



INTERNATIONAL BUDGET PARTNERSHIP
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Introduction to Applied Budget Seminar, Mexico City

In each of the last four years, the International Budget Partnership has conducted an introductory seminar on applied budget work, hosted by an established civil society budget organization. In 2002 the seminar was conducted for the first time in Spanish in order to reach the growing Latin American budget audience. Held in Mexico City, the 2002 seminar was co-hosted by CIDE (Research and Teaching Center), Fundar (Center for Research and Analysis), and the IBP. Participants included experienced staff and leaders of civil society budget organizations in Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, and the U.S.

The seminar focused on developing skills that civil society organizations can use to engage in applied budget work, which is a combination of budget research and advocacy. The agenda included sessions devoted to the Mexican budget process and the role of CIDE and Fundar, as well as techniques and strategies relevant to budget transparency and participation in Latin America. In addition, participants from Argentina's Poder Ciudadano and Brazil's CIDADE (Urban Studies and Advice Center) gave presentations on their experiences with participatory budgets in Buenos Aires and Porto Alegre.

Participants expressed great interest in identifying and comparing participation and

accountability mechanisms in their respective countries; they also discussed ways to maximize informal methods of participation in the absence of institutional mechanisms. In addition, the seminar provided an opportunity to discuss the inclusion of Costa Rica, the Dominican Republic, Guatemala, Nicaragua, and Panama in the second round of the Budget Transparency Index, which was applied for the first time in December 2001 in Argentina, Brazil, Chile, Mexico, and Peru.

For more information, contact Rocío Campos at campos@cbpp.org.

Budget Transparency Meeting, Washington, D.C.

On 10-12 December, researchers from budget civil society organizations in 12 nations gathered in Washington, D.C. to attend the meeting "Taking Civil Society Budget Transparency and Participation Work Forward." Represented were organizations from Australia, Croatia, Ghana, India, Indonesia, Mexico, New Zealand, Peru, Russia, South Africa, the United States, and Zambia.

The meeting was designed to develop a common methodology to measure budget transparency in different countries and thereby promote efforts to influence budget outcomes around the world. It builds on existing transparency initiatives, including the African Transparency Scorecard, the Latin American Transparency Index, transparency efforts at the subnational level in Russia, and the District of Columbia transparency scorecard. (Information on these initiatives has been collected in a [thematic section on the IBP website](#).)

Information gained through transparency studies could be used to promote policy changes through social action, influence budget outcomes that result in social justice, and help citizens participate in budget decision-making processes.

The meeting consisted of an overview of the successes and limitations of the above studies and the impact of work conducted by the International Monetary Fund and Transparency International to promote fiscal transparency. Participants discussed issues such as the risk that statistical rankings will be over-simplified to media reports, the impact of transparency studies on the poor, the implications of using factual and perceptions surveys, and how to translate the results of a transparency study into recommendations for policymakers.

Participants agreed to continue ongoing regional efforts and to initiate a global campaign for budget transparency that uses a transparency index that allows comparisons across countries and throughout time.

For more information on this meeting, contact Joel Friedman at friedman@cbpp.org.

Where are Central America Peace Dividends Being Invested?

Fundar and the Arias Foundation with the support of Projects Council and Ibis have started to implement a series of workshops in the six Spanish speaking countries in Central America. The goal is to estimate diverse civil society groups regarding citizen monitoring,

analysis, and participation in the budget process. The workshops fit into a larger proposal, which intends to empower citizens in Central America to identify peace dividends in the region. So far four workshops have been implemented: El Salvador (October, 2002), Guatemala (November, 2002), Costa Rica and Panama (January, 2003). The next workshops will be held in Costa Rica and Nicaragua.

For more information, contact Karol Fernández at the la Arias Foundation karol@arias.or.cr or Helena Hofbauer at Fundar helena@fundar.org.mx.

Update on PROOF, Bangalore, India

PROOF (Public Record of Operations and Finance), a campaign launched by four Indian organizations in July 2002, has begun holding public debates in Bangalore to discuss the city's public quarterly data reports. PROOF was initiated by the Centre for Budget and Policy Studies (CBPS), the Public Affairs Centre (PAC), Janaagraha, and VOICES to engage different sectors of civil society in improving Bangalore by sharing their concerns with city representatives. From the debates have emerged different concerns. Citizens are now working on performance indicators for education, and their demand for training on the city's budget process has been met. The first results of these debates have been organized on the following website: <http://www.indiatogether.org/campaigns/proofblr/2002/huD.C.obmp-1.htm>, which will continue to feature the results of this 10-month campaign.

To read the last issue of PROOF's Newsletter, go to:

<http://www.internationalbudget.org/resources/howto/PROOFissue17.pdf>.

Free Primary School Education in Kenya: Populist Act or Unplanned Budget Decision?

