



INTERNATIONAL BUDGET PARTNERSHIP
Open Budgets. Transform Lives.

e-Newsletter

SEPTEMBER-OCTOBER 2009 No. 50

Social and Government Audits

- "It's Our Money. Where's It Gone?" IBP's New Documentary on Social Audits
- Bruno Wilhelm Speck, Transparency International, Reviews *The Political Economy of Government Auditing. Financial Governance and the Rule of Law in Latina America and Beyond* by Carlos Santiso

Survey Roundup: Budget Transparency, Practices, and Procedures

- Release of the Latin American Transparency Index 2009 by José María Marín, Fundar, Mexico and Rocio Campos, IBP
- Budget Practices and Procedures in Africa by Paolo de Renzio, Overseas Development Institute, UK
- Modifications to the Open Budget Survey Results by Vivek Ramkumar, IBP

Health and Gender Budgets in India

- Lessons from India's Health Budget: Out-of-pocket Expenditures for AII? by Ravi Duggal, IBP
- Institutionalizing Gender Budgets in India by Benita Sharma, gender budget expert, India

Access to Information, Freedom of Expression, and Education for All:

Mentoring Government Capacity for Budget Transparency and Participation: A New Program of the IBP

In September 2009 the IBP is launching a two year program to make budget systems more responsive to the needs of low income people and to make these systems more accountable to the public. The *Mentoring Government Capacity for Budget Transparency and Participation Program* aims to assist a select number of country governments to implement transparent budget systems and prioritize public participation.

Although many governments have undertaken efforts to increase transparency, they have struggled to provide budget information in a way that enhances the ability of civil society and the public to participate effectively in budget formulation, implementation, and oversight. They also have struggled to create and maintain effective civil society participation in the budget process. The IBP believes that there is a clear need to develop capacity within governments to engage the public more effectively.

The IBP's Open Budget Survey 2008 found that 51 of the 85 countries surveyed produce at least one, and often several, of the eight key budget documents that are required by generally accepted good public finance practices. Although governments produce considerable information on their budgets and other activities for internal bureaucratic use and for their donors, this information is usually presented in a complex and technical manner.

To develop truly transparent, participatory, and accountable budget systems, governments should address two questions: How do you identify and provide the information that civil society really needs to engage in the country's development and improve its conditions?, and How do you create opportunities to foster meaningful public participation in budget and policy processes? The program will assist a select number of governments to address these questions and offer technical assistance to:

- Identify and understand the information needs of civil society and the public, particularly the poor
- Translate the budget information they produce into formats accessible to civil society and the public
- Improve their relationships with non-government actors to promote social participation and enhance the impact of poverty reduction policies

For more information, contact Juan Pablo Guerrero at juanpablo.querrero@hotmail.com.

Strategies and Challenges

- Advocacy to Improve Education Budgets by Samantha Ross, HakiElimu, Tanzania
- Innovative Financing to Achieve the Millennium Development Goals by Jay Colburn, IBP
- New NGO Law in Zambia Threatens Civil Society's Freedom of Expression by Lena Vind-Andersen, MS Zambia
- Improving Access to Information for Ghanaian Youths by King Sarfo, Youth Empowerment for Africa, Ghana

New Publications and Resources

- French Translation of *Our Money, Our Responsibility: A Citizens' Guide to Monitoring Government Expenditures*
- Revised Edition of Michael Edwards' *Civil Society*
- New Book: *La renta de hidrocarburos en las finanzas prefecturales. Tendencias de los ingresos y gastos (1997-2007)* by Juan Luis Espada
- New Book: *Fighting Poverty with Facts: Community-Based Monitoring Systems* by Celia Reyes and Evan Due
- UNICEF's New Social and Economic Policy Website

Announcement

Job Opportunities with the Revenue Watch Institute (RWI)

"It's Our Money. Where's It Gone?" IBP's New Documentary on Social Audits

The International Budget Partnership (IBP) is proud to announce the release of **"It's Our Money. Where's It Gone?"**—a new documentary film on the work of one of its partners, MUHURI (Muslims for Human Rights), to involve communities directly in monitoring the Constituency Development Fund (CDF) in Mombasa, Kenya. The CDF allocates approximately one million dollars annually to each member of parliament to spend on development projects in his or her constituency but provides for no meaningful independent oversight. This is the story of ordinary Kenyans stepping in to do something about it.

See how MUHURI uses "Social Audits" to involve communities in monitoring and holding their government accountable for managing the public's money and meeting the needs of its people, especially the poor and most vulnerable.

Help us get the word out—Share with your friends, colleagues, and networks!

To see the video, go to: www.internationalbudget.org or <http://www.youtube.com/watch?v=z2zKXqkrf2E>.

Bruno Wilhelm Speck, Transparency International, Reviews *The Political Economy of Government Auditing. Financial Governance and the Rule of Law in Latina America and Beyond* by Carlos Santiso

Government auditing is an arcane activity at the periphery of public administration—as has been the academic study of audit institutions. Interest shifted recently, once audit institutions were rediscovered as an institutional asset of political systems that can be used to fight waste and misuse of public resources. Since good governance became the focus of public sector reformists, scholars have tried to understand what audit institutions do, where they fail to do a good job, and how to improve their performance. Carlos Santiso has written extensively on the topic of public finance management and now has published his doctoral thesis, *The Political Economy of Government Auditing. Financial Governance and the Rule of Law in Latina America and Beyond*, based on a thorough analysis of audit institutions in Argentina, Brazil, and Chile.

His book includes a detailed description of the institutional profile of the audit institutions in these countries, which follow different models of institutional design and function:

- the Chilean monocratic model, inspired by the Anglo-Saxon tradition in which audit institutions focus on performance reviews of public resource management;
- the Brazilian court model, with a collegiate decision-making process driven by questions of compliance with accounting standards and budget laws; and
- the hybrid Argentinean board model, in which the collegiate decision-making process is combined with a counseling role of the legislative branch

These case studies include detailed information on the historic origin and institutional trajectory of the “Auditoría General de la Nación” in Argentina, the “Tribunal de Contas da União” of Brazil, and the “Contraloría General de la República” in Chile, highlighting differences in institutional design and role. Despite these differences, the main shortcomings are similar in all three cases: once the audit institutions conclude their task and issue reports, the findings have limited impact on public administration and tend not to be followed up on by the legislature or result in court action to hold officeholders responsible for misbehavior.

