In this Issue:

- MDGs: Where Are We and What Can Budget Groups Do to Monitor the Process?
- What Are the Challenges and Opportunities for Budget Work in Chad?
- Idasa’s Efforts to Monitor HIV/AIDS Spending in Africa
- How Did the CBPP Respond to Hurricane Katrina?
- Two New Partnerships Between Civil Society and the Auditor General in Argentina and Ghana
- ActionAid International Launches Budget Literacy Project in China
- Brazilian NGO Coalition Monitors the Funds of the National Economic and Social Development Bank (BNDES)
- Caucasus and Central Asian Budget Groups Meet to Share Common Experiences
- CSBI Supports Budget Project in Guatemala
- Announcement: Forum on the Future of Aid (FFA)

MDGs: Where Are We and What Can Budget Groups Do to Monitor the Process?

In 1995, ministers from the member countries of the OECD Development Assistance Committee formulated a broad strategic framework aimed at realizing seven goals drawn from the resolutions of international conferences and summits. Subsequently, a series of expert group meetings sponsored by the OECD, UN, and World Bank — and including representatives of developing countries and NGOs — established quantified targets for each goal and identified a set of 21 indicators for measuring progress. These goals and indicators were referred to the UN for adoption.

The UN General Assembly incorporated most of these international development goals in its Millennium Declaration of September 2000, while setting several new targets. The Millennium Development Goals (MDGs) comprise seven social and environmental goals (measured by 11 quantified targets), as well as a new "Partnership in Development" goal (measured by seven quantified targets) concerned primarily with improving opportunities for developing countries in the global economy. The target date for meeting all eight MDGs is 2015.
After the adoption of the MDGs, developed countries were urged to increase aid and to reduce trade barriers and debt and other burdens that hamper development. Developing countries were asked to facilitate transparent and accountable governance and to rewrite their Poverty Reduction Strategies to take account of the MDGs.

**Are we on target for reaching the MDGs?**

The table below summarizes the UN Secretary General's 2005 MDG progress report. It makes for disappointing reading.

### Progress towards the MDGs

<table>
<thead>
<tr>
<th>Goal 1. Eradicate extreme poverty and hunger</th>
<th>YES</th>
<th>MAYBE</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 2. Achieve universal primary education</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 3. Promote gender equality and empower women</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 4. Reduce child mortality</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 5. Improve maternal health</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 6. Combat HIV/AIDS, malaria, and other diseases</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 7. Ensure environmental sustainability</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 8. Develop a global partnership for development</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on the UN Secretary General's report on Progress towards the Millennium Development Goals, 1990-2005

According to the Secretary General, three of the eight goals "may" be reached by 2005. Key goals like universal primary education and the improvement of maternal mortality are unlikely to be met. Some of the most troubling trends are:

- Some 115 million children are still out of school. More than half of these children (65 million) are girls, with a disproportionate number in sub-Saharan Africa and Southern Asia. In addition, many children who do attend school fail to obtain the skills needed to function as literate adults.
- In sub-Saharan Africa, where almost half of all worldwide deaths in children under age five occur, progress toward reducing child mortality has slowed. The reasons include lack of preventive care and treatment, fragile health systems, and socioeconomic stagnation due to conflict, political instability, and AIDS.
- Recent estimates continue to indicate high ratios of maternal mortality in sub-Saharan Africa and Southern Asia. Of an estimated 529,000 maternal deaths worldwide in 2000, 445,000 were in those two regions. The maternal mortality ratio was highest in sub-Saharan Africa (920 deaths out of 100,000 live births), followed by Southern Asia (540 deaths out of 100,000 live births).
- At the end of 2004, an estimated 39.4 million people were living with HIV, the highest number on record. Globally, the epidemic shows no signs of slowing: in 2004, 4.9 million people were newly infected, and 3.1 million people died as a result of AIDS (500,000 of them among children under 15).

The UN progress report does contain some tentative good news:

- Between 1990 and 2001, the proportion of the developing world's population that lives in extreme poverty fell from 28 percent (1.2 billion people) to 21 percent.
More than 30 countries reduced hunger by at least 25 per cent during the last decade. Fourteen of these countries are in sub-Saharan Africa.

