In May 2006, the IBP Newsletter published the results of six case studies that measured the impact of budget work around the world. Two articles in this issue continue that discussion. First, the Brookings Institution’s Transparency and Accountability Project explores the difference between “outputs” and “outcomes” in budget work. Second, Mark Robinson, head of governance at DFID, shares his views on the impact of budget analysis and the role of non-governmental public action.

Also in this issue, we report on exciting recent developments in the struggle for transparency and accountability in Liberia and the growing use of radio in budget work in Azerbaijan, Georgia, Guatemala, Indonesia, Kenya, Niger, and Uganda. Our updates section focuses on recent work in Bolivia, Central America, Kazakhstan, and Tanzania. Finally, we print a response from the Tax Justice Network to a survey of offshore financial centers published by The Economist.

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Independent Monitoring Organizations: A Qualitative Look at Performance by Graeme Ramshaw

A natural outgrowth of recent trends in international development toward greater popular participation and greater demand for government scrutiny has been the emergence of the independent monitoring organization (IMO): a CSO whose mission is to monitor and analyze government policies and services and demand more transparent and accountable government performance. But what has been the track record of these IMOs in achieving progress toward their objectives?

What’s the record?

Several themes distinguish themselves and can be categorized into two groups: outputs and outcomes.

**Outputs**

Outputs, being generally well-defined, are often the first targets of nascent IMOs. Faced with overhauling decades of opaque governance, it is logical to select a clearly drawn objective and focus resources on attaining it. IMOs and donors are similarly attracted to outputs because they lend themselves to project-based strategies. By consequence, the bulk of IMO activity has been centered on three output themes: government transparency, government monitoring and policy analysis, and public education on government services and citizen rights.

Underlying many citizens’ complaints about government is a lack of information about how government revenues, such as taxes and foreign aid, are being spent. IMOs have thus focused on pressuring governments to produce and publish more budget data and be more open about decision-making processes. RTI/FOI laws like those passed in Mexico and India provide IMOs with better tools for demanding timely, accurate information from government. This enables IMOs to become repositories of data, ensuring that more information is available to a wider audience.

Information once made available, however, may not ensure better accountability. The raw government data can be difficult to interpret due to arcane language and, in the case of budgets, confusing accounting practices. In this situation, IMOs, with their educated and motivated staffs, serve a valuable role as analytical filters, interpreting data and providing digestible information to the public. Some groups focus on performing analyses of publicly available data; others gather their own data to provide timely policy prescriptions to citizens and government.

Even with information and analysis on government policies publicly available, it is difficult for civil society to hold its government accountable without an engaged populace. IMOs can serve to bridge this knowledge gap between citizens and the state. Legislators are also sometimes under-informed about certain government processes and can benefit from trainings. Molding citizen concerns into clear advocacy topics encourages greater participation, while building good relationships with state officials helps this engagement more effective.
Outcomes

Outputs like those above are important steps in the progression toward better governance. Yet, each taken independently can only accomplish so much. Attaining each alone, while improving the governance environment, does not necessarily shift the underlying accountability structure in a sustainable manner. Those aiming for long term improvements must look toward affecting outcomes, like policy/legislative and participatory budgeting/governance, as the ultimate objectives of government monitoring work.

Much of the output-level work of IMOs goes toward precipitating a change in government actions. The primary goal is to create the framework for good governance to occur. Legislative changes, such as RTI/FOI laws, do not necessarily imply policy changes. Governments have a history of ignoring inconvenient laws; what matters is how it operates in practice. Challenging the government and the populace to utilize new laws or enforce old ones and to have them become accepted practice represents the means toward making a successful output a successful outcome. Generating this kind of change is hard, however. Few examples of significant, sustainable change have been documented.

