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e-Newsletter

In this Issue:

Budget Analysis to Reduce Maternal Mortality

On 4-6 November in Mexico City, the Mexican NGO Fundar and the IBP held a conference entitled "Exploratory Dialogue on Budget Work as a Tool to Reinforce National and International Efforts to Reduce Maternal Mortality".

The conference was held in collaboration with the Population Council, Family Care International, the Averting Maternal Mortality Project, the Partnership for Safe Motherhood and Newborn Health, and funded by the MacArthur Foundation. Its goals were to investigate the links between budget work and initiatives to address maternal mortality, establish a dialogue between experts in the two fields, and examine the plausibility of utilizing budget analysis to help confront maternal mortality.

The conference began with overviews on maternal mortality and applied budget work by Lynn Freedman, director of Columbia University's Averting Maternal Death and Disability Project, and IBP director Warren Krafchik. The opening day also featured a roundtable discussion at the Mexican Congress where legislators, health officials, and civil society organizations exchanged ideas and information on Mexico's experience with maternal mortality. During this discussion, Fundar presented *The Public Budget and Maternal Mortality in Mexico: Tracking the "Arranque Parejo en la Vida" (APV) Program*, its budget analysis of Mexico's maternal mortality reduction program.

Day two included sessions on three major challenges to addressing maternal mortality: obtaining the human and infrastructure resources required to provide professional care, ensuring equity in access to health services at all levels of government, and delivering services effectively. Discussions looked at case studies of maternal mortality in Ecuador, India, Indonesia, Mexico, Nigeria, and Uganda.

The conference concluded with a discussion of future collaboration between civil society groups working on budgets and those focusing on maternal mortality. In the short term, the IBP and the Partnership for Safe Motherhood will prepare case studies to be presented at the launch of the World Health Organization annual report in India in April. In the longer term further follow-up initiatives are planned, including several country studies to better understand the linkage between public finance and averting maternal mortality.

To read the Fundar report, go to: *The Public Budget and Maternal Mortality in Mexico: An Overview of the Experience*. For more information, contact Fundar at genero@fundar.org.mx.

Government Revenue Watch in Bolivia

With support from the Civil Society Budget Initiative, three Bolivian civil society organizations are joining forces to establish a government revenue watch. The project's initial phase will examine the imbalance in government revenues derived from the hydrocarbon (oil and gas) sector. The three groups are CEDLA (Research Center for Labor and Agrarian Development), CESU (the Graduate Studies Department of the National University in Cochabamba), and *Coordinadora de la Mujer.*

CEDLA, which has been conducting budget analysis for over a decade, is currently spearheading a national initiative to mobilize broad-based input into national budget processes. CESU researchers have been closely involved in issues related to privatization and public finance.

The Bolivian government's revenue sources have changed dramatically since the structural reforms of the mid-1980s, which privatized the nation's extractive industries. Previously, more than three-quarters of public revenues originated from the incomes of public enterprises — namely, oil and gas. Today, about three-quarters of public revenues come from taxes on consumption, wages, and profits. At the same time, oil and gas corporations — all of which are controlled by foreign multinationals — are booming as a result of the discovery of large natural gas deposits.

The new revenue watch project is concerned that the process of privatization initiated in 1994 puts in place judicial, tax, fiscal, and price control mechanisms that favor the increase in earnings of multinational corporations at the expense of state indebtedness and a growing tax burden on the population. In addition, there are concerns that the government has made regulatory changes to attract foreign investment, often at the expense of the public's ability to influence or even monitor extractive activities and the public resources they generate.

Building on many years of economic research experience and their close ties with social organizations, CEDLA and CESU will begin by strengthening their research capacity to develop case studies of oil and gas companies and their revenues. At the same time, the

two groups will discuss research methods and results with other organizations. Once the initial studies are complete, an information campaign will be launched with the help of *Coordinadora de la Mujer* to build public capacity to participate in revenue discussions and legislation.