This is an important finding to guide public sector reform and future research on government auditing. Rather than focusing only on institutional capabilities and independence from other powers, would-be reformers and researchers should also address audit institutions’ need to integrate the detection of misbehavior, analysis of responsibilities, and application of sanctions.

Santiso argues that to be effective audit institutions have to be functionally linked to a web of accountability that puts audit findings into practice. Assessing misbehavior is part of the core professional task of audit institutions, and the independence of these institutions is important to keep this phase free from political interference. The tricky question is who should hold officeholders responsible for misbehavior once auditors have issued their findings. Santiso makes a useful distinction between an oversight function that includes controlling, informing, and restraining the power of government and an accountability function that comprises sanctions and enforcement. The author concludes the former should stay with audit institutions, while the legislature is better prepared for the latter.

Santiso looks at the relationship between the legislature and audit institutions, finding that lawmakers tend to perform their role of holding government accountable using the “fire alarm” model, i.e., they act when problems occur. In contrast, they maintain a “police patrol” system with audit institutions performing continuous scrutiny on how the government manages public resources. The tragedy is that once reported, many audit findings fall into oblivion. This is the case in Argentina, where the alternative strategy has been to leak audit findings to the public and put pressure on politicians; in Brazil, where despite the authority of the TCU to apply sanctions, its decisions are questioned in court; and in Chile, where the CGR’s approach of compliance reviews does not promote interaction with the legislature.

Chapter three of Santiso’s book ventures into quantifying the performance of audit institutions. The author develops four indicators on key dimensions of government auditing in 10 Latin American countries, including independence, credibility, timeliness, and enforcement. Unfortunately, Santiso does not share details on the composition of these indicators, despite signs that he developed a sophisticated methodology to compose the indicators (two out of four indicators draw on data from the International Budget Partnership’s [Open Budget Initiative](#)). Statistical analysis establishes a correlation between the effectiveness of government audit institutions and other indicators of good governance. However, the direction of causality remains unclear.

Reforming government auditing has to focus on vertical and horizontal accountability. It should find ways to make audit institutions an integral part of the backward-looking task of sanctioning misbehavior, and the forward-looking role of improving public resource management. Santiso’s book is a landmark along this path. In Santiso’s own words, “civil society organizations scrutinizing the budget, including the media, are critical allies of audit agencies along the chain of accountability described in the book. However, the potential of such relationship is seldom deployed to its fullest.”

For more information, contact Bruno Wilhelm Speck at bruno.speck@terra.com.br.

For further reading, review:

[Carlos Santiso Interview](#) to the African Development Bank media outlet

[Improving Fiscal Governance and Curbing Corruption: How Relevant Are Autonomous Audit Agencies?](#) by Carlos Santiso

[Access to Public Information and Citizen Participation in Supreme Audit Institutions](#) by Ezequiel Nino

[Responding to Challenges of Supreme Audit Institutions: Can Legislatures and Civil Society Help?](#) By Albert van Zyl, Vivek Ramkumar, and Paolo de Renzio

[The Role of Civil Society Organizations in Auditing and Public Finance Management](#) by Vivek Ramkumar and Warren Krafchik

Release of the Latin American Transparency Index 2009 by José María Marín, Fundar Mexico and Rocío Campos, IBP

On November 10 the fifth round of the Latin American Budget Transparency Index was released in 12 Latin American countries. This perceptions study compares the levels of transparency and citizen participation throughout the budget process in Argentina, Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Mexico, Panama, Peru, and Venezuela. The organizations that conducted the study are: Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento, CIPPEC (Buenos Aires, Argentina), Centro de Estudios para el Desarrollo Laboral y Agrario, CEDLA (La Paz, Bolivia), Instituto de Estudios Socioeconomicos (Brasilia, Brazil), Foro Joven, Corporación Fondo de Apoyo de Empresas Asociativas, Proyección Andina y Co-deliberar (Santa Fe de Bogota, Colombia), Programa Estado de la Nación, Instituto de Investigaciones en Ciencias Económicas de la Universidad de Costa Rica, y Fundación Arias (San Jose, Costa Rica), Grupo Faro (Quito, Ecuador), Centro de Investigaciones Económicas Nacionales, CIEN, (Ciudad de Guatemala, Guatemala), Fundar, Centro de Análisis e Investigación, y Probabilística (Mexico DF, Mexico), Centro de Estudios y Acción Social Panameña, CEASPA (Panama, Panama), Ciudadanos Al Día, y Centro de Investigación de la Universidad del Pacífico (Lima, Peru), Fundación Solidaridad, (Santiago, Dominican Republic), Transparencia Venezuela (Caracas, Venezuela).

In spite of the legal framework that regulates the access to budget information in Mexico, the study shows that the perception of the level of budget transparency and citizen participation has decreased from 54 points in 2005, to 50 points in 2007, to 48 points in 2009. This is because the information disseminated by the government is confusing and creates doubts and mistrust among the general public. In addition, the economic crisis has accentuated the weaknesses of the country's public administration.

Venezuela earned the lowest score (23 points) among the countries included in the Index. At the opposite end of the spectrum, Costa Rica continues to be the only country with a passing score higher than 60 percent, and Peru is second with 54 percent.

Colombia experienced the most significant change in its score, which grew from 38 points in 2007 to 46 points in 2009. Factors contributing to Colombia's improved status include the implementation of new mechanisms for formulating the national budget and the creation of new spaces for the public to debate the budget.

