Recent Conferences and Training: Ethiopia, Azerbaijan, and South Korea

BAKU, AZERBAIJAN
Along with the Association of Young Economists and the Journalist Economists Association, the IBP recently undertook a three-day applied budget training program in Baku, Azerbaijan. The program was funded by the Open Society Institute and the Eurasia Foundation. The training, which took place on 16-18 May, was attended by 25 Azeris selected by the local hosts for their interest in and capacity for improving civil society’s involvement in the budget process. The training included the following components:

- Background information on macroeconomic conditions in Azerbaijan, including facts on poverty and economic trends.
- A presentation on the Azerbaijani budget, providing details on where the budget dollars go and how this has changed in recent years.
- A briefing on the important oil and gas sector, and on the oil fund, with information on revenue projections for future years.
- Four case studies of Azerbaijani organizations that have experience in budget work.
- Small group discussions on the opportunities and obstacles for applied budget work, as well as an opportunity to design and discuss project proposals for future work in Azerbaijan.
• A quick tour around the world, with examples of different types of budget work underway and the factors that increase the chances of organizational success.
• An analytic exercise showing how budget analysis can be used to tell a useful story about fiscal policy.
• Networking opportunities for local organizations.
• A new simulation game to give participants an opportunity to do their own budget analysis and then use that analysis in an advocacy format.

At the end of the workshop, it was apparent that there was broad interest among most of the participants to engage more deeply with government expenditure and revenue issues in Azerbaijan. Participant’s interactions and the proposed follow-up projects showed that the workshop was well-timed and that this is indeed a fertile period for budget work in Azerbaijan.

ADDIS ABABA, ETHIOPIA
The IBP recently participated in a World Bank African regional conference, entitled Improving Auditing Effectiveness, held in Addis Ababa, Ethiopia on 12-15 May. The conference brought together participants from the internal and external auditing functions in nine African countries. This meeting was the first of its kind on the continent and is important in drawing attention to the crucial role of auditing in strengthening accountability and expenditure effectiveness.

The IBP presented a paper on strengthening cooperation between parliamentarians, auditor-generals, the media and civil society budget groups. There appears to be a strong case for greater cooperation among these institutions. In most countries, the auditor-general presents his/her findings to parliament, but does not have the mandate to play a political role in ensuring that the recommendations are translated into organizational change. Conversely, parliament, civil society, and the media have the mandate to encourage the executive to accept the recommendations from the auditing branch, but often do not have the access to information to play this role. Using this argument as the basis for strengthening cooperation between these oversight institutions, the IBP presentation outlined several practical ways in which parliament and civil society groups can help to narrow the gap between the auditor-general’s findings and effective institutional change.

The IBP will shortly be posting its presentation, together with many useful background resources, in a special theme page devoted to budgetary oversight. For further information on the World Bank conference, contact Joel Turkewitz at jturkewitz@worldbank.org. For more information on the relationship between civil society groups and the auditor-general’s office, contact Warren Krafchik at the IBP at krafchik@cbpp.org.

SEOUL, SOUTH KOREA
The 11th International Anti-Corruption Conference took place in Seoul, South Korea on 25-28 May 2003. This is part of a biannual conference series hosted by the International Anti-Corruption Conference Council, with Transparency International as the secretariat. It was attended by approximately 700 participants from civil society organizations, parliament, the private sector, international development agencies and government. The conference included plenary sessions, and was divided into themes, several of which have an important bearing on budget work. These included public sector governance, civil society’s role in combating corruption, and instruments to combat corruption.

The IBP co-convened a working group, entitled Follow the Money: Fighting Corruption on Public Expenditure Management and Service Delivery that was attended by approximately
100 people from civil society, international development agencies, government representatives and the private sector. The panel discussion consisted of four presentations. The first focused on World Bank work to strengthen public expenditure management through public expenditure tracking surveys, contact Magnus Lindelow at mlindelow@worldbank.org. This was followed by a presentation on the work of the IMF in preventing and fighting corruption, particularly through its work on fiscal transparency. The IBP then provided an overview of civil society budget work around the world, focusing specifically on some of the projects that work closest with corruption. The final presentation was on the efforts of the Public Sector Accountability Monitor in South Africa to monitor government progress in addressing corruption and improving expenditure management.

