



INTERNATIONAL BUDGET PARTNERSHIP  
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**November 18/19 2011**

Dar es Salaam, Tanzania

To learn more about the Assembly and to follow the movement's progress, please visit [www.makebudgetspublic.org](http://www.makebudgetspublic.org).

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## Global Viewpoint

**The New Revolution: The First Global Assembly of the Civil Society Movement for Budget Transparency, Participation, and Accountability Held in Tanzania**, by Delaine McCullough, International Budget Partnership

Democratic uprisings during the Arab Spring, the Occupy protests in U.S. cities calling for corporate and government accountability, international initiatives for open and accountable governance — this is the context in which civil society organizations recently launched the world's first broad-based, integrated, cross-border effort to promote government budgeting that is open and accountable to the public.

On 18-19 November 2011 in Dar es Salaam, Tanzania, Aruna Roy opened the first global Assembly of the Civil Society Movement for Budget Transparency, Participation, and Accountability with the following words:

*The days of armed revolution have had their day. . . . If you really want power you have to go into the nitty gritty. We need to go into the details of governance, where the devil lies. We need a revolution — but a revolution based on participatory governance!*

Over 100 representatives from civil society organizations in nearly 60 countries and 12 international organizations, including the International Budget Partnership, Greenpeace, Oxfam Novib, Revenue Watch Institute, and the ONE Campaign, participated in the Assembly. In discussions spanning two days, they laid the foundation for further building and consolidating an integrated and vibrant movement of organizations and individuals that will work at the local, national, and international level to promote open budgeting.

Budgets are the most critical tool that governments have to address problems like poverty, provide critical services like education and healthcare, and invest in their country's future. When the political speeches end, it's how governments actually manage funds to meet their promises and priorities that matters.

The organizations at the core of this initiative may work in different countries and on different issues but their shared experience shows that when civil society and the public are informed and involved they can improve budget decisions and outcomes, literally transforming lives in the process.

The Civil Society Movement for Budget Transparency, Accountability, and Participation envisions public finance systems that make all budget information easily and widely accessible, provide meaningful opportunities for citizens and civil society to participate in budget decisions and oversight throughout the process, and include strong institutions to hold governments accountable for how they raise and spend the public's money.

### **Turning Opportunities into Reality**

The timing of this effort capitalizes on a number of significant events that are creating a unique moment to substantially improve how governments operate, including how they manage public funds to meet their people's needs and to address persistent challenges. The most dramatic of these events is the Arab Spring, which has created an unprecedented opportunity for democratic and responsive government in the region but also sent a wake-up call to oppressive, "kleptocratic" regimes around the world — and a beacon of hope to their people.

There are also important international, multi-stakeholder initiatives that have been launched in the last year to promote government that is open, democratic, responsive, and accountable. One is the [Open Government Partnership](#) (OGP), which brings together governments, civil society, and industry to promote transparency, increase civic participation, fight corruption, and harness new technologies to strengthen governance.

A second is the [Global Initiative for Fiscal Transparency](#) through which governments, international organizations, oversight institutions, foundations, and civil society organizations seek to advance and institutionalize significant and continuous improvements in fiscal transparency, engagement, and accountability in countries around the world.

Though each of these events and initiatives holds great promise, without an organized, skilled, and active civil society movement that can connect the institutions involved with the priorities and needs of ordinary citizens and play a critical oversight role, there is a danger that these opportunities will fall short of their potential.

### **What Comes Next?**

The organizations meeting in Dar es Salaam laid the foundation of the movement by signing a [Declaration of Principles](#), which begins:

“We are citizens and civil society organizations from around the globe, united by the shared conviction that inclusive and open public budgets are critical to achieving a world in which all human beings enjoy their full human rights – civil, political, social, economic, cultural and environmental.”

The core demands in the Declaration are that all governments at all levels should:

1. recognize, legislate, enact, and operationalize the right to information generally and to public budget information specifically;
2. actively engage citizens and all other stakeholders in setting public budget priorities — including parastatal and parafiscal funds — as early and inclusively as possible;
3. produce and publicly discuss, in a timely fashion, at least eight key budget documents: Pre-Budget Statement, Executive’s Budget Proposal, Enacted Budget, Citizens Budget, In-Year Reports, Mid-Year Review, Year-End Report, and Audit Report;
4. comprehensively report on all public financial flows and institutions, including those that are managed outside of the formal budget process;
5. include all resources used for the implementation of public, fiscal, and economic policies, regardless of their origin, in their public budget documents and processes;
6. ensure that legislatures and auditors are independent of government and have sufficient resources to increase their capacity and thus fulfill their oversight mandates effectively; and
7. publish and disseminate budget information in easy and accessible formats through all possible means, including digital open data formats through the Internet, public libraries, information centers, etc.

The Assembly participants also reached agreement on a light and flexible governance structure that includes a movement Steering Committee and a number of core Working Groups that will focus on strategies, initiatives, and opportunities at different levels and within different sectors to promote the movement’s agenda over the next year. Working Groups were established that will focus on: 1) global norms for open and accountable public finance; 2) aid transparency, 3) maternal and general health; 4) climate change; 5) natural resource extraction; and 6) economic, social, and cultural rights.

