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Open Budget Index Receives Extensive International Media Attention

Starting in mid-October, 59 civil society organizations around the world unveiled the Open Budget Index (OBI), the first international rating of how open government budget books are to citizens. The index was calculated by the International Budget Partnership on the basis of responses to a detailed questionnaire completed by local experts in 59 countries, including every continent. It provides reliable information on each country's commitment to open budgeting by assessing the availability of key budget documents, the quantity of information they provide, and the timeliness of their dissemination. Participating groups organized media events to publicize the results of the study and thereby educate the public, government, and the media about budget transparency.

Although budget transparency rarely receives the public attention given to other policy reforms, an open budget process is key to good governance. The national budget reflects the government's values, presenting its financial and economic objectives as well as its social priorities. And by providing a standard against which citizens can hold government accountable, the budget helps ensure good governance.

The OBI's results were reported in a variety of media, including television, radio, print, and the World Wide Web. Publications covering the launch included *The Economist*, *Le Monde*, and a number of other prominent national and regional media outlets.

Furthermore, in countries such as Ghana, Bulgaria, and Mexico, groups succeeded in creating broad, country-wide awareness of the OBI's findings. In Ghana, Integrated Social Development Centre (ISODEC) held a media event that was covered by two of the country's four television stations, all of its major newspapers, and many of its radio stations. This wide coverage placed budget transparency at the forefront of Ghana's policy arena. For example, an editorial in *The Ghanaian Chronicle* called on the government to promote transparency and accountability, and when the newspaper *Public Agenda* reported on the OBI, the government ordered one of its ministries to respond to the report in the same newspaper.

In Bulgaria, national television networks and newspapers reported on budget transparency issues as a result of the OBI. As in Ghana, this coverage raised public awareness and interest in the subject.

Mexico's news coverage of the OBI was particularly strong as well, and included print, radio, and national television. Other Latin American countries in which the OBI was covered included Peru, Argentina, Guatemala, and the Dominican Republic.

In Africa, media coverage included prominent newspaper articles in Cameroon, Morocco, Namibia, South Africa, and Uganda. South Africa's minister of finance cited the results in an address to the legislature, noting that while the country performed well in the area of access to information, more could be done in the area of consulting with civil society. In Uganda, two articles were published in the *Public Review Newsletter*, a widely distributed newsletter that reaches members of Parliament, government officials, academia and other civil society groups.

Some organizations participating in the OBI chose to host events in addition to the media release, such as seminars and workshops on budget transparency for legislators and other interested officials. In Angola, for example, researchers held a seminar with policymakers and other stakeholders. In addition, due to the persuasion of the researcher, the Angolan Catholic Bishops included in their pastoral letter the issue of budget transparency. The letter highlighted the importance of budget transparency and access to information, especially regarding natural resources revenues, in the fight against poverty. The pastoral letter is distributed and read in almost every church throughout the country. This accomplishment demonstrates an effective tactic to reach and educate the general public on budget transparency in an environment where access to information and free press is limited.

The OBI continues to receive attention from the media, the public, non-governmental organizations, and governments. It has raised public awareness and increased demands for budget transparency and accountability, forcing governments to place these issues near the top of their agenda. A development consultant commented on his coverage of the OBI that information on government budgets and expenditures is especially important for national development: if such information is not publicly available, corruption seems unavoidable, but if such information is publicly available, it can be analyzed and there can be debate on the best way to use public resources.

For more information, visit the OBI website at <http://www.openbudgetindex.org/mediaevents.htm>.

Global Integrity Report: Assessing Anti-Corruption Mechanisms in 43 Countries

In January, Global Integrity, a Washington, D.C.-based NGO, released the 2006 Global Integrity Report, which assesses anti-corruption mechanisms in 43 countries around the world (see: <http://www.globalintegrity.org>). Among other key findings, the report states that the most widespread corruption challenge among countries covered in the 2006 Report is in the area of political financing. In addition, it warns that weak legislative accountability is hindering the establishment of much-needed reforms to reduce corruption over the long term. The report also notes the weak anti-corruption framework in Vietnam, one of Asia's most attractive emerging markets.

Since corruption is covert by nature, it is almost impossible to measure. Global Integrity's approach is to quantitatively assess the institutions and practices that protect against corruption. For each country in the study, Global Integrity creates an individual report based on "Integrity Indicators" (quantitative data that assesses the existence of anti-corruption mechanisms and institutions; their enforcement; and the extent to which citizens have access to them) and a "Reporter's Notebook" (a qualitative description of the country's

corruption environment that provides examples of the effects of corruption on average citizens). The data and reporting for the study are collected by an in-country group of social scientists, journalists, academics, and NGO experts and reviewed blindly by peer reviewers.

As the new report explains, unlike other corruption problems that are closely related to poor economic development, political financing is a challenge that affects the entire spectrum of countries. For example, the United States suffered from ethics scandals in 2006 despite having laws and regulations that address political financing and lobbying. In younger democracies such as South Africa, there are simply no established laws that regulate the private financing of political parties and candidates.

The report also finds that legislative accountability at the national level is uniformly weak. The integrity of the legislature itself is coming under threat in countries such as Mexico, the United States, and South Africa. This weakness has also manifested itself in poor budget oversight.