Except for Costa Rica, Peru, and Venezuela, the rest of the countries studied scored within a range of 42 to 50 points, revealing a need to make significant progress toward improving the level of budget transparency across the region. (The study considers only scores over 60 as satisfactory.) These results highlight the urgent need to develop better budget practices and accountability mechanisms, because without transparency the consolidation of democracy is not possible.

To see the country results, go to www.iltplib.org.

For more information, contact José María Marín at jose@fundar.org.mx.

Budget Practices and Procedures in Africa by Paolo de Renzio, Overseas Development Institute, UK

Since 2003 the Organization of Economic Cooperation and Development (OECD) has promoted a [Survey on Budget Practices and Procedures](#) to collect information on how

budget systems work in different countries. In 2008 the survey was extended to a total of 97 countries, including collecting data for 26 African countries in collaboration with the Collaborative Africa Budget Reform Initiative (CABRI). In preparation for CABRI's [Fifth Annual Seminar](#), held in April 2009 in Senegal, a research team from the London School of Economics analyzed the survey results. The resulting report (available [here](#)), compiled with support from the African Development Bank, brings together selected findings from the survey to give an overall picture of the state of budgeting in Africa.

The survey was completed by officials from the Ministry of Finance in the participating countries through an online platform. While there was no civil society involvement in this process, the database provides budget practitioners, academics, and civil society with a unique and comprehensive source of data to compare and contrast national budgeting and financial management practices from across the continent and beyond. The report provides an overview of budget practices and procedures in seven key areas:

1. Budget timelines
2. Budget formulation
3. Parliamentary oversight
4. Budget execution
5. Fiscal transparency
6. Off-budget spending
7. Aid management

These areas were selected to cover the most relevant issues for budgeting in Africa, and to focus on a subset of questions for which both coverage and quality of responses were of the highest level possible.

The analysis highlights the variety of practices and procedures that characterizes African countries, for example, those regarding budget timelines, the nature of budget institutions, and the role of parliaments. These differences are the consequence of a number of factors, from administrative traditions to reform efforts, to past and current economic realities. An important consequence of this is that it might be difficult to identify ready-made recipes that can contribute to improving budget practices across the continent, as improvements will depend on tailor-made interventions that are designed to address specific issues within each country's budget system.

Apart from documenting the existing variety of practices and procedures across the continent, the results also identify significant challenges that African countries are facing. The need to increase transparency and address the issue of off-budget spending is one area. In many cases, country responses reveal the lack of availability and comprehensiveness of budget information, which in turn can have a severe impact on accountability and on the "challenge function" in the budget process but also undermine coherence and coordination in policy making. Aid management and the quality of medium-term projections are other areas that deserve close attention. Especially for those governments that depend heavily on donor funding, a more proactive management of aid flows could bring about significant benefits in terms of "putting aid on budget" and improving the capacity of the government to adopt a medium-term perspective. Finally, issues related to the solidity of budget execution and audit procedures show ample room for improvement.

For more information, contact Paolo de Renzio at p.derenzio.ra@odi.org.uk.

Modifications to the Open Budget Survey Results by Vivek Ramkumar, IBP

Based on inputs received from researchers and extensive internal reviews, the International Budget Partnership (IBP) has made three changes in the methodology applied to its Open Budget Survey, which is the basis for the Open Budget Index (OBI). The first change concerns the timing of the release of the eight key budget documents assessed by the Survey. The second change is the inclusion of the enacted budget in calculating country scores for the OBI. The third change is based on comments received from experts from Brazil and Nigeria that resulted in revisions to the answers of a few questions used to assess these countries.

For more information on the specific changes, please review:

1. Revised draft of the *Guide to the Open Budget Questionnaire 2010*, available at <http://openbudgetindex.org/files/OBIGuide2010.pdf>
2. New rankings and scores for the OBI 2006 and 2008, available at <http://openbudgetindex.org/files/Rankings2006-Revised.pdf> and <http://openbudgetindex.org/files/Rankings2008-Revised.pdf>
3. Note explaining changes in OBI methodology, available at <http://www.openbudgetindex.org/cms/index.cfm?fa=view&id=2932>

Based on these revisions, scores for all but one country included in the Open Budget Survey 2006 have slightly improved; the only country whose score decreased (by one point) is Bangladesh. The improvements are more visible for those countries at the bottom of the rankings, as the marginal value of a positive answer is greater for them. Given that the increase due to the availability of the Enacted Budget is extremely small (since there are 92 questions included in calculating the Open Budget Index and the maximum score that any country can achieve is 100 points in total), for many countries, the overall Index score remains unchanged (scores for only 20 countries changed).

For countries included in the Open Budget Survey 2008, this change reduced Index scores of a few countries that do not release the Enacted Budget, namely China, Equatorial Guinea, Saudi Arabia, and Sudan. Scores for all but one (Namibia) of the remaining countries that were included in the Open Budget Survey 2008 remained the same (50 countries) or increased (30 countries).

Lessons from India's Health Budget: Out-of-pocket Expenditures for All? by Ravi Duggal, IBP

Public health budgets constitute a critical source for health equity in any society; they demonstrate a country's commitment to ensuring that the basic human needs and rights for all its people are met. The prime cause of underdevelopment in the health sector and healthcare delivery is inadequate government budget allocations. If a country's health indicators show gross inequities in outcomes then it is evident that public investment in health is also grossly inadequate.

Data from low- and middle-income countries across the world provides clear evidence that the failure to commit adequate public resources to health has resulted in over 5.6 billion people having to finance over half of their healthcare using the most inequitable method available—paying out-of-pocket, often through borrowing and selling assets (World Health Report 2008). On the other hand, in countries, even low- and middle-income countries, that take responsibility for at least half of national health spending (public and private), health outcomes and access to healthcare are generally favorable and equitable. For instance in Chile, Costa Rica, Cuba, Malaysia, Sri Lanka, and Thailand, government spending accounts for between 46 and 88 percent of total health spending. This leads to reasonably good health outcomes and relatively good access to basic healthcare.