For further information on this project, contact Tom Kruse at tkruse@cedla.org or Roberto Fernandez at roberfterna@hotmail.com. For more information on CSBI, contact Tom Zanol at csbi@cbpp.org.

A Conversation with IFAI on Access to Public Information in Mexico

Juan Pablo Guerrero is one of the five commissioners of Mexico's Federal Institute for the Access to Public Information, or IFAI.

1. What is IFAI and what is its mission?

Based in Mexico City, IFAI is the federal authority that supervises the fulfillment of the Law for the Access to Public Information and Transparency. IFAI is in charge of protecting the public's right to access to information, investigating negative responses to information requests - i.e. if a government agency cannot satisfy a citizen's request for information, the citizen can appeal to IFAI -, and protecting personal information held by government. IFAI is free to decide how it operates and to define its own financial needs.

2. How does IFAI collaborate with civil society organizations (CSOs) interested in promoting access to public information?

IFAI has collaborated with interested CSOs in activities such as training, technical assistance, and information dissemination. In addition, IFAI has an outreach program that has responded to requests from 105 CSOs, 41 national political groups, 23 companies, 20 academic institutions, 5 consulting companies, and 38 other organizations, such as unions.

IFAI also holds regular meetings with CSOs interested in using access to public information to strengthen their work in areas such as human rights, gender and budget analysis, and the environment. These CSOs, which include DECA, *Equipo Pueblo,* and the environmental coalition *Iniciativa de Acceso México,* have demonstrated a real commitment to promoting transparency and access to public information.

To encourage discussion of transparency and information access issues, IFAI holds an annual essay contest. The first year, the topic was "México enters a transparency era." The winning essays were compiled into a publication.

3. What are some examples of cases presented to IFAI?

Budget information is a transparency obligation and should be made available on government websites. This obligation applies only to current information; budget allocations corresponding to previous administrations are not available online. But even when information is no longer current, it is still public, and many of the requests to IFAI have to do with accessing past budget information.

Petitions for budget information also frequently occur when the information needed is more detailed than what official sources provide. Other petitions occur when government offices do not fulfill their transparency obligations stipulated in the Law for the Access to Public Information and Transparency.

4. What changes have been made to improve access to budget information?

The Law for the Access to Public Information and Transparency establishes transparency obligations for the operation of public institutions, such as their internal budgets, salaries and benefits, concessions, permits and contracts, subsidies, audits, and citizen participation mechanisms. Article 7 of the Law states that all government bodies should make this information publicly available through their websites.

In September 2003, IFAI issued a series of criteria to measure the fulfillment of these transparency obligations in five areas: internal finances, regulatory frameworks, decision-making at the national level, relations between government and the general public, and internal organization.

5. How does IFAI respond to the international movement for greater access to government information?

To learn from successful experiences in other countries and to publicize Mexico's achievements in this area, IFAI collaborates with international organizations that promote access to information. IFAI also has established a rapport with various organizations in Latin American countries to offer technical assistance in this matter.

IFAI is now organizing the Third International Conference for Access to Information for representatives from governments, NGOs, international organizations, and other institutions similar to IFAI. The conference will promote the idea that access to information can change people's lives and the delivery of public services, and improve government performance. Participants will explore examples from around the world in which access to information helped address government corruption.

In addition, we have signed two agreements in Peru (one with the regional government of Lambayeque and another with the organization *Proética*) to help Peru implement its law improving access to information. We also are discussing a similar agreement with Ecuador.

To learn more about IFAI, go to: http://www.ifai.org.mx. To read the complete interview in Spanish, go to: http://www.internationalbudget.org/resources/library/IFAI.pdf.

Other resources on access to public information can be found on the IBP website under:

NORTH AMERICA
Freedominfo.org
Initiated by Thomas S. Blanton, director of George Washington University's National Security Archive, this website describes best practices, campaign strategies, and ongoing campaigns around the world to promote freedom of information. It contains information on how freedom of information laws were drafted and implemented, including how various provisions have worked in practice.