The participants elected the members of the first Steering Committee, half of which will serve for two years and the other half for four. These staggered terms aim to ensure a balance between vibrancy and continuity. The first committee members are:

- Abraham Djamba Samba wa Shako, Reged, Democratic Republic of Congo
- Gertrude Mugizi, Centre for Social Accountability, South Africa
- Semkae Kilonzo, Policy Forum, Tanzania
- Paul Divakar, National Campaign for Dalit Human Rights, India
- Valentina Sri Wijiyati, IDEA, Indonesia
- Sergey Gulyayev, National Budget Network of Kazakhstan
- Iara Pietricovsky de Oliveira, INESC, Brazil
- Jorge Santos, CIIDH, Guatemala
- Yahya Al Sharki, Cultural Development Programs Foundation, Yemen
- Katarina Ott, Institute of Public Finance, Croatia
- Helena Hofbauer, International Budget Partnership

To learn more about the Assembly and to follow the movement’s progress, visit [www.makebudgetspublic.org](http://www.makebudgetspublic.org).

**Boundaries of Contagion: How Ethnic Politics Shape Government Responses to AIDS**, by Evan S. Lieberman, Department of Politics, Princeton University

Government responses to the HIV/AIDS epidemic have varied markedly from country to country since the start of the crisis. One can see these differences quite clearly in national budget allocations — perhaps the best source of information for understanding how a government sets its priorities. Among countries with high HIV/AIDS prevalence, the central governments of Brazil and Botswana, for example, responded aggressively. Alternatively, those like the South African government were slow to commit resources, much to the detriment of their citizens.

Why should this be the case? Certainly many factors influence AIDS budgeting, but the research described here focused on how patterns of ethnic political competition impact government responses to AIDS. In *Boundaries of Contagion: How Ethnic Politics Shape Government Responses to AIDS* (Princeton University Press 2009), I demonstrate that in countries with strong or institutionalized ethnic boundaries, national politicians tended to avoid addressing AIDS — whereas in countries that are more homogenous or have actively de-institutionalized ethnic categories, central government action was much more likely to be significant and aggressive. In ethnically or racially divided polities, citizens were more likely to view AIDS as an “us-versus-them” issue, and, because of the stigma associated with HIV, even high-prevalence groups were not likely to make demands for AIDS-related resources. In countries without these divisions, the problem has been more frequently viewed as a crisis that affects *everyone*, and activist and international efforts to respond aggressively gained more political traction.

The research underlying these conclusions included a mix of case studies (South Africa, India, and Brazil), and a set of cross-country statistical analyses of budgetary data — both domestic and donor expenditure on AIDS-related items. I also looked at budget speeches and considered the extent to which the terms HIV or AIDS were included in those speeches. Various measures of politically relevant ethnic difference consistently led to lower levels of HIV spending and HIV discourse, even when controlling for other factors, such as per capita income or estimated HIV prevalence.

The research also demonstrated that some other factors we might have assumed to matter actually do not, at least on average. For instance, democratic countries do not seem to have been substantially more aggressive than non-democracies in their spending levels after controlling for such factors as per capita income.

Given the increased *de-stigmatization* of HIV, and the long-term pressure of the international community, the negative effects of ethnic conflict on AIDS expenditure will not persist forever. South Africa is obviously a case in which there have been positive trends in funding and attention, even while the legacy of apartheid has implied sustained racial tensions in that country. But the legacy of neglect has already resulted in millions of lives lost.

Contact Evan Lieberman at [esl@Princeton.edu](mailto:esl@Princeton.edu) for more information.

Learn more about funding for HIV/AIDS in South Africa in the IBP’s latest case study [here](#).

### **The Busan High-Level Forum on Aid Effectiveness: Next Steps?** by Paolo de Renzio, International Budget Partnership

From 29 November to 1 December 2011, more than 2,000 delegates gathered for the Fourth High-Level Forum (HLF4) on Aid Effectiveness in Busan, Korea. Delegates reviewed global progress in improving the impact and effectiveness of aid.

As part of its work to promote fiscal transparency, participation, and accountability, the IBP presented recommendations for donor agencies, governments receiving aid, and other actors for improving aid transparency and budget transparency, and for linking the two. The IBP stresses the importance of donors’ provision of information on aid flows and recipient country governments’ disclosure of budget information to their citizens.

The HLF4 created a reasonable framework to push forward issues of core interest to civil society organizations working on transparency and accountability, but it leaves a number of important gaps.

Learn more about the IBP's next steps and results of the forum [here](#).

To learn more about the IBP's next steps and results of the forum, click [here](#).

To learn more about the IBP's recommendations, read the full briefing note [here](#)

Read more about this issue on the Open Budgets Blog [here](#).

### **Sharing Knowledge, Bridging Gaps in the Budget World**, Janet Oropeza, Evidence and Lessons from Latin America, Fundar–Centre for Analysis and Research

The Evidence and Lessons from Latin America (ELLA) initiative has established an international knowledge-sharing and learning platform. Its goal is to help policymakers, development practitioners, and researchers in Africa and Asia learn from Latin American experiences in economic development, environmental management, and governance issues.

The U.K. Department for International Development funds the project, and IBP partner and Mexican civil society budget group Fundar–Centre for Analysis and Research participates in it. Other research organizations that are engaged in managing ELLA include Practical Action Consulting, Grupo de Análisis para el Desarrollo (GRADE), South South North-Brazil, the International Institute for Environment and Development, and Kumasi Institute of Technology and Environment (KITE).

ELLA:

1. shares **knowledge** of recent Latin American experiences by producing and disseminating evidence-based publications;
2. supports **learning** between Latin American, African, and South Asian countries through exchanges and activities among participants from the three regions; and
3. provides a **networking** platform for organizations and individuals in Africa to link to other organizations and individuals in their own region and in Latin America.

