

Introduction and Social Accountability Concepts

Social Accountability and the Public Financial Management Cycle

Slide 1 – Introduction

During this presentation we will discuss the practice of social accountability, covering vital tools, their implementation, and their ability to strengthen accountability and improve public sector performance.

Slide 2 – Social Accountability Toolbox

The current social accountability “toolbox” is an ever-expanding collection of methods and practices. Practices are initiated by a wide range of actors (citizens, Civil Society Organizations, communities, government agencies, parliamentarians or media), and consist of diverse strategies (research, monitoring, planning, civic education, media coverage, coalition building). They employ both formal and informal sanctions, and vary according to the extent to which they are institutionalized as independent, collaborative or conflictive. However, all aim to achieve the overarching goal of strengthening the accountability framework.

Slide 3 – Public Financial Management Cycle

The public financial management cycle provides a convenient framework for organizing how certain tools and methods improve public sector performance, providing multiple entry points for citizen led social-accountability initiatives. Many of the most commonly practiced and popular social accountability tools are linked to the public expenditure cycle. The cycle begins with budget formulation, leading to budget execution, accounting and reporting, and finally external audit and oversight. As the outer circle shows, different social accountability tools and methodologies can be implemented during each public budget cycle stage while some can be used throughout the entire cycle and at multiple stages.

Slide 4 – Participatory Budgeting

Participatory policy and participatory budgeting, known as “PB,” are two closely related social accountability tools. Both are implemented at the budget formulation stage, but may also continue throughout the budget cycle. The methods of formulation of public policies and budgets involve direct citizen/Civil Society Organization participation. For example, communities work in partnership with local governments when determining agendas, proposing projects, and aligning funds with local community spending priorities. However, ideally, participatory budgeting does not stop and end with the proposal of projects and the appropriation of public funds. Rather, the participatory budgeting framework allows for direct citizen participation throughout all phases of the budget cycle: formulation, decision making and monitoring of budget execution, ensuring that participatory decisions made earlier in the process are put into practice.

Slide 5 – Example: Porto Alegre, Brazil – Participatory Budgeting

Participatory Budgeting was pioneered at the municipal level in Brazil during the late 1980s, in the midst of a crisis concerning government credibility. Some newly-elected mayors realized they could improve their public image by engaging citizens in difficult decisions about resources through public meetings involving communities and government representatives. Citizens were able to then vote on their budgetary priorities and had an established channel through which they submitted this information to government. As a result of this experiment, between 1989-1996, the number of households with access to water services rose from 80% to 98%, and the number of children in public schools doubled. Tax revenue increased by nearly 50% as due to greater transparency the process created an environment where citizens were more trusting of government and willing to pay taxes. By 2000, approximately 140 Brazilian municipalities had adopted participatory budgeting, proving the far-reaching advantages of local community involvement within the public decision-making process,

Slide 6 – Budget Review & Analysis

Once the budget has been formulated and made public, civil society can continue to demand accountability by undertaking independent budget review and analysis exercises. This process can involve impact and implication analysis of budget allocations, demystifying the technical content, raising awareness on budget-related issues, and creating public education campaigns to improve budget literacy. At the local level, whether or not citizens have participated in budget formulation, efforts to publicize and encourage debate on local budget content serve to enhance public understanding of related issues and encourage civic engagement concerning implementation and monitoring. Civil Society Organizations can play a key role in reviewing, critiquing and building public awareness on policies in areas like poverty reduction, gender equity, environmental protection, employment and social services.

Slide 7 –Example: Gujarat, India – Participatory Budget Review

The Indian state of Gujarat has over 8 million poor and disempowered tribal people. A local NGO, DISHA, launched a budget allocation review to reveal the true relationship between government's stated priorities, promises and the actual allocation of funds. Immediately following the annual budget presentation by the state government, DISHA analyzes and interprets the significance of budget allocations to the poor. Budget allocations and information are disseminated to legislators and the public through newspapers and various media outlets. This method informs and empowers ordinary citizens to learn about their rights, vocalize demands, and hold local authorities accountable.

