



INTERNATIONAL BUDGET PARTNERSHIP  
Open Budgets. Transform Lives.

## e-Newsletter

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### Improving Government Performance, Spending, and Service Delivery

### Coming Soon! IBP Set to Release its First Film

We spend a lot of time talking and writing about how important civil society budget work is in improving government budget processes, policies, and outcomes, especially with regard to addressing poverty. What often doesn't come across, though, is how powerful this work can be and the impact it can have on communities and individuals.

So, the IBP has joined together with filmmaker Damani Baker to produce a documentary of the work one of our partners, MUHURI (Muslims for Human Rights), is doing to involve communities directly in monitoring the Constituency Development Fund (CDF) in Mombasa, Kenya. The CDF allocates approximately one million dollars to each member of parliament to spend on development projects in his or her constituency but provides for no meaningful independent oversight. MUHURI is empowering the public to step into to provide that oversight.

We think that we have created a tool that will help to raise the profile of civil society budget analysis and advocacy, showcase what this work looks like on the ground, and provide information about a powerful tool—the social audit—for involving communities in monitoring and holding governments accountable for the effective and efficient use of public funds. Look for an email announcement in the coming month about the release.

### IBP in the News

This month Civicus, an international organization dedicated to nurturing the foundation, growth, and protection of citizen action throughout the world, published a special edition of its e-Civicus newsletter in honor of World Democracy Day. It includes an article from IBP on the role of ordinary citizens in holding African governments accountable for managing the public's money.

Campaign Against Government Corruption in Argentina by Luis Villanueva, Civic Association for Equity and Justice (ACIJ)

Energy Efficiency in Public Buildings Equals Budget Efficiency in Russia by Marina Shapiro, Institute for Urban Economics (IUE)

U.S. Cities Involve Public in Tough Budget Choices by Malka Kopell, Community Focus, and Harris Sokoloff, Penn Project for Civic Engagement

Public Expenditure Tracking Surveys Improve School Services in Guatemala by Jorge Lavarreda, National Economics Research Center (CIEN)

What Is Getting in the Way of the Abuja Declaration and Increasing Health Budgets in Africa? By Jay Colburn, International Budget Partnership (IBP)

## Partnership Initiative Training

Monitoring Health Budgets Course in India by Thokozile Madonko, International Budget Partnership (IBP)

## Gender Budget Resources

Gender Budget Publications by UNIFEM

Courses on Gender Responsive Budgeting, Turin

### ***Making Ends Meet: A Fresh Look at the Cost of Living in California* by Lisa Gardiner, California Budget Project (CBP)**

As a benchmark for how families in the U.S. are faring, the federal poverty level does not measure up. For instance, it does not take into account the cost of child care in determining families' expenses. In our state of California, the federal poverty level fails to account for the high cost of living.

In 1999 the California Budget Project undertook an effort to more accurately estimate what families need to achieve a modest standard of living without assistance from public programs. The CBP adapted a methodology originally developed by the Michigan League for Human Services to calculate how much it costs a family to live in California, based on the cost of housing, food, child care, and other essentials. The resulting report of the analysis, *Making Ends Meet* (available at [www.cbp.org](http://www.cbp.org)), has become one of the mainstays of our organization's work.

Updated and re-released approximately every two years, *Making Ends Meet* has been widely cited in the media and has helped draw attention to the high cost of living in the state, the economic challenges faced by working families, and the disparity between wages and the cost of raising a family. The reports findings have been used by community organizations to argue for raising income ceilings for some public programs and to push for local minimum wage ordinances. A few years ago, *Making Ends Meet* was cited frequently by policy makers and the media during an ultimately successful effort to raise the state's minimum wage. More recently, *Making Ends Meet* helped community-based organizations make the case to the San Diego City Council to support as part of the city's general plan the creation of higher-quality jobs that pay self-sufficient wages.

The analysis for *Making Ends Meet* relies on publicly available data sources, such as the U.S. Department of Housing and Urban Development's annual Fair Market Rents for the cost of

housing; the U.S. Department of Agriculture's Low Cost Food Plan to estimate food costs; and studies by the California Energy Commission for estimates of transportation costs and driving miles.

The analysis estimates "basic family budgets" based on the expenses of four hypothetical families: a single adult, a single working parent with two children, a two-parent family with two children and one working parent, and two working parents with two children. It attempts to be fairly exhaustive: in addition to the obvious expenses—housing, utilities, food, transportation, and child care—the CBP considers the costs of health coverage, payroll and income taxes, and miscellaneous expenses like shampoo and diapers. When undertaking our analysis, we discovered some important lessons:

- **Assumptions are everything.** The assumptions we made were critical to the accuracy of the basic family budgets. For instance, due to the high cost of homeownership in California, the analysis assumes that families rent, rather than own, their homes. Because lower-income families are less likely to be insured than higher-income families, the analysis also assumes that families purchase private health coverage, instead of having job-based coverage.
- **It's important to consider regional differences.** California is a large, heavily populated, and complex state, with 37 million people living in 58 counties. The cost of living varies widely: the median home price in Fresno County in 2007 was exactly half that of a home in Los Angeles County. Similarly, public transit commuting costs were considerably higher in the San Francisco Bay Area in 2007 than in rural Butte County. Although *Making Ends Meet* does include an overall state estimate for how much it costs to live in California, the regional calculations are much more meaningful. The analysis divides the state into ten regions and calculates the expenses per month in each region.

As Californians face greater economic challenges, the need for an accurate picture of how much it costs for a family to live has only grown. *Making Ends Meet* promises to be a project we'll continue for years to come.

For more information, contact Lisa Gardiner at [lgardiner@cbp.org](mailto:lgardiner@cbp.org).

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## **Basic Needs Basket Manual: A Guide to Conducting Evidence-Based Advocacy in Zambia by Tina Nanyangwe-Moyo, Jesuit Center for Theological Reflection (JCTR)**

The Jesuit Centre for Theological Reflection (JCTR) based in Zambia, prepared the Basic Needs Basket (BNB) Manual to promote critical assessments of poverty and its causes in eight areas across Zambia: Lusaka, Livingstone, Luanshya, Kabwe, Kitwe, Ndola, Mongu, and Kasama. The BNB has enabled the JCTR to carry out evidence-based advocacy, to empower people to voice their struggles in meeting their basic needs, and to inspire actions in pursuit of social justice.