There has been a turnaround in the downward trend in official development assistance (ODA), and several donor countries have committed to increasing ODA further in coming years.

**The September UN meeting in New York**

The 2005 MDG progress report was intended to set the scene for the largest-ever meeting of heads of state at the UN on 14-16 September.

Unfortunately, there was a lack of clarity over the commitment of major players such as the United States to the MDGs and over the amount of development assistance needed to make the MDGs a reality. Because of this lack of a basic consensus, even an innocuous call for countries to make "concrete efforts" to earmark 0.7 percent of their gross domestic product to development assistance was dropped from the final declaration.

The United States, which is among the countries that have not met this target, also tried to eliminate any reference to the MDGs in the final declaration. Subsequently, however, President Bush reconfirmed the United States’ commitment to the MDGs. It is possible, therefore, that a consensus is emerging about the UN’s role in poverty reduction.

**How can we get back on target?**

The goal of reaching the MDGs by 2015 is far behind schedule. From a budget perspective, two sets of actions are needed: increase the funding provided to reach these goals and improve the ways in which the funds are allocated and spent.

1. *Increase Official Development Assistance.* The World Bank estimates that the additional foreign aid required to reach the MDGs by 2015 is $40-$70 billion a year, with the higher figure likely to be more accurate.

   In his 2005 MDG progress report, the Secretary General reported that ODA represented 0.25 percent of donor countries’ total gross national income in 2003, an increase from 0.23 per cent in 2002. The total ODA commitment by the donor community in 2003 was still below the 0.33 percent reached in 1990, however, and falls far short of what is widely considered to be needed to achieve the MDGs.

   Despite the 0.7 percent ODA target reached in the 2002 International Conference on Financing for Development in the Monterrey Consensus, World Bank estimates show that developed countries would need to contribute only about 0.5 percent of gross national income to reach the desired level of ODA to reach the MDGs by 2015. The table below, however, shows that by 2004, only six countries had reached the 0.5 percent level. Most worrying is the low level of ODA from large economies like the United Kingdom, Germany, and the United States.

   While aid is critical for the poorest countries, middle-income countries benefit more from trade, which is their primary source of foreign revenue. In the three years since the start of the Doha trade talks, developed countries have failed to make any substantial concessions in reducing trade barriers — especially those related to agriculture — that impede exports from developing countries. A meaningful partnership between rich and poor countries also needs to address developing countries’ access to technology, medicines, and jobs.
2. **Improve budgeting and execution.** Even if poor countries eventually mobilize sufficient funding for the MDGs, actually reaching these goals will require the allocation of this funding to the appropriate programs and spending this funding as efficiently as possible.

The recent experience of implementing Poverty Reduction Strategy Papers (PRSPs) has shown the difficulty of translating plans into budgets and then into measurable reductions in poverty. Simply put, governments often do not spend money on the right things or in the right ways.

Given the weak links between public spending and social services outcomes in developing countries, improving the efficiency of service delivery is at least as important as increasing the amount of financial assistance. Research shows that foreign aid is more effective in countries where the policy and institutional environments are conducive to poverty reduction.

The 2004 results of the IBP’s *Open Budget Questionnaire* showed that countries were much more likely to provide the public with information on the content of the executive’s budget than with information on the budget’s implementation or the quality of spending. Without such information, the legislature and the public cannot pressure government to spend more efficiently.

**What can civil society organizations do?**

If we are to reach the MDGs by 2015:

- Assuming extensive trade reforms are not made, the contributions of developed countries to Overseas Development Aid will need to increase at least twofold.
- Developing countries will need to improve their ability to translate development goals such as the MDGs into appropriate budget allocations.
- Developing countries will need to improve their ability to spend resources efficiently.

CSOs have a key role to play in all of these areas. Over the last five years — and again in New York — governments have demonstrated their inability to drive the MDG process. This would suggest that CSOs in both developed and developing countries need to do more to pressure their respective governments to pursue the MDGs more vigorously.

For more information, contact Albert van Zyl at vanzyl@cbpp.org.

