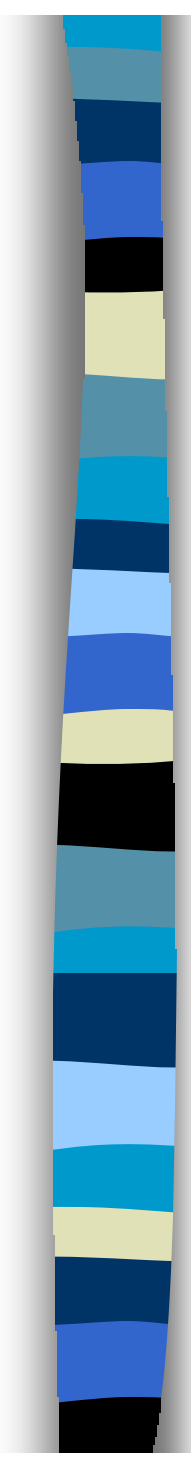


# Transparency & Accountability: Expenditure tracking surveys for public sector reform and PRSCs



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# Why a Public Expenditure Tracking Survey?

- Budget allocations poor predictors of services beneficiaries receive when governance is poor.
- Little known about transformation of budgets into services.
- Household surveys show that quality important determinant of demand



# Uganda

- Funding for non-wage primary education did not reach schools
- Survey of 250 schools to collect detailed quantitative data
  - About 20% only found at schools
  - Information campaign in national media and posters at schools
- 2000 survey over 90% reached schools



# Tanzania (1)

- An NGO and a research institute implement
- Track pro-poor expenditures in priority sectors at all levels
- Combination of documents, records, facility visits, interviews
- 5 districts, 4 primary schools and 4 clinics in each district



## Tanzania (2)

- Larger delays in rural areas and non-wage recurrent (rather than salaries)
- Priority to council departments at the expense of service facilities
- Cash budgeting and aggregated records undermine transparency
- Information asymmetry, e.g. local administration versus parents



# Ghana

- Facility surveys (recall method)
- Interviews and data collection at central government and district level
- 70% of salary and 50% of non-salary expenditures reached primary schools
- Only 30% of public health spending reached districts



# Lessons from PETS to-date

- Can be used to study different problems in service delivery
  - Honduras for ‘job migration’
  - Macedonia
- Rigorous sampling, pre-testing required
- Qualitative approach yields hypotheses, quantitative diagnosis and analysis



# Uganda PRSC - Country Context

- Champions for change
  - President: “Inflation is indiscipline”
  - Economic team
- Consultation
  - Poverty Eradication Action Plan
- Stability of the government team
- Capacity building by empowerment
  - EdSAC





# Government Credibility

- Peace
- Rescinded export taxation
- Stable currency due to prudent fiscal policy
  - Progress in budgetary process
  - Roads and education as priorities
  - Did not shy away from bad news (public expenditure tracking survey results)



# Challenges

- Increase private and public investment
- Behavioral change — takes time
- Decentralization
  - 30% of expenditure (all basic services)
- Increase transparency
  - Information asymmetries
- Increase participation
  - Ownership of development programs



# PRSC Content and Design

- 4 pillars of PEAP/PRSP
  - Growth and economic transformation
  - Governance and security
  - Increasing incomes of the poor
  - Improve quality of life of the poor
- Implementation of PEAP/PRSP
  - Selectivity
  - In a sequenced fashion
    - other IDA instruments; other donors



# PRSC Components

- 1. Efficient and equitable use of public resources
  - Comprehensive budget and results-orientation
- 2. Cross-cutting public sector reforms
  - Public service and pay
  - Financial management and procurement
  - Transparency, participation and anti-corruption
  - Monitoring and evaluation
- 3. Education, health, water/sanitation



# Credit Features

- Underlying government processes and systems become central to lending
  - Avoids creating parallel donor systems
  - Creates fiduciary concerns (CFAA, CPAR)
- Primary goal is building experience within government to manage reform
  - Decision-making shifts from donor to recipient



# Financial accountability package

- Financial management reforms supported by IDA and other donors
- Government to increase number of accountants, while donors provide international auditors to assist Auditor General
- Public expenditure tracking surveys at least in 2 basic service per year



# Is Uganda Unique?

- Analytic base

- If can be built in Uganda, can be done anywhere
- PERs, household, firm, service facility surveys, PPAs
- Bank staff a duty to help build capacity for evidence-based decision-making
- Demand for information follows supply