The BNB is an accurate monthly survey that presents the cost of essential food items (corn meal, beans, dry fish, meat, eggs, vegetables, onion, tomato, milk, bread, sugar, salt, tea leaves, and cooking oil), and non-food items (charcoal, bath and washing soap, body lotion, electricity, water, and house rentals). The BNB estimates the bare minimum basket of

goods needed by an urban family of six to survive and lead a minimally decent, healthy lifestyle. It does not include items that are needed to increase a family's prospects, such as education, transport, clothing, or healthcare.

The monthly survey has been conducted in Zambia for over 11 years with the support of dedicated, trained local residents and field researchers. Every month, these trained residents collect accurate information on the cost of essential food and non-food items. Depending on the size of a town, the data is based on collecting data from between six to eight local markets. In addition, households are selected to provide field researchers with information on adjustments in the accessibility of food and non-food items, such as monthly rent fees.

Field researchers send the information they have collected to the JCTR office in Lusaka where staff members use basic Excel spreadsheet software to calculate the average cost of essential food and non-food items for a particular town. A press statement is then issued to the media with the latest cost of living in different towns, highlighting striking cases and facts.

Over time the BNB has become a valuable socioeconomic tool for households, employers and employees, community groups, NGOs, trade unions, and the government. Here are some examples:

- *Trade unions* use it as a tool to advocate for improved public services and argue that the minimum wage needs to tally with existing poverty levels. They also use it to demand for a higher threshold for income tax exemption, document their fight for the rights of workers, and educate workers on how to spend their pay responsibly.
- *NGOs* use the BNB data in their research to determine how and when to intervene with development proposals and actions.
- *Households* use the BNB to facilitate household budgeting and prioritize spending on important items. It also serves as a tool to lobby members of parliament to improve certain economic policies, i.e., affordable taxes and levies.
- *Government* uses it as a tool to link local, national, and international policies to the household needs of Zambians. The BNB also can be used to challenge how ministerial expenditure prioritizes such pro-poor investments as healthcare and employment creation.

The BNB provides evidence of the actual situation faced by people hard hit by poverty as a result of national policies. This evidence is then used to advocate and lobby for improved socioeconomic policies. JCTR believes that civil society organizations should conduct and use similar research in other countries affected by poverty.

For more information, contact Tina Nanyangwe - Moyo at [tina.nanyangwe@gmail.com](mailto:tina.nanyangwe@gmail.com).

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**Civil Society and the Right to Health Win a Victory in Mexico by Rocío Campos, International Budget Partnership (IBP)**

On June 29, after almost 11 years of struggle, the Institute of Security and Social Services of Public Servants of the State of Sonora (Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado de Sonora, or ISSSTESON)—the federal agency responsible for providing health services to public servants— recognized the eligibility of Mr. Abel Montenegro Velázquez and his family to receive health services as a public servant of the state of Sonora, Mexico. People like Mr. Velázquez and his family are denied access to the health services provided by ISSSTESON through a provision in Article 6 of the institution's internal regulations that prohibits the affiliation of applicants who are not in good health. Research shows that in the last eight years ISSSTESON has rejected the affiliation of 404 public servants in this northern state because they “are not in good health.” This translates to approximately 1,400 affected people, because the discriminatory regulation is extensive to the worker's family.

Mr. Montenegro knew that he was a victim of discrimination and for almost 10 years he presented his case to a long list of elected public officials, but nothing happened. One day, Mr. Montenegro decided to appeal to a civil society organization, Sonora Ciudadana A.C., and present his case once more: “I don't understand why they need me to be in athletic shape to affiliate me, aren't they supposed to provide good health? It is almost like an elementary school rejecting kids because they don't know how to read or write!”

Outraged by the discriminatory regulation, which also exists in 13 other states in the country, Sonora Ciudadana A.C. and another Mexican CSO, Fundar, Center for Analysis and Research, documented the serious underspending in the health sector at national level. Their analysis found that between 2004 and 2008, the Social Protection Health Subsidy (Fideicomiso de Protección Social en Salud) failed to transfer 80 percent of the budget for the construction and expansion of hospitals and clinics. The organizations emphasized the importance of executing the entire health budget in order to serve everyone without exception. Sonora Ciudadana A.C. and Fundar took Mr. Montenegro's case to the Supreme Court, and in March 2009 it was declared that Article 6 was unconstitutional.

Sooner or later ISSSTESON will have to eliminate the discriminatory regulation and extend its health services to all citizens who have been denied care under it. “I cannot explain what I am feeling, I knew we had won, but they hadn't affiliated me yet and I was afraid they wouldn't. Today is a great day not just for me and my wife. Today is the first step for all of the people in my situation”, said Mr. Montenegro the day he was finally affiliated to the state's health system.

For more information, contact Guillermo Noriega Esparza at [noriega@sonoraciudadana.org.mx](mailto:noriega@sonoraciudadana.org.mx).

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## Guide to Budgeting to Advance the Right to Food

The United Nations Food and Agriculture Organization just published a guide titled “*Many a slip...*” *Budget work to advance the right to food.*

Drawing on the experiences of budget work in a number of countries, “*Many a slip...*” presents a step-by-step process for analyzing a government's budget and assessing its compliance with its obligations to fulfill its people's right to food. While the focus is on right to food-related issues, the process described is readily adaptable to work on other rights, as well.

The publication builds on and expands the information in *Dignity Counts*, a guide for human rights-based budget work produced in 2004 by the International Budget Partnership (IBP), Fundar, and the International Human Rights Internship Program (IHRIP). In the five years since *Dignity Counts* was published, organizations in a number of countries have actively pursued budget work within a rights framework. By drawing on these experiences, *Many a slip...* is able to provide a more in-depth and developed approach to human rights budget analysis than *Dignity Counts* was able to do.