Be it asking for more funding for social programs or identifying corruption in existing spending, IMOs often take confrontational stances with government. Given an appropriate set of circumstances, however, it becomes advantageous for government to invite constructive cooperation with civil society to promote good policies. Indeed, the relationship between government and civil society need not be wholly adversarial. While IMOs readily serve as government contrarians when the situation demands, they should be equally willing to be government partners when merited. As the Porto Alegre experience shows, participatory governance represents a promising way for governments and citizens to work together to produce better development outcomes.

Lessons from Experience and Ways Forward

1) The evidence from IMOs shows that concerns about the lack of capacity in developing countries can be exaggerated. Many groups possess the underlying capacity to perform many of the elements of basic monitoring, analysis, and advocacy. What is needed is targeted technical assistance, in the form of a mentoring program in which groups with better expertise provide newer groups with assistance, providing guidance on strategic decision-making and detailed policy analysis.

2) The governance environments in many countries necessitate a strategy whereby objectives are achieved through incremental successes on very defined and targeted projects. Indeed, advocacy work more generally is largely campaign-based, with research and analysis serving a supporting role to legitimize the argument. Thus, while core support is undoubtedly important to IMOs, there is room for short term project funding, so long as it is delivered in a way that conforms to the IMO’s mission.

3) Few positive long-term changes have been achieved. IMOs are a relatively new breed of CSO, and it may be too soon to be assessing impact. However, it may suggest that IMOs have focused too narrowly on certain elements of government performance, or have cast themselves in too adversarial a light to work effectively with government officials. It may also be proof that government monitoring, while a critical element of good governance, is not sufficient on its own to effect changes to a country’s governance structure. Rather it must operate in tandem with the development of an independent media, the
institutionalization of the rule of law and democracy, and strengthening of civic engagement writ large.

To read the full paper, go to:

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**Liberia’s Budget Faces Scrutiny from Auditor General and CSOs by J. Aloysius Toe**

In June 2007, the office of the Auditor General (AG) of Liberia called on the legislature to send the government’s draft 2007/2008 budget back to the executive for revision. “Overall, the draft national budget does not meet the minimal test of completeness and fair disclosure,” the AG said in a communication to the legislature. “It is not auditable, accountable, or transparent. It does not measure the true financial position of the Republic of Liberia. It is lacking substantive information.”

In September 2006, the Foundation for Human Rights and Democracy (FOHRD), a Liberian NGO, had released an analysis of the draft budget that identified significant disparities between allocations for major social service projects and for salaries of civil servants and top bureaucrats. The budget was clearly designed to benefit a few high-ranking government officials at the expense of services that benefit the poor, FOHRD charged.

The government budget director responded by accusing FOHRD of spreading lies and misinformation to get donor funds. The Information Ministry called FOHRD a “trouble maker” and the Executive Mansion and the ruling Unity Party precipitated verbal attacks against the organization. Media articles accused FOHRD’s executive director of intending to undermine the government.

Similarly, the President responded to the AG’s report by accusing the AG of breaching a 1972 law — subsequently repealed — that obliges the AG to conduct a post-audit, not a pre-audit. This may be the President’s way of getting even with the AG for its critique, said Aloysius Toe, director of FOHRD. Also, the Ministry of Finance argued that the AG’s assessment of the budget was incomplete due to the AG’s lack of involvement in the budget process.

The government’s unfortunate reaction to the AG’s report suggests that it is not disposed to address the issues the report raised. These include:

- The revenue section of the draft budget fails to meet minimal standards of disclosure. For example, it lacks an executive summary, a table of contents, page numbers, and explanatory notes. There also are numerous spelling mistakes.
- There is no line in the revenue portion of the budget for “open balance” (the amount of surplus funds carried forward from the previous year). Open balances are a fundamental element of any accounting and financial management system.
- Several sources of revenue, including the government’s shares in private companies, were not included in the budget.
- The budget performance report for 2006-07 was not included in the draft national budget.
The AG’s report also highlighted other information missing from the budget, such as the projected year-end surplus and how the budget treats projected bank account balances in line ministries, commissions, and agencies.