---

**What Are the Challenges and Opportunities for Budget Work in Chad?**

Early in September the IBP traveled to Chad to assess the environment for applied budget work in that country. The mission was facilitated by Intermon/Oxfam and GRAMP-TC (Group of Alternative Research and Monitoring of the Oil Project Chad-Cameroon).

**Background:** Lieutenant General Idriss Deby has been Chad’s president since taking power in a military coup in 1990, following three decades of civil war. Deby won multiparty elections in 1996 and 2001; another round of elections is scheduled for 2006.
Chad faces extreme development challenges. After years of civil war and persistent corruption, it is one of the world’s poorest countries. Almost half of population is illiterate. Chad's economy, most of which consists of subsistence agriculture, has seen some growth since oil revenues started flowing in 2004, but this comes off an extremely low base and is largely limited to the capital city, Ndjamena. Outside of Ndjamena there is almost no access to basic services, and road and telecommunication infrastructure is almost non-existent.

Government finances are extremely fragile at all levels. One-third of the budget comes from international donors, and another third comes from the fledgling oil fields. The revenue side of the budget is bedeviled by corruption and a very limited forecasting ability. For example, eight months into the current fiscal year, the government has collected only about 10 percent of the year's projected customs revenue.

Not only does the current budget show very little alignment to the Poverty Reduction Strategy Paper (PRSP), but the government has almost no ability to assure that the budget is actually implemented. The government has no instruments of expenditure control, supplementary budgets are late or non-existent, and when audits are conducted, little or no follow up action is taken on the basis of their findings.

The UNDP and the World Bank are sponsoring a series of budget reforms (MTEF, program budgets, etc.), but these are at a very early stage of implementation. The key challenge seems to be a lack of capacity in the Ministry of Finance, which has led to clientelism and the diversion of funds in line-ministries.

**Availability and quality of budget information:** While Chad's government does produce budget-related documents such as an annual budget, global quarterly expenditure reports, and a macroeconomic framework, this information generally is of a very poor quality and is not disseminated. Instead, it must be requested from the Ministry of Finance.

Moreover, the draft budget considered by Parliament is not made public. The budget becomes public only after it has been approved by Parliament.

**Parliament's role in the budget process:** The budget is tabled in Parliament in October and is approved by December. (The government's fiscal year runs from January to December.) Parliament cannot amend the budget, only authorize it. However, any MP can propose an amendment to the Finance Committee, which then would negotiate the matter with the Executive, a process that may end up with the Executive amending the budget itself. (Reportedly, the Executive looks more favorably on proposed amendments that do not affect the size of the deficit.)

Finance Committee deliberations are closed, but the committee is allowed to invite anyone to testify on the budget, and it often invites trade unions to give their input. Given the committee’s total lack of research support, it sees organizations like GRAMP-TC as an untapped source of assistance and has asked GRAMP-TC to facilitate further discussion between the committee and other NGOs. Many civil society actors question the value of greater NGO involvement in the committee's work, however, describing the legislative part of the budget process as a "pure formality."

**Media freedom:** Chad's newspapers appear free to discuss political and social issues in a very direct manner. In contrast, radio (including the large number of community-based radio stations) and television are much more closely controlled by the state.
The media lacks analytical capacity and access to information, so press reports on government finance issues tend to be descriptive rather than analytical. Very few journalists have any economics training; none of them is permanently assigned to report on such issues.

In addition, Chad’s lack of infrastructure, such as internet and telephone access and basic office facilities, hinders the work of the media (as well as of NGOs).

**State of NGOs:** Most NGOs the IBP spoke to participate in issue-based networks (oil, gender, etc.) that draw in partners from many sectors, such as unions and the media. (Many NGOs also have grassroots cells outside of the capital.) This myriad of networks runs the risk of duplication and overlap. The phenomenon of "state-sponsored" NGOs also seems to be a significant problem in Chad.

One product of Chad’s years of civil war is that many NGOs remain quite militant and, in the words of one human rights organization, practice “advocacy by denunciation.” Few NGOs appear to have the capacity to go beyond confrontation and make positive contributions based on analysis. GRAMP-TC seems to be one of these exceptions.

**NGOs and the budget:** Most of the people the IBP interviewed agreed that the general population knows very little about the budget and the budget processes. The country’s low urbanization and literacy debates are partly responsible for this.