ASIA
National Campaign for People's Right to Information

The National Campaign for People's Right to Information seeks to ensure that institutions and agencies in India, both inside and outside government, function transparently. The website offers information on "right to information" laws in India and other countries, data from its recent election-monitoring campaign, and a host of publications on transparency.

EUROPE
Article 19
With partners in 30 countries this London-based NGO is a global campaign that supports the right to freedom of opinion and expression. The campaign conducts research and advocacy for the free flow of information. Its website offers updates on regional programs to defend this right and offers a freedom of expression "virtual handbook".

AFRICA
Open Democracy Advice Centre
The Open Democracy Advice Centre is a leading supporter of freedom of information in South Africa. It monitors the implementation of the new access to information law and provides legal advice to individuals seeking information. ODAC also provides training on the information law and assists public and private institutions in developing information disclosure policies and procedures.

Interview with Aruna Roy on the Right to Information

Aruna Roy is cofounder of the Mazdoor Kisan Shakti Sangathana (MKSS), which was established to strengthen participatory democratic processes and collectively fight the exploitation of peasants and rural workers in Rajasthan, India.

1. What has MKSS done to improve the disclosure of budget information (e.g., the use of public funds and the transfer of resources from the federal government to local governments)?

MKSS does not focus directly on budgets in its work. As a non-partisan organization, MKSS works on issues that affect its primary constituents: the peasants and workers in the rural regions of the Indian state of Rajasthan. All of the issues and campaigns in which MKSS has been involved have originated in demands from these constituents.

The Right to Information campaign, for example, began in response to the underpayment of workers on public projects. When questioned, the public officials in charge of the projects denied any wrongdoing, but they refused to show the official records on which they justified their payments to workers. MKSS responded by launching a campaign to demand access to official information. When MKSS obtained project records and involved village communities in tracking expenditures, the systemic nature of the corruption (which is endemic in the use of public funds in India) was exposed.

The goals of the Right to Information movement, however, are much larger than opposing corruption. The movement demands transparency and accountability from all public agencies and demands that citizens be actively engaged in official planning. Most fundamentally, the movement demands that citizens — especially the poor — be given a fair share in governance.

2. How does MKSS interact with grassroots groups to improve their ability to understand budget information? Are there any efforts to empower rural people with budget literacy tools?

MKSS is a grassroots movement of peasants and farmers in Central Rajasthan. As I said earlier, MKSS does not work on budget analysis in the traditional sense. However, much of MKSS's work has been at the other end of budget process — that is, monitoring how budgeted funds are expended by government agencies.

Using India's right to information law, MKSS helps communities obtain project records maintained by government agencies, repackages these records in formats that non-experts can understand, and distributes them among residents of the area where funds are purported to have been dispensed. This process culminates in a public hearing at which residents and public officials discuss the accuracy of the project records.

This process empowers communities in several ways. First, by demanding the official project records, communities confront the central source of the power that bureaucracies hold over citizens: secrecy. Second, over the past decade or so MKSS has developed a simple methodology that allows people with limited education to participate in the expenditure-tracking process. Third, the public hearing forums that MKSS has developed (also called social audit forums) are highly democratic events that provide traditionally disempowered groups such as women, lower-caste members, illiterate people, and the poor to present their views on development projects. By inviting public officials to the public hearings, MKSS ensures that they too receive an opportunity to voice their points of view but that they are also held accountable for their actions.

Finally, issues raised at the public hearings become the basis of new demands for reforms in government agencies' plans and procedures. The hearings empower communities to present their opinions on governance systems.

3. Could you describe MKSS's interaction with other civil society groups in India? Do you collaborate with budget analysis organizations, such as the Center for Budget and Policy Studies (CBPS), based in Bangalore, or the Center for Budget and Governance Accountability (CBSA) in New Delhi?

MKSS interacts with a vast number of civil society groups working both in Rajasthan and in other parts of India. As an active participant in several grassroots movements — including the National Campaign for Peoples' Right to Information, the Right to Food Movement, the Right to Work Movement, Rajasthan Election Watch, and the National Alliance of Peoples' Movement — MKSS collaborates with many human rights and social justice organizations in these campaigns.

