



INTERNATIONAL BUDGET PARTNERSHIP
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Budget Tracking Workshop in Malawi

On 17-19 February Oxfam Great Britain coordinated the Civil Society Budget Monitoring Workshop in Lilongwe, Malawi, for representatives from local and international NGOs from over thirteen countries in Africa, Asia, the Middle East, and Europe. Sponsored by Oxfam, the event brought together organizations that were already involved, or about to carry out, tracking of the expenditures of their governments in key areas for poverty reduction such as education and health.

This was the first international workshop to focus exclusively on budget tracking methods, referring to the flow of government expenditures directly from the treasury to social facilities, such as schools and hospitals. Budget tracking is useful to identify problems with the flow of public funds often related to corruption and lack of accountability. For example participants from Azerbaijan have been tracking expenditure that was supposed to go to rural health clinics, and Tanzanian groups have been finding out whether schools are receiving moneys promised to them in the budget.

The group discussed best practices and experiences around topics such as indicators, survey tools, random sampling, and questionnaire design as well as how to advocate on results and work with parliaments and media to ensure maximum impact. All agreed that when done to a high standard, budget tracking is a very important way for civil society to tackle corruption by governments and donor ineptitude, and to ensure resources allocated to poverty policy such as that in PRSPs actually reaches the poorest.

Overall the event was a great success, with many key contacts made between participants and a desire to take forward learning on this critical area of budget advocacy work over the next two years. A comprehensive workshop report prepared by Kate Dryer and Chris Pain of Oxfam GB can be viewed [here](#).

The IBP Online Library recommends on this topic [Do Budgets Really Matter? Evidence from Public Spending on Education and Health in Uganda](#) by Emmanuel Ablo and Ritva Reinikka.

Chad-Cameroon Oil Pipeline

In a February 19 presentation at InterAction's Washington, D.C. office, representatives of civil society groups involved in the Chad-Cameroon oil pipeline project expressed concerns about whether the two governments will fulfill their commitments to invest project revenues in poverty-reducing programs such as health, education, and rural development.

The speakers were Lydie Beassemda from the Groupe de Recherches Alternatives et de Monitoring du Projet Pétrole Tchad-Cameroun (GRAMP/TC), a research group monitoring the social, environmental, economic, and policy dimensions of petroleum developments in Chad, and Garka Boukinebe, president of a federation of trade unions in Chad and a member of the Commission Permanent Pétrole de N'Djamena, a network of civil society organizations monitoring the impacts of the oil project and revenue management system in Chad.

The International Finance Corporation and the World Bank are funding the pipeline project to generate revenue that will allow Chad and Cameroon to invest more in reducing poverty. This \$3.7 billion project is the most significant project attempting to promote poverty reduction through the effective use of oil revenues. Many civil society groups are concerned, however, about what will happen to the leverage of these outside institutions once the oil begins to flow. Under pressure from the World Bank and IMF, the Chadian government enacted a Revenue Management Law and created a Revenue Oversight Committee to ensure that project revenues are handled transparently and used appropriately. Yet Catholic Relief Services warns that much of the money raised from the oil sector will be outside the control of these oversight mechanisms.

President Deby of Chad already has made some alarming moves since the project began to generate revenues, such as temporarily closing a major independent radio station after it aired information from a campaign by civil society groups to educate the public about the potential risks of the pipeline project. These risks include the worsening of living conditions — especially in oil-producing regions, where inflation is eroding residents' ability to buy necessities — and the spread of HIV/AIDS as a result of changing social norms, especially among pipeline workers.

Since oil exploitation by itself does not generate long-term employment, invigorate the economy, or alleviate poverty, oil revenue management is critical. Chad's Revenue Management Law and Revenue Oversight Committee are innovative responses to this challenge, but they can only generate leverage for the alleviation of poverty if coupled with good governance and an efficient allocation of oil revenues. In the end, the success of the revenue management system will depend upon political support and coordination from those in power and upon citizens' ability to hold the government accountable for its actions.

Other related resources include:

- *[Bottom of the Barrel: Africa's Oil Boom and the Poor](#)*
by Catholic Relief Services
- Read *[Broken Promises: The Chad Cameroon Oil Pipeline" and "Development: Profit at any Cost?](#)* (in French and English)
by Samuel Nguiffo and Susanne Breitkopf

For general information and updates on the pipeline project, visit the [World Bank website](#).