Recent debates around the collection and utilization of oil revenue have started to raise public awareness about government finances, and have sensitized NGOs to the need to monitor government spending. But apart from GRAMP-TC and CEFOD (Center on Development Studies), there is little or no capacity for analytical engagement on government finance issues in civil society.

In conclusion, while Chad presents a challenging environment for NGOs interested in applied budget work, a vibrant NGO network has emerged over the last 15 years, and issues related to oil extraction have drawn NGOs’ attention to the importance of financial resource monitoring. With appropriate support, applied budget work has a real opportunity of gaining a foothold in Chad over the next few years.

For more information, contact Albert van Zyl at vanzyl@cbpp.org.

---

**Idasa’s Efforts to Monitor HIV/AIDS Spending in Africa**

The AIDS Budget Unit (ABU) at the Institute for Democracy in South Africa promotes effective and equitable spending on HIV/AIDS — in South Africa and elsewhere on the continent — by conducting research and analysis, providing training and capacity building to public servants, parliamentarians, and civil society, and participating in public debates on HIV/AIDS issues.

One of ABU’s ongoing initiatives is helping African countries develop National AIDS Spending Assessments (NASAs). An international Declaration of Commitment on HIV/AIDS was unanimously adopted by 189 countries represented at UNGASS (the Special Session of the United Nations General Assembly on HIV/AIDS) in June 2001. The Declaration serves as a road map to achieving the Millennium Development Goal of halting and reversing the
HIV/AIDS epidemic by 2015. The NASA methodology is designed to help countries assess whether they are indeed advancing toward that goal by providing them with information, based on internationally accepted accounting methods, about their spending on HIV/AIDS.

The ABU is helping six African countries undertake their national NASAs: Ethiopia, Kenya, Malawi, South Africa, Tanzania, and Zambia. The main goals of the study are to:

- Improve national HIV/AIDS policy by collecting and disseminating information on HIV/AIDS budgeting and programming
- Expand the capacity of civil society NGOs, research agencies, and government officials in these countries to develop and monitor government budgets on HIV/AIDS
- Set up a regional network of watchdog NGOs that can be extended to other countries and can provide ongoing monitoring of government and/or donor expenditures

The ABU provided the first training for the country partners in Cape Town in June 2005. Each country team included an academic institute, an association of people living with HIV/AIDS, and a member of the national AIDS council or Ministry of Finance. Further training and support is planned. The teams will then begin data collection and analysis, and it is hoped that initial findings will be ready for the UNGASS Commitments progress report in February 2006.

The ABU also has been working with ActionAid to develop civil society's capacity to identify government allocations for HIV/AIDS and develop advocacy messages in support of expanded funding. Training has been provided to a number of African countries, and plans are underway to extend these activities.

ABU publications, presentations, and training materials can be accessed at: http://www.idasa.org.za/index.asp?page=Programme%5Fdetails%2Easp%3FRID%3D20. For more information, contact Jacky Viglino, AIDS Budget Unit at jacky@idasact.org.za.

---

How did the CBPP Respond to Hurricane Katrina?

Hurricane Katrina made landfall near New Orleans, Louisiana, on August 29, 2005, its storm surge breaching the levees that protected New Orleans from Lake Pontchartrain. Most of the city was subsequently flooded by the lake’s waters. This and other major damage to the coastal regions of Louisiana, Mississippi, and Alabama has caused thousands of families to lose their homes and jobs. It was perhaps the worst natural disaster ever to strike the United States.

In response, the Center on Budget and Policy Priorities (CBPP) — the Washington, D.C.-based budget analysis organization of which the IBP is part — immediately began analyzing the status of relief priorities and recommending legislation to help meet the basic needs of Katrina’s many victims. CBPP considered how to use existing programs to address these needs as well as what new mechanisms might be required.

CBPP’s recommendations included housing vouchers that would allow victims to make use of available rental units in the communities, to which they have been evacuated, full funding by the national government of health care for all Katrina victims with low incomes, adequate unemployment assistance for those made jobless by the disaster, and modifications to
government food assistance programs. CBPP also analyzed relief proposals put forward by the executive branch and members of Congress, often at the request of congressional staff.