Looking at the case of India, we can see how the question of adequate public health budgets looks on the ground. In India, with public health spending accounting for less than 20 percent of total health spending, and out-of-pocket expenditure reaching 98 percent of all private health expenditure, health and healthcare access are not only poor but also highly inequitable. The National Family Health Survey (NFHS) shows this very clearly. The extent of inequity between the top and bottom quintile for some key indicators is huge. In looking at the bottom quintile compared to the top, U5 (children under five years old) mortality is 2.97 times higher in the bottom, access to doctors for ANC (antenatal care) is 3.83 times higher, delivery in a health facility is 6.59 times higher, and children in the lowest quintile are 10.11 times more likely than their high-quintile counterparts to have no immunization. In contrast, children in the highest quintile are 2.9 times more likely to have full immunization than those in the lowest. This is because the public health expenditure in India accounts for less than 1 percent of the gross domestic product (GDP), in contrast to private health expenditure of over 5 percent of GDP; this ratio favors those families with higher incomes and thus greater ability to pay out-of-pocket for care.

The latest budget for 2009-10 is no different from the last five budgets, or for that matter any earlier budget. In the 2009-10 budget, the overall increase (in current prices) in government expenditure over the previous fiscal year is estimated at 36 percent, but the increase for the health sector is much lower at a mere 22 percent (Rs 226.41 billion in the current budget against Rs 184.76 billion in 2008-09), showing a low level of concern for the health sector. If we look at the flagship program in the health sector, the National Rural Health Mission (NRHM), the situation is even more pathetic, with an increase over 2008-09 of only 15.6 percent.

On the budget implementation side of public health finance, the Finance and Appropriation Accounts reveal gross under spending in some of the government's own key priority programs under NRHM, like immunization, RCH, and flexi pool funding that affects performance and outcomes. Some high level bureaucrats often blame this on poor absorption capacity of states and oppose increased budgets for health, but this position is in conflict with the substantial demand for resources at the level of health service delivery. The community monitoring of NRHM in partnership with civil society has clearly demonstrated the inadequate performance of NRHM activities. The same problems continue, including:

- inadequate drug supplies
- lack of medical and paramedical staff
- poor utilization of untied funds
- poor quality of primary health centre (PHC) services
- uncooperative behavior of the staff

Hence, the problem is not the absorption capacity but the poor budget planning to address the demands of the people. Furthermore, the central and state bureaucracies are unwilling

to relinquish their control over the healthcare delivery system, despite a lot of talk about decentralization. They may allow decentralized planning through the *panchayats* (local government bodies)—and even provide some untied funds for the *panchayats'* direct use—but they will never transfer fiscal, governance, and management autonomy and control to the units that provide care directly.

The national government's attempt to increase total spending on public health by hiking allocations to its National Rural Health Mission program has failed because the states have responded by reducing their expenditure. Instead of decentralizing expenditure on health, the national government has taken control of a larger share of resources for the sector, resources that have not been adequately utilized even for priority programs.

This example from India shows us where the problem lies in resource allocation and use. Those who deliver care, who understand and know the situation firsthand and can plan and budget the resources, have no role in decision making. And those who govern from the state and national capitals make all the decisions without having a clue to what the realities are on the ground. In the India example, this is why the NRHM has failed to make the structural corrections that it was intended to make. Unless radical changes in budget and financing mechanisms are put in place that grant full autonomy to those who directly run the public health system, the NRHM flagship will continue to sink and the out-of-pocket expenditure for poor households will continue to grow.

Adapted from "Sinking Flagships and Health Budgets in India" by Ravi Duggal, *Economic and Political Weekly*, August 15, 2009, Vol: XLIV No.33
<http://www.epw.in/epw/uploads/articles/13818.pdf>.

Institutionalizing Gender Budgets in India by Benita Sharma, gender budget expert, India

The Gender Responsive Budgeting (GRB) initiative in India started in July 2000 with the workshop "Engendering National Budgets in the South Asia Region," which was held in New Delhi in collaboration with UNIFEM. The workshop gathered South Asian government representatives, UN agencies, media, civil society organizations, and members of India's Planning Commission, which is responsible for the five-year national development plans on which the budget is implemented. Gender auditing expert Diane Elson presented relevant data on women's economic contribution to society along with an assessment of the impact of the national budget on women. She also discussed women's role in improving the institutional framework for the delivery of public services, and policy alternatives for building a gender sensitive budget. A significant outcome of the meeting was that the National Institute of Public Finance and Policy (NIPFP), an autonomous institution that provides the government advice on fiscal policy and conducts research for the Ministry of Finance, was commissioned to study gender-related economic policy issues. This led to the publication of the first study on gender budgeting in India by NIPFP with support from UNIFEM.

UNIFEM's GRB program in India obtained the Ministry of Finance's consent to work on gender budgeting. At the request of the Ministry, a chapter on gender equality was included in the 2001 National Economic Survey—the government's financial roadmap. This marked the first time the term "gender" was used in the National Economic Survey of India. The 2002 Survey included chapters on "Women in the Work Force" and "Development of Women and Children." The introduction of gender in the Survey, however, did not institutionalize

GRB at the national level. The following year there was no mention of women or gender in the Survey, showing the need to monitor and advocate for gender equity on a regular basis.

Based on discussions with women's groups, the Ministry of Women and Children Development (MWCD) designated a gender team in each ministry to oversee GRB, but this did not succeed. In most cases the budget officer considered gender budgeting an appended responsibility and did not promote the issue within their respective ministries. In addition, it was clear that the ministries had no idea how to take GRB forward. In February 2006 NIPFP collaborated with the international NGO, IFES—the International Fund for Election Systems, which works to promote fair elections around the world—to organize consultations with representatives from the Ministry of Finance, MWCD, elected women's representatives, NGOs, and grassroots women and identify the following actions to ensure the success of GRB:

- Develop a training manual on GRB to ensure a common understanding of GRB across ministries
- Dissolve the gender teams and develop and train gender budget cells (GBC), which designate four members in each ministry to oversee GRB
- Designate a senior official at the level of the Joint Secretary as the head of the GBC
- Collect best GRB practices
- Build capacity of elected women representatives on GRB to address gender equity issues

IFES supported the capacity building of GBCs, which was organized by the Indian Institute of Public Administration in collaboration with MWCD. The actions recommended above fed into the charter of GBCs developed by the Ministry of Finance. The collaboration between the Ministry of Finance and MWCD made GRB mandatory for all ministries, thus institutionalizing it. This was followed by a GRB training of trainers that began to establish a pool of GRB experts who now conduct capacity building on GRB for government officials, NGOs, and elected women representatives.