The current guide, the product of a project coordinated by IHRIP with substantial input from IBP and other organizations, also contains a section that presents initiatives in three countries to produce a "right to food budget."

The publication is available online at:  
[http://www.fao.org/righttofood/publi09/budget\\_guide\\_en.pdf](http://www.fao.org/righttofood/publi09/budget_guide_en.pdf).

To obtain hard copies from FAO, send an email to [Frank.Mischler@fao.org](mailto:Frank.Mischler@fao.org).

To obtain hard copies from IHRIP, send an email to [ihripescr@iie.org](mailto:ihripescr@iie.org).

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## **UN Resolution Recognizes Maternal Mortality as a Human Rights Issue by Morgan Stoffregen, International Initiative on Maternal Mortality and Human Rights (IIMMHR)**

On June 17 history was made when the United Nations Human Rights Council passed a landmark resolution that was co-sponsored by over 70 governments recognizing maternal mortality as a human rights issue. The Council committed to enhancing national and international efforts to protect the lives of women and girls around the globe. At a time when over half a million women die each year from complications during pregnancy and childbirth, this resolution is a vital development.

If we put it in the context of the last 20 years, during which maternal mortality was viewed primarily as a health and development issue and not as a human rights one, the Council's resolution on "Preventable maternal mortality and morbidity and human rights" is a giant step forward—not just for the UN's main political human rights body but also for the human rights community in general. The resolution recognizes that efforts to combat maternal mortality require the effective promotion of women's human rights, including the rights to life, to equality and non-discrimination, to information, to enjoy the benefits of scientific progress, and to enjoy the highest attainable standard of health, including sexual and reproductive health.

In addition to identifying the key human rights involved in maternal mortality, the resolution does the following:

- Recognizes that preventable maternal mortality is a collective challenge that affects all cultures and regions of the world.
- Recognizes that human rights-based approaches lead to more effective and sustainable efforts to eliminate preventable maternal mortality.

- Welcomes the involvement of UN treaty monitoring bodies and Special Procedures (such as the Special Rapporteur on the Right to Health) in addressing maternal mortality as a human rights issue.
- Requests the UN Office of the High Commissioner for Human Rights (OHCHR) to conduct a thematic study to determine the human rights dimensions of maternal mortality and morbidity and to recommend actions that the Council can take to contribute to the existing efforts to combat this issue from a human rights perspective.

Above all, the resolution signals that governments must step up their prevention efforts and fundamentally change the way they view maternal death—that is, as a human rights issue no less serious than executions, arbitrary detentions, or torture. In doing so, it creates opportunities for civil society to work with the Council in promoting government accountability and advancing legal standards around maternal mortality.

Over the past year and a half, civil society organizations worldwide conducted a tremendous amount of advocacy to push for this resolution. And they will continue to play an important role in moving forward to ensure government accountability on the issue. The International Initiative on Maternal Mortality and Human Rights (IIMMHR), a partnership of international, regional, and national civil society organizations committed to a comprehensive human rights approach to maternal mortality, worked alongside these groups to push for the resolution. For example, we were the sole civil society voice at the Council's first-ever thematic panel on maternal mortality last summer, which encouraged governments to see how human rights can add value to the health perspective in reducing maternal mortality. We also helped develop a white paper intended to form the basis of the Council's resolution and worked throughout the year to sensitize and educate governments on the human rights dimensions of maternal mortality. (To see a transcript of the panel, go to [www.righttomaternalhealth.org/resource/panel-un-hrc](http://www.righttomaternalhealth.org/resource/panel-un-hrc)).

Now that the resolution has been passed, IIMMHR will continue to collaborate with other groups to ensure that the resolution gets translated into concrete actions by governments worldwide. For example, one of our first activities will be to influence the content of the thematic study on maternal mortality, which the resolution requests the OHCHR to prepare. This study is critical, as it will lay the foundation of the Council's work on maternal mortality and morbidity. IIMMHR will engage on two fronts: providing input on the study and influencing the process of the study to ensure a broad participation of civil society organizations.

Once the study is presented, we will work to ensure that the Council takes into consideration its findings and proposals, ideally in the form of a follow-up resolution in 2010. A second resolution is arguably just as important as the first, because it would determine the mechanisms the Council would use to address the issue of maternal mortality in a more systematic way.

Moving forward, we plan to promote accountability for implementation of the resolution by using it as an advocacy tool at the national and regional levels. The resolution can be an advocacy tool not only for civil society groups but also for other key stakeholders, such as health care providers, who want to push their governments to take concrete steps to reduce maternal mortality and to hold them accountable for their commitments.

By passing this resolution, governments indicate their willingness not only to enhance their efforts to reduce maternal mortality but to do so from a human rights perspective. This kind

of recognition is urgently needed, given that Millennium Development Goal 5—to improve maternal health—has made the least progress of the eight goals. Civil society groups must now carry the momentum forward by ensuring that their governments translate this resolution into action.

For more information about IIMMHR, go to [www.righttomaternalhealth.org](http://www.righttomaternalhealth.org).

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## **Educating Brazilian Youths on the Influence of Public Budgets by Alexandre Ciconello, Márcia Acioli and Lucídio Bicalho Barbosa, Institute for Social and Economic Studies (INESC)**

The Institute for Social and Economic Studies (INESC), a civil society organization based in Brasilia, Brazil, organized a project to introduce human rights and public budgets into schools' curricula. The six participating schools are located in different communities in the outskirts of the Federal District, including one in a rural area. The schools were selected based on their levels of social exclusion, teenage violence, drug abuse, and drug dealing within the school facilities. These problems largely explain the schools' low academic performance.

The idea of the project is to strengthen the capacity of children and teenagers to secure their rights and monitor public policies that affect them. The main goals are to ensure that children and teenagers are involved in discussions on rights and citizenship and to observe how these factors relate to the public budget.

