



INTERNATIONAL BUDGET PARTNERSHIP
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IBP Job Opportunities

The International Budget Partnership is hiring a *Program Manager* and *Senior Analyst* for its Open Budget Initiative (OBI) and a *Program Officer* for its Partnership Initiative (PI). To learn more about the OBI job opportunities, click [here](#). To learn more about the PI job opportunity, click [here](#). >>

"It's Your Money"- Sing Along with the IBP's Open Budget Initiative

In anticipation of the release of the Open Budget Index 2008 on **February 1, 2009**, we invite you to listen to "[It's Your Money](#)," a song about budget transparency written and produced for the IBP by Patrick Hickey of Waxed Productions, South Africa. The Open Budget Index rates 85 countries on how open their budget books are to their citizens. It is intended to provide citizens, legislators and civil society advocates with the comprehensive, timely and useful information needed to participate effectively in the budget process and hold the government accountable. This highly anticipated report will be available [here](#) on February 1. Until then, please feel free to view our previous report from 2006. >>

Winning Six Word Memoir: *Sustainability - One Dollar at a Time*

Congratulations to Global Subsidies Initiative, Switzerland, for "Sustainability—one dollar at a time." Thank you for sending your six word memoirs, and for those of you who could not meet the deadline, we encourage you to send in your organization's memoir in six words by January 15 for another round of the contest. >>

What do CSOs Have to Say About the IBP's New Name?

"Thank you for sharing with us the important change of name. With the former name one could only have a limited impression of the activities of the IBP. With International Budget Partnership, however, it is possible to see the whole dimension of the program, which is useful to groups like ours new to the international family dedicated to transparency and budget issues." ONISC, Cameroon

"We are convinced that the new name strengthens the work that you have been doing and will allow to you to grow the long list of partners and tasks, not only in the American continent, but in different countries around the world." CIIDH, Guatemala >>

- Industries by Rocío Campos
- Panel Discusses Report on Petroleum and Poverty Paradox by Robert Valencia

Resources and Publications

- Access to Information = More Effective Aid by Rocío Campos
- Transparency International's 2008 Corruption Perceptions Index Reveals Link Between Poverty and Failed Institutions
- Building Responsive States: Citizen Action and National Policy Change
- Publication of the Month: *Aid, Rents and the Politics of the Budget Process* by Andrés Mejía Acosta and Paolo de Renzio
- New Research Looks at How the Number of Decision Makers Interacts with the Structure of the Budget Process to Impact Fiscal Policy
- Analyzing Budgets for Their Impacts on At-Risk Populations
- CAPE Conference on Public Financial Management Reforms

IBP News

- The IBP Gathers Civil Society Groups from 11 Countries for Budget Analysis and Advocacy Training in South Africa
- Conference in India on “The Role of Civil Society in Monitoring Government Budgets and Service Delivery: Exploring Methodologies for Action”
- What Do You Think?

Announcement

- The Open Society Institute (OSI) Fellowship

The International Initiative on Maternal Mortality and Human Rights (IIMMHR): A Human Rights Advocacy Approach to the Fight Against Maternal Mortality and Disability by Manuela Garza

When we acknowledge that 99% of maternal deaths happen in developing countries; when we recognize that in almost every country some groups have dramatically higher mortality rates than others, maternal mortality and disability becomes a collective badge of shame – Lynn P. Freedman, director of the Averting Maternal Death and Disability (AMDD) Program at the Mailman School of Public Health, Columbia University [i]

The knowledge and technology for preventing most cases of maternal death and disability exists. So when women die, or become disabled, during pregnancy, birth or postpartum because their government failed to provide adequate health care, it is not only a *badge of shame* but also a human rights issue. The failure to address maternal mortality violates women's right to life, sexual and reproductive health, equality, non-discrimination, and the highest attainable standard of health. [ii]

The Millennium Declaration established a specific development goal of reducing maternal mortality (MDG 5). Despite this, and 20 years of international efforts to address maternal mortality, around 500,000 women die every year during pregnancy, birth and postpartum. In some countries, maternal mortality rates not only have not declined but have actually increased. It is clear that in far too many countries women's right to safe motherhood is nowhere close to being fulfilled.

In response, a diverse set of national and international civil society organizations have joined together to take a stronger stance against maternal mortality and hold governments accountable for their lack of sustained actions to reduce it. With the support of the U.K.'s Department for International Development, the International Initiative on Maternal Mortality and Human Rights (IIMMHR) was launched in October 2007 at the Women Deliver Conference.

The IIMMHR believes that "a human rights approach can lead to more effective programs and policies that will guarantee maternal health." [iii] The IIMMHR works to:

1. Hold governments accountable for implementing effective and equitable policies and programs to reduce maternal mortality
2. Increase the resources available for reducing maternal mortality at the national and international levels
3. Promote understanding among key stakeholders that maternal mortality is a human rights issue and provide expertise for addressing it as such
4. Support and expand human rights approaches to reducing maternal mortality both at the national and the international levels

One of the IIMMHR's key demands is for governments to increase funds for maternal health programs. The International Budget Partnership (IBP) strongly believes that, in addition to insufficient resources, one of the key obstacles to reducing maternal mortality is the lack of transparency in how resources for maternal health are allocated and strong accountability mechanisms for ensuring that resources are used efficiently and effectively to meet the real needs of women and reach the most affected populations. This important dimension of accountability for donors and governments, as well as its innovative human rights approach to the issue, guided IBP's decision to be part of the IIMMHR's steering committee.

The failure to address maternal mortality is a direct consequence of a lack of political will at both the national and international levels. We have seen that one of the most effective ways to create that political will is to engage civil society. The work of some of IBP's partners, including Fundar and the Center for Analysis and Research in Mexico, the Women's Dignity Project in Tanzania and the Center on Budget and Governance Accountability in India, demonstrates that when civil society participates in the budget and policy process, it opens new possibilities for accountability and brings a human rights lens to such issues as maternal mortality. The IBP will bring these beliefs and experiences to the IIMMHR.

In its first year, the IIMMHR will support groups at the local level through three field projects. The initiative's members will build bridges between maternal mortality experts and human rights advocates by participating in international conferences on human rights, women's rights, and maternal mortality, where they will advocate for international stakeholders to adopt a human rights perspective on maternal health. The IIMMHR intends on becoming a broad and dynamic network in which international, national and subnational organizations and institutions can participate and share information.

The IBP is enthusiastically joins the IIMMHR in moving beyond “rightful indignation” to taking concrete actions against one of the greatest expressions of social injustice in the world—poor women dying from the basic human act of giving birth.

For more information on the IIMMHR, contact Morgan Stoffregen, Initiative Coordinator and member of the Center for Reproductive Rights, at MStoffregen@reprorights.org or Manuela Garza, IBP’s representative at the IIMMHR Steering Committee, at garza@cbpp.org.

To see the IIMMHR Call to Global Leaders, go to:
<http://www.internationalbudget.org/resources/IIMMHRCallGlobalLeaders.pdf>.

[i] Freedman, L.P, “Using human rights in maternal mortality programs: from analysis to strategy,” in Cook, Rebecca and Ngwena, Charles, *Health and Human Rights* (Ashgate Publishing Company, USA: 2007), p. 494.
[ii] General Observation No 14- Article 12 on the Economic, Social and Cultural Rights International Pact
http://www.escri-net.org/resources_more/resources_more_show.htm?doc_id=428717&parent_id=425976.
[iii] IIMMHR is led primarily by the Center for Reproductive Rights, Family Care International, Averting Maternal Death and Disability Program at Columbia University, International Budget Partnership (IBP), Center for Justice and International Law, Sahayog in India; Physicians for Human Rights; Kivnna til Kivnna; Health Equity Group; and Likhaan in the Philippines.