Vietnam has the second-weakest overall anti-corruption framework of the 43 countries examined, which suggests that its problems in the areas of governance and corruption are deeply rooted and systemic. This finding is consistent with the International Budget Partnership's Open Budget Index, which found Vietnam to be the lowest-scoring country in terms of budget transparency. (Although the Global Integrity study uses a broader set of indicators than the Open Budget Index, it includes several budget transparency indicators; see the Government and Accountability/Budget Processes section of the Integrity Scorecard.) The low score of Vietnam is reason of concern considering the high level of attention the country has received by international investors.

The countries covered by the Global Integrity report are: Argentina, Armenia, Azerbaijan, Benin, Brazil, Bulgaria, Cambodia, the Democratic Republic of Congo, Egypt, Ethiopia, Georgia, Ghana, Guatemala, India, Indonesia, Israel, Kenya, the Kyrgyz Republic, Lebanon, Liberia, Mexico, Montenegro, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Philippines, Romania, Russia, Senegal, Serbia, Sierra Leone, South Africa, Sudan, Tajikistan, Tanzania, Uganda, the United States, Vietnam, the West Bank, Yemen, and Zimbabwe.

Global Integrity is currently seeking interested journalists, researchers, social scientists, and other experts with a background in governance and corruption issues to help prepare its 2007 Global Integrity Report. Final country selection has not yet been determined and is influenced in part by the interest expressed by qualified country experts, all of whom are compensated for their efforts. To learn more about collaborating with Global Integrity on its 2007 Report, please visit <http://www.globalintegrity.org/inviteletter.cfm>. Interested candidates should send a CV/resume with full contact information to info@globalintegrity.org no later than April 15, 2007.

Delivering Social Assistance in Russia, Institute for Urban Economics

In 2006 the Institute for Urban Economics, in cooperation with the Independent Institute for Social Policy in Russia, conducted a World Bank-financed survey comparing the administrative costs of two government programs that provide cash benefits (monthly child allowances and housing allowances) to low-income households.

The survey was conducted in local social assistance offices in several regions throughout Russia, with varying climates, socioeconomic conditions, and traditions. For both programs studied, the survey found significant geographic variations in administrative costs, both within and between regions. This finding, which may reflect differences in local administrative practices, demonstrates the need for improved accountability of social assistance programs. This is a crucial task since the Russian accounting system hides program implementation costs not only from the public, but even from program managers.

The survey's methodology could be a useful instrument in program management and planning. Researchers gathered and analyzed data on such topics as the correlation between the number of program recipients and the number of staff managing the program, the amount of maintenance and salary costs, and administrative costs as a percentage of total program expenditures and of subsidies paid.

This survey method is easy to replicate and can be used as an advocacy tool to promote accountability in the delivery of social services. It can also be applied by regional authorities to meet other needs related to budget efficiency, transparency of expenditures, and public accountability.

For more information, contact Elena Kovalenko at kovalenko-e@urbaneconomics.ru.

Promoting Budget Transparency in Azerbaijan, National Budget Group (NBG)

The National Budget Group (NBG), Azerbaijan's first alliance of NGOs dedicated to budget analysis, was established in February 2006 and has quickly gained public recognition for its work. NBG has begun monitoring the allocation of public funds to different regions of the country, conducting public surveys to monitor spending on social programs, and issuing budget reviews to raise public interest in budget issues. In addition, it has established good relationships with local and international NGOs and the media and organized a variety of trainings.

NBG's main goals are to:

- promote public participation in government budgeting and transparency in the use of public funds
- promote effective spending of public funds in compliance with the interests of the Azerbaijani people
- encourage reforms in the government budget process to improve transparency, participation, accountability, and efficiency
- raise people's awareness of their right to budget information
- promote the realization of socioeconomic rights related to the budget
- improve public accountability in budgeting
- participate in global initiatives to study the budget process

In 2006 NBG made a study tour of the United States, meeting with government officials (Treasury Department, Congressional Budget Office), international financial institutions (International Monetary Fund, World Bank) and NGOs (Citizen's Budget Commission, Center for American Progress, New America Foundation, Center on Budget and Policy Priorities,

Government Accountability Project, Center for Strategic and International Studies, Bank Information Center).

NBG has already started to collaborate with some of the above organizations and has provided them with its review of the government's 2007 budget. Also, NBG has developed local partnerships within the capital city of Baku and elsewhere in Azerbaijan and has organized several trainings for local partners.

NBG's mission faces significant obstacles including the following:

- absence of "checks and balances" that damages Azerbaijan's budget process
- creating the impression that the executive is in control of the budget
- increasing dependence on oil revenues, which will make up an estimated 60 percent of all 2007 revenues

Azerbaijan was rated 45th in budget transparency among the 59 countries examined by the International Budget Partnership's Open Budget Index (OBI). Currently, the government provides citizens with only minimal information on the budget and government financial activities. The executive's budget proposal provides some useful information, scoring 48 percent out of a possible 100 percent of the information needed to present a comprehensive picture of the government's financial activities. But public access to information needs to be improved, and opportunities for citizen participation need to be expanded. For example, the legislature does not hold budget hearings where the public can participate. (See: <http://www.openbudgetindex.org/CountrySummaryAzerbaijan.pdf>.)

In 2007, NBG intends to focus on budget legislation and strengthening the group's institutional presence. In addition NBG wants to support theme-oriented networks, including one on budget transparency, similar to the existing one on health budget monitoring.