However, the nature of MKSS's collaboration with each group differs. In some cases, MKSS participates in activities or campaigns undertaken by an organization, such as groups working locally in Rajasthan on social justice issues. MKSS's involvement with other groups is more limited. In addition, MKSS receives support from other organizations in all of its campaigns.

MKSS does not work directly with groups such as Center for Budget and Policy Studies and the Center for Budget and Governance Accountability. However, MKSS is in contact with these groups and is familiar with their work. MKSS believes that for effective reforms to occur in governance processes, pressure must come from several sources. The budget work

of groups like CBPS and CBGA provides valuable information to citizens and the media about the effects of national, state, and local budgets on their lives.

Read the summary of Aruna Roy's presentation at the Brookings Institute in Washington, D.C. last October.

Growing Civil Society Budget Work in Nigeria

Nigeria is the seventh largest producer of oil in the world, yet most of its citizens live in abject poverty. In order to address this situation, several NGOs in Nigeria have begun directing resources to monitor government budgets at the federal, state, and local levels.

Among these groups are the Movement for the Survival of the Ogoni People, the Niger Delta Human Rescue Organization, the Institute of Human Rights and Humanitarian Law, the Center for Advanced Social Science, and ActionAid.

The Movement for the Survival of the Ogoni People (MOSOP) was established in 1990 to protect the interests and rights of the Ogoni minority. It rose to prominence through its successful campaign to prevent Shell from mining in Ogoni territory. MOSOP's most innovative work is based on comparisons of currently realized local government revenues by source (such as rates, licenses, utility arrears, etc.) against their estimate of what should be realized. For example, in the last fiscal year, the local authority claims receiving license fees of N50,000 per year, but estimates of the number of bicycles suggests license fees of N250,000. Similarly, MOSOP compares current expenditures (such as government salaries) versus their estimate of the likely outlays. In the last fiscal year, the local government claimed salary expenditures of N2.04 million, but MOSOP estimates based on audited staff strength suggest annual expenditures of N1.17 million. MOSOP has completed a report on the results of its monitoring and is disseminating it to the target population. It plans to focus on one issue at a time and present its information for debate at the local town hall meetings where community issues are traditionally discussed. For more information, contact MOSOP at mosop@phca.linkserve.com, or go to: http://www.mosop.org/main/index.php.

The Niger Delta Human Rescue Organization (ND-Hero), established in 1995, works on human rights, conflict management, and governance issues. Its budget work focuses on monitoring the Niger Delta Development Commission (NDDC) community expenditures: (a government program created to develop a sense of community ownership and increase community participation by funding income-generating projects in the region). ND-Hero has interviewed residents of six communities to assess the degree to which NDDC consults with them, as well as the match between development projects and community needs. The results point to a record of poor (if any) consultation, as well as endless examples of development projects that do not respond to local needs and/or are never completed. In addition to highlighting development shortfalls, ND-Hero claims that the mismatch of projects and needs is related to patronage as community contracts are awarded to benefit local cronies, rather than chosen according to community need and contractor capability. For more information, contact Azibaola Robert at azibaola@ndhero.org.

The Institute of Human Rights and Humanitarian Law (IHRHL), founded in 1988, seeks to build a culture of understanding of rights and responsibilities. IHRHL has done significant work training community "barefoot lawyers" and community advice centers. The group's

budget work includes building knowledge at the community level about public revenues and expenditures, monitoring major expenditure commitments in the state budget, and using the media to build awareness of budget debates to generate discussion on budgets and other public policy issues. For more information, contact Anyakwee Nsirimovu at ihrhl@ihrhl.org.

The Center for Advanced Social Science (CASS) was founded in 1992 by Claude Ake after working at the Brookings Institute in Washington and seeks to apply social science research to government policy-making. In addition to conducting research, CASS provides training to civil society, advisory services to the government, and undertakes its own policy advocacy. Its three program areas are public policy, governance, and the international system.