Mind the Deadly Gaps: Health Care Worker Shortages in Southern Africa Causing Fatal Delays in Bringing AIDS Care to Those in Urgent Need

On the opening day of the XVII International Aids Conference in Mexico City on August 3, 2008, Médecins Sans Frontières (MSF) warned of the deadly impact that the lack of health care workers is having on AIDS treatment and care in southern Africa. In a satellite meeting called “Mind the Gaps” organized by MSF, experts described the scope and impact of the shortage of health care workers, as well as the critical need to increase government and donor commitment to taking immediate concrete steps to retain and support health care workers.

“In Thyolo district, Malawi, one nurse keeps 400 patients alive by following up their essential treatment, but her basic salary amounts to just \$3 a day,” said Dr. Moses Massaquoi, MSF medical coordinator in Malawi. “It is intolerable to then be told by governments and donor countries that it is unsustainable to raise her wages, even though she is responsible for \$7,500 worth of drugs a month for her patients. Those willing to support funding for medicines must find ways to cover recurrent costs like salaries for health workers.”

In the current logic of development aid, salaries for public health workers are the responsibility of the state, and domestic revenues should be used to cover these. However, public spending to effectively address the current shortage of health care workers is often constrained by limits set by both national and international financial institutions, e.g., through specific limits on the wage bill (salary and size of the workforce) or on general public expenditure. Public expenditure is determined by fiscal and economic frameworks, rather than by the needs of the patients. This applies also to the need for additional health workers.

International donors have committed to fund interventions to boost the health workforce, but ways to do so effectively where shortages are most severe, i.e., in the public sector of

low income countries, are limited because of the same national and international constraints on spending. These limitations apply in the first place to the governments' budget but might also affect international aid that is channelled through budget support.

All this makes it very hard to spend extra available money to boost health workers in the public sector. Without revision of these restrictions on public spending for health and staff wages, universal access to HIV/AIDS care cannot be reached in many low income countries. During the past years, the IMF, World Bank, key donors and other international agencies have failed to bring forward a fundamental solution to the current stalemate.

Every day health workers fight to keep millions of patients alive. Due to low pay and difficult work conditions, many give up and leave. The gaps they leave put increasing pressure on remaining staff and the growing number of patients. Replacing these health workers is not easy, and precious time is lost. Support and retention of those present is crucial. These health workers need our help to be able to continue caring for patients. Without short term, urgent measures to boost and retain staff, health care services will collapse and leave HIV/AIDS patients untreated.

An estimated 70 percent of people living with HIV/AIDS who need antiretroviral therapy (ART) are still not receiving it, and the growing numbers of those who have been started on ART have only increased the burden on existing health care staff. The health care providers have little time to dedicate to proper treatment and follow up for their many patients, potentially resulting in low quality of care and treatment interruption as patients become discouraged by the long waits for consultations.

One successful strategy being piloted by MSF and others aims to better utilize existing health care worker staff, especially in rural areas. With proper training and support, nurses and lay counselors can reach more patients, without compromising on quality and continuity of HIV/AIDS care. MSF presented data at the XVII IAC that shows that such targeted "task shifting" has allowed much quicker roll out of ART in Malawi, Lesotho, South Africa and Rwanda without loss in the quality of care. Task shifting, however, is no panacea to the health care worker shortage. It cannot replace concrete action to tackle the fundamental problems undermining the health workforce.

Low salaries, poor working conditions and a lack of support and supervision are just a few of the reasons why it is growing increasingly untenable for many health care staff to remain in the field. Initiatives by government policymakers and donors to slow the "brain drain" of health workers to richer countries in the long term cannot resolve the current crisis. Retaining current health care workers in hospitals and clinics as well as attracting additional staff must be the most urgent priorities.

"It is devastating to stand by and watch people growing sicker—and sometimes dying—as they wait weeks and even months before being treated simply because there are not enough health care workers," says Dr. Mit Philips of MSF. "Overworked, underpaid and undervalued, health care workers in southern Africa are increasingly scarce just as the number of HIV patients is rising. Antiretrovirals may be present on more hospital and clinic shelves, but without the health staff to administer them, a deadly gap will only grow wider."

The recent move by the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) to allow funding for more general health system strengthening is a step in the right direction. Countries should target this additional funding to retain and boost clinic health workers

directly involved in patient care. Limits on salary and workforce spending by national and international financial institutions like the World Bank and IMF also must be lifted, otherwise recruitment of extra health staff and salary increases will continue to be restricted in the public sector, even with additional international money.

The patients cannot afford to lose their health workers.

The international medical organization Médecins sans Frontières (Doctors Without Borders/MSF) provides antiretroviral treatment to 140,000 patients (including 10,000 children) in 27 countries. For more information, go to: <http://www.msf.org/mindthegaps>

Israel to Begin 2009 Without an Approved Budget by Shlomo Swirski, Adva Center

Not for the first time, Israel is about to enter fiscal 2009 without a budget approved by its parliament, the Knesset. By law, the executive has to present its budget proposal to the legislature by the last week of October, and the Knesset then has until December 31 to approve it. If the budget is not approved by that date, final approval may be deferred for up to three months. If the budget is not approved by March 31, the Knesset is dissolved and new elections are called.

As of December 2008, the Knesset had reconvened after a summer recess, and the Minister of Finance had duly tabled the budget proposal for approval. However, the Knesset did not even debate the proposal, as new elections are in the offing. The elections follow the failure of Tzipi Livni, head of Kadima, Israel's largest political party, to form a new government coalition in the wake of the resignation of Prime Minister Ehud Olmert, who is facing corruption charges. Although by law the Israeli president can charge another member of the Knesset with the task of forming a new coalition, this option was not taken as there was no likely candidate in sight. Thus the major parties came to an agreement to call for new elections, setting the date for February 10, 2009.

What happens when the fiscal year starts off without an approved budget? The executive is allowed to spend the exact same amount it spent the previous year, divided into 12 equal parts and adjusted for inflation. This means that there is a functioning executive, but no new projects can be undertaken—in other words, fiscal stagnation.

There are many immediate reasons behind Tzipi Livni's inability to form a new coalition, including her reported lack of political savvy. But there are deeper factors, the most important of which is the ongoing Israeli-Palestinian conflict. Shas, the ultra-orthodox religious party, has refused to join Livni's coalition, which derailed negotiations. Shas had demanded that Livni publicly announce a commitment to exclude from the ongoing negotiations with the Palestinians the possibility of dividing Jerusalem between Israel and the Palestinian Authority. As the status of Jerusalem is at the heart of those negotiations and as most Israeli negotiators, including Tzipi Livni, have already agreed to discuss it, Shas' demand is equivalent to a unilateral declaration that Israel has no intention of finding a solution to the Israeli-Palestinian conflict.

Shas' second demand—also unacceptable to Livni—was to increase child allowances. These allowances were severely cut in 2002, as one among several steps undertaken by the

government to deal with the fiscal crisis provoked by the second Palestinian intifada. The cuts hit especially hard two groups with high poverty rates: ultra-orthodox Jews and Arab citizens of Israel.

The present fiscal impasse presents us with a clear manifestation of the pervasive importance of the ongoing Israeli-Palestinian conflict: it is a key factor in the division of the Israeli political arena between the right and the left (accused by the right as willing to divide Jerusalem) and prevents, as in the present case, the crossing of political lines to form a stable governing coalition. In addition, it has serious repercussions for the Israeli poor, who are asked to shoulder the burden of the conflict through reduction of social services and social assistance, as public resources are diverted to cover security and other related costs.

Up to Olmert's resignation, civil society organizations (CSOs) were readying for the expected debate on fiscal priorities, with most of them planning to emphasize the need to reduce poverty, which had jumped, especially during the second intifada, from approximately 17 percent to 20 percent of families. This was especially troubling as the relatively high rates of economic growth for Israel between 2003 and 2008 had not led to a significant reduction in the rate of poverty. Unfortunately, CSOs do not enjoy sufficient clout to even play a role in the public debate over the decision to postpone the debate and approval of the budget presented to the Knesset.