Liberian CSOs are collecting signatures on a draft petition to the legislature asking it to return the budget to the executive for revision, approve a three-month interim budget, and approve an audit of the government by an external auditor under the auspices of the European Union. FOHRD supports these measures and is planning a press conference to ask the legislature to request the executive to implement the AG’s recommendations.

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**Using Radio for Budget Advocacy: Stories from Azerbaijan, Guatemala, Georgia, Indonesia, Kenya, and Uganda by Rocío Campos**

Civil society organizations involved in budget work around the world have explored creative ways of disseminating budget information, raising awareness on budget issues, and delivering specific advocacy messages to target populations. For many of these organizations, radio has been effective in achieving these goals; it is especially effective in areas with low literacy rates and in remote areas that lack television transmission or adequate public libraries. This article describes efforts to use radio as part of larger budget advocacy and budget literacy efforts by civil society groups in Azerbaijan, Guatemala, Georgia, Indonesia, Kenya, and Uganda.

In many countries around the world, radio is proving to be an effective tool for communication, learning, and action. This partly reflects radio’s wide geographic coverage: radio programs can reach target populations at national, regional, or local levels and in major urban areas or remote rural ones.

Radio is also effective in spreading information on a broad scale in areas with low literacy rates. Even when literacy rates are not an issue, radio offers a space to talk about public finance or budget issues in a more casual way, without intimidating budget documents filled with charts and data. For many NGOs, the use of simple language to discuss public policy issues has been a powerful tool to raise awareness among citizens about their right to question particular uses of public funds and demand accountability from public institutions.

NGOs have also found that the interactivity of radio promotes direct communication between citizens and government officials. Listeners have an opportunity to ask questions and present their concerns, while officials have an opportunity to provide answers. Building trust and effective communication between citizens and their government helps the government understand citizens’ needs — and helps citizens understand how government manages public priorities.

When using radio in an advocacy campaign, NGOs should select a radio station with the right coverage and profile, find a strong partner to support the program financially, develop an attractive agenda and schedule, invite interesting speakers, and air the program when the intended audience is most likely to be listening. In addition, a group can further promote an advocacy campaign by combining radio programs with the distribution of leaflets, publication of articles, and/or appearances in television shows.
Upcoming issues of the *IBP Newsletter* will report on other examples of the use of radio by civil society budget groups. In addition, links and MP3 versions of the radios programs mentioned in this article will be made available.

**NIGER**

In 2001 a group of intellectuals in Niger created the association Alternative Citizens Spaces (AEC). The goal of the organization is to defend human rights while working to promote education amongst citizens, protect the environment, and reinforce democracy. In 2003, AEC acquired a radio station transmitting in the capital Niamey and surrounds on 99,4 MHZ. The radio is widely listened to in Niamey, and is therefore an effective means of communicating with AEC's two target audiences, namely women and youth.

In 2003 the campaign conducted by AEC radio against the spread of the HIV/AIDS won AEC a prize from the National Program against HIV/AIDS for best radio transmission on HIV/AIDS. AEC realized that it could use radio as an advocacy tool. In 2004, the Management of Radio Programs developed a program known as *Public Debates* with the goal of influencing the municipal policies of Niamey and improving the access to basic social services (health, education, access to drinking water) in disadvantaged neighborhoods. The objective was to mobilize public opinion in order to influence municipal policy in favor of the poor.

Based on information collected beforehand, the hosts of the radio show target a neighborhood where the problem of access to basic social infrastructure is particularly pressing. They then contact the inhabitants of the neighborhood to talk about access to social services. Following this exchange, a strategic objective is defined together with the inhabitants and a date is set for a public debate. The radio station then invites the inhabitants of the area to take part in the debate.

On the assigned day the radio installs a studio in the neighborhood and invites the public to discuss a specific topic. This allows a direct dialogue at the heart of these communities in order to gather different points of view, analyses, and priorities of the concerned people. The information collected is then broadcasted by AEC for several days. Subsequently the radio invites councilors and elected mayors to participate in round tables on the subject. Sometimes the radio also challenges the responsibility of these elected officials with respect to their voters. Conferences on the access to basic social services are also organized and serve as an opportunity for human right activists to support the struggle of underprivileged populations.