To learn more and see NBG training materials, go to: www.nbg.az.

Outreach for Transparency in Public Finance, Transparency International-Georgia

In 2003 economic stagnation, widespread corruption, and rising poverty led to massive popular protests that resulted in a change of government in Georgia. The current administration has taken a number of radical measures to reform government and fight systemic corruption.

While few would question the government's commitment to strengthening Georgia and overcoming economic setbacks, some concerns have been raised. For example, the government has introduced its reforms in a hasty manner, failing to provide the general public with sufficient information about them. This has limited citizens' opportunities to participate in the design and enforcement of reforms.

The lack of public information and poor public participation are especially serious in the area of public finance, where involvement by NGOs and the media is relatively weak. In the Open Budget Index (see article above), which rated countries on budget transparency and accountability, Georgia scored 33 percent out of a possible 100 percent and fell into the category of countries that provide minimal information to citizens (see:

<http://www.openbudgetindex.org/CountrySummaryGeorgia.pdf>.) Demand for this information is high, according to outside experts who have worked with Georgian residents, yet it remains difficult for Georgians to obtain information from the government and use this information to spread public awareness of budget issues or provide input during the drafting of the budget.

To address this problem and give the government incentives to sustain public reforms and communicate to the public, Transparency International-Georgia, a local NGO that works to promote transparency, initiated a public outreach program on budget issues and public reforms in the financial sector. Its four main activities include:

1. *Conducting regional roundtable discussions with government representatives, businessmen, and tax inspectors.*

TI-Georgia organized periodic discussions in regional centers throughout Georgia with approximately 20-30 representatives from the private sector, government, and financial institutions at the local level to inform them about the government reform initiatives within their sector and solicit their input. Participants were briefed on the initiatives and expressed their opinions and suggestions. TI-Georgia then forwarded this feedback to the appropriate government ministries.

These discussions were designed to ensure that the reform initiatives were thoroughly considered not only by decision makers, but also by those who implement the initiatives and those who are directly affected by them. In addition, the discussions provided the government with feedback on its reforms and helped the government identify the geographic areas and sectors of the population where there is little access to information.

2. *Producing and disseminating periodic reports on budget issues.*

Using the information obtained through the regional roundtable discussions, as well as data obtained from the government, NGOs, the media, and financial institutions, TI-Georgia prepared and disseminated monthly reports documenting government revenues, the transparency of the budget process, ongoing reforms in the financial sector, and proposed legislation affecting public finance and planning.

The reports were distributed electronically and in print form throughout Georgia. They provided clear, unbiased information — much of which was previously unavailable — on current activities in the government and in Georgia's public finance sector.

3. *Conducting intensive trainings for regional journalists.*

TI-Georgia invited journalists from regional print media to undergo extensive training on the budget process and selected fiscal issues (such as the ongoing government reforms) in order to develop a better understanding of these issues and enhance their ability to report on them. These trainings, which took place monthly, were led by TI-Georgia but also included guest speakers representing the government and a number of Tbilisi-based NGOs. The trainings not only expanded journalists' knowledge of public finance, but also gave them an opportunity to acquire contacts among government and NGO representatives who also participated in the trainings, enabling them to obtain additional information from these specialists on an ad hoc basis. Journalists also got to know each other and discuss issues they face in common.

During and after the training, the participating journalists — many of whom had never written articles on public finance and economic governance issues before — published more than 50 articles on these subjects.

4. Producing newspaper inserts on budget issues.

TI-Georgia worked with these same regional journalists to prepare newspaper inserts analyzing budget and financial reform issues. These inserts, disseminated as supplements to four national and eight regional newspapers, covered the most problematic issues in the regions, as indicated by the regional journalists and the government's reform initiatives. The inserts helped both journalists and the general public obtain a more holistic picture of public finance developments in Georgia. A number of the inserts had an immediate effect, publicizing a town's or region's problems and thus forcing authorities to act more responsibly. In some cases, public officials took immediate steps to address the problems highlighted in the inserts. The inserts also received attention from regional NGOs and the private sector.

Such responses inspired many journalists to write more articles on budget issues. That, in turn, encouraged other journalists to write about previously neglected budget issues. In sum, TI-Georgia's public outreach program seeks to:

- increase citizens' access to information about the budget process
- increase citizens' interest in, and understanding of, the budget process
- enhance journalists' skills in presenting budget information to their readers
- pressure the government to open up and respond to citizens' and journalists' increased demand for budget information

For more information, contact Tamuna Karosanidze tamuna@transparency.ge or visit Transparency International-Georgia's website at www.transparency.ge.

Civil Society Responds to Zambia's Fifth National Development Plan, Civil Society for Poverty Reduction (CSPR)

In January 2007, following the launch of the Fifth National Development Plan (FNDP) and the National Long Term Vision for Zambia by President Levy Patrick Mwanawasa, the Zambian NGO Civil Society for Poverty Reduction (CSPR) thanked the government for inviting the group to the launch and provided its analysis.

CSPR commended the government for initiating the long-awaited FNDP and for the president's public commitment to the project. CSPR also commended the government's intention to disseminate the FNDP throughout Zambia in order to encourage broad public participation in implementing and monitoring the plan. Civil society and CSPR in particular, intends to complement this task of public education. CSPR already has begun simplifying the official FNDP document to make it more accessible to the general public and CSPR believes that more can be accomplished in this area through partnerships between the government and civil society.