In the interim, an entirely new agenda is imposing itself on fiscal policy, with the ripples of the global financial crisis reaching the shores of Israel. Thanks to a relatively robust and conservative banking system, Israel has so far been spared some of the worst effects of the subprime crisis. But with the global financial crisis spreading beyond the financial sector, Israel's economy, heavily dependent on exports (some 45% of GDP), will feel the pinch.

Thus CSOs are now in the process of reorienting their activity, with some of the major new targets being securing employment, on the one hand, and increasing unemployment insurance and social assistance, both of which were severely cut during the second intifada, on the other hand. At the same time, CSOs are urging the government to use its fiscal capacity to not only help Israel's major corporations but also to assist working and retired Israelis whose savings were significantly reduced as a result of the recent stock market crash. One important target for NGO activity will probably be reinstating the stipulation that 70 percent of pension-funds money be invested in relatively secure government bonds, which was in effect up to 2003. At that point, the government decided to lower requirement to 30 percent, in order to expand the pool of credit available to business.

The Peruvian Budget 2009: Information, Accountability and Citizen Oversight by Caroline Gibu, CAD

Since 2007 the Peruvian executive has focused on impact when formulating and executing public spending. This was reflected in the 2008 budget that introduced five programs directed at i) combating chronic malnutrition in children under five years old, ii) reducing maternal and infant mortality, iii) improving the academic achievement of students who finish elementary school, iv) expanding citizens' access to identity documents and v) improving citizens' access to markets and basic services. These programs represent approximately US\$ 900 million, although this is only 3.8 percent of the total 2008 budget.

In the budget proposal for 2009 four new programs were introduced that would improve access to basic telecommunications services, energy and drinking water and sanitation in rural areas and strengthen environmental management. Altogether these nine priority programs total approximately US\$ 1.2 million, which represents 5 percent of the total 2009 budget.

The 2009 budget proposal includes information on the results of priority programs, outlining the preliminary progress on nutrition, health and education at the state level. This baseline data will allow tracking progress in the coming years. The proposed budget also includes information on independent oversight activities that will take place in the short term. However, this data could be more detailed, and public access could be improved by making the more complete databases available on the Internet. This would allow the public to know, for example, who the beneficiaries of various social programs are and what the baseline performance is at provincial and district levels for each one of the departments (states) in the country. Access to this information would allow the people to monitor how public resources are being spent and evaluate the results. It would also help to establish and strengthen mechanisms against illegal political practices.

At nearly three years from formulation to final audit, the budget cycle in Peru is one of the longest in the region. The executive begins formulating the budget almost a year before it will be executed, and the audited financial reports of all of the institutions funded through the budget, known as the general account, is not published until 15 months after the budget execution is complete. For example, the general account for 2007 will become public in March 2009. Given the lengthy budget process in Peru, it is essential to have budgeting and spending information systems in place that allow public officials, civil society and individuals to evaluate the performance of public institutions and monitor public spending throughout the process.

An important development in improving access to information occurred in July 2008, when the Ministry of Economy and Finance introduced the Economic Transparency Portal (<http://transparencia-economica.mef.gob.pe>), through this portal, one can find information on budget execution for all sectors and administrative units included in the Public Budget Law 2008. Moreover, the portal provides budget information for the 1,834 municipalities in the country. This information had not been available previously, so this is a significant change and only one of many improvements yet to be made.

The Public Budget Law continues to lack information that could contribute to civil society's efforts to do budget analysis. For example, it does not offer

- disaggregated information on revenues and expenditures for the prior years' budgets,
- information on the geographical or institutional distribution of public resources, or
- information on modifications to prior years' budgets.

It is true that much of this information is available in other documents or through information systems like the Multi-annual Macroeconomic Framework (Marco Macroeconómico Multianual) or the new Economic Transparency Portal, but there are still some limitations on the public's ability to access complete information. It would be more effective to have all the information in one single document. The executive also does not publish a citizen's budget that explains in simple terms the goals, composition and scope of the budget. All of these factors contribute to making the budget exclusive to experts, while members of the public, who desire greater government efficiency, cannot fully understand

the benefits and possible limitations of the budget, in terms of social well-being and better quality of life for Peruvians.

World Bank Pulls Out of Controversial Chad Oil Project by Ian Gary, Oxfam America

Little more than five years ago, the eyes of the oil world and international donors were on the Central African nation of Chad. Although desperately poor and emerging from civil war, Chad, the World Bank said, would be the first country in Africa to defy the “oil curse” with the help of the World Bank and other donors. In 2002 a World Bank representative said, “This is going to be the model for every single project of this type world wide.” [i]

Today, the hopes that Chad would effectively manage its new oil wealth to address the needs of its people have been shattered. [ii] The innovative oil revenue management law—designed to ensure transparency and funnel money to health, education and other social needs—was significantly modified in 2006, constituting a violation of the Chadian government’s loan agreements with the Bank. After a stand off over these modifications, during which the World Bank suspended all loans to the government, the government agreed to spend 70 percent of its revenues on poverty reduction. It quickly became clear, though, that the Chadian government would not live up to this reduced commitment because of increased security expenditures, and little money has trickled down to villagers near the oil field in southern Chad.

The World Bank itself withdrew from the “model” project in September 2008 in response to the Chadian government’s failure to live up to its poverty reduction commitments, thus essentially admitting failure for a project it had trumpeted since its controversial approval in 2000. [iii] It became clear to World Bank management that it could not abide by any agreement that the Chadian government would also be willing to accept. The Chadian government, at the request of the World Bank, has prepaid the \$65.7 million in outstanding loans—a small amount for a government that has received more than \$1.4 billion in oil revenues in 2008. (The World Bank Group maintains a stake in the project through a \$100 million investment in the project consortium by the International Finance Corporation.)

The timing of the World Bank’s pull-out surprised many civil society observers inside and outside Chad, since it had been clear for some time that the project had failed in its poverty reduction objectives. Gilbert Maoundonodji, an activist with the Chadian group GRAMP/TC (“Group of Alternative Research and Chad-Cameroon Oil Project Monitoring”) said, “At the outset we asked for management capacity to be strengthened so that the project could succeed, but these were considered by many to be hysterical demands . . . now we are in exactly the situation that we predicted.” [iv]

With the World Bank out of the picture and the government flush with oil revenues, the options for salvaging the situation appear to be limited. The Chadian government appears to have some interest in successfully completing the steps necessary to receive HIPC debt relief, and an IMF mission visited Chad in November to assess what steps could be taken to revive the petroleum revenue management system. For the moment, oil companies are still paying money into a pass-through account at Citibank in London, and it will be crucial in any effort going forward to maintain the transparency of oil company payments and government receipts. Defining an important role for the existing Petroleum Revenue

Oversight and Control Committee and increasing the collaboration between this committee and civil society and citizens groups on the ground will be important to ensuring that any increases in poverty-focused spending actually produce well-executed projects. Increased access to budget information and opportunities to influence budget formulation and poverty reduction strategies will also be crucial.

It is unclear what steps the Chad government would have to take for the World Bank to re-engage, but the World Bank has said it would reconsider its decision. "If the Government of Chad wishes to focus its energies on a program to support inclusive development to overcome poverty, assist displaced people, and improve governance and effectiveness to achieve results, the World Bank is willing to work with Chad to assist." [v]

This unfortunate but predictable outcome shows that the risks are being borne by the people of Chad while the rewards are reaped by the oil companies and government. Rather than an aberration, the failed Chad oil experiment is emblematic of World Bank oil and mining projects in many countries where there are grave governance and human rights concerns. Looking forward, the World Bank must absorb the lessons of failure from this and other oil and mining projects around the world and avoid financing such efforts in places not yet ready to manage the risks.