For more information, contact director Colm Allan, or researcher Xoliswa Vitsha at psam-admin@ru.ac.za.

The IBP also participated in a second workshop that focused on current initiatives to encourage transparency in the oil and gas sector. This included presentations on the work of the Publish What You Pay Campaign, the Extractive Industries Transparency Initiative, various sector approaches to transparency, and the international budget transparency initiative, being undertaken by civil society budget groups. For information on the Publish What You Pay Campaign, contact Corene Crossin at Global Witness at ccrossin@globalwitness.org.

For more information on Transparency International's efforts in the Caspian region, contact Stian Christensen at schristensen@transparency.org.

For more information on the civil society initiative to measure budget transparency, contact Pamela Gomez at the IBP at gomez@cbpp.org.

The official conference website is working to document the conference. Much of it is already available at www.11iacc.org.

New OSI Report: Caspian Oil Windfalls: Who will Benefit?

The Caspian Revenue Watch program of the Open Society Institute has just released the report Caspian Oil Windfalls: Who Will Benefit?, which will be available in English, Russian and Azeri. The report was launched on May 12th at the Center for Strategic Studies in Washington D.C., where participants included George Soros and the report's author, Svetlana Tsalik.

The report recognizes that the discovery of significant natural resource deposits is often associated with declining long-term economic growth, higher inequality of income, and less inclusive governance. This trend is particularly prevalent in oil and gas rich societies, such as Chad, Nigeria, Cameroon, and Angola. Yet, these developments are not inevitable, some countries, such as Norway and Alaska in the U.S., have found mechanisms to manage oil revenue flows to benefit accountability and broad-based economic development.

The report reviews case studies from Alaska, Canada, Chad, Chile, Norway, the Persian Gulf, and Venezuela in order to provide recommendations to the governments of Azerbaijan and Kazakhstan, as well as multinational oil companies, international financial institutions,
Public Oversight of Oil Industries in the Caspian Sea Basin

There is growing worldwide attention on monitoring the revenue streams associated with oil and gas deposits. We list some of these resources below for those interested in following these issues. Civil society initiatives include the Central Eurasia Project and Caspian Revenue Watch, both at the Open Society Institute in New York, London-based Global Witness, and Transparency International in Berlin. These and other organizations are central to the Publish What You Pay campaign, a coalition of approximately 80 organizations, that calls on private sector oil and gas companies to disclose their revenue payments to governments as way to monitor these revenue flows.

The International Budget Partnership has recently completed training for civil society organizations in Azerbaijan and Kazakhstan in applied budget work, including monitoring the revenue side of the budget. Organizations in both countries will be a part of the planned international effort to measure budget transparency to be undertaken by the IBP and colleagues from budget groups around the world. The Blair government in the UK is increasingly pushing budget transparency and accountability issues as part of a voluntary effort - the Extractive Industries Transparency Campaign (EITC) - that is to be launched shortly. There is also greater IFI focus on these issues. The oil, gas and mining division at the International Finance Corporation is reviewing these issues, while the IMF is considering how to further public accountability and manage risks associated with oil and gas revenues.

Brazil's Lula on A Razor's Edge: New Government Imposes Fiscal Austerity

For those who have followed the Workers' Party administration at the local level, it was not surprising that Lula's government adopted measures of extreme fiscal austerity from the moment it took office, reports Sérgio Baierle of CIDADE (The Urban Studies and Advice Center), based in Porto Allegre, Brazil. But Baierle notes that what surprised analysts and a large portion of the business sector is the government's insistence on a model of adjustment that has exacted high social costs but has produced minimal results.

The government's fiscal austerity policy has come at the same time that Brazil is experiencing an economic slowdown. Economic growth figures from the first three months of the year show a slight downturn, while the metropolitan area of Sao Paulo, Brazil's industrial powerhouse, has experienced unusually high unemployment.

Lula's government argues that these developments are a legacy of the previous government, and that its policies have yielded some hopeful signs, such as increases in exports.
Nevertheless, these positive developments are not perceptible to those who voted Lula into office with such high expectations. The government's adoption of fiscal austerity measures has meant that strategic projects, such as the "Fight against Hunger," have hardly had gotten off the ground or had any impact. "Lula has preferred to speed up the reform agenda he inherited from former President Enrique Cardoso, rather than using his popularity to exert some kind of national and international pressure on the financial system," according to Baierle. "Everybody knows that our social welfare [system] is pretty limited and unfair, but just cutting benefits does not mean resources are being redistributed."