CSPR also reiterated the need to involve parliament in key development processes like the FNDP in order to enhance local accountability. Elected leaders must take center stage in key decision-making processes and in setting priorities for the nation.

Public participation can only be guaranteed, however, if the FNDP's implementation is brought closer to the people in meaningful ways, CSPR believes. This entails placing the district councils and authorities that are ultimately the drivers of local development at the

center of local implementation processes. Therefore, decentralization is critical, and CSPR called on the government to support the speedy implementation of the Decentralization Implementation Plan (DIP) to improve program implementation and service delivery at the local level.

CSPR agrees with the priorities spelled out in the FNDP and believes that in light of the resource constraints facing the plan, the FNDP offer a reasonable approach to addressing Zambia's economic and poverty challenges. While the government has made some progress in financing the plan by securing local funds and pledges from cooperating partners, CSPR is concerned at the large financing gap that remains. The group joins the government in appealing to donors to fulfill their commitments so the government does not resort to incurring unsustainable debt as a means of financing the plan.

CSPR welcomes the president's call for government ministers and controlling officers to be accountable for meeting the FNDP targets. This will ensure real accountability and responsibility among the people charged with running Zambia's development process. It also should improve the performance of planning and monitoring bodies like the sector advisory groups and district development coordinating committees by establishing clear, robust indicators of success.

In conclusion, CSPR stands ready to work with the government to make the FNDP succeed and to address other issues of national concern.

For more information, go to www.cspr.org.zm.

Health Budget Monitoring Work Supported by the OSI Public Health Program in Azerbaijan, Georgia, Ukraine, and Kyrgyzstan

The Open Society Institute's Public Health Program is supporting health budget monitoring projects by NGOs in Azerbaijan, Georgia, Kyrgyzstan, and Ukraine:

- In Azerbaijan, the National Budget Group, an alliance of experienced budget NGOs, is developing a strong coalition of health NGOs trained in budget monitoring to advance advocacy on a broad range of health issues.
- In Georgia, the Open Society Georgia Foundation, in collaboration with the Economic Policy Research Centre, will be monitoring the government's medical insurance program for poor people.
- In Kyrgyzstan, the NGO Mental Health and Society is monitoring the national mental health care service budget.
- In Ukraine, the International Renaissance Assistance Foundation in Kiev and its partners are coordinating the monitoring of regional HIV/AIDS budgets by civil society groups.

Although these projects are at an early stage, much preparation, capacity building, and strategic thinking has already taken place. Work began last September, when civil society groups from these four countries attended an OSI training led by the IBP and the Centre for Economic Governance and AIDS in Africa. Country teams defined the health issue area for their monitoring project and were briefed on the main components of health budget monitoring and advocacy.

Recently, project leaders shared their views on the challenges of starting health budget monitoring projects and their ultimate goals. Burul Makenbaeva, executive director of Kyrgyzstan's Mental Health and Society talked about the extensive advocacy experience of the organization (monitoring human rights in mental hospitals) and how budget monitoring will be another means to gather evidence to strengthen their advocacy efforts.

"Comparing [government] commitments with real practice and implementation is a powerful tool for advocacy," Makenbaeva said. "Now we are planning work on budget monitoring. The best aspect will be getting evidence of state commitments and comparing them with reality." Mental Health and Society aims to advocate for reform of the mental health care system, including deinstitutionalization and expanded community-based mental health care services.

In Ukraine, one challenge facing project leaders is the lack of knowledge about budget issues among civil society representatives. "Budget analysis is considered special knowledge," said Anastasiya Nitsoy, an expert in health economics who is collaborating with the project. "A lot of training is needed for NGOs," she added. To address this need, in March Nitsoy will be part of a team leading a specialized HIV/AIDS budget monitoring training for NGOs in Kiev. Its aim is to develop and pilot a tool for NGOs to collect and analyze health budget data and, ultimately, to advocate for more efficient spending of HIV budget allocations in Ukraine.

Last December, Azerbaijan held its own successful civil society training on health budget monitoring attended by a range of health NGOs, as well as journalists and representatives from medical institutions. One important outcome was the establishment of a coalition of health NGOs knowledgeable about both budget and health issues. Collaboration between budget groups and health NGOs can produce powerful results. "The idea of working together is very helpful in advocacy work," said Fidan Najafova, coordinator for the National Budget Group. "Working together means joining skills, knowledge, opportunities, even forming relationships with government, MPs, and media. And working with health NGOs is very helpful when doing advocacy and making recommendations to the government."

Forming strong coalitions is important, but equally important are stakeholder meetings with key organizations whose input and support are invaluable to monitoring and advocacy. "As a first step for organizations considering health budget monitoring, one should meet with all relevant stakeholders from the government, parliament, service providers, and NGOs working on similar issues," said Irina Lashkhi, project director for the Open Society Georgia Foundation. The foundation recently held a stakeholder meeting with government officials.

"Not only is it critical to have dialogue among these actors, but it may be especially important to involve key individuals from the government, as these officials may be the ones granting access to information and data," stated Teresa Guthrie, director of the Centre for Economic Governance and AIDS in Africa and an expert on budget monitoring. Guthrie is providing technical assistance to the groups in Georgia, Kyrgyzstan, and Ukraine.