[i] Mohamadou Diop, Central Africa Resident Representative, International Finance Corporation, World Bank Group, quoted in Ian Gary and Terry Karl, "Bottom of the Barrel: Africa's Oil Boom and the Poor," Catholic Relief Services, 2003

[ii] For more background on the Chad oil experiment, see Ian Gary and Nikki Reisch, "Chad's Oil: Miracle or Mirage? Following the Money in Africa's Newest Petro-State," Bank Information Center and Catholic Relief Services, February 2005.

[iii] World Bank Statement on Chad-Cameroon Pipeline, September 9, 2008.

[iv] UN IRIN, "CHAD: Civil Society Disappointed by World Bank Oil Pull-out", September 14, 2008.

[v] World Bank Statement on Chad-Cameroon Pipeline, September 9, 2008.

Poverty and Corruption in Equatorial Guinea: "Resource Curse" or Lack of Willingness? by Elena Mondo

The term "Resource Curse" refers to the link often observed between natural resource abundance in a country and slower growth rates, widespread poverty and corruption. However, there are several examples of countries with significant resource wealth, such as South Africa, Botswana and Norway that are characterized by strong economic growth, good governance and political stability, indicating that natural resource abundance does not automatically translate into negative economic, social and political outcomes. More and more, research into the "resource curse" is looking at the impact of politics, governance and economic management on development in resource-dependent countries.

A critical factor to examine in this context is how open and accountable government budgets are in these countries. Budget transparency—making available comprehensive, timely, accessible and useful information on how the government plans to use the public's resources—and opportunities for public participation in the budget process is vital for holding governments accountable and strengthening policy choices. Open budgets that empower civil society and members of the public to play an effective oversight role also reduce the opportunities for wasteful and corrupt spending; thereby increasing the likelihood that those resources will be used to meet the needs of the people.

On February 1, 2009, the IBP will release the Open Budget Index 2008, an independent, comparative measure of how transparent and accountable government budgets are around the world. Although the analysis of the data is not yet complete, early indications are that resource-dependent countries do indeed suffer from a significant “transparency gap” in their budget systems. This lack of transparency prevents the people from knowing what the government is doing with public resources and demanding change.

This may be especially salient in countries where the production and export of natural resources is controlled by one or a small number of economic actors. For example, when the oil industry is under the monopoly control of a single politically powerful family or a mining sector is dominated by two or three foreign mining conglomerates, the result is very likely to be less transparency than in industries with competition among a larger number of economic actors.

This is particularly true in the case of the West African country of Equatorial Guinea (EG), which has been the scene of an unprecedented oil boom in the last decade, making it one of Africa’s major oil exporters—third after Nigeria and Angola. The sharp increase in oil exports in EG has made it one of the richest countries in Africa, with a Gross Domestic Product (GDP) in 2007 of US\$ 9.9 billion (GDP per capita of approximately US\$ 19,000), according to the World Bank.

However, this dramatic growth in wealth has not led to improvements in the living conditions of the population. It would be hard to overstate the miserable conditions experienced by the overwhelming majority of Equatoguineans. One indicator of this is the UNDP’s Human Development Index (HDI)—a composite measure of well being that looks beyond a country’s GDP to account for the health, education and income of its people. In the 2007-2008 HDI, Equatorial Guinea ranks 127th out of 177 countries. [i]

EG is a significant anomaly among countries with the same level of income in that its people have a life expectancy of only 50.4 years—in fact, Equatoguineans have only slightly better than a one-in-three chance at birth of reaching the age of 40. The mortality rate in EG for children under the age of five is over 20 percent, and, of the children who do survive to age five, 19 percent are underweight and 43 percent are below expected height.

EG is one of the 85 countries included in the Open Budget Index 2008, and the initial analysis of the data places it near the bottom of the rankings. It is likely that the government’s lack of transparency and accountability is hindering efforts to raise the standard of living for its people, the majority of whom lack access to such basic goods and services as clean water, electricity, health care and education.

Since 1979 Equatorial Guinea has been ruled by Teodoro Obiang Nguema Mbasago, who has assigned all key government positions to his relatives and made the country home to one of the most corrupt governments in the world. Control of the national treasury—including the revenues that flow into the national oil company (GEPetrol) and the national gas company (SONAGAS)—is highly concentrated in the hands of Obiang and his relatives. The situation in EG supports the hypothesis that countries in which natural resource revenues are controlled by a limited number of economic actors are likely to be less transparent. In Transparency International’s 2008 Corruption Perceptions Index, EG ranks as the ninth most corrupt of the 180 countries studied. [ii]

A 2004 US Senate investigation into money laundering and other irregularities at the Washington, DC-based Riggs Bank shined the spotlight on the political and social situation

in Equatorial Guinea. [iii] The Obiang family held over 60 accounts with Riggs, and bank officials oversaw extravagant purchases made from those accounts and questionable payments into them from oil companies (e.g., Exxon Mobil, Amerada Hess, Marathon Oil and Chevron Texaco). The purchases included a US\$ 2.6 million mansion in Virginia that was paid for in cash in 1999 and, more recently, an eight-bedroom, 14,995 square-foot oceanfront mansion on 15.77 acres in Malibu, CA. The latter was listed (no sales price was recorded) at US\$ 35 million and purchased by Obiang's son in 2006. [iv]

However, the US Senate investigation has been one of the few voices denouncing the Obiang family's business dealings. Although EG's human rights violations were internationally recognized and amply documented, including in US Department of State Country Reports, in 2003 the Bush administration re-opened the US embassy there, which had been closed in 1995, in part, in protest against the human rights situation. Human rights violations include restrictions on Equatoguineans' rights of freedom of expression and association, leaving them unable to effectively advocate for better services. For example, a delegation of Columbia University law students visited EG in August 2008 and found that although by law registered NGOs are allowed to engage in aid activities and civil society work, the government has made it virtually impossible for local NGOs to be registered.

A powerful example of how the constraints on public participation allows the government to divert resources, generated almost exclusively through oil exports, targeted for poverty alleviation away from those with the greatest need is that of social housing, where the EG government requires low-income households to pay for a right to access. Because those most in need do not have the money to pay the charges, they often are forced to sell their rights to the houses to wealthier citizens, including highly placed government officials.

In addition, the government has implemented forced evictions in order to construct social housing without considering public opinion or the needs of the poor. According to both Amnesty International and the US Department of State, the EG government implemented these evictions without consulting the communities affected, giving sufficient prior notice or providing of an opportunity to contest the evictions. [v]. Soldiers reportedly shoved, slapped, and intimidated residents who protested.

Restricting the ability of Equatoguineans to critique the government is a significant roadblock to the country's development. Because civil society organizations and the public can play a critical oversight role through monitoring service delivery and providing feedback on problems, increasing the space for this to happen can ultimately improve budget decisions and ultimate outcomes.

However, in order for such increased public participation to have this effect, the government must also provide the timely and useful information necessary for that participation to be meaningful. The government of EG provides neither the space for participation nor the information.

In most cases where the EG government claims that it implemented a specific policy or program or delivered a service, it is not possible to evaluate its performance because the documentation it provides, including that on public projects designed to eliminate poverty, is not detailed enough for a thorough analysis. For instance, the latest International Monetary Fund report on the observance of standards and codes on fiscal transparency found that the national budget for EG does not clearly distinguish between ongoing programs and new initiatives. [vi] In addition, the investment budget does not provide a clear distinction between capital outlay and current expenditures for each project or

program. In terms of poverty reduction, the budget documentation provides only very general statements without any guidelines for allocating resources among priority programs or evaluating their performance.