The project organized workshops based on the principles of popular and art education, in which participation is vital to developing new knowledge, awareness, and sensibility needed for social transformation. The workshops' playful approach combine art and communication to introduce deeper concepts and discussions on human rights, budget formulation, budget monitoring, and democratic participation. During the communications workshop, boys and girls develop their capacity to understand the world and articulate their viewpoints in a critical and sensible way.

In addition to these school programs, teenagers are encouraged to attend political spaces where public budget debates take place, such as city councils and the federal legislature. They also are encouraged to join children and teenage advocacy networks. In a meeting to discuss the 2009 Federal District education budget with lawmakers and public managers, kids proposed a budget amendment for approximately one million dollars. The amendment was passed, and funds were allocated to build sports courts and renovate schools. The challenge now is to monitor the execution of the allocated resources.

Throughout the workshops, students are trained to become writers, photographers, and illustrators for a magazine they will publish that focuses on human rights and public budgets. The purpose of this magazine is to broaden the debate and deepen the reflection on issues that emerged during the workshops. It also seeks to provide a forum for reaching consensus on the agendas for influencing public policies and budgets geared toward education and youth in the Federal District. The first issue of the magazine will go out in November.

The enthusiasm shown by all the participating schools confirms that building a culture of human rights is viable and necessary. Young participants developed a strong motivation for collective causes. In a time when the level of violence in Federal District schools is increasing, schools included in this project are headed in the opposite direction, becoming spaces for political and social commitment, creativity, affection, and solidarity.

During the last five years, INESC has developed a methodology for promoting access to human rights and incorporating them concretely in public policies and the allocation of public resources. Doing this successfully requires agility to be able to work with the government at national, state, and municipal levels, particularly with the National Congress, as well as to network with social movements, NGOs, grassroots leaders, schools, and youth organizations to discuss and disseminate the link between rights and budgets.

Part of INESC's institutional mission is to understand the budget cycle and the tax system (public revenues and spending) to influence policy design and the allocation and execution of public funds that benefit the poor and marginalized. Although this mission statement is tangible in different geographical and institutional spaces, the work with the Federal District schools has shown an effective impact on citizenship awareness and the great transformational potential in youth education to understand, monitor, and influence public budgets.

For more information, contact Alexandre Ciconello at [ciconello@inesc.org.br](mailto:ciconello@inesc.org.br), Márcia Acioli at [marcia@inesc.org.br](mailto:marcia@inesc.org.br) and Lucídio Bicalho Barbosa at [lucidio@inesc.org.br](mailto:lucidio@inesc.org.br).

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## Conference on Budget Decisions and Economic and Social Rights, Belfast

The Human Rights Centre at the School of Law at the Queen's University in Belfast, Northern Ireland, is organizing a conference titled "Budget Decisions and Economic and Social Rights" (ESR) from 14-15 November 2009. The conference intends to develop and deepen the relationship between economic analysis and the assessment of human rights compliance. The conference will bring together people who are monitoring state compliance with ESR obligations, with a particular focus on budget work. The conference's presenters will include UN experts, internationally renowned scholars, and civil society practitioners. Drawing on the expertise of participants with backgrounds in law, human rights, economics, and development, this multidisciplinary event will enable the exchange of experiences to expand and strengthen the research on budget decisions and ESR. Some of the topics that will be covered include linking ESR obligations with budget analysis, tracking allocations and expenditure, and participatory budgeting.

For more information, click [here](#).

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## Budgeting for Human Rights Initiative

In 2006 APRODEV (Association of World Council of Churches related Development Organizations in Europe), a rights and development organization, initiated the Budgeting for Human Rights Initiative. In January 2009, Equalinrights—with the support of the APRODEV

agencies—institutionalized a project to include perspectives on and costs of realizing human rights in the budget cycle. The project was launched with workshops and research advocating that human rights should be “costed” and budgeted, just as governments do for such sectors as health care and education.

The initiative is now in its second phase and will launch a two-year pilot process focusing on the practical application of costing and frontloading human rights in national budgets in Palestine, Namibia, Kenya, India, and possibly Guatemala. The frontloading approach to human rights is relatively new, and would ask the question “How much must be allocated to primary education in order to meet human rights criteria,” rather than “Has the right to primary education been progressively realized,” allowing for more concrete and measurable budget information. Continued academic research and analysis will parallel the pilot process, as well as offer insight into new strategies and methodologies for budgeting human rights. Through documenting the pilots and sharing a variety of academic research and resources, this second phase of the initiative will contribute, both practically and theoretically, to the realization of human rights for all.

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## **Campaign Against Government Corruption in Argentina by Luis Villanueva, Civic Association for Equity and Justice (ACIJ)**

Although Argentina adheres to anticorruption conventions, it has no specific entities to which people can report acts of corruption within the legislature, judiciary, or public ministries. Although the Argentinean legal system has some mechanisms for reporting corruption, compared to international standards, they are inadequate and their practical application, decreasingly efficient. Working mechanisms that allow citizens to report acts of corruption are very important, as they allow for the legal investigation, prosecution, and penalization of corruption.

In response to this situation, the civil society organization (CSO) “Asociación Civil por la Igualdad y la Justicia” (ACIJ), based in Buenos Aires, Argentina, started a series of activities to further disseminate the existing mechanisms for reporting corruption and to raise public awareness of the importance of active social participation in fighting corruption. One of these activities was a public campaign developed in collaboration with two other CSOs, “Fundación Soporte” and “Poder Ciudadano.” The public campaign produced a television ad titled “*Si lo ves y lo contás, lo vemos todos,*” (“If you see it and you tell it, we all see it.”) The ad was massively broadcast in the national media, hoping to raise awareness on the importance of reporting cases of corruption. (To see the ad, go to: <http://www.youtube.com/watch?v=JGjLev5kTAW> , or visit <http://www.acij.org.ar>.)

ACIJ and “Fundación Soporte” created a phone line to receive complaints on cases of corruption. They intend to treat the complaints seriously and follow-up with each case. To this end, both organizations have an interdisciplinary team that provides technical assistance to callers, who may be upset or may have received threats. They will launch a blog very soon on which people will be able to submit complaints of corruption. This blog will serve as a virtual center and will offer a section specifically designed for small- and medium-sized companies that provide services to the government and want to share instances where they have been victims of or witnesses to corruption.