Even though it is difficult to evaluate the results of this advocacy effort to improve the access to basic social services; it is certain that this campaign has contributed to the creation awareness of the living conditions in poor areas. This initiative has already contributed to a slow down in many abuses of authorities and in 2006 it helped to block a decision of the municipal authorities to destroy neighborhoods inhabited by thousands of people. Since then, delegates of other areas have directly requested Radio Alternative to organize similar public debates in their neighborhoods. The management of the radio programs has now expanded the topics it covers (including the rights of the domestic workers, and access to public education etc). AEC has recently also started doing research on the government’s health, education and water services budgets in order to further support their grassroots advocacy.
GUATEMALA

A new social pact has been introduced in Guatemala since the peace accords of 1996. The approval of laws on decentralization and urban and rural development has created opportunities for community planning and participation. One exciting example of these opportunities is the alliance formed in 2005 by the Ministry of Planning, the Guatemalan Institute for Radiophonic Schools (IGER), and the Development Foundation for Central America to expand citizen participation in public finance issues.

Given the country’s low educational level and the importance of the new laws, it was necessary to create mechanisms to inform municipal workers in particular and civil society (especially in rural areas) in general, about the laws. Hence, the alliance created a guide to the new development law aimed primarily at municipal and community councils. This idea evolved into a distance learning program that integrates a textbook, tutor, and lessons over the radio. (Almost every home in Guatemala has a radio.) “Hands That Plow,” a 30-minute class offered three times a week, covers three modules: community development councils, participatory planning, and participatory budgeting.

The alliance also produces “Harvesting the Field,” a one-hour radio program transmitted via satellite at the national level. Each week an expert is interviewed on a different topic; the audience can call in with questions and comments.

Around 5,300 students have enrolled in the distance learning program, out of which 3,000 have received a diploma. In addition, a significant portion of the local population listens and participates in the radio programs. For example, people call in with comments and questions on how to prioritize community demands in the budget and how resources are being allocated at the local level.

This effort has been successful in many ways, according to Mayra Palencia, who works on transparency issues and corporate responsibility at the Chamber of Commerce in Guatemala. It has narrowed the communication gap between municipal authorities and community organizations, shown that budget and economic issues are neither “elitist” nor “urban,” and awakened citizens’ desire to promote social accountability and demand accountability from public institutions.

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INDONESIA

Four years ago, the Bandung Institute of Governance Studies (BIGS) launched a joint radio program with Radio Mara FM, a private radio station heard all over Bandung City, West
Java, Indonesia. The program, broadcast once per week, consisted of a 15-minute presentation by an expert, two public service announcements, and a 90-minute discussion with listeners who called in.

To further its goal of advancing budget transparency, BIGS made budget issues the program’s main focus. Broadcasts covered themes like education, health, small businesses, infrastructure, social security, taxation, and transportation. BIGS also inserted announcements promoting budget transparency into the program.

Though budget issues were not a common topic of conversation among citizens (the government does not encourage public involvement in the budget process), the program raised public awareness of budget issues, prompting six or seven calls every show. In addition, newspapers, magazines, and radio and television programs started covering budget issues.

“Only five years ago, the public budget was an obscure document. Today, more and more people are making an effort to understand the budget and its implications. This has positively impacted the budget advocacy efforts in our municipality,” said Alwin Khafidhoh from BIGS.

Unfortunately, the radio program was canceled after a change in director at Radio Mara. This highlights one of the lessons of this experience for civil society: the importance of having the support of a radio station that is comfortable with the issues being discussed.

It is also important for civil society to select a radio station that reaches the target audience, and then tailor its message for that audience. In the case of Radio Mara, BIGS designed a talk show for active citizens. However, BIGS can tailor the content of its program to suit younger audiences or specific sectors of the population, like educators, health providers, or social workers.