Compounding the lack of information is the lack of an effective accountability system. In principle, the Directorate of Financial Control should be responsible for auditing program execution. In practice, however, there are no systematic mechanisms in place to account for resources once they have been spent or to evaluate implementation. This lack of oversight can result in the misuse of public funds, including wasteful and corrupt spending similar to that uncovered by the US Senate.

The current situation in EG is most likely the result of a lack of both capacity and political will, but there is little evidence that the government has taken any major steps to improve its decision-making process or its accountability system, including steps to bring the public into the process. Increasing budget transparency and accountability may not be the entire solution to the problems faced by Equatorial Guinea, and many other resource-dependent countries, but it may provide a potential foundation on which to improve governance and development impact.

[i] United Nations Development Program. *Human Development Report 2007/2008*. (New York, 2007). All HDI statistics cited available at <http://hdr.undp.org/en/statistics/data/>. All data cited in this paragraph are from this source.

[ii] Transparency International 2008 Corruption Perceptions Index, data available at http://www.transparency.org/news_room/in_focus/2008/cpi2008/cpi_2008_table.

[iii] US Senate Permanent Subcommittee on Investigations, "Money Laundering and Foreign Corruption: Enforcement and Effectiveness of the Patriot Act," Washington, DC, July 15, 2004. Report available at: http://hsgac.senate.gov/public_files/ACF5F8.pdf.

[iv] For more information, see

http://www.globalwitness.org/media_library_detail.php/468/en/african_minister_buys_multi_million_dollar_califor.

For information on the purchase of the latest holiday home in Cape Town, see

<http://www.independent.co.uk/news/people/profiles/teodoro-obiang-nquema-a-brutal-bizarre-jailer-448575.html>.

[v] For more information, see

http://www.globalwitness.org/media_library_detail.php/468/en/african_minister_buys_multi_million_dollar_califor.

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[vi] International Monetary Fund, "Republic of Equatorial Guinea: Report on the Observance of Standards and Codes - Fiscal Transparency Module," available at: <http://www.imf.org/external/pubs/ft/scr/2005/cr05144.pdf>.

CSOs in Azerbaijan Play Their Part in the United Nations' Efforts to Improve Transparency in Extractive Industries by Rocío Campos

Like many other resource-rich countries, Azerbaijan is at risk of poverty, conflict and corruption related to weak governance and mismanagement of the exploitation of its natural resources. Civil society organizations (CSOs) in Azerbaijan share the belief that good governance is essential to guarantee growth and development and have positioned themselves as active and vocal advocates for greater transparency at national and international levels. CSOs like the Economic Research Center (ERC), the National Budget Group (NBG) and the Public Finance Monitoring Center (PFMC) support the Extractive Industries Transparency Initiative (EITI), an initiative launched in 2003 intended to strengthen governance in resource-dependent countries by improving transparency and accountability in the extractives sector. The EITI promotes a global standard for companies to publish what they pay, and governments to disclose what they receive from extractive industries (see: <http://eitransparency.org/>).

As part of its efforts at the local level, the ERC has worked to develop a series of software packages that perform tax calculations and budget analysis. One of these software packages is called *Budget Transparency* and is used to automatically calculate local taxes and payments. Today, this software program is used in 42 pilot municipalities cooperating with ERC. Another package called *Applied Budget Analysis* is used to perform municipal budget analysis. These software packages were developed with the support of the Ministry of Taxes in Azerbaijan. (See www.vergi.erc-az.org.)

The organizations mentioned above also belong to the Coalition of Azerbaijan NGOs called "For Improving Transparency in Extractive Industries." (See http://www.eiti-az.org/ts_gen/azl/index.php.) This coalition worked with the government of Azerbaijan to draft a United Nations (UN) resolution asking member states to become part of the EITI. Although the UN resolution that was unanimously passed on September 11, 2008, did not incorporate the original language in the draft asking members to adopt the EITI, it nonetheless emphasized that transparency and accountability should be embraced and promoted by all its member states. Moreover, its passage signals the instrumental role that CSOs can play in multi-stakeholder initiatives at the international level.

Tabled by the government of Azerbaijan, the UN resolution was co-sponsored by 22 other countries. Shahmar Movsumov, executive director of the Azeri State Oil Fund and EITI Board member, observed, "Azerbaijan's strong belief that transparency is a crucial factor in sustainable development and active participation in EITI since the launch of the initiative were grounds for it to initiate the UN General Assembly resolution in support of transparency. It is a great success of governments of all countries who were standing next to Azerbaijan in this process, as well as civil societies and companies working in these countries." (See <http://eitransparency.org/node/433>.)

The Public Finance Monitoring Center (PFMC) is exploring opportunities for participatory budget initiatives in Azerbaijan. Last August PFMC organized its first workshop on participatory budgets in Sheki (northern district of Azerbaijan) supported by the Local Government and Public Service Reform Initiative (see <http://www.pfmc.az/>).

Radhika Sarin, coordinator for Publish What You Pay (PWYP) (<http://www.publishwhatyoupay.org/>), recognizes the importance of the consensus vote on the resolution but points out the larger efforts that need to be taken—by all stakeholders—to make EITI standards truly global. She suggests that EITI focus more closely on countries like Brazil, China, India and Russia, where there are an increasing number of extractive companies operating. In most of these countries, CSOs play important roles influencing public policy and can potentially use the international norm provided by this UN resolution as an entry point to work with the government and the private sector in their countries toward increasing access to more accurate and transparent information in extractive industries.

Panel Discusses Report on Petroleum and Poverty Paradox by Robert Valencia

On October 16, 2008, the US Senate Committee on Foreign Relations released a 119-page document titled "The Petroleum and Poverty Paradox: Assessing U.S. and International Community Efforts to Fight the Resource Curse" (<http://www.gpoaccess.gov/congress/index.html>). The report, which is based on site inspections in a number of oil-producing countries in Africa, Asia and other regions, explains that 3.5 billion people live in countries rich in extractive natural resources, such as oil, gas, minerals and timber. In spite of having natural resource abundance, which should help

foster growth and reduce poverty, many countries like Ghana and Nigeria exhibit weak governance and high levels of corruption and conflict. This phenomenon is often referred to as the “resource curse.”

In conjunction with a photo exhibit by award-winning photographer Ed Kashi called “Curse of the Black Gold: 50 Years of Oil in the Niger Delta,” the Senate Foreign Relations Committee hosted a panel discussion on the findings in the report on November 20 at the Johns Hopkins’ School of Advanced International Studies (SAIS) in Washington, DC. Ian Gary, senior policy advisor at Oxfam America moderated the panel, which comprised Neil Brown and Michael Phelan, staff members of the Senate Foreign Relations Committee, and Peter Lewis, SAIS African Studies director.

The panel underscored the report’s key findings and recommendations, including the need to recognize transparency—greater disclosure of fees and royalties paid by international oil companies to governments—as a tool for addressing the “resource curse.” The report, spearheaded by Senator Richard Lugar (R-Ind.), mentioned that the Extractive Industries Transparency Initiative (EITI), a voluntary program of income disclosure and external auditing in resource-rich countries, as a mechanism for increasing transparency.

Oxfam’s Gary pointed out that several countries are still in process of becoming fully involved the EITI and other initiatives. For example, Azerbaijan is in the process of completing the EITI’s validation process, which must be done by March 9, 2010. It was the first country to submit EITI reports to an independent audit firm and “is a leader in allowing civil society to help implement EITI.”

Nigeria is also undertaking the EITI validation process, which requires identifying an individual in the government to lead the process, establishing multi-stakeholder committees, drafting network plans, and selecting independent external auditors. Despite Nigeria’s effort to promote transparency and better fiscal management, the report noted that “corruption is rampant, government procedures are opaque, and new state and federal legislation is needed on public procurement, fiscal responsibility, and freedom of information.”