Today a help desk of three experts under MWCD is being supported by UNIFEM to help the ministry work with various stakeholders on GRB. In addition to conducting capacity-building trainings for Indian government officials, the help desk convenes one-on-one meetings with different ministries to gender-sensitize their programs and schemes, identify gender gaps, and provide interventions to bridge those gaps. Since 2007 the Ministry of Finance has made it mandatory that all ministries must report not only the amount of funds that have been spent but also what has been the impact of the expenditures on women. Other recent developments include:

- In 2004 the MWCD recognized gender budgeting as an important tool for women's empowerment. They adopted "Budgeting for Gender Equity" as a mission statement, which was disseminated to all ministries and departments of the government. This was followed by MWCD taking GRB to the states.
- India's current five-year plan (2008-2012) was developed in a participatory and gender sensitive manner. With the support of UNIFEM and UNDP, five regional meetings were held with Women's Political Watch and Women Power Connect and other civil society organizations to ensure that the voices of grassroots groups were reflected in the plan. Each subject area is looked at from a gender angle, e.g., gender and agriculture. In addition, the Planning Commission (PC) formed a working group on "Empowerment of Women" and a group of economists to identify gender gaps in government's policies and programs. For the first time, a separate section on gender equity was included in the current five-year plan. It emphasizes that gender

equity requires policies and schemes across government ministries and departments to secure adequate provisions.

- The finance minister indicated that the next stage of reforms should shift to focus on expenditure management and outcomes. As part of the monitoring process, government ministries and departments are required to prepare a performance and outcome budget in which beneficiaries are disaggregated by gender.

The gender analysis of the Indian budget, which is carried out by a large number of women's groups and academic institutions, like NIPFP and Jawahar Lal Nehru University, has made expenditure data available to women's groups, who now use it in their negotiations with policy makers and with members of parliament to ensure that women get their due share. Evaluation of government schemes, including anti-poverty schemes, through a gender lens is now part of the government's impact assessment system, ensuring that all social programs target women.

For more information, contact Benita Sharma at sharma.benita@gmail.com.

Advocacy to Improve Education Budgets by Samantha Ross, HakiElimu, Tanzania

HakiElimu, a civil society organization based in Dar es Salaam, Tanzania, works to transform schools, influence policy making, stimulate public dialogue, and organize local communities to improve the levels of equity and quality in education. A central part of HakiElimu's work is to analyze the national budget and the education budget. This year HakiElimu not only reacted to the education budget after its approval by Parliament but took concrete actions—prior to the approval of the budget—to influence the ministers' vote and secure a better prioritized education budget that would benefit Tanzanians.

During this year's budget session in June and July, HakiElimu decided to raise awareness and change the pre-education budget debate by writing a short pre-budget brief addressed to Parliament. The idea was to use this brief while the budget was being tabled to prompt a more critical discussion and to promote more favorable outcomes. The decision to develop a brief was supported by the fact that parliamentarians, including the prime minister have directly quoted from HakiElimu's publications in the past. The experience of HakiElimu's media unit was instrumental in this effort.

The Advocacy Process

HakiElimu analyzed the education budget that was to be presented in Parliament using information accessible from the website of the Ministry of Finance. Based on this information they wrote a two-page brief congratulating the government on increasing the overall education budget and demanding better prioritization on quality education alongside improved transparency. The recommendations given were achievable and measurable. Although most reports are written in Swahili and English and widely distributed across the country, the brief was written only in Swahili to ensure its full understanding by the members of parliament (MPs), and it was handed out in person to each MP.

In tandem, HakiElimu ran the brief as a full-page advert in three national newspapers over the three consecutive days leading up to the reading of the budget. The newspapers were chosen on the basis of their readership and reputation of serious journalism. This ensured

that if an MP had missed the delivery of the brief, it is likely that she or he would have read HakiElimu's concerns and requests in the newspaper. At the same time HakiElimu's media unit also ran a TV and radio public service announcement that described the numerous personal and professional problems facing teachers and asked: Are government plans and budgets seriously thinking about the challenges teachers face? This announcement was aired on three TV stations, three times a day, for four to six weeks, and on four national radio stations and four community radio stations, five to six times daily.

The Results

The response was positive. Opposition MPs were seen on television holding the brief, using it to challenge the government, and demanding what HakiElimu had suggested. However, instead of using the brief to guide more critical dialogue, the MPs preferred to read directly from it. One wonders what they might have said, or not, if HakiElimu's brief had not been in their hand. In addition, the brief was extensively used by national newspapers following the budget speech, with journalists quoting figures and using the analysis to write critiques of the budget.

Relevant issues related to the education budget were brought to the attention of Parliamentarians as well as the general public. Furthermore, HakiElimu learnt that using all avenues to get your point across is effective. It is not enough to conduct research and write a report; critical findings need to be disseminated proactively, keeping the intended audience in mind at all times. Although writing and distributing briefs is useful and necessary, it cannot replace the in-depth discussions that can stem from face-to-face interaction. A combination of comprehensive analysis, research dissemination, and personal contact is surely the most effective way to win hearts and minds.

For more information, contact Samantha Ross at paa@hakielimu.org.