In addition, civil society needs to know when the target audience will be listening to the radio. Most likely an adult target audience interested in politics and economics can best be reached in the morning. If the target audience consists of homemakers, the daytime would be the best time to reach them. The evening would be more suitable for a younger audience.

To appeal to the audience, the program’s agenda should blend several components, such as discussion, announcements, and music. It is easy to lose the audience’s attention if a program presents only fact after fact. BIGS has even introduced quizzes and door prizes to attract new listeners.

BIGS is confident that by continuing other efforts to promote media coverage of budget issues, it can effectively encourage citizen participation and raise awareness on budget issues not only in the radio but also in television, newspapers, and magazines.

For further information, contact Alwin Khafidhoh at bigs@bdg.centrin.net.id.

**GEORGIA**

The Open Society–Georgia Foundation (OSGF), a member of the Open Society Institute Network, was created to promote a free and open society in Georgia. The OSGF’s Rule of
Law and Public Administration Program promotes government reforms based on the principles of good governance, transparency, and civil society participation.

With OSGF’s financial support, a Georgian radio station launched a weekly program last year called “The Head of the Supreme Court Listens to You.” The station, Radio Green Wave, was founded in 1995 to establish democratic values, strengthen civil society, and support the non-profit sector in Georgia. It reaches 4.5 million people, more than 40 percent of the country’s population.

Starting in September 2007, the program will be renamed “The Georgian Government Listens to You” and different government ministers will be invited to appear and discuss public reforms such as the legal aid reform; the rehabilitation of the infrastructure of the penitentiary system and its institutional reform; the medical aid program for families under the poverty line; and the revision of the medium term expenditure policies and state budget. Citizens will be able to participate by calling during the show or by sending questions beforehand via the Internet or SMS (Short Message Service). The broadcast will also be available live on the Internet.

“There is reason to believe that this show will enhance efforts to promote transparency and public participation by promoting a sense of collective ownership of the country’s reform processes,” said Tamuna Kaldani.

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AZERBAIJAN

One of the aims of the National Budget Group (NBG), based in Azerbaijan, is to popularize budget issues. “We think that ordinary people should be involved in these issues. People need to see and feel budget problems and their impacts, know their rights and the responsibilities of the government, and claim their rights. Otherwise there will be no improvements,” said Fidan Najafova from NBG.

NBG has strengthened its relations with printed media, which is a useful way to reach experts and policymakers, but the most effective way to reach a wider audience is through television and radio. Many people in Azerbaijan get their news through television and radio programs.

One of the most prestigious and popular radio networks is the international network Radio Liberty. It has a weekly program that discusses budget transparency issues in simple language suitable for a broad audience. NBG has appeared on this program several times to discuss the importance of transparency and explain the link between budget awareness and public demands for government accountability.

One program was dedicated to problems with the budget for education and the “informal school funds” (education funds collected from parents) where NBG discussed the research presented by the Center for Assistance to Modern Education. Although most schools are subsidized by the state, almost every school collects money from parents for parties, holidays, repair work, or exams. This practice is unlawful, yet these “informal funds” make up 60 percent of all school spending. Surveys held in 100 schools with 2,300 respondents (students and parents) suggested that this problem is the result of inadequate funds for education and the absence of education planning laws. Subsequently Radio Liberty
conducted another survey, raising further awareness of a situation that affects millions of families.

A recent Radio Liberty program was devoted to NBG’s analysis of the implementation of the 2006 budget and the amendments adopted for the 2007 budget. While NBG also mailed copies of its analysis to government officials and received coverage in the print media, it was the radio program that spread NBG’s message most effectively. Programs like this succeed because they use simple language, are addressed to ordinary people, are relevant to everyday issues important to the general public, and empower people to claim their rights over how public funds are spent. “Our official reports use charts and economic terms, but when we make a radio program we describe the findings in a simple way that is attractive to everyday people,” said Najafova.