As each project moves forward, advocacy strategies will need to be refined and implemented so as to have a maximum impact. A critical part of each project will be to translate the technical information obtained through monitoring into broadly accessible, politically useful advocacy arguments. This is a major challenge, given the complex nature of the information. On the other hand, the arguments that can be developed from the data are extremely powerful.

Currently, the OSI's Public Health Program is supporting the teams in Georgia, Kyrgyzstan, and Ukraine as they work with Guthrie to design sound monitoring methodologies. In the coming months, each country team will also receive one-on-one technical assistance on budget advocacy from Shaamela Cassiem of the IBP to develop advocacy strategies and maximize the projects' impact.

For more information on the OSI's health budget monitoring work, contact Ellen Liu at eliu@sorosny.org.

Monitoring HIV/AIDS Funds in Nigeria, Journalists Against AIDS (JAAIDS)

Journalists Against AIDS (JAAIDS), Nigeria recently announced the commencement of Phase 2 (January 2007-June 2008) of its MONITOR project. (MONITOR stands for Monitoring Initiative to Strengthen Accountability and Monitor Implementation of the National Response to HIV/AIDS.) With grant support from the Ford Foundation's Office for West Africa, MONITOR seeks to:

- make recommendations to national policymakers on the effectiveness and efficiency of government funding for HIV/AIDS, including the utilization of international aid
- provide a platform for civil society and government to interact on national HIV/AIDS policies and programs
- track expenditures for HIV/AIDS, tuberculosis, and malaria in terms of their effectiveness and efficiency

A key component of this project is collecting data on HIV/AIDS resource flows, which will be used to help policymakers improve national strategies and program planning. Other strategies to be adopted include capacity-building workshops, stakeholders' discussion forums, and publication of policy reports and newsletters.

To learn more about this and other efforts in Nigeria, read an article from an earlier edition of this newsletter at <http://www.internationalbudget.org/resources/newsletter35.htm#Nigeria>.

The Role of the IMF in Health Budgets, Wemos

In September, the Dutch NGO Wemos issued a report describing case studies it conducted in Ghana, Zambia, Kenya, and Uganda to examine the role of the International Monetary Fund (IMF) in determining national budget allocations for health, particularly for health workers' salaries. Wemos works with civil society organizations in developing countries to exchange information and promote activities to influence health policy at national and international levels.

If low-income countries are to achieve the health-related Millennium Development Goals (MDGs), they will have to invest substantial new funds in the health sector. New investments are particularly needed to obtain qualified health personnel, since many developing countries face a considerable shortage of health workers. The IMF, however,

believes that public expenditures must be restricted in order to maintain macroeconomic stability and thereby promote economic growth, which is needed to deliver the resources for the health and education sectors.

Wemos's new report argues that the budget ceilings imposed by the IMF are ineffective and damage the health sector. Although the ceilings permit exemptions if extra money becomes available, these increases do not approach the amounts needed to achieve the health-related MDGs. Moreover, the IMF's macroeconomic policymaking does not take into account the social and economic impact of insufficient investments in the health sector.

Not only should the IMF improve its analysis and advice, the report states, but donors should increase their health-related assistance and provide predictable and sustainable aid levels. (The IMF could help ensure that donors keep their aid promises.) It is also important for governments to improve their expenditure patterns.

To read the case studies, go to: <http://www.wemos.nl/en-GB/Content.aspx?type=news&id=2483>.

Interview with Martin Tisne on the Network for Integrity in Reconstruction (NIR)

When and why was the Network for Integrity in Reconstruction (NIR) created?

The Associate Program Director of NIR, Mar Tisne commented that the high levels of corruption, non-existent efforts to monitor external aid, minimal input from civil society in reconstruction assessments, lack of security, and prevailing instability are only some of the characteristics that speak to the political, social, and economic vulnerability of post-conflict societies. The London based NGO Tiri created NIR in 2005 to hinder the recurrence of conflict, improve the coordination and effectiveness of aid, and promote the reduction of poverty. To learn more about Tiri, go to: <http://www.tiri.org/>.

Who are NIR's partners?

NIR works with Integrity Watch Afghanistan, the Independent Bureau for Humanitarian Issues in Bosnia Herzegovina, the Kosovar Initiative for Stability, the Lebanese Transparency Association, the Lebanese Center for Policy Studies, the Centro de Integridade Publica in Mozambique, the AMAN Coalition in Palestine, the National Accountability Group in Sierra Leone, and the Timorese Institute for Development Studies to create a support network amongst civil society that can improve transparency and accountability in aid delivery and policymaking in postwar countries.

How does NIR monitor reconstruction aid?

NIR partners monitor key sectors where integrity reform can reduce a country's likelihood of reverting to violent conflict as well as promote recovery in areas such as land reform, public appointments, funding flows to ministries, and so on.

Country partners select reconstruction projects and study them to answer the following questions: Where is the money coming from? How is it being spent? Where is it being spent? The findings are shared in an international database that can serve as a point of reference for all stakeholders. These activities are done in cooperation with local and international universities, think tanks, and NGOs in order to gain the necessary skills to gather information in data-poor and complex environments and to develop accountability

monitoring mechanisms and integrity reform.