In the governance area, ELLA documents Latin American experiences in promoting and engaging in transparency and accountability, citizen participation, budget analysis and oversight, human rights realization, conflict and violence prevention, gender equity, and indigenous rights. Examples include efforts related to participatory budgeting, producing and disseminating Citizens Budgets, and the use of the right to access information in social auditing.

Civil society organizations, researchers, and policymakers from South Asia and Africa are encouraged to consult ELLA publications and engage in learning or networking activities through the website at <http://ella.practicalaction.org/>.

Contact Janet Oropeza at [janet@fundar.org.mx](mailto:janet@fundar.org.mx) to learn more about ELLA.

### **Opinion: Expanding and Integrating Information Technology and Citizen Engagement for More Transparent and Participatory Budgeting**, by Jacob Bathanti, International Budget Partnership

In light of the vast expansion of electronic media and technology as sources of information and as means of communication, any approach to deepening citizen participation in policy making and budgeting must take information and communication technologies (ICT) into account. As policymakers increasingly focus on ICT to encourage participation and accelerate development, the budget process represents a promising arena in which ICT applications — variously characterized as e-government, e-democracy, e-participation, or e-development — could have a significant impact. ICT applications may enable

governments and societies to produce policy, including fiscal policy, in the collaborative dynamic of participatory government or “co-governance.”<sup>1</sup>

Examples of this trend have been chronicled in this and past editions of the IBP newsletter, such as the adoption of integrated financial management systems to track government expenditures internally, and the use of online data portals to disseminate information to the public, in such countries as [Kenya](#), [Liberia](#), and [Brazil](#). And, looking at the implementation phase of budgeting for public services, the World Bank has documented the impact of information technology-connected Citizen Service Centers, in India, Colombia, and Australia. These [centers](#) have been instrumental in reducing corruption, improving accountability, and creating opportunities for citizens to provide feedback on services provided, which ranged from filing taxes to accessing government information.

Global initiatives have the potential to further drive these promising developments. The [Open Government Partnership](#) (OGP), a multi-stakeholder initiative aimed at increasing government transparency and accountability, is one such initiative that creates structures and incentives for technology-driven collaboration and information-sharing among governments and citizens. For example, Brazil’s widely admired [online data portal](#) serves as a model for commitments by several OGP countries to create similar portals.

As the demand for transparent and accountable governance is increasingly matched by a need for innovative technological solutions, nonprofit and for-profit ICT entrepreneurs are stepping forward to engineer solutions, further accelerating the trend. [Citivox](#) is an online platform that uses crowdsourcing techniques to generate statistical analyses of public services and other governance indicators. In effect, this information enables the public to monitor and report on budget implementation, driving [better policy](#). Barcelona-based [scytI](#) builds custom Web portals for e-voting, service delivery, and public forums. These two-way applications allow citizens to access and share information, engage in debate, and cast votes in referenda. Local-level policy making, including budgeting, thus becomes a technologically empowered, public deliberative process.

Information technology is not a panacea, particularly in countries where Internet connectivity is still low, and it cannot substitute the hard work of institutional reform and civil society engagement. As international initiatives for transparent and accountable public finance gather steam, however, ICT does provide a powerful tool set to expand spaces of co-governance.

## Country Focus

### **Good Governance in Jordan: Moving from Supply to Demand**, by Mark Gallagher and Alison Fahey, DAI, U.S. Agency for International Development (USAID) Jordan Fiscal Reform II Project

Over the past five years, the government of Jordan has implemented important public financial management reforms. For example, the Ministry of Finance vastly improved its computer model of the economy that it uses to forecast where the economy is heading and to plot the overall course of the country’s public finances for the next three years. Additionally, the General Budget Department implemented a countrywide system of “results-oriented budgeting,” which links public spending with public policy goals. And after several years of design and development, the Ministry of Finance has rolled out its new Government Financial Management Information System (GFMS), a financial and accounting system that automates many aspects of budget planning, execution, accounting, treasury operations, and reporting. All of these advances promise better control over public finances and a close alignment between budgetary allocations and desired results and outcomes.

All of these efforts to improve the public finance system have focused on improving processes, enhancing capabilities, and building capacity. The overall intent is to strengthen the supply of good governance in

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<sup>1</sup> Andrea Cornwall and Vera Schattan P. Coelho, *Spaces for Change? The Politics of Citizen Participation in New Democratic Arenas* (London: Zed Books, 2007).

allocating public resources so as to provide the services that the people of Jordan most desire and need from their government.

Three important developments facilitated a shift in focus, moving beyond process improvements and toward greater accountability in the use of public resources in Jordan. The government-wide implementation of GFMS makes financial audit much less effort-intensive and more automated, and this year the government introduced new regulations for internal financial controls, empowering financial managers in each government department to take responsibility for the internal control of their agencies. These changes have freed the Audit Bureau to devote more resources to a new area of opportunity: performance audit.

By building its capacity to conduct performance audits, the Audit Bureau will assess objectively and systematically whether government entities efficiently and effectively achieve goals and objectives with the resources allocated to them. The Audit Bureau has begun three pilot performance audits — focusing on government vehicle fleet management, pharmaceutical procurement, and waste management — which promise to identify ways for the government to do more with its resources, minimize waste, and improve the quality of services provided to citizens. Considering Jordan's limited fiscal space, improving program efficiency is an essential way to relieve pressure on public funds, while continuing to deliver services and meet citizens' expectations.