New Global Witness Publication: *Time for Transparency*

A new report by Publish What You Pay coalition member [Global Witness](#) provides a stark reminder to the international community that extractive industries in resource-rich developing countries must be transparent if these countries are to reduce the horrific poverty and corruption many of them face.

"Time for Transparency" focuses on five countries: Angola, the Republic of Congo (Brazzaville), Equatorial Guinea, Kazakhstan, and the tiny Pacific island of Nauru. The report demonstrates that the lack of accountability in companies' and governments' reporting of oil, gas, and mining revenues has allowed mismanagement of this income to flourish at the expense of ordinary citizens' welfare and the reputation of the companies themselves.

To access the report, go click [here](#). Translations of the introduction, conclusion, and sections on individual countries are available in French, Russian, Spanish, and Portuguese.

IBP Budget Training in Brazil

On 2-4 February, the IBP and Centro de Assessoria e Estudos Urbanos (CIDADE) hosted an Introduction to Budget Work seminar in Porto Alegre, Brazil. The seminar's 27 participants came from eight countries in Latin America, Asia, and Africa.

Thanks to CIDADE's involvement, the seminar offered a unique opportunity to learn about the remarkable government-led participatory budgeting process used in Porto Alegre. (CIDADE is the local budget group that works to improve the participatory budgeting process in Porto Alegre.)

The seminar also reviewed civil society's role in monitoring this official process, as well as a variety of other methods civil society uses to increase participation in the budget process. Many of the discussions emphasized the importance of pursuing both approaches simultaneously: participatory budgeting can enable citizens to influence budget allocations directly, but such a process requires continuous monitoring. Moreover, in most cases the government is unwilling to implement participatory budgeting. In these cases, civil society needs other tools to increase participation.

On the first day of the seminar, participants were introduced to the Brazilian context and recent federal- and state-level economic developments. This was followed by a presentation by a budget official from Porto Alegre. On the second day, the theme of participatory budgeting was further developed through presentations and discussions led by CIDADE.

The second theme of the workshop — civil society-led budget work — was developed through IBP presentations on budget advocacy around the world and on key success strategies, as well as discussions of more specific topics such as civil society tax-focused work, child-focused budgeting, gender budgeting, and transparency and participation in the budget process.

The third and final day of the seminar included a budget simulation that enabled participants to use a variety of skills and strategies they were exposed to during the seminar. Participants were divided into four groups and given budget and economic information on "Karostan," a fictional nation in Central Asia. They were then given two hours to try to understand what was happening in Karostan and to propose a strategy to meet various policy goals. Participants clearly showed their ability to think creatively about the challenges facing the country and the ways in which civil society could use the budget process to improve policy outcomes.

The IBP expects to offer another introductory course later in the year, likely in Asia. Contact Rocío Campos campos@cbpp.org if you would like to be notified when this program is scheduled. To read the presentation given by Sergio Baierle from CIDADE, go to: <http://www.internationalbudget.org/resources/Workshop.ppt>

The IBP online Library also recommends on this topic [*A Guide to Participatory Budgets*](#) by Brian Wampler.

Zambia's 2004 Budget

Zambia's 2004 national budget was presented to Parliament on February 6, 2004 and attracted a sharp reaction from Civil Society for Poverty Reduction (CSPR) for its failure to address adequately the country's 73 percent poverty rate. Though the amount allocated to poverty reduction was nominally raised over the 2003 allocation, CSPR observes that the increase would be offset by inflation.

According to CSPR, the budget, whose theme is "austerity for posterity," also fails to reorient government expenditures towards poverty reduction because it does not eliminate unnecessary expenditures and channel the savings into the fight against poverty. CSPR also noted the "immoral" competition in resource allocation between debt servicing and poverty reduction, whereby the former has been allocated more funds than the latter.

For more information, go to: [*Post budget statement presented at the CCJDP Post Budget Forum*](#), or contact Gregory Chikwanka.