Finally, ACIJ contacted different government offices that have expressed interest in implementing transparency policies, i.e., to encourage reporting on cases of corruption and support citizen participation in fighting corruption. In this process, ACIJ found an ally in the Ministry of Defense and signed a cooperation agreement. The agreement states the mutual will to implement common activities toward strengthening and disseminating mechanisms for reporting corruption among government staff and increase the level of transparency with regard to how the Ministry manages resources. Other efforts in the pipeline consist of launching a campaign to disseminate the existing mechanisms to denounce acts of corruption and to encourage public servants to use them when necessary, and publishing a guide on how to report acts of corruption to be distributed among public servants.

All of these initiatives try to get the following message across: any public decision that is not well founded, is not properly advertised or disseminated, generates doubts about the interest that motivated it, restricts access to information unnecessarily, or affects the transparency of public administration enables unethical behavior in public administration.

As an organization, we believe that lack of transparency in public administration damages social trust regarding the administration of public resources. And the longer it takes to improve the levels of transparency, the more lasting the effects on democracy. Hence, all our activities are geared toward strengthening institutions—a goal that can only be achieved by following the principles of transparency, access to information, and accountability.

For more information, contact Luis Villanueva at [lvillanueva@acij.org.ar](mailto:lvillanueva@acij.org.ar).

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## **Energy Efficiency in Public Buildings Equals Budget Efficiency in Russia by Marina Shapiro, Institute for Urban Economics (IUE)**

The Institute for Urban Economics (IUE), a Russian organization created to identify and analyze the social and economic problems of urban areas and promote solutions to these problems, has undertaken a project intended to improve energy efficiency in public buildings in the Russian Federation through the analysis of commercial, financial, and legal frameworks for energy services in the public sector, including public/private partnerships. This project, *Improving Energy Efficiency in Public Buildings*, has identified a number of obstacles, including a number of budgetary and legal constraints, as well as a lack of resources and skills and inefficient authorities at the local and regional levels.

IUE's analysis revealed that in 2007 more than 350 billion rubles (\$14 billion), almost 5 percent of the Russian Federation's budget, were spent on financing the energy supply and other utility resources at the state and municipal levels. However, the energy performance of public buildings is far below the average European level, with actual energy consumption considerably exceeding European standards. Expert evaluations have found that these buildings actually have the potential to operate at up to 40 percent of current energy consumption. This highlights the energy inefficiency of these public buildings and implies the potential, and need, to reduce budget expenditures on utilities.

Substantial budget savings could be realized by upgrading public buildings for enhanced energy performance. However, the building enhancements needed to achieve this require considerable investments. Instead of allocating these funds from the national budget, they

could be raised by creating public/private partnerships, for example, with an ESCO, to supply utility services.

ESCO-type contracts, under which the ESCO (Energy Services Company) will incur the costs of implementing an energy-saving plan and will get reimbursed from the savings generated by said plan, have been shown to be an effective mechanism for optimizing budget expenditures in the public sector in Central and Eastern Europe over the last few years. . The key to these public/private partnerships is that the ESCO provides the initial investment for the building enhancements, thus solving the energy inefficiency without calling on public budget funds.

In countries where public sector budgets are highly constrained and improving energy efficiency in public buildings is an important priority, the use of an ESCO model has obvious advantages. Despite the benefits, however, there has been very limited ESCO activity so far in Russia. A budget expenditure analysis in collaboration with local authorities has allowed IUE experts to identify the following challenges to improving energy efficiency:

- Local regulations do not promote public/private partnerships as an alternative approach to public budget financing.
- Budget laws have restricted the ability of local authorities to retain energy savings.
- Local authorities do not have the experience or the corresponding resources to develop or enter into ESCO-type contracts.
- Similarly, local engineering firms have not had sufficient experience with ESCO contracts, nor do they have access to long-term funds to finance investments.
- The need to tender public sector contracts has deterred many firms from trying to develop this market, as they have no guarantee of business at the end of the process.
- Local banks have not been prepared to finance engineering firms on the basis of prospective income from the contracts, meaning only firms with substantial balance sheets would be able to raise adequate capital to finance such projects.

The implementation of this project would improve energy performance in public buildings, reduce budget expenditures on utilities in public buildings, raise off-budget resources for renovations and other improvements of public buildings, and develop energy services businesses in Russia.

For more information, contact Marina Shapiro at [shapiro@urbaneconomics.ru](mailto:shapiro@urbaneconomics.ru).

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## **U.S. Cities Involve Public in Tough Budget Choices by Malka Kopell, Community Focus, and Harris Sokoloff, Penn Project for Civic Engagement**

Cities in the United States are strapped for funds. Straining from the recession, starved of their regular revenue streams, hampered by the spiraling cost of personnel and other

services, and facing huge budget deficits, city officials are now forced to make ever more difficult choices. More and more city officials are using this context to turn to the people they represent—the residents—for their input on how to balance the budget.

This is a tale of two cities: Menlo Park, California, and Philadelphia, Pennsylvania. They are cities of different geographic size and population that used similar “participatory budgeting” methods to educate and involve city residents in the process of examining the tough decisions that the public officials were faced with. Both used the results of these public participation exercises to inform their budget decisions.

### **“Your City/Your Decision” – Menlo Park, California**

Menlo Park is a city of about 30,000 in California’s Silicon Valley. Although the population is largely well-to-do, the city does serve low-income residents, who are concentrated in one neighborhood. Early in 2005 city officials forecast a \$2.9 million gap between revenues and expenditures for the upcoming fiscal year 2006-07. Enlisting the help of Community Focus, a civil society organization that facilitates government-community partnerships, the city engaged the community to understand the public’s priorities so it could develop a budget based on these preferences. The resulting process was called *Your City/Your Decision*.