In addition to introducing performance auditing, the Audit Bureau is taking important steps to improve its institutional independence:

- At present, the Audit Bureau is dependent on the Prime Minister's office, an organizational setup that is not consistent with international standards. Legislation is being considered that would ensure greater independence for the Audit Bureau by mandating that it report solely to Parliament.
- Additionally, Audit Bureau report findings are not currently made available to the public — they are sent only to the Prime Minister and Parliament, and other access is restricted. As a measure to improve transparency, performance audit reports will be published and freely accessible to the public, enabling Jordanians to hold their government more accountable for performance.

The pilot performance audits now underway can help to inculcate demand for better governance and for government agencies to deliver what they promise. With the anticipated publication of these reports and the potential institutional change being considered that would allow the Audit Bureau to report directly to Parliament, traditional and performance audits now should enhance not only transparency but, more important, also civil society's ability to demand good governance.

These steps have the potential to improve Jordan's score on the IBP's Open Budget Index, an independent, comparative measure of how much budget information governments around the world make publicly available, including information on the availability and comprehensiveness of Audit Reports. The Index is derived from the Open Budget Survey, and while legislation requiring an Audit Bureau to report to the legislature is not included in the Index score, it is part of the legal framework assessed by the Survey with regard to the oversight strength of a country's supreme audit institution.

For more information, contact Alison Fahey at [alison\\_fahey@dai.com](mailto:alison_fahey@dai.com).

### **Finance Minister of Kazakhstan Introduces Citizens Budget Bill, by Zhanibek Khassan, Public Finance Transparency Program, Soros Foundation–Kazakhstan**

In 2010 the Center for Legal and Economic Reforms Assistance (CLERA), an Almaty-based civil society organization (CSO), presented a potential model for a Citizens Budget in Kazakhstan and the Central Asian region. A Citizens Budget is a nontechnical presentation of the central and local government budgets designed to reach and be understood by as large a segment of the population as possible. In the wake of CLERA's work, legislation establishing formal procedures for the development and publication of the Citizens Budget in Kazakhstan was signed and is now being implemented.

The regular publication of a Citizens Budget by a country's government is one of the factors that help make the budget more transparent and accountable, as it helps ensure that the public is aware of and understands the government's taxing and spending plans. The IBP's [Open Budget Survey](#) 2010 found that only 16 of 94 surveyed countries published a Citizens Budget.

CLERA developed three types of Citizens Budgets that can be used at the national, regional, and local levels. In November 2010 these models were presented at a regional conference on the Open Budget Survey 2010 in Astana, Kazakhstan, along with the Survey results for seven countries in the region: Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Russia, and Ukraine.

Kazakh Deputy Minister of Finance, Berik Sholpankulov, and Zinaida Zagoskina, a member of the supreme audit institution, took part in the conference. Experts who participated noted that the Kazakh government could use the CLERA Citizens Budget model to draft its own version for all levels of the budget system. This step would help Kazakhstan improve its score on the [Open Budget Index](#). Kazakhstan's OBI 2010 score was 38, indicating that the government provided minimal information to the public in the period evaluated.

In May 2011 the Ministry of Finance formally established a working group to develop procedures and a methodology for the production and publication of the Citizens Budget. The working group included civil society representatives and members of National Budget Network of Kazakhstan (NBSK). The draft legislation, called the "Methodology of Development and Dissemination of the Citizens Budget," was prepared after two months of actively engaged cooperation between CSOs, the Ministry of Finance, and the Soros Foundation–Kazakhstan.

The Finance Minister's bill was signed on 27 June 2011 and covers issues related to the development of Citizens Budgets at both the central and local levels. What is unique about the bill is that Citizens Budgets will not only be published when the government publishes the Executive's Budget Proposal but also after the formulation, approval, implementation, and evaluation stages of the budget process. Question 112 from the Open Budget Survey — a new question added for the 2012 round of the Survey — asks whether Citizens Budgets are published throughout the budget process, so the new legislation may improve Kazakhstan's future OBI scores.

The Finance Minister's bill is currently being implemented, and there already are relevant chapters available on official websites of state agencies, including that of the Ministry of Finance, and local governments. Individual line ministries and state agencies have made vast strides by publishing their own Citizens Budgets, which they strive to make more user-friendly.

CLERA's project was funded by the Soros Foundation–Kazakhstan's Public Finance Transparency Program and the Local Government Initiative.

Contact Zhanibek Khassan at [zhkhassan@soros.kz](mailto:zhkhassan@soros.kz) for more information.

### **Budget Analysis Workshops in Ghana: Building Knowledge for Reform, by Jennifer Sleboda, International Budget Partnership**

In October 2011 the IBP convened a second Budget Analysis Training Workshop in Accra with its partner organization, the Ghana Civil Society Aid Effectiveness Forum (GAEF). The four-day workshop, which brought together 32 representatives of civil society organizations (CSOs) from across Ghana, built on a previous budget analysis workshop for GAEF that was held in May. GAEF comprises 14 thematic platforms (including health and education) as well as 10 regional focal organizations.

Both workshops were organized to support GAEF's Spending Wisely campaign, which aims to bring about key reforms in the government's public finance management systems to ensure that new revenues (particularly from oil) are spent wisely, transparently, and effectively. In December 2010 GAEF launched their campaign with the release of the report, "[Spending Wisely: A Budget Reform Action Plan for Ghana](#)," in which the Forum identified weaknesses in Ghana's budget process and made concrete recommendations for reform. Since then, GAEF has been working to produce further research on specific

areas of public finance reform, as well as detailed proposals for how to use increased revenues to boost Ghana's investment in such priority areas as health, education, agriculture, and social protection.

