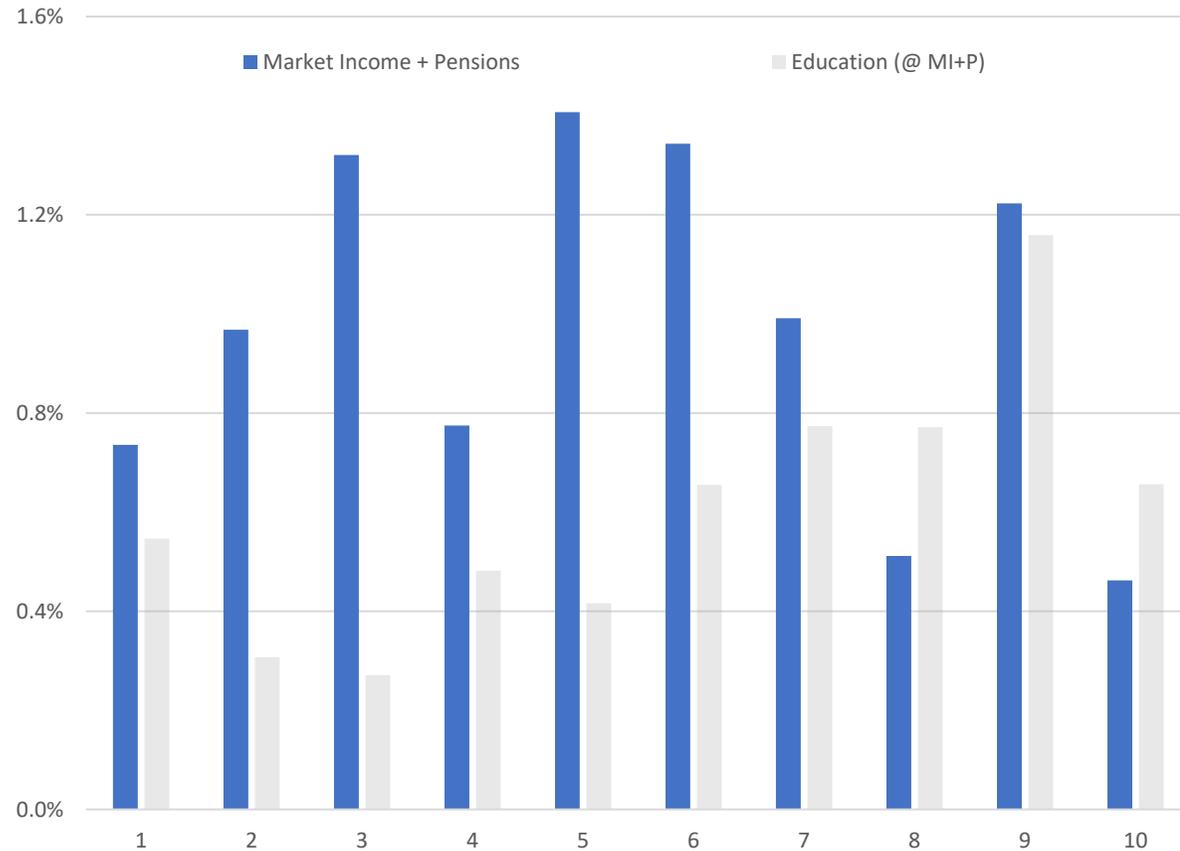
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This creates Fiscal Impoverishment: At the national extreme or moderate poverty lines, between 2/3rds and 3/4ths of the poor population has made more contributions to the fisc (in taxes) than they receive as benefits or subsidies.

Is it a funding problem?



CEQ Conclusion: On top of that, fees paid by healthcare service users amount to an additional 1 to 1.5 percent of income. Fiscally Impoverished populations are asked to contribute to the provision of healthcare services at greater rates than the non-poor.

EBT+ Guatemala, Healthcare services – next steps:

- Deep Dive into fees collected by healthcare service centers
 - Optional? Informal? Leads to better services?
 - Explicitly allowed in a regulatory sense? Implicitly accepted in a political sense?
- Use regional disaggregation available in the CEQ Assessment to more precisely identify where and why fees might be a burden.

EBT+ Guatemala, Healthcare services – next steps:

- Use place-based interviews in the EBT to determine whether service providers are doing outreach to access-constrained populations
- Use interviews in the EBT to determine if place-based service providers understand what local equity issues are important for them.
- Use interviews in the EBT to determine whether there is extra-governmental (non-profit institutions or civil rights organizations) help at local levels to encourage rightful access to healthcare services.