To inform the policy debate, CBPP held several conference calls for journalists in the days after Hurricane Katrina struck. As the media was anxious for independent analysis of these issues, the calls were very well attended. Center staff also responded to numerous requests for interviews in print and broadcast media.

In addition, the CBPP created a special web page (http://www.cbpp.org/pubs/katrina.htm) that provides easy access to Center analyses in four distinct areas: the immediate relief challenges, the storm's effects on the federal budget, basic background information on the programs through which many Katrina victims will be helped, and recent data on poverty in the U.S.

---

**Two New Partnerships Between Civil Society and the Auditor General in Argentina and Ghana**

A growing number of civil society organizations are working with public auditors to expand awareness of auditing issues. One such example is in Argentina, where the Civil Association for Equality and Justice (“Asociación Civil por la Igualdad y la Justicia,” ACIJ) is collaborating with the country's national audit office — the “Auditoría General de la Nación,” AGN— to publicize important audit findings. AGN hopes its partnership with ACIJ will create a constituency within civil society to pressure the country's congressional commission on audits (the body in charge of approving AGN audit reports) to follow up on AGN recommendations and enforce action against executive agencies cited for irregularities.

Unfortunately, the congressional audit commission traditionally has been negligent in its oversight of executive agencies. ACIJ attributes this negligence to the fact that commission members are drawn almost exclusively from whichever party controls the executive branch. In Argentina’s nascent democracy, such unbalanced representation produces weak legislative oversight.

In addition, the commission has not operated in a transparent and accountable manner. In violation of commission rules, the commission’s meetings have almost always been closed to the public. ACIJ staff has been unable to attend these meetings, as their venues and times have not been made public. A further illustration of this disregard for public participation is the statement by the current commission president that CSOs lack the technical capacity to participate in discussions on audit reports.

In fact, commission staff told ACIJ that the commission itself does not even meet to discuss the audit findings. Instead, the secretary of the commission approves certain audit recommendations and then obtains signatures of consent for these recommendations from the other commission members.


ACIJ was founded, as an advocacy organization, in 2002 by a group of young professionals to promote reform of public institutions and thereby address the institutional deficiencies
that generate social inequity, corruption, and lack of transparency and accountability. ACIJ activities include monitoring government action, drafting proposals for improvements in public policies, and establishing networks for collaboration among CSOs and academic institutions.

ACIJ also has established the Community Legal Aid Center, which provides a common platform for residents, grassroots organizations, social workers, and pro-bono lawyers to identify and address problems affecting the community, such as those relating to transportation, education, and health, water and sewage services.

In other signs of cooperation between ACIJ and the national audit office (AGN), ACIJ is sharing contact information of journalists and NGOs that would benefit from receiving the summaries to the main AGN investigations that will begin circulating in a bulletin including in October 2005. ACIJ hopes that this initiative will lead to a more established partnership and that the network will follow the responses of relevant governmental agencies to irregularities and other issues discussed in the audit reports.

ACIJ is also negotiating with AGN to create a system whereby civil society organizations can propose topics for audits to be conducted by AGN.

ACIJ’s remarkable efforts to work constructively with the national audit office — and the successes these efforts have already achieved — reinforce the IBP’s view that CSOs and public auditors can both gain from collaborating with one another. (See the article in the May 2005 IBP newsletter, available at http://internationalbudget.org/newsletters/newsletter27/. We will continue to report on the development of this groundbreaking work in Argentina. For more information, contact Vivek Ramkumar at the IBP ramkumar@cbpp.org, or Ezequiel Nino at ACIJ enino@acij.org.ar.

**Citizen report card tool in Ghana**

As part of the joint DFID Ghana/World Bank Public and Social Accountability Fund, the Controller and Accountant General Department (CAGD) in Ghana recently prepared a report on participatory audits. CADG oversees the disbursement of all government funds, including HIPC and poverty related funds.