In May the IBP collaborated with GAEF to conduct the first workshop, which focused on understanding the Ghana budget cycle and the budget documents the government produces, reading and extracting relevant information from budget documents, and building skills in basic budget analysis. Following the workshop, each of the thematic platforms conducted sectoral analyses of the 2010 budget, which were then compiled into a report titled, "[What Is Our Purse Really Funding? GAEF Spending Wisely Campaign 2010 Budget Analysis Report.](#)"

The goals of the October workshop were to continue building participants' budget analysis skills, develop their capacity to use budget analysis to make advocacy arguments and to present budget analysis findings, produce a draft 2011 budget analysis, and prepare for engaging with the 2012 budget proposal.

In the workshop, the participants did an exercise to reproduce the key findings of GAEF's 2010 budget analysis report by referring to 2010 budget figures and replicating the calculations to come up with, and thus better understand, the findings. In the next session, they continued practicing their budget analysis skills by calculating inflation, real and nominal growth, shares, and budget execution rates, using the 2011 infrastructure budget as a case study.

The focus of the workshop then looked at how to use budget analysis findings to make advocacy arguments. The participants reviewed and assessed the strengths and weaknesses of two examples of budget advocacy writing, which allowed them to examine the ways in which CSOs use budget analysis for advocacy — for example, to check if the government is keeping its promises, to question government priorities, to assess the fairness of existing policies, to demand the implementation of existing policies, and to propose alternatives based on the cost and effectiveness of current policies.

The participants next learned how to present budget analysis findings in ways that are clear, easy to understand, and appropriate to the data. They studied examples of charts, graphs, and tables that summarize budget data, and for each example, analyzed the information that it did or did not provide and suggested improvements to maximize the clarity and amount of information it conveyed. Participants then worked in groups on two budget analysis tasks and practiced creating tables to present their findings.

The next part of the training was dedicated to sectoral analyses of the 2011 budget, with the aim of preparing a budget analysis similar to GAEF's 2010 report. On the final day, participants began preparing for the release of the 2012 budget proposal by reviewing the 2012 Budget Guidelines and discussing the Forum's strategy for responding to the 2012 proposal. (The proposal was since released on 17 November 2011.) A small working group was put together to lead in drafting a statement on both the 2011 budget and the 2012 budget proposal. Forum members decided that domestic revenue mobilization would be the focus of their analysis and response to the 2012 budget proposal, and that each thematic platform would also release a brief statement on the 2012 proposal with regard to their sector.

### **Fiscal Transparency of Chinese Provincial Governments: Assessment, Variations, and Drivers**, by Liang Ma, Xi'an Jiaotong University School of Management

It is crucial to deepen current streams of research on transparency at the subnational and local level, particularly for large countries like China, where the government's fiscal transparency is very poor. According to the International Budget Partnership's [Open Budget Survey](#) (Survey), China scored 13 out of 100 on the Open Budget Index in 2010 and 14 in 2008. It ranked 78 out of the 94 countries studied in 2010, and 59 out of the 85 in 2008.

To advance government transparency, "Regulations of the People's Republic of China on Open Government Information" (OGI Regulations) was adopted by the Chinese State Council on 5 April 2007 and became effective on 1 May 2008. The implementation of OGI Regulations, however, has varied substantially across regions in China due to vague central directives, considerable local discretion in policy implementation, and wide regional disparities in socioeconomic status. Thus it is important to examine variations of fiscal transparency and their determinants across different regions.

## Assessments of fiscal transparency in Chinese provincial governments

OGI Regulations grant citizens the right to request information from the government and require that the government reply via e-mail or post — or request an extension — within 15 business days. The mandate enables observers to assess government performance in terms of information disclosure. The Center for Public Policy Studies (CPPS) at Shanghai University of Finance and Economics has ranked the fiscal transparency of 31 Chinese subnational governments each year since 2008, covering 22 provinces, five autonomous regions, and four municipalities (excluding Hong Kong, Macau, and Taiwan). The CPPS developed a framework to assess fiscal transparency, incorporating international experiences and Chinese domestic characteristics. In total, 113 items of fiscal information requiring disclosure were requested as part of the assessments, including 66 items for government accounts, 30 items for social security accounts, and 17 items for state-owned enterprise (SOE) accounts.

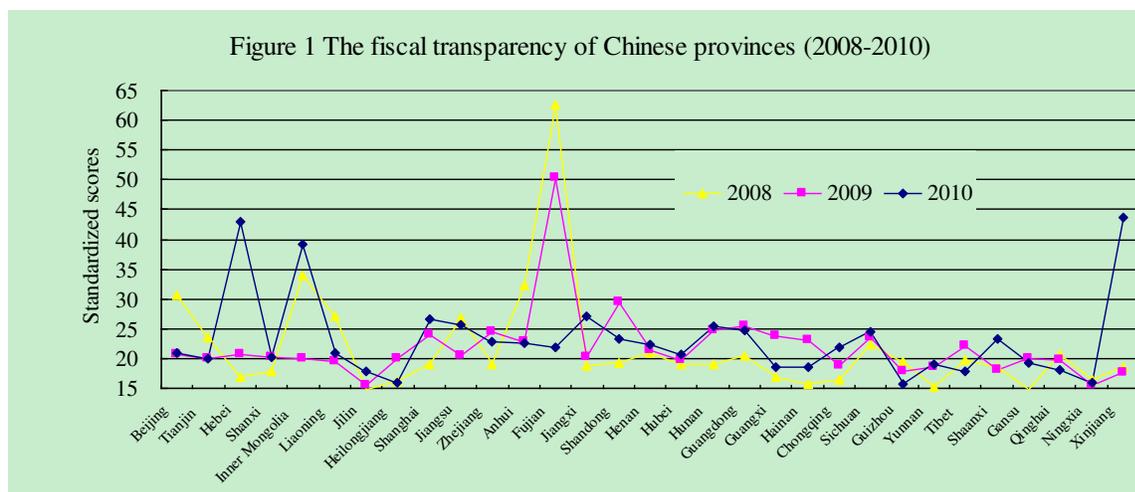
The CPPS recruited over 100 volunteers to request fiscal information from 31 provincial governments. The attitude and conscientiousness of government responses, and the comprehensiveness of disclosed information were evaluated to gauge fiscal transparency in specific provincial governments. Timeliness and accuracy of information were not taken into account in this survey. Information was independently requested five times to confirm the reliability of the assessment.