Currently, many non-governmental organizations are organizing to participate in the discussions involving the formulation of the governments "Plurianual" Plan (PPA). Baierle says that they hope to open this planning process to civil society, and to ensure that proposals that reflect social demands and concerns are included in the budget.

For more information, contact Sérgio Baierle of CIDADE at baierle@portoweb.com.br.

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**Privatization of Water in Cochabamba, Bolivia**

Jim Shultz, founder of The Democracy Center, based in Cochabamba, Bolivia, led a discussion on "Economic Globalization vs. Human Rights: Lessons from the Bolivian Water Revolt," on May 1, 2003, at InterAction in Washington, D.C. Attended by representatives from the Advocacy Institute, Center on International Environmental Law, Just Associates, National Democratic Institute, the Washington Office on Latin America, and university students from George Washington and Johns Hopkins, the discussion focused on a case study of water privatization in Cochabamba, Bolivia.

According to Shultz, the attempt to privatize water in Cochabamba, Bolivia, is possibly the most infamous failure of privatization to date. Cochabamba is the third-largest city in South America's poorest country, Bolivia. It has weak infrastructure — only half of its 800,000 residents have running water - but is growing fast as rural privatization pushes the unemployed to urban areas. In 1999, when the Bolivian government put the water system of Cochabamba up for sale, it received only one offer. Aguas del Tunari, a subsidiary of the US firm Bechtel Corporation, signed a 40-year contract that guaranteed a 16 percent profit margin.

Two months later, Bechtel drastically increased water prices and the city came to a standstill as the people of Cochabamba protested in the central plaza and blocked the streets. The government attempted to stop the protests through use of the police and other security forces, and later by declaring a state of siege. More than 170 people were injured and one 17 year old boy, Victor Hugo Daza, was shot in the face and killed. When Bechtel finally withdrew, the violence stopped. The people of Cochabamba regained control of their water system. Bechtel is now suing the Bolivian government for $25 million, a portion of the profit the corporation had hoped to make, but didn't.

For more information, go to: "Economic Globalization vs. Human Rights: Lessons from the Bolivian Water Revolt" by Jim Shultz, as published in the Funders Network on Trade and Globalization; "Leasing the Rain" by William Finnegan, as published in the New Yorker; "Leasing the Rain" PBS; Bechtel Press Releases: announces Bechtel's bid on the contract to rebuild Iraq.
New IBP Publication: Guía Ciudadana para el Trabajo Presupuestario

We are pleased to announce that the Guide to Budget work for NGOs has been translated into Spanish. This is a substantial revision and expansion of the IBP's second guide to budget work for NGOs, illustrated with examples and case studies of specific relevance to Spanish speaking countries. The guide is a comprehensive description of the basic principles of applied budget work, examples of useful resources, and best practices. It is designed to benefit Latin American civil society groups and researchers that are new to budget work, those that have engaged in this work for some time, as well as international actors interested in learning about applied budget work in the Latin American context.

Hard copies of the guide can be obtained through Rocío Campos at the International Budget Partnership at campos@cbpp.org. The guide is also available online at: http://www.internationalbudget.org/spanishguide.pdf.

New IBP Staff: International Budget Policy Analyst

We are very pleased to announce that Pamela Gomez joined the Center's International Budget Partnership in April 2003 as an International Budget Policy Analyst. Her primary focus will be helping to advance the international civil society effort to measure and advocate for greater budget transparency in developing and transition countries. Gomez previously worked as the Caucasus office director for Human Rights Watch, based in the former Soviet republic of Georgia. Prior to this, she prepared country reports on the Caucasus for the Economist Intelligence Unit and covered international financial markets at AP-Dow Jones in New York. Gomez holds a B.A. in economics from Barnard College and a masters in international affairs from the Johns Hopkins School of Advanced International Studies, where she specialized in international economics and Latin American studies. Pamela can be contacted at gomez@cbpp.org.

For more information on the IBP staff, click here.