This work has led to improved budget planning, as well as increased funding for priority sectors. Through publication of the analysis and results, communication has significantly improved among ministries. The model has been replicated in

12 other Indian states, and has been institutionalized, as the national budget is now analyzed by the People's Budget Information and Analysis Service.

Slide 8 – Expenditure Tracking

Once budgets have been formulated and receive government approval, participatory public expenditure tracking uses a citizen-managed process to track government spending and identify leakages and bottlenecks within financial resources and input flows. Groups typically employ actual users or beneficiaries of government services (assisted by Civil Society Organizations), collecting and publicly disseminating data on inputs and expenditures. This approach often involves triangulating the information received from disbursement records of finance ministries, accounts submitted by line agencies and information obtained from independent inquiry. Information is disseminated through the use of media, publications and public meetings.

Slide 9 – Example: Uganda – Public Expenditure Tracking Surveys

A public expenditure tracking survey, or PETS, was first launched in 1996 in Uganda. During this time, there was an emerging concern that increased public education spending was failing to generate an increase in primary school enrollment. In 1995, for every dollar spent on non-wage education items by the central government, only about 20 cents reached the schools, with local government retaining a majority of the funds. Poor schools received nothing as both parents and students were unaware of their entitlements to the grants.

Following the implementation of Uganda's PETS, the central government launched a mass information campaign requiring the publishing of data on monthly transfers of grants to districts in newspapers and on the radio. As a result, primary school enrollment in Uganda rose from 3.6 million students to 6.9 million between 1996 and 2001. The share of funds reaching schools increased from 20% in 1995 to 80% in 2001, and now both schools and parents benefit from access to information that is essential for understanding and monitoring the grant program

Slide 10 – Performance Monitoring

Participatory performance monitoring and evaluation is a social accountability tool implemented at the final stage of the public financial management cycle.

The tool first examines the outputs and outcomes of the public budget, evaluating service delivery and public works. This evaluation takes place through the involvement of citizen groups and communities, by monitoring public services implementation and community projects, often according to self-selected indicators. This is achieved through the use of participatory monitoring and evaluation tools, such as community scorecards, public opinion surveys, public hearings or citizens' reports cards. The findings of such participatory exercises are presented at interface meetings, where users and service providers meet, discussing evidence and seeking solutions.

Slide 11 – Example: Bangalore, India – Citizen Report Cards

Citizen report cards in Bangalore, India have forced passive public agencies to listen and respond to citizen concerns. In this case, information obtained through the report card initiative was publicly disseminated and presented to government officials, providing a base to command accountability and change. The worst rated agency (Bangalore Development Agency) reviewed internal systems for service delivery and introduced reforms. The agency also held public forums to consult with community members on solving high priority problems. Similarly, the Karnataka Electrical Board formalized (or “institutionalized”) periodic dialogues with residence associations to readdress grievances. Moreover, public awareness on issues of service quality has substantially increased and the report cards have stimulated civil society activism in Bangalore, increasing citizen monitoring and participation.

Slide 12 – Social Accountability Results

So what kinds of outcomes do these social accountability tools generate? Experience has shown that social accountability approaches have the potential to produce significant **operational results** (for example, improved performance, the introduction of corrective measures) as well as **process outcomes** (for example, institutional, behavioral and relational changes). Experience also suggests that impact is enhanced and synergies are created when a **systems approach** is adopted and social accountability initiatives are supported and institutionalized at multiple stages of the public policy and expenditure cycle. The most successful interventions combine several methods, accompanying them with efforts to build capacity and promote an enabling environment for social accountability—moving toward what has been termed a social accountability system.

Slide 13 – Review

In this presentation, we explored many social accountability tools related to the public financial management cycle. While implemented at different stages of the public financial management cycle, they are all means to an end -- giving ordinary citizens the means to generate demand for and ultimately improve governance at the local, regional, and national levels. We then took an in-depth look at some real-life success stories to illustrate selected tools including participatory budgeting, budget review and analysis, expenditure tracking, and performance monitoring. Lastly, we discussed the different types of outcomes that social accountability approaches can generate.