Governments were judged according to OGI Regulations, and were rated from 0 to 50 based on the attitude and conscientiousness of their responses, and the comprehensiveness of information was scored from 0 to 10 for each item, with totals ranging from 0 to 1130. The index of fiscal transparency ranged from 0 to 1180, with standardized scores ranging from 0 to 100. No province scored higher than 65.

## Variations of fiscal transparency among Chinese provincial governments

The CPPS assessment shows that Chinese provincial governments are not as fiscally transparent as they should be. On average, governments responded to only 22 percent of fiscal information requests made by the CPPS over the past three years, even though the law requires full disclosure.

Fortunately, however, fiscal transparency has been improving. The average score was 21.71 in 2008, 21.87 in 2009, and 23.14 in 2010. But there are tremendous intra-country disparities of fiscal transparency among Chinese provinces (see Figure 1). 2008 scores range from 14.79 (Jilin and Gansu) to 62.66 (Fujian), and 2009 scores range from 15.37 (Ningxia) to 50.41 (Fujian). The highest score in 2010 was Xinjiang (43.65), while the lowest was Guizhou (15.74). There seems to be a subtle tendency of convergence on fiscal transparency scores, as the deviations between provinces have been narrowing. Provinces may adhere to the Confucian doctrine of “golden mean,” in that the progress of transparency in pioneer provinces (such as Fujian) slowed down while lagging provinces (such as Xinjiang) caught up.



## Drivers of fiscal transparency in Chinese provincial governments

Why do provinces differ significantly in their levels of fiscal transparency? We find that the drivers of fiscal transparency are public demand (citizens' attributes and jurisdictional characteristics), fiscal performance, government resources and capacity, and provincial leaders' willingness to disclose information. The results show that economic openness, "marketization," budget deficits, institutional capacity, and the attributes of local leaders (such as the tenure of governors) are also key drivers of provincial fiscal transparency.

This information has practical implications for improving subnational fiscal transparency in China and other countries. Fiscal transparency reforms are difficult to achieve, and governments need to arrange essential resources for their implementation. Subnational and local leaders of administrative affairs are crucial players in increasing openness; their endorsements and support are very important. Additionally, transparency could be strengthened by the central government with more effective controls and incentives for local officials. Finally, economic openness and market-oriented reforms contribute strongly to fiscal transparency, and deepening institutional reforms and encouraging economic openness may benefit government transparency over the long term.

For more information, contact Liang Ma at [ken0821@sohu.com](mailto:ken0821@sohu.com).

To read the full paper, please visit:

[http://spaa.newark.rutgers.edu/images/stories/documents/Transparency\\_Research\\_Conference/Papers/Ma\\_Liang.pdf](http://spaa.newark.rutgers.edu/images/stories/documents/Transparency_Research_Conference/Papers/Ma_Liang.pdf).

## The IBP: Catalyzing Activism, Facilitating Progress

### Recommendations on Transparent Budgeting and Performance Reporting, by Vivek Ramkumar, International Budget Partnership

On November 14 the manager of the International Budget Partnership's Open Budget Initiative, Vivek Ramkumar, traveled to Harare, Zimbabwe, to speak to the South African Development Community Organization of Public Accounts Committees (SADCOPAC) about how governments in the region can enhance accountability through transparent budgeting processes and performance reporting. SADCOPAC is charged with the responsibility of empowering Members of Parliament (MPs) of its member states to effectively carry out their oversight functions with regard to public sector finances, as well as promoting good governance in the region.

The theme of this year's SADCOPAC conference was "The Strategic Partnership of Public Accounts Committees with other Oversight Institutions for Sustainable and Effective Public Resources Accountability." In his remarks, Ramkumar discussed the challenges faced by auditors and public accounts committees in enforcing accountability. He recommended greater collaboration with civil society and described how this can improve the effectiveness of auditors and public accounts committees. Many of these challenges could be mitigated if auditors made their work relevant to the public and involved them. The public can even help auditors by reporting problems in budget execution in their communities. For example, the state government of Andhra Pradesh in India has been implementing social audits to monitor a major rural employment program. Through this participatory monitoring process, the public has helped auditors identify approximately US\$25 million of misappropriated funds, leading to the recovery of US\$5 million and the dismissal of more than 3,000 staff members who committed improper actions.

Public accounts committees have a complementary role to play in enhancing the effectiveness of public resource accountability. Ramkumar recommended that these committees empower auditors by promoting their independence from the executive branch, by encouraging the government to increase resources allocated to audit institutions, and by reviewing audit reports in a timely manner. However, public accounts committees need to function in a nonpartisan way. They also require access to independent and reliable information, media coverage, and public participation. Many of these factors could be enhanced if

the committees forged new partnerships with civil society, which is focusing more on initiatives to monitor and track public expenditures.