With a long history of resource extraction that includes mining and exporting gold, manganese, bauxite and diamonds, Ghana is another EITI candidate country, having implemented Ghana-EITI (GEITI). However, the report found that “little reform has been accomplished in the informal/small mine slice of the sector, which employs 80 percent of laborers.” Although Ghana has achieved tremendous growth and has improved governance, expected increases in oil export revenues pose a potential opportunity to further development, or a threat to what is has already accomplished. According to the report, “Ghana has a head start but will be scrutinized closely both by its own citizens as well as its neighbors, in the hope that the resources become a blessing for the country.”

The four panelists echoed Senator Lugar’s November 10th press release, which stated that the “United States and the international community must do more to prevent mismanagement and corruption in developing countries newly enriched by oil export revenues.” In the release, Senator Lugar said that oil reserves should be a benefit to poor countries, “but history proves the opposite is often the case. It can lead to fraud, corruption, wasteful spending, military adventurism, and instability.”

The report recommends that the incoming Obama administration make combating the resource curse “a high-profile issue in diplomacy and foreign policy,” and “that the industrial

G-8 countries do more to encourage their corporations and financial institutions to promote disclosure and accountability in oil exporting nations.” The report encourages the World Bank and other donors “to make anti-corruption and fiscal management programs a key part of their lending to oil producing nations.”

“When oil revenue in a producing country can be easily tracked, that nation’s elite are more likely to use revenues for the vital needs of their citizens and less likely to squander newfound wealth on self-aggrandizing projects,” said Senator Lugar.

The report may be found at the Senate Foreign Relations section of the Government Printing Office website: <http://www.access.gpo.gov/congress/senate/senate11cp110.html>. It is report number S. Prt. 110-49 and can be downloaded in [TEXT](#) 59K or [PDF](#) 3.2M format.

Access to Information = More Effective Aid by Rocío Campos

Those interested in reducing poverty worldwide may agree on the importance of tracking qualitative and quantitative information on aid-funded activities for increasing coordination among donors and linking aid to results. However, the lack of accurate, timely, and comprehensive information on aid assistance has often resulted in:

- Overlapping funding initiatives
- Areas that need funding being neglected
- Duplication of effort in monitoring and reporting on aid activities
- Missed opportunities for cross-country analysis
- Reduced research opportunities—for example, to improve the impact of aid in a specific sector or to assess the impact of contributions made by rich countries

In Tanzania, for example, the government has to produce 2,400 reports for donors each year. In Malawi, aid funds represent 85 percent of public investment spending, but the lack of aid predictability makes it difficult for the government to budget and plan. In post-conflict countries like Burundi there is limited to no internal administrative capacity to manage and assess donor-funded operations.

Several international governmental and non-governmental organizations have acknowledged these challenges and implemented efforts to address them. In 2003 leaders of the major multilateral development banks and international and bilateral organizations, along with donor and recipient country representatives gathered in Rome for the High-Level Forum on Harmonization (HLF-Rome). They committed to take action to improve the management and effectiveness of aid.

In 2005 the Paris Declaration was endorsed internationally to increase the harmonization, alignment and management of aid and set measurable targets for improving aid delivery. The Paris Declaration conducts surveys every two years to measure progress on the commitments on aid effectiveness, which include:

- Developing countries will exercise effective leadership over their development policies and strategies and will coordinate development actions

- Donor countries will base their overall support on receiving countries' national development strategies, institutions and procedures
- Donor countries will work to ensure that their actions are more harmonized, transparent and collectively effective
- All countries will manage resources and improve decision making for results
- Donor and developing countries pledge that they will be mutually accountable for development results

According to the Center for Global Development, "The development community has reached a strong consensus, demonstrated by the Paris Declaration, that not only the quantity, but also the quality of aid play an important role in determining the effectiveness of development assistance. However, the debate remains disproportionately focused on the quantity of aid, in part due to the lack of accessible, comparable information on the quality of aid." (See <http://www.cgdev.org/doc/Research%20Topics/aidqualityoverview.pdf>.)

The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) started as a forum of major bilateral donors focusing on how international development cooperation contributes to the capacity of developing countries to participate in the global economy. The DAC databases cover bilateral and multilateral donors' aid and other resource flows to developing countries in two separate databases: the DAC annual aggregates and the Creditor Reporting System (CRS). The databases also include a list of countries that receive Official Development Assistance (ODA), international development statistics online databases, as well as directives on how to report aid activities. (See <http://www.oecd.org/dac>.) Although these are significant steps in collecting and making available data on how aid is spent, the data presented through the DAC can be difficult to interpret for non-specialists.

The Development Gateway, a non-profit organization created by the World Bank, has developed web-based tools to strengthen governance and make aid and development efforts more effective. One of these tools is the Aid Management Platform (AMP), which is an e-government solution that builds the management and reporting capacity of developing country governments. AMP supports the commitments of the Paris Declaration and was developed in cooperation with the OECD, UNDP, World Bank and the government of Ethiopia. One of the advantages of this software is that it standardizes reporting terminology among government staff and donors, allowing harmonization of reports to multiple donors. Bolivia, Burkina Faso, Burundi, Democratic Republic of Congo, Ethiopia, Malawi, Montenegro and Tanzania are currently using AMP.

Another tool by the Development Gateway is called [Accessible Information on Development Activities \(AiDA\)](#). This global online database consolidates 500,000 records from over 20 sources, including the OECD-DAC. It also features a directory of more than 220,000 ongoing and forthcoming activities all over the world. Both tools are based on the International Development Markup Language (IDML), a global standard for aid information. With the use of this software, users can obtain a broad perspective on the activities of all the donors in a particular country and potentially identify overlapping funding activities.

The resources presented here have significant potential to contribute to stronger coordination between development stakeholders. However, such potential depends on the ability of donors, governments, NGOs, and members of the public to accurately report and

verify ODA information. Tracking qualitative and quantitative information on aid-funded activities, both “on budget” and “off budget” is critical to making development efforts more effective and making better decisions that affect national planning and priorities.

Transparency International’s 2008 Corruption Perceptions Index Reveals Link Between Poverty and Failed Institutions

On September 23, 2008, Transparency International (TI) launched in Berlin, Germany, its annual Corruption Perceptions Index (CPI), which is a composite index that measures the perceived levels of public-sector corruption within a country. Drawing on different expert and business surveys, the 2008 CPI scores 180 countries on a scale from zero (highly corrupt) to 10 (highly clean).

According to the CPI, Denmark, New Zealand and Sweden shared the highest score at 9.3, followed by Singapore at 9.2. At the bottom was Somalia with a 1.0, Iraq and Myanmar with a 1.3 and Haiti with a 1.4. In addition, Bulgaria, Burundi, Maldives, Norway and the United Kingdom experienced declines from their 2007 scores, while other countries like Albania, Cyprus, Georgia and Turkey showed significant improvements over their 2007 scores.

The study highlights the link between poverty, failed institutions and graft. According to TI, “poorer countries are often plagued by corrupt judiciaries and ineffective parliamentary oversight. Wealthy countries, on the other hand, show evidence of insufficient regulation of the private sector, in terms of addressing overseas bribery by their countries, and weak oversight of financial institutions and transactions.” The report shows addressing corruption could add US\$50 billion toward the cost of achieving the Millennium Development Goals (MDGs) for water and sanitation.

The TI study suggests that stronger institutions, legal frameworks and more vigilant regulation will ensure lower levels of corruption, allowing more meaningful participation for all people in their societies, stronger development outcomes and a better quality of life for marginalized communities.

While the CPI measures the *perception* of corruption, the IBP’s Open Budget Index 2008 (OBI) provides insight into the *opportunity* for corruption within a country. The OBI, which will be released on February 1, 2009, measures how transparent and accountable national budgets are in 85 countries around the world. It is based on the belief that governments that do not provide comprehensive, timely and useful information about how they use the public’s money limit the ability of journalists, civil society organizations, academics and ordinary citizens to hold officials accountable, which creates opportunities to hide unpopular, wasteful and corrupt spending.