In cooperation with the NGO Institute of Policy Alternatives, the Internal Audit (a unit within CAGD) used the Citizen Report Card (CRC) tool to carry out an impact assessment of government anti-poverty and HIPC projects in four pilot districts. The purposes of this project were to:

- Build capacity in the Internal Audit
- Make the CRC a regular complement to the normal financial audit
- Track government expenditures down to the level of local communities
- Assess the extent to which service providers involve civil society in planning and executing development projects
- Assess the impact of government projects in local communities
- Enhance usage of projects sited in the communities
- Build a platform by which civil society can express its opinion about government projects

In each of the four pilot districts, the Internal Audit and Institute of Policy Alternatives brought together local opinion leaders to assess the projects being examined. Their views
were then relayed to service providers, and draft reports were prepared for key stakeholders. A forum was organized to bring together opinion leaders and service providers in each of the districts to discuss the issues raised and find solutions. A final report on the program is to be issued by the end of October.

The program’s ultimate goal is to improve government accountability by expanding popular participation at the local level. The project also seeks to inform service providers of what they need to do to enhance service delivery, ensure that communities’ development requirements are considered during the planning of the budget, and bridge the communication gap between communities and service providers.

For more information, contact Med Gyamfi at medgyamfi@gmail.com.

---

**ActionAid International Launches Budget Literacy Project in China**

Over the last decade, there has been an increase in popular participation in China's public affairs and governance processes, such as in participatory village planning to alleviate poverty and in the publication of bidding information on government contracts to promote transparency and accountability. The biggest challenge is how to create public participation in decisions over the use of public resources.

Public budgeting reform is one of the core components of the government’s reform plan. However, budget reform faces several challenges:

- It is difficult to determine the amount of resources available to local governments, especially the revenues that local governments generate themselves (as opposed to funds obtained from the central government).
- Budget data from sector departments does not reveal clearly why funds were spent, how much was spent, what the money was spent on, and what was achieved.
- The lack of timely and useful information seriously limits the effective control and participation of the People's Congress (the popularly elected legislature).
- Most importantly, the People's Congress and the general public have only limited knowledge of the budget process and budget allocations. This prevents citizens from playing a role in influencing budget allocations.

The first step in creating a participatory budget process is to ensure broad-based economic literacy among citizens. Civil society can play an important role in this process by providing training on budget literacy and by identifying participation processes in other countries that are suitable as models for China.

ActionAid International China recently conducted a workshop for local government NGOs and officials share both international and national experiences on budget work. Case studies covered in the workshop include the participatory budget in Porto Alegre, Brazil, citizen scorecards in India, health budget tracking in Mexico, pilot budget reform at the township level in China, and successful participatory village planning for poverty alleviation in China.

ActionAid International China plans to use this material to produce a guidebook on budget work for civil society. Further ideas emerging from the workshop that will be considered are
a gender budget initiative, budget tracking at the school level, and a participatory budgeting project focusing on poverty alleviation. The IBP will work with ActionAid International China to support these projects.

For more information, contact Zhang Lanying at zhanglanying@actionaidchina.org.

---

**Brazilian NGO Coalition Monitors the Funds of the National Economic and Social Development Bank (BNDES)**

The Brazilian Institute for Social and Economic Analysis (IBASE), in partnership with a range of civil society organizations, has embarked on a project to democratize the operation of the National Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*, or *BNDES*). Most of the funds available for directed development projects in Brazil are assigned to a small number of major public institutions. In the case of BNDES the budget is enormous with 25 billion dollars in 2005.

The project has three parts: creating a public information system to make the bank's actions more transparent, opening communication channels between the bank and civil society so the latter can influence the bank's investment options (and thereby promote economic development and social justice), and establishing performance indicators to evaluate the BNDES not just in terms of its operational and financial performance but as a development bank.

As part of the project, IBASE has begun publishing an electronic monthly newsletter, "Development, Democracy and Rights" (available at [http://www.ibase.br/userimages/final_ingles.pdf](http://www.ibase.br/userimages/final_ingles.pdf)), which provides information on BNDES activities in non-technical language. This information has been generating media interest and has led to a number of stories in the press, drawing attention to the importance of civil society oversight.