There were two phases in this process. During the first phase, the city identified the community’s priorities through a survey that asked residents to balance the budget, choosing from a list of options developed by city staff. The survey was mailed to every household and was also available online. From this phase-one data, city staff members developed a list of possible budget-balancing strategies (e.g., various levels of net cost reductions, alternative ways to provide services, revenue increases, etc.) to address the community’s priorities. In the second phase, the city presented these strategies to the community in a series of workshops. Residents were organized into small groups to simulate what a City Council might experience and discussed possible strategies, with each group voting for or against each strategy presented and finishing with a balanced budget solution. On average, workshop participants recommended \$1,573,000 in specific cost reductions—many of which the council adopted—to close the \$2.9 million deficit. Participants also suggested that \$1,314,000 could be raised in taxes, which prompted the council to put a utility tax measure on the ballot that passed in 2006. (For more information, go to: [http://www.menlopark.org/homepage/priority\\_budget.html](http://www.menlopark.org/homepage/priority_budget.html).)

### **“Tight Times, Tough Choices” – Philadelphia**

Philadelphia, the cradle of our democracy in the U.S., is a city of just over 1.4 million people, more than 23 percent of whom live below the poverty level. The city’s annual operating budget is \$3.85 billion. Since 1991 the city’s finances have been monitored by the Pennsylvania Intergovernmental Cooperation Authority (PICA), which requires the city to develop five-year fiscal plans that include annual balanced budgets.

As the national fiscal crisis began to grow in Fall 2008, newly elected Mayor Michael Nutter was confronted with a five-year budget deficit of \$1 billion, with \$200 million of that in the 2008-09 fiscal year. Then, in mid-November the Mayor announced that the five-year plan starting with fiscal year 2009-10 showed an additional \$1 billion deficit.

In response, the Penn Project for Civic Engagement developed the *Tight Times, Tough Choices* city budget workshops. The workshops focused on a worksheet of options for decreasing spending and increasing revenues based on data provided by the city’s budget

office. The worksheets included the choices the administration was facing as it tried to address the deficit and were used in four workshops held throughout the city. During the workshops, more than 1,700 citizens formed small groups where they deliberated on the choices. Each option was assigned a point value reflecting its actual monetary value, with one point equaling \$2 million. The object for each group was to reach 100 points, or \$200 million, the average annual value of the five-year deficit.

A set of values-based recommendations of citizen priorities—in both spending cuts and revenue increases—emerged from the forums. Mayor Nutter referred explicitly to those recommendations in his budget address and built most of those into his budget, which he referred to as the “People’s Budget.” The one notable exception was the mayor’s decision to propose a significant increase in property taxes, one of the least popular tax increases discussed in the budget workshops. That increase was the most roundly criticized budget decision in the mayor’s address. (For more information, go to: <http://www.gse.upenn.edu/node/690>.)

## **Conclusion**

Clearly, there is an identifiable role for the public in informing policy makers as they develop annual budgets. In order for that input process to be productive and result in usable information, it needs to 1) involve residents in a deliberative, informed, and interactive process, and 2) ask the public to struggle with the same trade-offs that policymakers face. Both the Philadelphia and Menlo Park experiences included those important elements. Both cities went beyond creating input processes that asked what their residents cared most about. Rather, they asked the public what it would feel the least uncomfortable doing without.

One should note, however, that both cities stopped short of giving decision-making authority to the city residents about how money should be spent. Yes, that practice does exist for limited neighborhood budgets in some U.S. cities, although it is not practiced on a large scale. But we think our representative form of democracy requires that our elected officials maintain the role of decision-maker in this process. This allows them to make some leadership calls on the final budget; however, public officials are responsible for informing their constituents about what decisions they ultimately make, and why. This reciprocity is essential to building the relationship of trust needed to foster effective public participation in policy processes.

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## **Public Expenditure Tracking Surveys Improve School Services in Guatemala by Jorge Lavarreda, National Economics Research Center (CIEN)**

One of the most respected think tanks in Guatemala, the “Centro de Investigaciones Económicas Nacionales” (CIEN), observes that credibility and accuracy in their research is a necessary, but not sufficient, condition to have an impact on public policies. It is crucial to design an effective communications strategy so that you can disseminate the results of the research. This article describes a recent research project where CIEN’s economic, financial,

and social experts implemented Public Expenditure Tracking Surveys (PETS) in the education sector. This 2008 study was supported by the Brookings Institution and the Results for Development Institute.

CIEN conducted research on the management of support services provided by the Ministry of Education ("Ministerio de Educación," or MINEDUC) in the schools in the state of Guatemala, one of the 22 states in the country. These support services include programs to maintain the interest of children and their parents in the schools' activities. Important evidence suggests that these programs have a positive impact on childhood development, hence, the decision to study them. The main objective was to develop a detailed analysis of the following education expenses: school meals, textbooks, learning and teaching materials, and scholarships, and to make recommendations to improve their impact.

CIEN formulated six questions that would be used in statistically representative surveys the organization would conduct using the PETS methodology. A team of experts interviewed the director of the schools, teachers, parents, students, and representatives of school councils. They visited schools in urban and rural areas, based on a pilot sample of the schools in the state. Some of the questions that asked were: Is the allocation of resources adequate to serve all the children throughout the school year?, and Do all the allocated resources reach the beneficiaries?

In addition, CIEN created a communications and advocacy strategy for disseminating the findings of the research and improving support services for education in the next three years. To this end, an executive summary of the research was prepared, along with an illustrated version to promote participation among the education community at the local level.

The advocacy phase of the project started with a meeting with the head of support services at MINEDUC. In the meeting CIEN was able to confirm the technical quality of the study and offer recommendations to promote improvements in school services. The participants in the meeting identified and corrected several mistakes in the coding for the schools and also helped to refine the study's recommendations.

In a separate meeting organized before the public launch of the research results, the Minister of Education learned the findings and recommendations of the study. The Minister welcomed the study's recommendation to delay the start of the school year, as it increases the chances that students receive all the support services they need. One week before the launch of the study, the Minister declared to a major national newspaper that "there is no technical justification to start classes on January 15, it just has always been this way" and said that the MINEDUC acknowledged the convenience of starting the school year on February 1, 2009.