Harika Masud, OBI program officer, said “Access to this information is necessary for members of the public to participate in the government’s decisions about how public resources will be spent and to play an effective oversight role.” Masud underscored that both the CPI and the OBI are essential for reducing corruption and strengthening governance worldwide, “by raising awareness on the impact of poor governance on economic performance and poverty reduction and providing powerful tools for civil society organizations to advocate for improved access to budget information and more accountable government.”

To learn more about the TI's Annual Corruption Perceptions Index, visit http://www.transparency.org/policy_research/surveys_indices/cpi.

Building Responsive States: Citizen Action and National Policy Change

One of the core values of the International Budget Partnership is that citizens have a critical role to play in achieving improvements in governance and the alleviation of poverty. IBP's partner organizations are at work in a wide range of countries empowering citizens with accurate, timely information about public budgets and building civil society coalitions that engage in advocacy in pursuit of reforms in public finance.

The October 2008 issue of the IDS INFOCUS Policy Briefing, titled "Building Responsive States: Citizen Action and National Policy Change," discusses the key lessons, drawn from eight successful civil society campaigns for policy reform in Brazil, Chile, India, Mexico, Morocco, Philippines, South Africa and Turkey about how to build coalitions, how to frame critical demands for policy reform and how to open spaces for civil society action. Follow this link to see a copy of the Policy Briefing:

https://cms.ids.ac.uk/UserFiles/file/publications/in_focus/InFocus5.pdf. The original case studies can also be read online at www.ids.ac.uk/go/citizens.

Publication of the Month: *Aid, Rents and the Politics of the Budget Process* by Andrés Mejía Acosta and Paolo de Renzio

This paper analyzes the impact of political institutions and budget governance in aid- and resource-dependent countries. Budget governance refers to the quality of budget outcomes, such as the government's ability to produce sustainable public finances over time, make efficient use of government resources, and represent citizens' priorities. The paper discusses some of the challenges of measuring budget governance in aid- and resource-dependent countries. It also focuses on the extent to which countries can produce sustainable fiscal balances over time.

The authors produced a new dataset of 47 low- and lower middle-income countries whose economies depended on aid or natural resource inflows between 1995 and 2006. Preliminary findings suggest that greater executive power has a positive impact on improved fiscal performance in resource dependent countries, but this is also associated with lower levels of party competition and democracy. Conversely, greater levels of aid dependency are inversely associated with both executive power and fiscal performance. To read this paper, go to <http://www.ids.ac.uk/ids/bookshop/wp/wp311.pdf>.

New Research Looks at How the Number of Decision Makers Interacts with the Structure of the Budget Process to Impact Fiscal Policy

In "Institutional constraints on profligate politicians: The conditional effect of partisan fragmentation on budget deficits," Joachim Wehner presents the findings from his research on how the interaction between "size fragmentation" (the number of decision makers) and "procedural fragmentation" (the structure of the process in which these decision makers interact) in national legislatures affects fiscal discipline.

The research on the common pool resource problem in public budgeting has looked primarily at the independent effects of the two factors but has not explored the extent to which the interplay between them influences fiscal policy. What Wehner finds in his analysis of panel data from 57 countries from 1975 to 1998 is "consistent evidence that partisan fragmentation in the legislature is associated with higher deficits only when it is not moderated by limits on parliamentary amendment authority."

Wehner addresses the implications his findings have on policies related to electoral reforms and budget institutions and identifies areas for future research, such as exploring the interaction of the two types of fragmentation within the executive and at different stages of the budget process. In order to pursue these opportunities, data needs to be gathered that will allow for more fine-grained institutional measures in more countries.

To read the full report, go to

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1281082.

Analyzing Budgets for Their Impacts on At-Risk Populations

A recent report provides a useful example of how to analyze a government budget for how it addresses the needs of various segments of the population, including women, children, the poor and groups that suffer discrimination. Siba Sankar Mohanty, honorary research advisor for the India's Network for Social Accountability (NSA), analyzed the government's budget allocations for the Scheduled Caste Sub Plan (SCSP), which seeks to improve the working and living conditions, as well as educational and social development, of the Dalits—a group of low-caste Indians who suffer from high rates of poverty as a result in part of discrimination. The NSA report found that the national Union Budget for 2008-2009 showed no progress toward addressing the needs of this group.

Analyzing budgets for their impacts on specific groups within a country can be an important tool in efforts to advocate for programs and services that meet their needs. Supporting calls for more effective and efficient use of public resources in order to improve the lives of all of the country's people with evidence from the budget makes those calls more powerful. To read the NSA example, visit <http://www.nsa.org.in/Policybrief/20082008SCSP.htm>.

CAPE Conference on Public Financial Management Reforms

On November 12-13 the Centre for Aid and Public Expenditure (CAPE) at the Overseas Development Institute in London, UK, brought together researchers and academics on public finance management (PFM) and reform, senior public sector officials from developing and transition countries, PFM specialists from donor agencies and leading practitioners and consultants for the 2008 CAPE Public Finance Conference. Conference participants

investigated how PFM reforms can be better targeted toward delivering improved performance in public service delivery and examined the interplay among different actors in cases of successful reform, and the contribution of sector-level, decentralized and demand-side PFM reforms to improving strategic resource allocation and operational efficiency.

For more information on and reports from the CAPE conference, visit <http://www.odi.org.uk/events/details.asp?id=295&title=reforming-results-can-public-finance-management-reform-improve-government-performance>.

The IBP Gathers Civil Society Groups from 11 Countries for Budget Analysis and Advocacy Training in South Africa

In October 2008 the International Budget Partnership (IBP) conducted a Budget Analysis and Budget Advocacy Intermediate Training course in Cape Town, South Africa. This six-day course brought together 21 participants from 15 civil society groups from Angola, Kenya, Tanzania, Pakistan, India, Nigeria, Mozambique, United States, Portugal and Zimbabwe.

An essential part of the course concentrated on why budgets are important, and how budget analysis can be used for advocacy. Participants studied examples of how civil society organizations have used budgets for various campaigns, learned how to make key budget calculations and explored ways to present the results of their analysis to bolster pro poor campaigns.

The other part of the training focused on the political and institutional context of budget-based advocacy campaigns, discussing such factors such as at what stage of the budget process would it be most effective for civil society to intervene and advocate, who are the key players that civil society should engage and how should civil society frame their message for particular audiences.

The training was supplemented with the input of guest speakers who have direct experience in the field, and who spoke not only about various facets of budget analysis and advocacy but also about the significant impact these can have on peoples' lives. For instance, one guest speaker, who made a lasting impression on the participants, was a young man named Stanton Scholtz, who represented an anti-child trafficking organization called Molo Songololo.

Stanton had been a peer facilitator in the Children Participating in Governance Project, which was established by Idasa in 2005. When he was 17, Stanton took the opportunity to participate in trainings that Idasa had organized for children, which demonstrated the link between rights and budgets. After completing these trainings, Stanton, like other child facilitators, conducted a similar training for budget monitors in his own township. Stanton spoke about how knowledge about budgets had increased his awareness about how government policies and budgets impact the lives of ordinary people. In addition to gaining confidence and having the opportunity to guide and mentor other young people, he better understood his own role in society and how he would succeed.

To make the training more useful and challenging, IBP staff also used their Polarus case study exercise, which gave participants a chance to apply the skills and concepts that they acquired during the training. Polarus is a fictitious country that faces several economic

development constraints. The Polarus sourcebook includes macroeconomic and fiscal data that the participants used to develop and present their advocacy strategies and campaigns. Participants primarily worked in teams, and their varying levels of expertise in budget work and different approaches to advocacy resulted in lively and thought-provoking analysis and brainstorming sessions.