Civil Society Organizations and the IMF

In an effort to build relationships with civil society organizations (CSOs), the IMF has been preparing new guidelines and engaging in discussions and seminars. In February 2003, the IMF and the World Bank met with the World Council of Churches to discuss strategies to deepen the IMF-CSO relationship and improve civil society's access to policymakers. One outcome of the meeting was the recognition that the Bretton Woods Institutions and the World Council of Churches have a common commitment to fighting poverty, despite the perception by the Council and other CSOs that they are excluded from the process of defining development agendas. A follow up meeting was held in Washington, D.C. in October to discuss institutional governance and accountability, the role of civil society in development, the roles of the private and public sectors in reducing poverty, and the challenges of globalization.

Also in February 2003, IMF Managing Director Horst Kohler met with staff from World Vision International, a faith-based anti-poverty and relief organization. The World Vision discussion document "[The IMF and Civil Society: Deepening the Dialogue](#)" served as the agenda for the meeting. To read another World Vision paper, "Promoting growth for Poverty Reduction: The Role of IMF lending Advice," click [here](#).

In addition, during the IMF's spring meeting in April 2003, IMF officials and a diverse group of CSOs discussed the current status of HIPC and stakeholders' experiences with the HIPC process. At that meeting, Warren Krafchik and Joel Friedman from the IBP talked about the importance of budget transparency and public participation in the budget process; they also provided updates on the civil society efforts to get a standard for transparent and open budgets. The next IMF-World Bank Spring meeting is planned for 24-25 April 2004.

In January 2004, the IMF's Independent Evaluation Office met with several U.S.-based CSOs to discuss its work plan for the coming fiscal year and its evaluation of the PRSP/PRGF process. The concerns emerging from that evaluation — including vagueness in the objectives of the PRSP process and in how to measure the results of the process — are similar to those previously raised by CSOs and other PRSP participants. CSOs at the meeting also voiced concerns over the role that the IMF should play in formulating PRSPs and whether the IMF takes the policy recommendations of the PRSP into account when formulating loan conditions.

The Independent Evaluation Office is interested in comments on its work plan and the PRSP/PRGF process. Submissions, especially from participants in past or current PRSP processes, are welcome and can be sent to ieo@imf.org. To read the Independent Evaluation Office work program for fiscal year 2005, click [here](#).

As the IMF seeks to expand its dialogue with CSOs, it also is trying to address concerns over transparency gaps in internal IMF operations. A book forum was held in February 2004 featuring Ariel Buira, editor of *Challenges to the World Bank and IMF: Developing Country Perspectives*, which highlights many of the current criticisms about IMF transparency and governance. Entitled *Do Developing Countries Have a Say at the IMF? Issues in IMF Governance*, the forum included Carol Welch, director of international programs at Friends of the Earth, and was moderated by Thomas Dawson, director of the External Relations Department at the IMF.

Buira's presentation focused on the impact of IMF deficiencies in transparency, accountability, and legitimacy on IMF policies in developing countries. The ensuing

discussion addressed such topics as the role of CSOs in advocating internal IMF reform as well as the consequences of giving developing countries more representation in IMF decision-making.

Buira's presentation can be viewed at <http://www.imf.org/external/np/tr/2004/pdf/buira.pdf>. Read an abstract of [*Challenges to the World Bank and IMF: Developing Country Perspectives*](#).

Other related resources include:

- [*Civil Society Voices and the International Monetary Fund*](#)
By Jan Aart Scholte/North-South Institute, May 2002
 - [*February 2004 IMF Civil Society Newsletter*](#)
 - [*A Guide for Staff Relations with Civil Society*](#)
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New in the IBP Library

Ownership and Partnership: What Role for Civil Society in Poverty Reduction Strategies?

By Henri-Bernard Solignac Lecomte and Ian Smillie/OECD

According to the OECD, "Partnership Forums are the means by which the OECD Development Assistance Committee provides a venue for non-governmental actors to express their points of view and to offer their own contributions to development policy and strategy. In December 2000, the DAC and the Development Centre held a Forum on ways of integrating civil society into policy formation in developing countries, and to identify obstacles to such involvement. Participants agreed that civil society's role in poverty-reduction strategies had been an important element in successful implementation." Hence, this publication is recommended for civil society organizations, governments in OECD and developing countries, and international organizations implementing poverty-reduction strategies.