To read more about SADCOPAC, visit: <http://www.sadcopac.org/> or email Vivek Ramkumar at [ramkumar@cbpp.org](mailto:ramkumar@cbpp.org).

To view SADCOPAC conference materials, please visit: <http://sadcopac.wikispaces.com/>.

### **The European Commission's Budget Support Policy: The IBP and Global Witness Present Recommendations**, by Elena Mondo and Erin Upton-Cosulich, International Budget Partnership

In a recent two-day workshop, the European Commission (EC) gathered foreign donors, civil society organizations, and experts to brainstorm over 30 recommendations for its updated policy for providing aid through direct budget support — i.e., providing assistance directly to national governments to manage as part of the regular budget process, as opposed to flowing aid through specific projects or off-budget funds. The International Budget Partnership (IBP) provided recommendations as part of discussions on budget support as a driver for accountability, transparency, and budget oversight in aid recipient countries.

To start, the IBP recommended that the three key existing EC guidelines on budget support eligibility criteria include specific reference to budget transparency and accountability. The IBP also suggested that an additional fourth key eligibility criterion focus on the promotion of domestic accountability as a requirement for receiving budget support. Finally, regarding performance monitoring, the IBP noted that improving domestic transparency and accountability requires the adoption of specific, measurable, and time-bound indicators to monitor improvements in these areas. Revised EC guidelines might refer to existing international standards, such as the IBP's Open Budget Survey, to establish appropriate yardsticks for recipient country budget transparency.

Donor discussions on how to revise aid policies around direct budget support are part of a recent trend that emphasizes the need for increased transparency in recipient countries. For more information, see the article in this issue, "The Busan High-Level Forum on Aid Effectiveness: Next Steps?" and read the IBP's full briefing note for the Busan High-Level Forum on Aid Effectiveness [here](#).

For more information on the European Commission's budget support policy, visit: [http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index\\_en.htm](http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/index_en.htm).

### **Exchange Visits: An Opportunity to Work Together and Advance Common International Budget Goals**, by Erin Upton-Cosulich, International Budget Partnership, and Teresa Guthrie, Centre for Economic Governance and AIDS in Africa

In a recent exchange visit between IBP partners from Southern Africa and Brazil, civil society budget groups shared experiences and strengthened the foundation for future international collaboration. From Southern Africa, representatives of the Centre for Economic Governance and AIDS in Africa (CEGAA), Zimbabwe Women's Resource Centre & Network (ZWRNCN), National Association of Non Governmental Organisations (NANGO), and the Zimbabwean Budget Coalition visited the *Instituto de Estudos Socioeconômicos* (INESC), a Brazilian civil society organization (CSO) undertaking research and capacity building concerning socioeconomic rights.

The collective goals and outcomes of the visit included the following:

- Participants sought to **share organizational experiences with budget advocacy** in Mozambique, Angola, Zimbabwe, and Brazil.
- Participants sought to **share training materials**. These included a customized version of the Economic Literacy for Budget Accountability ([ELBAG](#)) method.

- The visiting participants were to **take part in budget-related events**, and also had an inspiring meeting with the developer of [SIGA Brazil](#), an innovative database that allows civil society to monitor public accounts.
- The visiting participants wanted to **learn about Brazil’s HIV/AIDS response** and funding and monitoring mechanisms. For example, civil society in Brazil can monitor all HIV/AIDS expenditure data on a government website.
- Participants sought to **discuss organizational and systems issues**, including growth management, roles and responsibilities, financing and sustainability, and quality assurance.
- Participants sought to **explore future South-South collaborations** and funding opportunities.

The exchange visit was a fine example of how budget advocacy groups can work together, learn from each other, and support common goals.

For more information on CEGAA, please visit <http://www.cegaa.org/>.

For more information on INESC, please visit <http://www.inesc.org.br/>.

## Stay Informed: New Publications and Internet Resources

### **The IBP’s Open Budget Initiative Shines Light on Off-Budget Activities in Five New Transparency Guides**, by International Budget Partnership

Most governments do not include information on all fiscal activities in their budget documents, which can leave civil society, the public, oversight institutions, and other key stakeholders with an incomplete or distorted picture of a country’s fiscal health.

In *A Guide to Transparency in Public Finances: Looking Beyond the Budget* — a series of five brief guides to a number of issues or activities that are often kept “off-budget” — the Open Budget Initiative examines areas of public finance that are less well understood and especially vulnerable to efforts to shield them from public scrutiny.

1. [Extra-budgetary Funds](#)
2. [Tax Expenditures](#)
3. [Quasi-fiscal Activities](#)
4. [Contingent Liabilities](#)
5. [Future Liabilities](#)

For each of these areas, the briefs cover the following questions:

- a) What are they, and why are they of interest?
- b) What information about them should the government include in budget documents and other reports?
- c) How can civil society groups use such information to achieve their research and advocacy goals?
- d) Where can further information, country examples, and “model reports” be found?

Check [www.internationalbudget.org](http://www.internationalbudget.org) in two weeks for the translated French and Spanish guides.

### **Super Duper Impact Planning Guide**, by Albert van Zyl, International Budget Partnership

An Impact Plan is a comprehensive explanation and blueprint for action for how civil society organizations expect their advocacy campaign strategies to work to achieve their desired outcomes. In this new IBP guide, organizations are taken step-by-step through a process for developing a plan that represents the sequence of changes that they hope to contribute to through their work.

Download the complete guide [here](#).