Innovative Financing to Achieve the Millennium Development Goals by Jay Colburn, IBP

Since the creation of the United Nations' Millennium Development Goals (MDGs) in 2000, many organizations and governments have contributed billions of dollars to reach the MDGs. [1] Now more than halfway to 2015, though great progress has been made in the areas of primary education, infant mortality, and environmental sustainability, many MDGs such as employment, hunger, and sanitation are not on track to being achieved. In addition to governments' unpredictable and insufficient official development assistance, the recent global economic crisis has hurt MDGs funding. Hence, there is a need for new financing methods to achieve the targets on time.

Civil society organizations (CSOs) around the world have taken matters into their own hands and are raising awareness about the importance of reaching the MDGs, as well as promoting innovative financing methods. Organizations such as the [Leading Group on Innovative Financing for Development](#) and the [High Level Taskforce on Innovative International Financing on Health Systems](#) support independent assessments to determine the feasibility of innovative financing programs that evaluate potential costs and benefits and identify how such funds should be managed and who should do so.

One recent campaign for a new approach to financing stemmed from [1Goa: Education for All](#). This campaign, initiated by the [Global Campaign for Education](#), is supported by the 2010

FIFA World Cup and footballers (soccer players) around the world to raise awareness of the importance of education for all and the education MDG. Many world leaders and world-famous footballers recently came together in early October 2009 for the global launch of the Goal 1 Campaign, promoting the importance of education and greater investment in schools, books, teachers, etc. The [Center for Global Development](#) (CGD) proposed through its blog an added component to the 1Goal Initiative that would build on the overall effect of this campaign, namely to allow teams, players, TV stations, fans, and others, to contribute a certain amount of money—for example, US\$1—for each team or player of their choice that scores a goal during World Cup matches. The money raised would go towards achieving the education MDG. The CGD's blog also advocated for a new and creative mechanism for delivering these funds dubbed "[Cash on Delivery](#)," where donors pay "cash" only upon "delivery" of an agreed upon outcome (e.g., \$200 for each additional child who takes a standardized test at the end of primary school). The details of such a financing proposal and its delivery method would need to be researched and analyzed, however. Before being implemented, the best way to independently verify outcomes for payment proportional to progress needs to be decided and whether COD is an improvement over other aid mechanisms needs to be evaluated.

Another inventive financing idea was originally proposed in a [New York Times opinion article](#) by Philippe Douste-Blazy, Special Adviser to the United Nations Secretary General on Innovative Financing. The idea is to impose a small tax on currency exchange transactions on the world's major currencies (the US dollar, the British pound, the Euro, and the Japanese yen). The tax would be voluntary, but if a country agreed it would be applied to all trades of that country's currency. Estimates show that if a 0.005 percent tax were levied on these currencies in the foreign exchange market (with an estimated \$800 trillion in trades annually) more than \$33 billion would be available annually for development purposes. Douste-Blazy claims the tax could be collected by a computer system handling foreign exchange transactions or by a model similar to the [Global Fund to Fight AIDS, Tuberculosis, and Malaria](#) but further studies must be carried out to analyze the tax's impact on the currency trading market and an appropriate collection and management system.

The currency exchange tax could follow the example of another innovative idea to finance MDGs, which has already been established in 14 countries. [2] These countries charge a small tax on airline tickets. The amount varies from country to country and is either a flat fee or is based on such factors as the country's level of development, the distance traveled, and whether the ticket is coach or business class. The money raised from this tax is managed by [UNITAID](#)—an organization established to help achieve the MDGs, particularly the goals dealing with health—and funds more than 70 percent of UNITAID's work with HIV/AIDS, malaria, and tuberculosis. While this tax has raised over \$700 million for health MDGs since 2006, many countries are contemplating a voluntary contribution mechanism on airline tickets, potentially raising an additional \$2 billion a year. Both the compulsory and voluntary taxes have proved to be successful innovative financing measures that contribute to reaching the MDGs by 2015.

CSOs can contribute to support the MDGs by:

- Advocating publicly for pressing development concerns
- Designing strategies to meet targets
- Working with governments to implement scaled-up investment programs
- Monitoring and evaluating efforts to achieve MDGs
- Mobilizing and building public awareness around MDGs
- Sharing best practices and technical expertise with governments
- Delivering services directly

- Participating in design, implementation, and review of MDG-based poverty reduction strategies

Specific examples of CSO contributions to achieving the MDGs include:

- A Greek CSO is printing the eight MDGs on leaflets and distributing them to schools and centers for the elderly.
- An organization in Bangladesh conducted a workshop on the MDGs for journalists at the national level in 2006 and planned more journalist sensitization workshops on achieving the MDGs in 2007.
- A Senegalese CSO has organized protest marches on hunger and awareness campaigns on the MDGs, while providing basic literacy classes to street children and women.
- A group in Mexico is engaged at the national level providing psychological care and support, nutritional information, and information campaigns about HIV/AIDS prevention and treatment to people living with HIV/AIDS.
- A small environmental CSO in Russia is creating a local eco-village to improve the quality of the environment and educate people about its importance. [3]

With the efforts of world governments to live up to their development assistance pledges—supplemented by the many innovative financing initiatives—the international community continues to move closer to the achievement of the MDGs.

For more information contact, Jay Colburn at colburn@cbpp.org.

[1] The eight Millennium Development Goals (MDGs) with the aim of halving extreme poverty worldwide by 2015 are: 1) Eradicate extreme poverty and hunger; 2) Achieve universal primary education; 3) Promote gender equality and empower women; 4) Reduce child mortality; 5) Improve maternal health; 6) Combat HIV/AIDS, malaria and other diseases; 7) Ensure environmental sustainability; and 8) Develop a global partnership for development.

[2] The 14 countries include Benin, Burkina Faso, Chile, Côte d'Ivoire, Democratic Republic of Congo, France, Guinea, Jordan, Madagascar, Mali, Mauritius, Morocco, Niger, and the Republic of South Korea.

[3] See http://www.nsi-ins.ca/english/pdf/wtp_2008.pdf, page 9.