CASS plans a major initiative focusing on the Niger Delta to include a Niger Delta library, research in six areas (gender, poverty, democracy, oil, agriculture, and the environment) and the establishment of a regular development roundtable. The organization intends to become a resource for civil society and an influential actor on Delta-related issues.

As part of its Niger Delta work, CASS plans to focus on the emerging fiscal relationship between the federal and state governments. CASS intends to conduct research on federal government transfers and state-level expenditures, create a database on public expenditures and revenues, and provide training and disseminate information to civil society organizations in the Delta. For more information, contact Y.B.C. Omelle at cassafric@hyperia.com.

Other groups, such as ActionAid International, work with civil society groups to build their capacity to engage the government at all levels on budget analysis. Currently, ActionAid is undertaking two budget-related projects in Nigeria. The first, "Increasing Citizen Participation in Governance through Public Finance Analysis," aims to strengthen existing public budgeting and expenditure analysis initiatives by civil society organizations in the states of Kebbi, Gombe, Plateau, Osun, Abia and Cross River. The project expects to generate the first major training instruments for budget tracking at the local level in Nigeria, and a basic manual for local and national budget analysis based on participatory processes.

ActionAid's second project is "Increasing Participation of Civil Society in the Assessment, Monitoring and Evaluation of Resource Mobilization and Utilization on the Impact on HIV and AIDS Mitigation Effort in Nigeria". The project will involve a broad based partnership between ActionAid and the Civil Society Consultative Network on HIV/AIDS in Nigeria (CISCNHAN). The project works to strengthen the national response to Nigeria's HIV/AIDS pandemic by empowering civil society organizations and the public to monitor public programs aimed at fighting HIV/AIDS. The project will focus on federal and state governments' expenditures as well as foreign resources earmarked for the prevention and management of HIV/AIDS.

For more information on ActionAid's budget work in Nigeria, contact John Moru at john.moru@actionaid.org.

CSO Workshop for Monitoring PRSP and MDG Progress

On 3-6 November in Johannesburg, South Africa, the United Nations Development Program's (UNDP) Regional Service Center for Eastern and Southern Africa held the

workshop "Monitoring Poverty Reduction Strategies and Progress towards Millennium Development Goals." The workshop brought together more than 50 national and regional civil society networks from Ethiopia, South Africa, Nigeria, Uganda, Zambia, and Zimbabwe that work to promote poverty reduction and democratic governance.

The workshop's primary aim was to strengthen the capacities of African civil society organizations to monitor progress in implementing the Millennium Development Goals (MDGs). Specifically, it sought to:

- Expand participants' understanding of the methods of monitoring poverty-reduction efforts.
- Discuss recent developments related to progress toward the MDGs and civil society engagement in the Poverty Reduction Strategy and MDG processes.
- Identify barriers to effective civil society engagement in the PRSP and MDG processes and ways to address them.
- Agree on a strategic plan for joint action at the national and regional levels for monitoring and evaluating progress toward the MDGs.
- Determine ways in which partners such as the UNDP, civil society support networks, and civil society organizations in developed countries can assist civil society organizations in Africa.

The morning of the second day focused on the budget process, budget analysis practices, and the importance of active involvement by civil society organizations in tracking the budget. Participants also examined the different effects that budget allocations can have on women's and men's social and economic opportunities, and how mainstreaming gender into macroeconomic policies affects gender equity opportunities in public service.

Participants discussed broader issues as well, such as the role of the UN and UNDP in promoting the development agenda, the tension between global development initiatives and nationally-driven development goals, and the delivery of donor commitments. Finally, participants agreed on the importance of identifying common national action plans for the sensitization on MDGs, and agreed to improve the flow of information, to create more opportunities for civil society groups to participate in the budget process, and to develop tools for budget analysis.

For more information on this workshop, contact Karabo Serakalala at karabo.serakalala@undp.org.

Snapshot of Israel's 2005 Budget

The Adva Center, based in Tel Aviv, reports that the Israeli government's budget proposal for 2005, together with the Budget Arrangements Law, add up to yet another year of increased defense spending, decreased social service and infrastructure budgets, and more structural changes designed to downsize the government and the social safety nets. Tax cuts for the rich and reductions in employers' social insurance obligations are to be financed by tax increases for the middle class and reductions in social assistance for low-income people.