The Minister also announced the creation of rotating funds. These are financial mechanisms that allow spending resources up to a maximum amount and then replacing those funds once the expenses are made. For example, this allows the school councils or "juntas escolares" (entities dedicated to managing the purchase and distribution of school supplies, meals, scholarship funds, and construction and maintenance supplies) to receive an advance allocation for food items that will be consumed by the students during recess during the month of December. This was another recommendation proposed by CIEN.

This meeting resulted in efforts to improve support services in education that include accelerating pre-enrollment in every school. This would allow to better control and

anticipate the number of students that will attend the school in the following year and improve the budget planning process.

Other dissemination efforts included:

- the publication of an illustrated brochure with the main findings of the study targeted to parents and teachers, and
- the public launch of the findings and recommendations of the study to an audience of education experts and journalists of the main mass media

These activities were essential to widely publicize the results of the study and achieve a public commitment from MINEDUC to improve support services for education. The day of the launch, CIEN posted the full report of the study on its website, along with the PowerPoint presentation used during the launch. The illustrated brochure was handed out to the attendees, and the press release was distributed to the media.

Days later, 160 copies of the brochure were given to the head of support services at MINEDUC to use during their 2009 trainings for the school councils. Finally, the dissemination phase included an appearance on a national radio program called *Point of View* ("Punto de Vista") aimed at opinion leaders.

Among the main lessons learned, CIEN emphasizes that all the activities in a research project should have clear objectives, and that technical accuracy increases the opportunities to have an impact on decision makers.

To see the project's documents, go to:  
<http://www.cien.org.gt/index.aspx?menu=3&indice=182>

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## **What is Getting in the Way of the Abuja Declaration and Increasing Health Budgets in Africa? By Jay Colburn International Budget Partnership (IBP)**

In the Abuja Declaration of 2001, African nations pledged to allocate at least 15 percent of their national budgets to the health sector. Eight years later, most countries have not fulfilled this pledge. This is partly due to the inefficiencies in the relationship between the Ministries of Finance (MoFs) and the Ministries of Health (MoHs) in many African countries. In-country experts documented several of these within and between ministries in Ghana, Senegal, and Uganda in reports that became the basis of a two-day workshop for ministry representatives in March 2009 in Accra, Ghana. A subsequent policy brief based on the country-assessment and workshop findings titled *Improving Ministry of Health and Ministry of Finance Relationships for Increased Health Funding* was released by the Woodrow Wilson International Center for Scholars' Global Health Initiative in Washington, D.C. on June 24, 2009.

Why have these and other African countries not been able to reach their goals set forth in the Abuja Declaration? What obstacles are standing in the way of increasing health budgets, specifically in Ghana, Senegal, and Uganda? One issue affecting these nations is that some of their funding is provided by external sources, which can allocate funds for specific sectors, such as education or infrastructure. Many donor resources are made available to the MoF, where various ministries take part in prioritization debates to get funding. While part of the difficulty in achieving the Abuja goals is due to the capricious nature of the allocation process, specific characteristics of the MoHs and MoFs and the relationship between them have also contributed to inadequate health spending.

Upon conducting interviews with key ministry officials and reviewing various budget related documents, in-country researchers in Ghana, Senegal, and Uganda came up with a number of general guidelines and recommendations that can be used by all African ministries, focusing on increasing health funding:

- Ministry of Health staff with more experience and negotiation skills should be the ones to advocate for funding from the Ministry of Finance.
- Health staff should strengthen their evidence for increased funding by linking health indicators to specific budget items, while at the same time remaining mindful of the limited available resources.
- Ministries of Finance should allow for widespread discussion and debate in arbitrating the allocation of funds.
- Budgets should be flexible and adaptable as opposed to rigid and predetermined, which is how they are often perceived.
- The MoH should be consulted before the MoF allocates funds for health projects, which would help avoid confusion and ensure more efficient budget planning.
- The MoH feels the budget process is a formality with little room for negotiation and sometimes does not know who in the MoF to turn to for assistance.
- MoFs provide insufficient training on the medium-term expenditure framework, which is important for cash budgeting.
- The MoF and MoH relationship is further hindered by the low share of government resources provided for the health sector.

Based on these assessments and analyses, it seems that it is not only the lack of financial resources that is keeping these African nations from increasing health funding and reaching the goals of the Abuja Declaration. The obstacles to increasing health funding are also bureaucratic, technical, and communication issues. With the hope of not only presenting but also discussing and addressing the issues revealed through this research, this information was disseminated at the workshop in Ghana. Participating were several Ghanaian, Senegalese, and Ugandan ministry officials. Each country assessor shared their findings, followed by an opportunity for representatives from the Ministries of Finance and Health to discuss one another's concerns and expectations. Here, finance and health colleagues were able to interact, some for the first time. Each side discussed its needs and expectations and considered various ways to develop more effective and efficient communication and technical skills.

The workshop in Ghana resulted in a number of recommendations for not only the Ministries of Finance and Health but for development partners as well.

Recommendations to the Ministry of Health:

- a) Conduct budget training activities to enhance financial skills and understanding.

- b) Hire health economists for long-term planning.
- c) Improve documentation for MoF and monitoring and evaluation reports to justify increased health funding.

Recommendations to the Ministry of Finance:

- a) Hire staff with more knowledge and experience in health.
- b) Improve predictability of fund disbursement.
- c) Develop five- to ten-year budget plans, as well as plans for emergencies and epidemics.

Recommendations for the interactions between ministries of health and finance:

- a) Institutionalize a mechanism for dialogue between ministries.
- b) Each ministry should appoint liaison officers to work between ministries, collaborate on budget planning, and increase accountability and information sharing.
- c) Learn from other country experiences by sharing common problems and solutions.

Recommendations to development partners:

- a) Aid should be allocated through the budget as opposed to being given directly to specific health projects.
- b) Development partners should work with ministries to harmonize the efforts of multiple donors and integrate them into the countries' overall development strategies.