Monitoring may cover projects implemented by the government, bilateral or multilateral donor institutions, international groups (including both NGOs and private-sector companies working on aid contracts), and local groups (including both NGOs and private-sector companies).

Will NIR partners be able to assist governments and donors?

NIR bases its work on an evidence-based understanding of each country's reform environment. That enables groups to choose a reconstruction sector to monitor. By pursuing and constantly updating their work, NIR partners will be in a position to advise their own governments and aid donors more effectively.

NIR will launch a policy papers series where partners will present submissions twice a year for small grants. These papers might cover reconstruction issues, but they will also be geared toward addressing practical capacity-building issues such as how to access information in difficult environments or how to start budget monitoring in a postwar country.

How does NIR work with its partners?

Following a briefing by Tiri, a thorough desk review, and interviews with NIR contacts, NIR (along with an NIR regional partner) conducts a fact-finding mission to each new country partner to meet CSO actors and a range of bilateral and multilateral donors, INGOs, and government representatives. The new NIR CSO partner is then selected on the basis of prior experience and knowledge of issues related to accountability and corruption, a long-term interest and commitment to these issues, research capacity, and prior monitoring experience.

Once selected, a partner receives formal training from Tiri as well as access to research from NIR members and resources on aid, state-building, corruption, and accountability. The partner then conducts the Reconstruction National Integrity System Survey, a methodology laying the basis for a strategic understanding of the reform process and aid world. This informs the group's monitoring priorities and helps build its capacity. Tiri provides close support through frequent interaction and training in order to ensure the excellence of the partner's work.

Participatory Budgeting Theme Page

Participatory Budgeting (PB) is the process by which citizens deliberate and negotiate over the distribution of public resources. PB programs are implemented at the behest of governments, citizens, NGOs, and civil society organizations to give citizens a direct role in deciding how and where public resources should be spent. These programs create opportunities for engaging, educating, and empowering citizens, which can foster a more vibrant civil society. PB also helps to promote transparency, which has the potential to reduce government inefficiencies and corruption.

The International Budget Partnership's website recently launched a participatory budgeting (PB) theme page to better prepare NGOs and citizens to work with policymaking institutions. Designed to be useful to newcomers to PB as well as to those who have been involved with PB for some time, the page is divided into two sections.

Section 1:

- What is participatory budgeting?
- Origin and development of PB
- How does the Porto Alegre PB model work?
- Examples of PB around the world

Section 2:

- What types of different experiments have governments implemented?
- Strategies to increase the likelihood that PB is adopted
- Strategies to increase the likelihood that PB functions well
- Follow-through
- Resources on how PB programs work

If you have ideas to improve the content of this website, please contact us at info@internationalbudget.org.

To visit the website, go to: <http://www.internationalbudget.org/themes/PB/index.htm>.

Case Studies on the Impact of Civil Society Budget Work

This useful resource has recently been summarized in two publications. A Practitioner's Guide discusses the tools to have impact on governance and poverty reduction and the synthesis paper has been written for an academic audience. Both of these summaries are accessible through the IBP website at <http://www.internationalbudget.org/casestudies.htm>, where the full case studies can also be found.

Go to the practitioners' guide: <http://www.internationalbudget.org/PractitionersGuide.pdf>.

Go to the synthesis paper: <http://www.ids.ac.uk/ids/bookshop/wp/wp279.pdf>.

Arabic Version of *A Guide to Budget Work for NGOs*

Bound copies of *A Guide to Budget Work for NGOs* in Arabic are now available, in addition to the previously published English, Spanish, and Russian versions, and can be obtained online at <http://www.internationalbudget.org>. Each version includes a CD-ROM (in English) containing a wide range of supplementary materials — documents, presentations, and budget training materials — that are referenced throughout the guide. The CD-ROM should be of particular use to those for whom Internet access is unavailable, limited, or costly.

If you would like a free copy of the bound version of the guide and the accompanying CD-ROM, please send a message to info@internationalbudget.org or go to: <http://www.internationalbudget.org/BudgetGuideArabic.pdf>.

IBP Newsletter in Russian

The IBP newsletter has maintained its audience in English, French, and Spanish and has recently released its first issue in Russian thanks to the interest and collaboration of the

Revenue Watch Kazakhstan and Spravidilivost, a local NGO, to translate the newsletter into Russian. We hope that the demand for the Russian version of the newsletter continues to grow as we continue to work with Eastern European organizations. To subscribe to the IBP Newsletter in Russian, send an email to info@internationalbudget.org.

NGO School in Kazakhstan

From 2-7 April 2007 the Soros Foundation Kazakhstan will hold its traditional NGO school in cooperation with the Ukrainian NGO Teachers for Democracy and Partnership and the IBP. The school builds on previous efforts to involve civil society in the budget process by providing technical support to NGOs willing to engage in budget analysis and monitoring. Every year the number of Kazakhstani NGOs interested in budget analysis and monitoring increases steadily, so it is important to support the qualitative development of NGOs in this area.

During the six-day course, participants will be provided with an understanding of the budget process, budget terminology, case studies of budget groups from around the world, quantitative analysis, dissemination methods, and policy debates. These tools will be used to develop a budget advocacy strategy, understand the potential of applied budget work, and overcome barriers to obtaining information.