Among the developments that most resonated with Kenyans during last year's legislative and presidential campaigns was the promise by the National Rainbow Coalition (NARC) to provide free primary school education. The then-incumbent KANU party and its presidential candidate, Uhuru Kenyatta, argued that free primary education could not possibly be provided to all of Kenya's 6 million children. NARC responded that an additional 3 billion Kenya shillings (equivalent to \$38 Million USD) would adequately cover the cost. That would represent 1.3 percent of projected revenues for the 2002-2003 fiscal year.

NARC won the elections by a huge margin and assumed office well before the start of the new school year, which began the week of January 6, 2003. Incoming president Mwai Kibaki reiterated that the new policy would be implemented immediately. Given that this was a new government, most civil society institutions were surprised at the speed with which the government proceeded to implement the new policy. On the first day of school, an overwhelming number of parents — far more than the schools could handle — turned up in schools with children eligible for admission. The large turnout demonstrates the size of the problem and confirms NARC's assertion that school levies and related fees are the most significant barrier to education in Kenya. The policy has proved so popular that President Kibaki has requested parents to exercise patience and not send children to standard one (first grade) until they are six years old.

The Ministry of Education, Science and Technology, charged with implementing the new policy, subsequently explained that "free education" meant the government would provide all classroom equipment and teaching materials in addition to teachers' salaries. This statement may have been an effort to establish a limit to the government's obligations under the new policy, the cost of which could easily surpass NARC's initial estimate.

Since funds to implement the "free education" policy were not provided by the annual budget in June 2002, the government has requested supplementary appropriations. Parliamentary sessions will commence almost six weeks early to address this and other matters. Due to the immense popularity of the new policy, the supplemental appropriations are expected to pass without much adverse comment from the opposition. (In any event, NARC has a legislative majority that would easily pass the appropriations.)

The government's biggest challenge is at the high school level. Kenya has 17,000 primary schools but fewer than 4,000 high schools, which leads to a very high attrition rate for students after primary school. According to the Institute of Economic Affairs (IEA-Kenya) fact book on socio-economic indicators, nearly half of Kenya's teenagers are not attending school, not only because of the cost but also because of the lack of space. The new "free education" policy, by raising primary school enrollment substantially, will create a growing need for high schools in future years as these students age out of primary school. Yet financing the construction of new high schools will be difficult since NARC explicitly promised to reduce taxes.

Other challenges for the government include distributing teachers more evenly among the country's schools and ensuring that implementing the "free education" policy does not affect quality standards. In addition, some teenagers up to 17 years old who had dropped out of school have returned to school; that might pressure the government to expand its policy and cover high school education, which in turn would increase costs. The measure was probably populist but the policy response appears to have vindicated the government's bet.

For more information, contact Kwame Owino at owinok@ieakenya.or.ke.

Forum on Fiscal Decentralization in Croatia

The Institute of Public Finance (IPF), based in Croatia, sponsored a "Forum on Fiscal Decentralization" on November 14-15 in Zagreb. The roughly 90 participants came from universities, national and local governments, think tanks, civil society organizations, international donor programs, and the media. The forum was supported by the Fiscal Decentralization Initiative (FDI), an international grant program assisting transition economies in carrying out intergovernmental reform.

The forum began with presentations on fiscal decentralization in transitional countries, with a focus in Croatia. It also included presentations on several issues related to intergovernmental fiscal relations in Croatia, such as:

- the legal and administrative framework for decentralization
- local financial management
- fiscal transparency and accountability
- possible additional funding sources for local governments

The proceedings of the forum, which will be published in March, will include policy recommendations at the local and national levels. Local recommendations include the urgent need to define fiscal capacities and analyze local government revenues, expenditures, and debt issues while maintaining a focus on expenditure efficiency. At the national level it is necessary to provide a better definition and implementation of the fiscal system, as well as of national government controls over local government units. Other recommendations include continuous education of civil servants and moving toward fiscal transparency within the European Union's accession requirements.

For more information on the forum and the papers presented, click [here](#).

Malawi Budget Monitoring

In 2002, civil society organizations in Malawi undertook the task of monitoring 12 "Priority Poverty Expenditures," or areas of health, education and agriculture spending that have received large amounts of HIPC debt-relief money. The monitoring exercise is described in a paper written by Oxfam's Policy Advisor Max Lawson, entitled "Monitoring Policy Outputs: Budget Monitoring in Malawi."

After civil society organizations worked with parliament to identify the 12 priority expenditure areas, civil society networks involved in the relevant areas examined whether these expenditures actually were taking place. They did so by traveling to a sample of schools, clinics, and agricultural extension stations to assess whether resources were being distributed.

The findings were disappointing, and showed that budget figures sometimes bear almost no relation to actual expenditures. For example, despite a 221 percent increase in the budget for teaching and learning materials (textbooks, chalk, pens, etc.), 41 percent of the schools visited by civil society groups had received no new deliveries of materials.

Subsequently, civil society organizations, together with the Parliamentary Budget Committee, have begun pushing for greater transparency and delivery in this year's Malawi budget. For more information on the monitoring process, contact the Malawi Economic Justice Network (MEJN) at mejn@sdp.org.mw. To read Max Lawson's paper, go to: <http://www.internationalbudget.org/resources/Malawi.pdf>.