In addition, IBASE has established a working group that has started a regular dialogue with the BNDES board. Following an earlier series of unsuccessful attempts by civil society to forge closer relations, the Bank is now, for the first time, showing that it is ready to embark on this long term joint endeavor and has agreed to an agenda of meetings. While these are small steps, IBASE intends ultimately to reach the point where values such as income decentralization and responsibility towards the environment and local populations become part of the Bank's funding guidelines.

Of course, the effort to democratize the BNDES makes sense only as part of a wider debate over the kind of development that is desirable for the country — and as part of a wider effort to establish social interest as the priority of any investment project.

For more information, contact Luciana Badin at lucianab@ibase.br.

---

**Caucasus and Central Asian Budget Groups Meet to Share Common Experiences**
The IBP and the Tax Standards Formation Foundation, a Kazakhstan-based NGO, hosted a meeting August 20-21 in Almaty, Kazakhstan, for the staff of Open Society Institute's country offices and OSI grantees in the Caucasus and Central Asia region. The meeting was designed to provide a forum to share experiences of budget work in the region, discuss common challenges to effective budget work, and outline strategies that budget groups in other parts of the world have used to address these challenges. The meeting was also attended by representatives of Fundar, Mexico and PSAM (Public Service Accountability Monitor) South Africa.

The participants, from Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, and Uzbekistan, were unanimous in citing lack of public access to budget information as a significant challenge to their work. Groups in each of the countries are currently working on projects to promote budget transparency and increased participation. This includes a project in the Kyrgyz Republic, where OSI is working with the Ministry of Finance to promote increased public access to budget information.

Some groups expressed frustration at the difficulty of transforming their research and analysis work into tangible improvements in citizens' lives. In response, Mexico's Fundar emphasized that its work, which has had a significant impact on government policymaking, has been greatly enhanced by cooperation with other Mexican NGOs and with citizens affected by the issues it is investigating. Other groups noted the importance of ensuring that the group's work reflects the concerns of the majority of citizens, such as the effective delivery of public services.

The groups also discussed recent developments related to the British government-led Extractive Industries Transparency Initiative, which promotes corporate and government disclosure of revenues associated with oil, gas, and mining industries. Azerbaijan and the Kyrgyz Republic have published information on revenues from extractive industries, and Kazakhstan recently announced that it intends to join the initiative. Willy Olsen, formerly of Norway's state-owned oil company, Statoil, emphasized the importance of encouraging improved corporate governance among state-owned oil and gas companies to ensure improvements in transparency and management of oil revenues.

---

**CSBI Supports Budget Project in Guatemala**

The International Center for Human Right Research (CIIDH) was founded in 1993 to promote and defend human rights in Guatemala. It has experience in monitoring military budgets in collaboration with other Guatemalan NGOs, but its primary focus has been advocating for first- and second-generation rights. CIIDH's 2003–05 agenda includes strengthening its capacity to monitor government spending commitments to fulfill rights, and building the capacity of several urban and rural coalitions and movements to do the same.

The IBP’s Civil Society Budget Initiative will support a two-year proposal starting in 2005 to monitor and better align government expenditures with the government's commitment to economic, social, and cultural rights, as well as to improve budget transparency and public management.
CIIDH sees a growing role for itself as the institution within civil society that can improve CSOs' understanding and involvement in public management. To do this it envisages several activities:

- Technical analysis and monitoring.
- Providing information and training to civil society — especially grassroots organizations — and the media (CIIDH has a particularly well-developed dissemination plan); and
- Developing legislative proposals to contribute to better transparency and improved formulation and execution of the budget.

---

**Announcement: Forum on the Future of Aid (FFA)**

As part of its project on "Southern Voices for Change in the International Aid System," the Overseas Development Institute (UK) has launched a virtual "Forum on the Future of Aid," dedicated to research and discussion about how the international aid system operates and where it should go next. Topics covered include:

- How will the U.S. Millennium Challenge Account change the behavior of other donors?
- Should the World Bank only make grants, not loans, to low-income countries?
- How can aid recipients have more say in how the aid system is run?

Southern perspectives and proposals for reform are particularly welcome. For more information, go to: [http://www.odi.org.uk/ffa/](http://www.odi.org.uk/ffa/), or contact Debbie Warrener at [d.warrener@odi.org.uk](mailto:d.warrener@odi.org.uk).