Some Transparency, No Accountability: The Use of Oil Revenues in Angola and its Impact on Human Rights

By Human Rights Watch

This report provides a comprehensive study and analysis of the (mis)use of oil revenues in Angola. Beginning with IMF policies aimed at promoting fiscal transparency and accountability, the report details the huge discrepancies in the Angolan government's processing of oil revenues and its refusal to cooperate with requests for information on how the revenue was used. The report also examines the consequences of this lack of transparency: inadequate expenditures on health, education, and social programs; an inadequate judiciary and insufficient development of the rule of law; and the fostering of undemocratic tendencies by the government. The report concludes by examining the ways in which recent international initiatives to promote transparency, including the Extractive Industries Transparency Initiative and the Publish What You Pay Campaign, could contribute to greater transparency in Angola.

Open Government: Fostering Dialogue with Civil Society

By OECD

Containing contributions from government officials and civil society organizations in the Czech Republic, Estonia, Finland, Russia, and Slovenia, this report examines key aspects of

budget transparency, such as access to information, accountability, public participation, and consultation in policy-making.

Bottom of the Barrel: Africa's Oil Boom and the Poor

By Ian Gary and Terry Lynn Karl/Catholic Relief Services

This report addresses two main questions: How can Africa's oil boom contribute to the alleviation of poverty, and what policy changes could promote the management and allocation of oil revenues in a way that will benefit ordinary Africans? The report explains why oil revenue has rarely translated into poverty alleviation, using Nigeria, Gabon, Angola, Congo-Brazzaville, and Equatorial Guinea as examples. It then discusses efforts by different actors to make oil revenue more transparent and accountable and provides an in-depth look at the Chad-Cameroon Oil Pipeline Project. It also offers several policy recommendations.

Fuelling Poverty: Oil, War, and Corruption

By Christian Aid

This report begins by reviewing existing studies on the paradox of extreme poverty existing in oil- and mineral-rich countries. Such poverty is not inevitable, it argues, but rather is largely the result of poor public decision-making. The report pays special attention to the misuse of oil revenue in Angola, Kazakhstan, and Sudan and concludes with policy recommendations.

New IBP Resources

IBP NEWSLETTER IN FRENCH

The IBP Newsletter is now available in French. Should you be interested in receiving the last two issues in French, please send a message to campos@cbpp.org.

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Announcements

IBP JOB ANNOUNCEMENT

The International Budget Partnership at the Center on Budget and Policy Priorities works to support civil society engagement in public budgeting in developing and transition countries. The project is seeking an international applied budget research specialist to assist civil society organizations to monitor public budgets and oil and gas revenue streams, and contribute to/direct/develop the cross-country research work of the IBP. Applicants must demonstrate excellent international budget policy and communication skills, and knowledge of international civil society. Ability to speak several languages is desirable. For further details, click [here](#).

DUKE UNIVERSITY RELATED COURSES

The Duke Center for International Development (DCID) is an interdisciplinary training, advisory, and research unit offering cutting-edge masters degree and executive education programs in International Development Policy with emphasis on Applied Economics, Development Management, Environmental and Social Policies and their application to

developing and transition countries. The Duke Center for International Development is a part of the Terry Sanford Institute of Public Policy located at Duke University. For deadlines, applications and other programs details, click [here](#).

IDS MA IN PARTICIPATION, DEVELOPMENT, AND SOCIAL CHANGE

The Participation Group at the Institute of Development Studies, University of Sussex, UK, will offer a new Master's Program in Participation, Development and Social Change. The first course will run for fifteen months from May 2004 to July 2005, including a 9-month period of field-based learning or action research. This new program aims to deepen knowledge, innovation, and practice of participatory approaches for engaging people in decision-making and citizenship in diverse contexts. Designed to help experienced practitioners deepen their abilities for critical reflection and analysis, the program combines two periods of intensive coursework and group learning in residence at IDS with a period of practical learning and action research with an organization engaged in participatory approaches. For deadlines, applications and other programs details go to the [IDS website](#), or contact: Julia Brown, Institute of Development Studies, University of Sussex, Brighton BN1 9RE, UK, email: J.L.Brown@ids.ac.uk, phone: +44 (0) 1273 606261, fax: +44 (0) 1273 621202.