In coordination with the release of a policy brief, *Improving Ministry of Health and Ministry of Finance Relationships for Increased Health Funding*, the Wilson Center hosted three of the workshop participants to discuss the findings and recommendations and their own perspectives on the MoH and MoF relationship in their country.

At this meeting, Mavis McCarthy, from MCM Associates (who was involved in the Ghana research), and Mary Nannoni, permanent secretary of the Ugandan Ministry of Health, stressed the need for ministries of health to prioritize their projects with feedback from ministries of finance. Their relationship should be changed from a "purely mechanical process to a strategic dialogue," fostering a mutual respect between ministries.

Eva Mends, representing the Ministry of Finance of Ghana, closed by emphasizing "action, action, action:" people from various ministries from various countries need to learn from and act on the research and progress made at the workshop. Mends notes that the budget process is not only a technical process but also a political one, which has many possible points of entry or involvement that are often underutilized.

The scope of these research findings reach beyond Ghana, Uganda, or Senegal. Across Africa, individuals, organizations, government officials, and ministries can all learn from the information disseminated through the workshop in Ghana and the report release in D.C. to work towards achieving their goal of increasing health funding and improving the lives of their citizens.

To see the report, video of D.C. event, power points, and summary, click [here](#).

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## **Monitoring Health Budgets Course in India by Thokozile Madonko, International Budget Partnership (IBP)**

From 20–29 September 2009 the International Budget Partnership (IBP), Centre for Economic Governance and AIDS in Africa (CEGAA), and Fundar, Center for Analysis and Research hosted a pilot health and budgets training workshop in Kerala, India. Participants included 18 organizations from 10 countries across the world that are interested in using budget analysis and advocacy as a tool to strengthen their influence on health-related budgets and policies. Eight of the participating organizations are participating in the IBP's Partnership Initiative (PI) grant program. These organizations are either undertaking or are about to undertake a health and budget project. The other organizations are partners of CEGAA, WEMOS, and the Open Society Institute.

The health and budgets course is a new innovation in the IBP's training program. The IBP, in close partnership with CEGAA and Fundar, designed the course to assist participants in conducting health budget and policy monitoring. The course is designed to span a two-year period, beginning with an introductory 10-day intensive workshop and followed by one-on-one technical assistance and mentoring with partners during the implementation of their health and budget project. The workshop materials were designed to provide participants with an understanding of key health and budget issues, such as the right to health, health determinants, health information, health systems financing, health policies and the budget process, basic budget calculations, basic costing, and equity in health. The practical exercises of the workshop focus on maternal health, HIV/AIDS, and access to health services.

In the workshop, participants also were introduced to some basic skills for developing a health and budgets advocacy strategy and for communicating their health and budget advocacy message. One participant reported, "I can see myself planning in a very different manner as a result of what I learnt. The module on advocacy strategy is something that will surely impact and affect the way I plan to carry out my organization's work."

The workshop was highly participatory and, similar to other IBP joint-training initiatives, participants are required to respond to issues, raise questions, discuss the workshop material, and undertake group work and exercises. Two workshops were run simultaneously with two teams of facilitators. This enabled the participants to engage more closely with the workshop material, including the simulation scenario of Polarus, a hypothetical country facing several health-related development constraints. The participants reviewed a case study that closely resembled their organization's health and budget project, thus being exposed to the skills necessary for their own project implementation.

Commenting on the Polarus and the case study exercises, one participant said, "I enjoyed very much the case study of Polarus, feeling as if it is an adventure with participants and learning a lot through this concrete exercise." Another commented that "Polarus was definitely a wonderful experience, since it put us all at an equal level and brought about cohesiveness."

Based on the feedback provided by participants, the IBP will refine the workshop structure and materials, so as to launch this training formally in 2010. Much budget monitoring and advocacy is needed in the health sector, and the IBP is confident that this thematic training will contribute to various efforts around the world.

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## Gender Budget Publications by UNIFEM

Reports from the EC-UNIFEM program "Integrating GRB into the Aid Effectiveness Agenda"  
by Debbie Budlender

In 2008 UNIFEM launched a three-year program called "Integrating gender responsive budgeting into the aid effectiveness agenda." The first component of this program involved research in 10 developing countries to investigate how gender responsive budgeting (GRB) tools and strategies have been applied in the context of currently used aid modalities. This investigation intended to deepen the understanding of national partners and European Union (EU) decision makers of the opportunities to use GRB to enhance accountability to gender equality in aid effectiveness. The reports are available in English, French, and Spanish.

Budgeting for Women's Rights: A Summary Guide for Policy Makers, Gender Equality and Human Rights Advocates. Based on a report by Diane Elson

This booklet articulates what it means to take a rights-based approach to government budgets, draws on the lessons of Gender Budgets Initiatives (GBIs) experiences around the world, and links governments' commitments under the Convention on the Elimination of All Forms of Discrimination (CEDAW) with the four main dimensions of budgets: revenue, expenditure, macroeconomics of the budget, and budget decision-making processes. It clarifies how gender budget analysis can assist in monitoring a government's compliance with CEDAW, identifying how CEDAW can be used to set equality-enhancing criteria in budget activities, and guiding GBIs and other initiatives toward achieving gender equality. The publication is intended as an advocacy and action tool for key stakeholders in the area of government budgets and women's human rights, including policy makers and legislators at the country level, and gender and human rights advocates. The booklet is available in Arabic, English, French, and Spanish.

## Courses on Gender Responsive Budgeting, Turin

The International Training Centre of the International Labor Organization (ILO) will offer gender responsive budgeting courses from 26-30 October 2009. Participants in this five-day workshop will analyze gender responsive budgeting as a strategic tool to boost gender-equality mainstreaming in economic planning and financial management. Training methods will include presentations by ILO and Turin Centre specialists and external lecturers. They also will include individual and group learning activities under the guidance of highly qualified specialists in thematic fields, gender issues, and learning methodology. Participants and facilitators will work in a highly participatory environment. The courses will be held in English and French. To see the agenda, click [here](#). For more information, contact [gcu@itcilo.org](mailto:gcu@itcilo.org).