New NGO Law in Zambia Threatens Civil Society's Freedom of Expression by Lena Vind-Andersen, MS Zambia

Civil society organizations (CSOs) in Zambia have expressed their dismay about the imminent legislation of the recent NGO (nongovernmental organizations) Bill, which requires NGOs, including community based organizations, to

- Submit to compulsory registration, which must be renewed every five years. Registration can be denied in the public interest, but "public interest" is not defined in the law.
- Report on organizational funding, activities, and the personal assets of their officials.
- Plan activities in accordance with Zambia's national development plan. This will be ensured by a newly established authorizing board responsible for instituting a "code of conduct." Noncompliance can result in cancellation or suspension of registration.

CSOs are discouraged by the fact that a republican president would approve a proposed law that infringes on the constitutional rights of freedom of association and expression. The law violates regional and international instruments on human rights that guarantee freedom of association, like the International Covenant on Political and Civil Rights, the African Charter on Human and Peoples' Rights, and the provisions of the Declaration on Human Rights Defenders adopted by the United Nations General Assembly on December 9, 1998.

Ingrid Srinath, secretary general of CIVICUS, points out that any regulatory framework for NGOs must actively preserve the independence of the sector. This law, in contrast, seeks to emasculate the autonomy of NGOs and co-opt them into becoming extensions of the government.

Law passed without consultations

The Zambian NGO law was first tabled in 2007 and faced significant opposition, which led to its withdrawal from parliament. This year the government is determined to sign into law the 2009 NGO Bill passed by parliament regardless of the protests. The Zambian government spokesperson and minister of information, Ronnie Shikapwasha, claims that the government "consulted widely" before drafting the bill, although this view is not shared by the NGO community.

"The law was conceived without consultation with civil society, and government's 'micro-management' of the sector would have a negative impact on Zambia's social development, says Engwase Mwale, executive director of the NGO Co-ordinating Committee (NGOCC), an umbrella body for civic organizations promoting gender issues. She is echoed by Zambia Council for Social Development (ZCSD) Executive Secretary Malawo Matyola, "Government has not included most of the submissions which came from NGOs and were supposed to be included in the Bill."

The practical implications

The law can be a serious set-back to NGOs' activities. Engwase Mwale is worried about the five year re-registration requirement. She is of the opinion that it could potentially damage and create insecurities among NGOs and donors, who will suddenly find it hard to plan more than five years ahead. This particularly will affect organizations that work on longer-term projects. She also points out that it will be difficult for smaller grassroots organizations to fulfill the requirements of the law regarding registration and declaration of assets.

One of the consequences of this law could thus be a decline in the number of community based organizations who are currently providing essential services to the rural population, particularly in areas where government services are lacking.

Another concern is voiced by Lee Habasonda, executive director of Saccord, who points out that it could discourage professionally qualified people from going into the NGO sector. "When they hear that the NGOs are being ordered to declare their personal assets by a board of people who don't seem to be sufficiently able to supervise them then they may just shun venturing into the sector," he recently told Irin News.

In summary, the new law now allows the Zambian Government to decide who gets to register, how long they can register, what issues the NGOs should work on, and where they should be doing it. And the government is very clear on what it doesn't want: "It is old fashioned to set up an NGO so that you are going to be at variance with the government...with the people that have been elected...When you are going against the

government, you are becoming a political party," states Ronnie Shikapwasha.

The Zambian NGOs are not giving up without a fight, however. The next step will be to take the parliament to court for passing unconstitutional laws.

For more information, contact Lena Vind-Andersen lena.vind-andersen@ms.zm.

Improving Access to Information for Ghanaian Youths by King Sarfo, Youth Empowerment for Africa, Ghana

The Youth Empowerment for Africa (YEA) was founded in Ghana in 2008. YEA advocates for policies that are responsive to the demands and needs of citizens, particularly youths. YEA works to provide a platform where young people can actively engage in the decision making and implementation of public policies that affect them.

From October 2008 to March 2009, YEA's research staff conducted surveys to gather information about the youth sectors. Public officials, youth organizations, and social policy analysts were contacted to provide information about youth participation in socioeconomic issues, with particular regard to their understanding and involvement in budget issues. The findings revealed that Ghanaian youths—between 15 and 35 years of age—are alienated from budget issues due to the inaccessibility of public budget information and misconception regarding the technicalities involved in budget analysis. Although the budget is regarded as a very important public document, according to the then minister of finance and economic planning, it remains inaccessible to most Ghanaians. In Ghana there is very limited or no public education on where and how to obtain a public document. Many Ghanaians either had not seen a copy of the national budget or did not know that it is a public document.

In response to this situation YEA implemented a project called Youth in Budget Democracy to increase youth's ability to access budget information and to promote their interest in doing budget work for policy change. A project team was formed to visit various communities in the regions of Greater Accra and Ashanti. They discovered that most public libraries did not have copies of the budget statement, and most people ignored the fact that the budget is a public document. To overcome this situation YEA:

- Organized training workshops for selected youth organizations (in-school and community based) to build their understanding of budget issues
- Informed the public about the availability of budget information through the Internet and local radio stations
- Distributed budget information to young people through promotional materials, i.e. T-shirts, banners, brochures, and stickers
- Organized a national conference to bring together young people to discuss the findings of the project

In response to a request submitted by YEA, the Budget Development Unit of the Ministry of Finance distributed copies of the national budget statements and other related public documents to public libraries in the areas covered by this project. Currently, YEA is discussing with the Budget Development Unit of the Ministry of Finance how to sustain its "Budget in the Library Project" to ensure the availability of national budget documents in every public library in Ghana. YEA is also contacting other civil society organizations to

support the training of youth leaders across the country. With the 2010 national budget statement expected to be out by 18 November, YEA hopes to reach out to all the libraries of senior high and tertiary institutions in five of the 10 regions in Ghana and distribute copies of the budget statement. This will be done in collaboration with the Budget Development Unit of the Ministry of Finance and the Federation of Youth Associations of Ghana.

For more information, contact King Sarfo kksarfo@gmail.com.