Since 2001, Israeli citizens have experienced budget cuts amounting to some 60 billion shekels ($13.3 billion). The 2005 budget continues the trend with an 8 percent decrease in

funding for public school teachers, continued under-financing of the public health system (whose budget has undergone erosion by 15 percent to 24 percent, depending on the calculation method, since legislation of a national health insurance law in 1995), a 15 percent cut in vocational training, and an 8 percent cut in research and development funding.

For more information, contact the Adva Center at: advainfo@bezeqint.net.

Social Pensions in Developing Countries

HelpAge International has released a new report examining the effects on developing countries of declining fertility rates and increasing life expectancy. As the report — *Age and security: how social pensions can deliver effective aid to poor older people and their families* — explains, the expanding older generation has important economic responsibilities yet very limited means to meet these responsibilities.

The report pays particular attention to the changing role of older people as they struggle to support grandchildren orphaned by HIV/AIDS. Many grandparents are acting as the main family breadwinner and must care for sick adult children while putting their grandchildren through school. For instance, 60 percent of the children orphaned by the epidemic in some countries of sub-Saharan Africa are cared by their grandparents.

The report calls for the provision of non-contributory pensions to older people in developing countries, arguing that the cost of such pensions is very low in terms of GDP. Such pensions can represent an important step toward reducing poverty among older persons. The report notes, however, that few Poverty Reduction Strategy Programs (PRSPs) have addressed the role of social protection in reducing poverty. Both affordable and feasible, social pensions deserve greater attention as part of poverty reduction programs — and as a main component of development spending.

The report covers a wide range of case studies from all over the world and includes recommendations for NGOs, international development institutions, and governments. To read the report, go to: http://www.helpage.org/images/pdfs/agesecurity/Full%20report.pdf.

New in the IBP Library

Budgetary Processes and Economic Governance in Southern and Eastern Africa
By Odd-Helge Fjeldstad, Dirk Hansohm, Jan Isaksen, and Erwin Naimhwaka / *The Namibian Economic Policy Research Unit (NEPRU)*
In light of what NEPRU sees as a link between good governance and poverty reduction, it conducted this study to investigate the economic dimension of good governance. Drawing from the latest literature on economic governance, as well as relevant studies on southern and eastern Africa, this paper analyzes three avenues through which governments can expand their capacity for good economic governance: Medium-Term Expenditure Frameworks, autonomous revenue authorities, and the use of parliaments, non-state actors, and the auditor general to control the budget.

Taxation, Governance and Poverty: Where Do Middle Income Countries Fit In?
By Mick Moore and Aaron Schneider / *Institute of Development Studies (IDS)*
This report examines how tax reform can contribute to good governance and poverty reduction in middle income countries. It addresses four major questions: 1) What is the relevance of taxation and tax reform to poverty reduction and good governance in poorer countries? 2) Why focus on middle income countries? 3) Why focus on the linkages between taxation, governance, and poverty reduction? 4) What should the international aid and development community understand about the politics of tax reform? The report concludes that tax reform will be an increasingly large part of the public policy agenda in poorer countries and should therefore be a major concern of aid donors and development agencies.

The Role of Parliament in the Budgetary Process: The Example of the Croatian Parliament (2000-2003)
By Vjekoslav Bratic / *Institute of Public Finance*
This report examines why the Croatian Parliament rarely modifies the government's budget proposal in spite of its ability to do so. It investigates the evolution of the relationship between parliaments and the budget from 2000 to 2003 in order to provide recommendations for improving Croatia's budget process.

Gauging Progress on Oil in Nigeria: Community Relations, Development Impact and Revenue Transparency
By Emmanuel O. Emmanuel / *Center for Social & Corporate Responsibility*
This report assesses the evolution of sustainable community development programs in the Niger Delta region and the status of recent Nigerian oil revenue transparency efforts.