In 2006 the school conducted basic-level training devoted exclusively to building institutional capacity among existing and prospective budget watchdog NGOs. Trainers from South Africa, Mexico, and Russia shared their experience and skills with Kazakhstani NGOs. This year the school plans to hold an intermediate-level training to build budget analysis and budget advocacy skills and form a cadre of trainers who can conduct budget advocacy trainings in Russian.

The course will help civil society in Kazakhstan not only to promote transparency in public spending by engaging in the budget process, but also to influence government decision making through collaborative advocacy. It will be followed by a grant competition among the participating organizations.

The school is open to civil society organizations that are conducting budget work or interested in undertaking budget work in Kazakhstan. Participating organizations will be selected by the Experts' Committee of the Budget Transparency and Public Accountability Program (Soros Foundation Kazakhstan).

For more information, contact Bota Ayazbayeva at bayazbayeva@soros.kz.

Tax Seminar, Accra, Ghana

In December the International Budget Partnership (IBP) and the Integrated Social Development Centre (ISODEC) co-hosted "Civil Society Work on Taxation," the first in a series of seminars for senior budget groups, in Accra, Ghana.

The seminar was aimed at experienced budget groups that have expressed interest in conducting tax monitoring and analysis. It explored the political economy of taxation, trends in tax reform, tax incidence, tax and gender, tax evasion, and local taxation. Participants included the Institute for Public Finance (Croatia), Fundar (Mexico), CIPPEC (Argentina), CGBA (India), Gdansk (Poland), IPPR (Namibia), CBPS (India), BIGS (Indonesia), CIIDH (Guatemala), UDN (Uganda), Tifa Foundation (Indonesia), and the University of Dhaka (Bangladesh).

Substantial attention was paid to the practical applications of tax work. One of the presenters, Mick Moore from the Institute for Development Studies at the University of Sussex, noted that there is little collective action by taxpayers in developing countries. Taxpayers are more likely to seek individual solutions than pursue collective action, which occurs more often over expenditure issues than tax issues.

Joel Friedman from the Center on Budget Policy Priorities suggested that civil society groups identify coercive tax-collection practices and call for their abolition, while also suggesting alternative sources of revenue. Mick Moore pointed out that civil society organizations could find a number of allies in this work, such as the International Monetary Fund (IMF) and tax authorities. He further emphasized that a significant shift in the global environment over the last decade bodes well for the development of revenue monitoring.

John Christensen from the Tax Justice Network raised the important point that the technical, legalistic terminology used in tax analysis is often a barrier to placing this work in the domain of civil society activism. His organization advocates discussing tax issues in the language of economic justice instead.

A participant in the seminar, Anto Bajo of the Institute for Public Finance in Croatia, stated that it "opened a new dimension for our research and applied tax work."

The seminar showed that the hurdles involved in initiating tax monitoring and analysis, such as lack of information and technical skills, are similar to the hurdles groups faced in starting expenditure monitoring and analysis several years ago. The current international climate, meanwhile, is conducive to tax work. Participants asked the IBP to act in a supporting role and identify other groups that are able to provide support. Accordingly, the IBP and its partners will continue to provide capacity building and learning opportunities to promote tax monitoring and analysis.

The seminar was the first in a series that will be held in response to requests by several budget groups at the IBP's 2005 strategic planning meeting for joint-learning seminars that explore a specific budget-related topic in depth. The IBP is planning two additional advanced seminars in 2007; possible topics are budget oversight and monitoring budget implementation.

For more information on this work, contact Albert van Zyl at albertvzyl@gmail.com.

For presentations from the seminar, go to:
<http://www.internationalbudget.org/TaxSeminarPresentations.zip>.

To read the Guide to Tax Work for NGOs, go to:
<http://www.internationalbudget.org/GuideTaxWork.pdf>.

New Publications: *Monitoring Government Policies. A Toolkit for Civil Society Organizations in Africa* by CAFOD, Christian Aid, and Trocaire (in English) and *Oil Gloss of Economy* by Ingilab Akhmedov (in Russian)

Monitoring Government Policies. A Toolkit for Civil Society Organizations in Africa

A new resource developed by CAFOD, Christian Aid, and Trocaire aims to support civil society organizations (CSOs) to see what difference government policies are really making. CSOs are increasingly playing an important role monitoring the implementation and impact of public policies. This involves collecting evidence to see if governments are delivering the resources for health, education or local development that they promised. Or it can mean collecting evidence to see what the positive or negative impacts are of a particular policy. The data collected from monitoring is then used by civil society groups to engage in evidence-based advocacy to ensure proper implementation of existing policies and services and influence future policy decisions.

The tools and case studies in the publication were developed over one year and piloted in workshops in Sierra Leone, Malawi and Ethiopia. For groups interested in holding their governments to account for the impact and implementation of government policies but who don't know where to start, the toolkit will provide a step-by-step introduction. For groups already engaged in this kind of work, the toolkit will provide fresh ideas and useful case studies from other African organizations.

To access the toolkit in English, go to:

<http://www.internationalbudget.org/MonitorGovPol.pdf>.

(French and Portuguese translations are forthcoming).