New Budget Groups on the IBP Website

The Groups Section of the IBP website has now been updated to include 16 budget-related organizations in Armenia, Azerbaijan, Cameroon, Ecuador, Guatemala, India, Kazakhstan, Namibia, Nicaragua, Russia, Tanzania, and Zambia. To find out more about these groups, follow the links below:

Economic Development and Research Center (EDRC), Armenia
http://www.internationalbudget.org/groups/armenia.htm

Association of Young Economists, Azerbaijan
http://www.internationalbudget.org/groups/azerbaijan.htm

Union of Journalist Economists, Azerbaijan
Centro Cultural Luiz Freire "Cultural Center Luiz Freire," Brazil
http://www.internationalbudget.org/groups/brazil.htm

Enterprise Industries Technology and Development (EITD), Cameroon
http://www.internationalbudget.org/groups/cameroon.htm

Centro de Derechos Económicos y Sociales "Economic and Social Rights Center," Ecuador
http://www.internationalbudget.org/groups/ecuador.htm

Centro de Investigaciones Económicas Nacionales (CIEN) "National Economics Research Center," Guatemala
http://www.internationalbudget.org/groups/guatemala.htm

Samaritan Center for Budget Studies, India
http://www.internationalbudget.org/groups/india.htm

Centre for Budget Accountability, India
http://www.internationalbudget.org/groups/india.htm

Tax Standards Formation Fund, Kazakhstan
http://www.internationalbudget.org/groups/kazakhstan.htm

Public Policy Research Center, Kazakhstan
http://www.internationalbudget.org/groups/kazakhstan.htm

Institute for Public Policy Research (IPPR), Namibia
http://www.internationalbudget.org/groups/namibia.htm

Centro de Información y Servicios de Asesoría en Salud, "Center of Information and Advisory Services in Health (CISAS)," Nicaragua
http://www.internationalbudget.org/groups/nicaragua.htm

Hakikazi Catalyst, Tanzania
http://www.internationalbudget.org/groups/tanzania.htm

Murmansk Association of Journalists, Russia
http://www.internationalbudget.org/groups/russia.htm

Catholic Commission for Justice and Peace, Zambia
http://www.internationalbudget.org/groups/zambia.htm

New Papers on the IBP Online Library

*What's available? A Guide to Government Grants and other Support Available to Individuals and Community Groups*

By the Women’s Budget Initiative

The objective of this guide is to inform individuals and communities in South Africa about...
what government grants and other benefits are available to them. The guide covers benefits available in 13 national departments and Kwazulu-Natal province. Further booklets are planned to expand the coverage to the other provinces. This is a good example of one of the few budget outreach programs in developing countries - that is efforts to help citizen's to understand and access those grants and other instruments that are already available to low-income and poor people.

*Report on the State of HIV/AIDS Financing*

By the United Nations Program on HIV/AIDS (UNAIDS) UNAIDS has released this report in order to better support resource mobilization and program coordination efforts in HIV/AIDS assistance. The report examines the disparity between HIV/AIDS financial need and availability in developing countries, as well as geographic and sectoral shortfalls. In the context of the Secretary-General's call to action, the report's conclusions about the status of HIV/AIDS spending and research, demonstrates how far HIV/AIDS assistance has come, and how far it has to go.

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**Other Conference Updates**

The World Bank held its "Annual Bank Conference on Development Economics" (ABCDE) on 21-23 May in Bangalore, India. The goals of the conference were to present new research findings and discuss key policy issues related to poverty reduction. This is the first time that the conference was held in a developing country. On May 23, there was a session dedicated to the Public of Operation and Finance (PROOF) campaign launched by the Centre for Budget and Policy Studies (CBPS), the Public Affairs Centre (PAC), Janaagraha, and VOICES to engage different sectors of civil society in improving the city of Bangalore. To view the agenda, click [here](#).

For more information on the proceedings, contact Ms. H. Bhawani at [hbhavani@worldbank.org](mailto:hbhavani@worldbank.org) or Boris Pleskovic at [bpleskovic@worldbank.org](mailto:bpleskovic@worldbank.org).

The International Network for Economic, Social and Cultural Rights (ESCR-Net) will hold a conference, entitled Creating New Paths towards Social Justice, on 8-11 June in Thailand. The goal of the conference is to officially launch a new global network to promote human dignity and social justice through the advancement of economic, social and cultural rights. To read more on this conference, click [here](#).

For more information on the proceedings, contact Daria Caliguire, Director of ESCR-Net at [escr-net@cesr.org](mailto:escr-net@cesr.org).