### **Jobs for All? A Civil Society Guide to Understanding and Monitoring Industrial Policy**, by Jason Lakin, International Budget Partnership

This guide is designed for civil society organizations and individuals with an interest in engaging with and monitoring industrial policy in their countries. Relatively few citizen groups focus their advocacy on industrial policy, but many care about such issues as jobs, poverty reduction, and economic growth. Industrial policy is a key policy area for tackling these issues, and also one that is subject to considerable abuse. If industrial policy is to be used effectively, civil society and the public must guard against the kinds of waste and inefficiency that have often accompanied such policies in the past.

Read the full report [here](#).

### **Global Corruption Report: Climate Change**, by Transparency International

The latest Global Corruption Report on Climate Change argues that addressing climate change is the greatest governance challenge that the world has ever faced because of the urgency, complexity, and dramatic shifts to our economies that an adequate response will entail. It will require creating a governance system for financing climate change mitigation (reducing emissions and shifting to a low-carbon economy) and adaptation (addressing the effects of climate change) that establishes new, and integrates existing, institutions and mechanisms for managing the flow of funds at the global, national, local, and corporate level. Given that estimates for the flow of funds for mitigation and adaptation between countries and private sector actors range from US\$100 billion to US\$250 billion annually, it is critical to get it right.

The report also identifies corruption as a serious threat to the response to climate change, saying “[w]here huge amounts of money flow through new and untested financial markets and mechanisms, there is always a risk of corruption.” The report calls for careful monitoring and rapid responses to oversight gaps and other openings for corruption and mismanagement with regard to climate change mitigation and adaptation funds. Among the report’s recommendations for governments, it calls for complete transparency at all levels in the flow of funds for climate change mitigation and adaptation, robust mechanisms and institutions for monitoring and overseeing policy and projects at the national level, and substantive opportunities and mechanisms for public participation in policy making and oversight. The report recommends that civil society engage in independent monitoring and oversight of climate change projects and policies, assist communities in participating at all levels of policy making and project implementation, and build broad coalitions that draw upon its diverse experiences and expertise.

Download the complete report [here](#).

### **Shifting Power? Assessing the Impact of Transparency and Accountability Initiatives**, by Rosie McGee and John Gaventa, Institute of Development Studies

This paper arises from a review of the impact and effectiveness of transparency and accountability initiatives that gathered and analyzed evidence, discussed how transparency and accountability could be improved, and evaluated how impact and effectiveness could be enhanced. This paper argues that there is a need to re-think what impact means in relation to accountability initiatives, and to governance and social change efforts more broadly.

For more information, read the full paper [here](#).

## Requests for Proposals and IBP Job Announcements

### **Administrative Assistant with the IBP’s Middle East/North Africa (MENA) Program**

The IBP is seeking an Administrative Assistant to provide administrative support to the Training and Technical Assistance Program, and the MENA Project in particular.

To read the position announcement, visit <http://internationalbudget.org/wp-content/uploads/MENA-Admin-Assisstant-JD-220911.pdf>.

### **Program Officer (Government Reforms) with the IBP's MENA Program**

The IBP is seeking a Program Officer (Government Reforms) to lead in the development and implementation of IBP's MENA Project strategies for supporting government reforms aimed at enabling civil society engagements in budget policies and processes.

To read the position announcement, visit <http://internationalbudget.org/wp-content/uploads/MENA-Program-Officer-Government-Reform.pdf>.

### **Program Officer (Civil Society) with the IBP's MENA Program**

The IBP is seeking a Program Officer (Civil Society) to lead in the development and implementation of IBP's MENA Project strategies for supporting civil society engagements in budget policies and processes. The position will be based in Tunisia.

To read the position announcement, visit <http://internationalbudget.org/wp-content/uploads/MENA-Program-Officer-Civil-Society.pdf>.

### **Managing Director with Publish What You Fund**

Publish What You Fund is a global campaign organization focusing on international transparency of aid. This role requires a dynamic and passionate leader to strategically lead a small, driven, and enthusiastic team; publicly represent the organization; and liaise with key campaign partners.

To read the position announcement, visit <http://www.publishwhatyoufund.org/resources/about-us/vacancies/vacancy-managing-director/> or email [recruiting@publishwhatyoufund.org](mailto:recruiting@publishwhatyoufund.org).

### **Director with the Transparency and Accountability Initiative**

The Transparency and Accountability Initiative is a donor collaborative committed to strengthening democracy and development through empowering citizens to hold their governing institutions to account. The Director role requires an individual with a proven ability to lead teams, interact with high-level stakeholders, and deliver results.

To read the position announcement, visit <http://www.transparency-initiative.org/news/vacancy-tai-director>.

### **Request for Proposals for Multi-year Research on Impact of Transparency and Accountability Interventions from the Transparency/Accountability Initiative**

The Transparency and Accountability Initiative (T/AI) is pleased to announce a request for submissions by research or evaluation institutions or consortia to develop a rigorous multi-year research proposal on the impact of T/A interventions. The aim is to fill critical gaps in our knowledge about T/A interventions and further our common understanding of what works, why, and under what circumstances. The research will be funded by the Bill & Melinda Gates Foundation, the U.K. Department for International Development, the William and Flora Hewlett Foundation, and potentially others, under the umbrella of the T/AI.

Download the Request for Proposals (RFP) [here](#). Submission requirements are detailed in the RFP.

The deadline for submissions is 11:59 GMT 3 January 2012. Submissions should be sent to [smathes@scalingimpact.net](mailto:smathes@scalingimpact.net).