Another important factor in making the training more meaningful was that the participants had expertise on a number of pro-poor issues, ranging from targeting aid for disaster relief to preventing and controlling the spread of HIV/AIDS. The participants drew upon this experience and knowledge of social development to analyze case studies and come up with advocacy tactics that would compel governments to allocate more funds to social sectors. They learned from one another in World Tour sessions, during which participants shared how their respective organizations are tackling development issues in their country, and how they hoped to utilize the skills that they were acquiring in this training to further their objectives.

For instance, participants from HakiKazi Catalyst, a Tanzanian organization, discussed their work supporting poor and marginalized communities by influencing policy change at local and national levels. They plan to use their newly acquired knowledge about how to analyze budgets at the district level and to produce budget briefs and training materials that they will share in various district budget forums. They believe that their strengthened capacity for budget analysis will sharpen and enrich HakiKazi's lobbying and advocacy efforts.

Participants from the Omar Asghar Khan Foundation (OAKF) from Pakistan also shared their work on rehabilitation budgets. Following the devastating 2005 earthquake in Pakistan's northwest frontier province, OAKF has monitored the government's priorities and performance as laid out in its ambitious rehabilitation plans, and has criticized the sluggish pace of rehabilitation using evidence gathered tracking expenditures in the housing, education, health, and water and sanitation sectors. The OAKF indicated that the training sharpened their budget analysis skills and clarified different ways of using of budget-related information. The workshop also made them realize how they can promote budget advocacy, share their experiences and build effective coalitions with other organizations in Pakistan at the local and national levels.

After the training, other participants said they planned to use their new skills to analyze and compare budgets for constituency development funds, gain access to budget documents, and organize trainings for monitoring budgets. IBP is following up with all the participants to identify issues of particular importance to other groups working on budget transparency and to explore opportunities for other trainings to be held during the upcoming year.

Conference in India on “The Role of Civil Society in Monitoring Government Budgets and Service Delivery: Exploring Methodologies for Action” by Vivek Ramkumar

In October 2008 the International Budget Partnership (IBP), the National Centre for Advocacy Studies (NCAS) and the Centre on Budget and Governance Accountability (CBGA) organized a conference on “The Role of Civil Society in Monitoring Government Budgets and Service Delivery: Exploring Methodologies for Action.” The conference was held in Thiruvananthapuram, Kerala (India), from October 20-22, 2008.

IBP, NCAS and CBGA convened the conference to bring together budget groups and the broader governance and policy community in India and provide a forum where they could discuss current opportunities for expanding the impact of budget work. The conference provided an opportunity to build a larger constituency for budget work, to raise the profile of this work in India and to enable participating groups to develop greater synergy in their work. The conference was supported by funding from Google.org, and local logistical support was provided by Sakhi, a gender budgeting group based in Thiruvananthapuram.

The conference began with a keynote address by Aruna Roy, a prominent social activist in India and a member of India's Mazdoor Kisan Shakti Sangathan. Roy encouraged budget groups in India to begin to use the spaces offered by such schemes as the National Rural Employment Guarantee Scheme to hold governments to account on their budget planning and oversight systems. Warren Krafchik, IBP's director, made a complementary presentation on the growth of budget work in India and in countries worldwide. He highlighted the challenges facing this sector around the world, including the specific challenges associated with information dissemination and advocacy, as well as those related to connecting budget groups and with broader civil society. Subsequently, a panel discussion led by Sukumar Murlidharan, Enakshi Ganguly of Haq in New Delhi, and Abhijit Das of the Centre for Health and Social Justice in New Delhi examined key governance problems in India and the opportunities for civil society to engage with these problems.

Presentations made during the conference highlighted a number of innovative budget-tracking methodologies that are being used in India and in other parts of the world. These presentations provided the detail needed to assist groups in choosing the methodologies that will best enable them to find data, analyze it, measure the results of budget implementation and package this information for dissemination to the public. The practice-oriented workshops were also geared toward enabling participants to evaluate the potential for replicating the various methodologies in the Indian context.

Specific methodologies presented included:

- Social Audits, discussed by Sowmya Kidambi, who works with the Mazdoor Kisan Shakti Sangathan (MKSS) and with IBP
- Public Expenditure Tracking Surveys (PETS), discussed by Gerelmaa Amgabazaar of the Mongolian Open Society Forum
- Citizen Report Cards, discussed by Sita Shekhar of the Public Affairs Centre in Bangalore
- Procurement Monitoring of School Textbooks, discussed by Dondon Parafina of the Government Watch Program in the Philippines
- Tailored Methods for Monitoring Outcomes in the Education Sector, discussed by Rukmini Bannerji of Pratham in New Delhi
- Methods for Examining Subnational Expenditure Data and Tracking Expenditures at the District Level, discussed by Anit Mukherjee of the National Institute for Public Finance and Policy in New Delhi

In addition to presentations on different tools for monitoring budgets, other presentations assessed various advocacy and communication tools and strategies that have been successfully used by civil society to communicate with a variety of target audiences, including methods for communicating with legislators (discussed by C V Madhukar of Parliamentary Research Services in New Delhi); methods for outreach to the mainstream media (discussed by Sukumar Murlidharan, a well-known national journalist); and methods

for communicating with the executive (discussed by Joy Elimu of the Kerala administrative service).

In a session facilitated by IBP's Albert van Zyl, participants were provided with an opportunity to discuss the process of selecting a specific budget and expenditure monitoring methodology presented at the workshop that would work best in their organizational contexts. Toward the end of the conference, a session focusing on communication strategies for budget groups was facilitated by Katrin Verclas from an international NGO, mobileactive.org. The workshop concluded with a discussion on the next steps by Amitabh Behar of NCAS, Yamini Mishra of CBGA and Warren Krafchik of IBP.

The conference was intended as the first step in a process to deepen the impact of budget work in India and specifically to expand work on budget execution monitoring. Toward this objective, the conference brought together different groups in India that have not interacted so far but that are working on issues of common interest. The workshop evaluation forms completed by all participants showed that approximately 80 percent of the participants had met with several people at the conference for the first time and planned to collaborate with them in the future. The conference also helped expose Indian activists to innovative tools that can be used by them to have meaningful impact on improving government budget execution and service delivery. Almost all the participants learned about at least one new tool at the conference. Approximately 90 percent indicated that their organization may replicate one of the tools presented at the conference in the future.

India is one of the birthplaces of civil society budget work, and IBP has worked with Indian partners for over 10 years. IBP hopes that its work in India will expand to include many new partners, and specifically greater work on budget execution. Over the next several months, IBP hopes to expand its support to several innovative pilot projects that will test some of the methods from the conference in the Indian context. The intention is that, should these pilots be successful, IBP will help to scale-up these efforts in other parts of the country.

IBP has set up a page on its website at <http://www.internationalbudget.org/resources/IndiaConference.htm> with conference materials and information on the participants and conference agenda. For more information on the conference or on IBP's next steps in India, please contact Vivek Ramkumar at ramkumar@cbpp.org.

What Do You Think?

In the latest IBP Budget Brief, Gorik Ooms from the Institute of Tropical Medicine proposes the creation of a Global Health Fund that would provide an international foundation for social health protection, much as the Global Fund for AIDS, Tuberculosis and Malaria has done for those diseases. [Read Brief](#)

Riaz Khan, former member of Pakistan's National Reconstruction Bureau, Prime Minister's Secretariat, agrees with Ooms on the nature of the problem: "In too many countries, access to basic health services is severely limited because of a lack of funding," but disagrees with the proposed Global Fund. Khan's reasons include:

"-Huge bureaucracies and complex institutional arrangements to manage the fund would make it inefficient and less effective.
-Local financing will be replaced.
-Integration with government financing/budgeting system will be difficult.
-More important are reforms to restructure the legal, administrative, political structures." [Read More](#)

What do you think? [Submit your comments](#)

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