Upcoming Publication: *A Guide to Applied Budget Work for NGOs* Soon in Spanish!

We are pleased to announce that the IBP publication *A Guide to Budget Work for NGOs* has been translated into Spanish and will soon be available for distribution. The guide should prove valuable not only to groups or individuals that have a new or relatively new interest in budget work, but also to those who have engaged in this work for some time and are interested in a review of the basic principles of budget work, examples of useful resources, and best practices in Latin America. Further, the guide should be informative for

international institutions and actors that are interested in understanding the roles that NGOs can play in this arena.

To read the guide in English, go to:

<http://www.internationalbudget.org/resources/guide/index.htm>.

New Materials on the IBP Website

Mujeres y pobreza: El presupuesto del gasto social focalizado visto desde la perspectiva de género. ("Women and poverty: Social benefits budget seen through a gender perspective")

By Helena Hofbauer Balmori, María Concepción Martínez Medina, Lucía Pérez Fragoso, and Claudia Vinay Rojas, FUNDAR

This paper uses applied budget analysis with a gender perspective to analyze 21 programs aimed at alleviating poverty. The paper concludes that it is not possible to know who benefits from targeted social spending or if these programs are successfully fulfilling women's needs.

Exigibilidad del derecho a la salud ("Demanding the right to health")

By Centro de Derechos Económicos y Sociales (Center for Social and Economic Rights, or CDES)

Towards the end of 2000, the Ecuador-based organization CDES sued the government of Ecuador in the Interamerican Court to demand the fulfillment of the right to health. The suit was based on the fact that the increase on the health budget for 1999 was less than the previous year's increase, which goes against the progressive realization of human rights and the principle of allocating the maximum available resources for the fulfillment of economic, social and cultural rights.

Gender Budgets Make More Cents: Country Studies and Good Practice

By Debbie Budlender and Guy Hewitt/ Commonwealth Secretariat

This publication, the follow up to *Gender Budgets Make Cents*, includes case studies from the Andean region, Australia, Korea, Mexico, Rwanda, Scotland, South Africa, and the United Kingdom.

New Job Opportunities

Project Manager: Civil Society Budget Initiative

The Civil Society Budget Initiative will be established in 2003 to provide financial and technical support to encourage civil society engagement in public budgeting in low-income countries. The Initiative, a partnership established by civil society budget experts and development institutions, will be based at the International Budget Partnership in Washington, D.C. The Project Manager will be responsible for establishing and managing all aspects of the initiative, including managing financial and technical support to grantees and developing activities to capture project learning. Experience in project design and management is important, as is knowledge of applied budget research, advocacy and training. Knowledge of the PRSP process is desirable. International travel will be required. For the full job description, go to: <http://www.internationalbudget.org/jobad1.htm>.

International Budget Policy Analyst

The International Budget Partnership at the Center on Budget and Policy Priorities works to support civil society engagement in public budgeting in developing and transition countries. The project is seeking a policy analyst to examine a wide range of budget process and policy issues, including budget transparency issues. Applicants must demonstrate excellent budget analysis and communication skills, and knowledge of international civil society. Ability to speak several languages is desirable. Please follow this link for the full job description: <http://www.internationalbudget.org/jobad2.htm>.

Researcher/Trainer: Africa Budget Project

The Africa Budget Project (ABP) is part of the Budget Information Service, a Cape Town based program of the Institute for Democracy in South Africa (IDASA). The ABP primarily works to build capacity in civil society and legislatures to participate effectively in budget processes in support of poverty alleviation in Africa. As part of the project's expansion into French speaking African countries, the successful candidate will be responsible for the initiation and implementation of research, building and maintaining a network of organizations, training and technical assistance and the translation and adaptation of existing training material into the French language. For more information, contact hamlet@idasact.org.za.

Conference Announcements

Third International Scientific and Practical Conference entitled "Problems of Improving Budgetary Policy of Regions, Cities and Communes in Russia and Nordic Countries."

Organized by the government of the Republic of Karelia, the Legislative Assembly of the Republic of Karelia and Petrozavodsk State University.

Where: Petrozavodsk, Republic of Karelia, Russia

When: 27-29 May 2003

For more information, please go to: <http://openbudget.karelia.ru/eng/main.shtml>.

2003 NEWW Gender Policy Conference entitled "Women and Economy."

Organized by NEWW and NEWW-Polska.

Where: Gdansk, Poland

When: 24-28 April 2003

For more information, contact Karolina Masiak at karolina@neww.org.pl.

Annual International Conference on Transition Economics

Organized by WDI and CEPR, and hosted this year by the Institute of Economics of the Hungarian Academy of Sciences (IEHAS) and the Economics Department of the Central European University (ED.C.EU).

Where: Budapest, Hungary

When: 3-5 July 2003. The deadline is February 3, 2003.

For more information, contact Kelly Janiga at janigakl@umich.edu or fax (734) 763 5850.