New Publications and Resources

French Translation of *Our Money, Our Responsibility: A Citizens' Guide to Monitoring Government Expenditures*

The French version of IBP's guide, *Our Money, Our Responsibility – Notre argent, notre responsabilité: Guide de surveillance des dépenses publiques à l'intention des citoyens*, has been published and is now available on the IBP's website at:

<http://www.internationalbudget.org/OurMoney-French.pdf>.

The guide was translated into French and printed through the generous support of the Canadian International Development Agency (CIDA) and the Open Society Initiative for West Africa (OSIWA), respectively. Hard copies of the guide are being distributed widely to IBP's partner organizations in Francophone countries and are also available upon request.

This guide reflects the growing focus of civil society organizations on monitoring the results achieved by government expenditures. It offers an overview of government budget implementation, including budget execution, procurement, impact measurement, and auditing and legislative oversight processes. The guide provides practical, tested tools that can be used by independent organizations interested in monitoring government expenditures. To order a copy, send an email to info@internationalbudget.org.

Revised Edition of Michael Edwards' *Civil Society*

Since its publication in 2004 *Civil Society* has become a standard work of reference for all those who seek to understand the role of voluntary citizen action in the contemporary world.

In this thoroughly-revised edition, Edwards updates the arguments and evidence presented in the original and adds new material on civil society in Africa and the Middle East, global civil society, information technology, and new forms of citizen organizing. He explains how in the future the pressures of state encroachment, resurgent individualism, and old, familiar forces of nationalism and fundamentalism will test and re-shape the practice of citizen action in both positive and negative ways.

Colleges and universities, foundations, NGOs, public policy makers, journalists, and commissions of inquiry have used Edwards's book to understand and strengthen the vital role that civil society can play in deepening democracy, re-building community, and

addressing poverty, inequality and injustice. This new edition will be required reading for anyone who is interested in creating a better world through voluntary citizen action.

Leslie Lenkowsky at Indiana University says, "The second edition of this book is even better than the first and provides an excellent introduction to a complicated concept. The global scope of the book is particularly valuable. By adding material from Africa, the Middle East and Latin America as well as about transnational civil society, the author has provided a truly comprehensive view of his topic."

For orders and review/course evaluation copies, please visit John Wiley at <http://www.wiley.com/WileyCDA/WileyTitle/productCd-0745645860.html>.

New Book: La renta de hidrocarburos en las finanzas prefecturales. Tendencias de los ingresos y gastos (1997-2007) by Juan Luis Espada

After a 9 percent budget deficit in 2002, Bolivia's economy improved sufficiently to lead to a surplus in 2006. This economic revival was due to the exploitation of hydrocarbons and the resultant surplus increased public spending. This report prepared by the Center for Labor and Agriculture Development Studies (Centro de Estudios para el Desarrollo Laboral y Agrario or CEDLA) explores how additional revenues from extractive industries are used at the regional level. It also identifies the impact of the new flow of resources on public spending. Finally, the report looks at changes in the structure of Bolivia's public administration as a result of the additional revenues from extractive industries. CEDLA is a research center founded in 1985 to analyze economic policies related to rural and urban workers.

To read the report, go to:

<http://www.internationalbudget.org/resources/library/LibroTendenciasRenta.pdf>.

New Book: Fighting Poverty with Facts: Community-Based Monitoring Systems by Celia Reyes and Evan Due

This book from the International Development Research Centre examines how the Community-Based Monitoring System (CBMS) has been applied in Africa and Asia. CBMS recognizes that the poor must be involved in planning public programs that affect their well being, and that to be effective development programs must be targeted and informed by relevant, current, and accurate disaggregated data. To accomplish this CBMS brings together communities and local authorities to gather and monitor changes in local, verifiable information about actual living conditions, and to use this information for planning and policy making.

The authors present recommendations for policy makers, donors, and researchers. They also present guidelines for developing and implementing poverty monitoring systems in other regions of the world. Canada's International Development Research Centre works in close collaboration with researchers from the developing world to build healthier, more equitable, and more prosperous societies.

To obtain a hardcopy or online version of the book, go to:
http://www.idrc.ca/in_focus_poverty/ev-141201-201-1-DO_TOPIC.html.

New Social and Economic Policy Website by UNICEF

UNICEF has recently launched a new social and economic policy website to communicate its views and knowledge on social and economic policy issues, focusing on their importance to children and how they should be addressed. The site offers information and events related to the global economic crisis, UNICEF's growing Social and Economic Policy Working Briefs and Papers series, and links to partner organizations including the International Budget Partnership. To visit the website, go to: www.unicef.org/socialpolicy.

Job Opportunities with the Revenue Watch Institute (RWI)

The Revenue Watch Institute (RWI) is a nonprofit policy institute and grant-making organization that promotes the transparent, accountable, and effective management of oil, gas, and mineral resources for the public good. RWI is looking to fill the positions of:

- *Project Coordinator-Capacity Building* to build the capacity of media as a key target group. RWI recently received funding to develop a significant new media capacity-building program in Ghana and Uganda. During the first year, the PC will be based in Ghana to manage initial set-up and the inaugural training. Between six months and a year after the inception of the program, the PC will be relocated to London to continue media capacity-building efforts on a broader scale. The project is currently slated to run for three years, with the latter two years contingent upon fundraising.
- *Program Officer-Capacity Building* to support the Regional Coordinators in Central Asia and Asia-Pacific, expand and systematize RWI's approaches to addressing the diverse and increasingly advanced needs of key groups in resource-rich countries—civil society, governments, legislatures, and media—with a particular focus on greater sustainability, cost-effectiveness, and learning between activists.

To apply send your resume, cover letter, references, and salary requirements before December 7, 2009, to recruitment-admin@osf-eu.org. Include job code in subject line: **PC/CAPACITY (MEDIA)/RWI** or **PO/CAPACITY/RWI** or contact

OSF-London Human Resources
5th/4th Floor, Cambridge House, 100 Cambridge Grove,
London W6 0LE, United Kingdom
Fax: +44 (0)20 7031 0247