Oil Gloss of Economy

The book *Oil Gloss of Economy*, by Ingilab Akhmedov, discusses the activities of the Public Finance Monitoring Center (PFMC), which for several years has studied the role of oil in Azerbaijan's economy. The book, aimed at readers both inside and outside Azerbaijan who are interested in oil questions, explains how the country's oil revenues are managed. Azerbaijan is experiencing an investment boom in the petroleum sector. While the inflows of these investments appear quite beneficial to the economy, they could turn into a curse commonly known as the "Dutch disease," which happens when increased revenues from natural resources raise the exchange rate, making the manufacturing sector less competitive and thereby deindustrializing the economy.

The book also discusses numerous other examples of oil-producing countries and provides a comparative analysis of ways to manage oil revenues.

To read the publication, go to:

http://www.pfmc.az/cl2_fmc/files/2007/01/27/185120337_0.pdf.

To learn more about PFMC, go to: <http://www.pfmc.az>.

New Materials in the Budget Library

The Human Rights Impact of Local Government Corruption and Mismanagement in Rivers State, Nigeria

By Human Rights Watch

The report details the misuse and theft of millions of dollars of oil revenues by local officials in Nigeria's top oil-producing state, as well as the harmful effects on primary education and basic health care. Based on interviews with Nigerian officials, international donors, civil servants, health care workers, teachers, civil society, and local residents, the report also offers specific recommendations for these groups.

Improving Fiscal Governance and Curbing Corruption: How Relevant are Autonomous Audit Agencies?

By Carlos Santiso/International Public Management Review

This paper explores the external oversight of public finances. It argues that the contribution of autonomous audit agencies to fiscal control and financial accountability is hampered by structural factors linked to the political economy of government auditing, in particular the dysfunctional linkages among government auditing, legislative oversight, and judicial control.

Budget Analysis and Policy Advocacy: The Role of Non-Governmental Public Action

By Mark Robinson/Institute of Development Studies

This paper examines the impact and significance of independent budget analysis and advocacy initiatives that are designed to improve budget transparency and the poverty focus of government expenditure priorities. It draws on case study research of six budget groups in Brazil, Croatia, India, Mexico, South Africa, and Uganda, which include non-governmental organizations, research institutions and social movements. The findings demonstrate that civil society budget initiatives contribute to improvements in the transparency of budget decisions and the budget process, increased budget awareness and literacy, and deeper engagement in the budget process on the part of legislators, the media and civil society organizations.

Expanding Collaboration Between Public Audit Institutions and Civil Society

By Vivek Ramkumar/International Budget Partnership

This paper presents brief overviews of innovative civil society and SAI practices adopted in six countries that were represented at an IBP audit conference in Manila that brought together representatives of civil society organizations and officials from public audit institutions. The overviews are followed by an analysis of the opportunities that are available for increasing collaboration between civil society organizations and national public audit institutions – as well as the challenges that these working relationships will generate. Finally, the paper discusses the steps that could be taken to mitigate these challenges and raise the profile and acceptance of participatory audit practices.

Budgetary Priorities in Georgia. Expenditure Dynamics since the Rose Revolution

Transparency International-Georgia

This paper focuses on the most significant fiscal changes since the "Rose Revolution" in Georgia, such as the state's increased revenue-collecting capacity as a result of the adoption of the new tax code in 2004. The paper also discusses the challenges of the Medium-Term Expenditure Framework (MTEF) process to increase efficiency and transparency and more result-oriented policies. Based on approved budgets and subsequent amendments and fulfillment reports the paper presents Georgia's expenditure policy priorities.

New IBP Staff

We are pleased to announce that Shaamela Cassiem, Helena Hofbauer, and David Walsh have joined the IBP staff.

Cassiem joined the IBP in October 2006 and will be based at IBP-Cape Town. She will be responsible for developing IBP training aimed at enhancing civil society participation in budgeting in transition and developing countries.

Cassiem previously worked at the Children's Budget Unit at Idasa in South Africa, where, together with her colleagues, she was instrumental in pioneering a rights-based approach to budget monitoring. During her time at Idasa she set up and coordinated Imali ye Mwana, a civil society network monitoring children's rights and public budgets in southern Africa.

Cassiem has a background in adult education and training, children's rights activism, and applied budget work. She holds a postgraduate qualification in adult education from the University of Cape Town and an M.Phil in development studies from the Institute of Development Studies, University of Sussex.

Hofbauer joined the IBP in January 2007 as manager for partnership development. She is based at IBP-Mexico City and works with groups throughout Africa, Asia, and Latin America to develop their capacity for civil society budget work and promote a South-South sharing of knowledge in the field. She currently manages the IBP's Civil Society Budget Initiative and the Central America Incentive Fund.

Previously, Hofbauer worked on refugee issues and human rights in Mexico before becoming the founding director of Fundar, Centro de Análisis e Investigación, one of the world's leading budget groups. At Fundar she worked on health and budgets, gender-sensitive budgeting and transparency while helping develop comprehensive budget advocacy strategies in Mexico and Latin America. Hofbauer earned a BA in international relations at El Colegio de México and an MA in international peace studies at the University of Notre Dame.

Walsh joined the IBP in October 2006 as senior administrative associate. He will serve as the main administrative support for the IBP's director, Warren Krafchik, and the IBP training team.

Walsh has many years of administrative and media experience, having come fresh from "The NewsHour with Jim Lehrer" on PBS. As his role expands, he will also be involved in development and networking for the IBP. David has lived in Moscow while studying at the Pushkin Institute, holds a minor in French, and has studied Spanish.