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KENYA

The Institute of Economic Affairs (IEA) in Kenya is well aware of the media’s importance in raising budget issues and shaping public opinion. Public libraries and information centers in Kenya are poorly stocked, government documents are expensive, and few organizations conduct budget research and analysis, particularly at the national level.

Unfortunately, IEA has noted that journalists do not always capture budget information correctly. Therefore the group has conducted trainings for journalists in public finance and trade.

Interest in budget issues appears to be growing, especially in sectors like education and health. One sign is the frequent appearances of IEA staff in television and radio panels discussing budget issues. Nevertheless, more must be done to promote public debate and spark the interest of universities, think tanks, and political parties.

For instance, earlier this year IEA approached a local radio station with high listening ratings outside the capital city to present a radio program based on IEA’s Citizens Handbook on the Budget Process. (See: http://www.internationalbudget.org/resources/howto/CitizenBudgetHandbook.pdf) The program is divided into three one-hour segments, each of which covers one section of the handbook. During the segments, which are broadcast in Kiswahili at noon, the head of IEA and the radio presenter discuss relevant issues and then open the telephone lines to the public.

Also this year, IEA received a request from an independent firm interested in doing a budget series on television, which would allow a more in-depth discussion of budget issues. Unfortunately, IEA cannot pay for the series, but if the firm finds a sponsor IEA will participate in the project as resource experts.

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UGANDA

The Uganda Debt Network (UDN) has established important connections with government officials, activists, and media outlets, in particular the local radio stations that broadcast programs linked to UDN’s budget monitoring work.

UDN strives to provide national-level visibility to the community monitoring committees it initiated to track problems in local implementation of government development projects. These citizen monitors report any problems to the local authorities to ensure that funds are spent in line with budget provisions. UDN has successfully brought the monitors’ findings to national authorities for redress.

UDN has also facilitated the local advocacy process by featuring stories on advocates’ work in the materials UDN publishes and disseminates across Uganda and by supporting local radio programs where monitors can present their findings.

The success of the UDN-sponsored radio programs can be seen by the comments of radio listeners — and, in one district, by the fact that the local government felt the need to start its own radio program to respond to the monitors’ allegations.

In addition, UDN was a key player in setting up a civil society network called the Anti-Corruption Coalition of Uganda (ACCU), created to mobilize communities to demand government action against corruption. Since 1999, ACCU has been sponsoring an annual “anti-corruption week,” during which it organizes phone-in radio talk shows on corruption issues, broadcasts television programs on how corruption can be eliminated, and organizes participatory anti-corruption events such as art exhibitions, essay competitions, and public rallies. (See: http://www.anticorruption.or.ug/anticorruptionweek.htm.)

The Africa Budget Project has produced short audio spots focusing on successful applied budget work in Africa. Examples include:

- an introduction to Idasa’s Budget Information Service;
- child budget analysis in Mozambique, South Africa, and Zimbabwe;
- an introduction to Ghana’s Integrated Social Development Centre; and
- background information on parliament and the budget.

For more information, contact abp@idasact.org.za or visit http://www.bbc.co.uk/radio4/womanshour/2003_49_mon_02.shtml.

As part of a comprehensive media campaign, ACCU conducted radio and television talk shows across the country to generate public interest in the education initiative. It contacted radio producers to encourage them to dedicate a day of programming to the issue, and helped identify experts (such as representatives from the teachers’ union and the Ministry of Education) to appear on these talk shows.

During the 2006 anti-corruption week, civil society activists, government anti-corruption agencies, and key stakeholders launched a nationwide advocacy campaign to improve the quality and management of the country’s Universal Primary Education (UPE) system. In particular, the campaign aimed to trigger activism among key stakeholders such as parents and teachers by giving them a stronger mandate to monitor and certify educational materials, buildings, and services.
In 2005 the anti-corruption week was designed to raise public awareness about the cost of corruption in public procurement. Regional coalitions used a significant proportion of their budget to raise awareness through local FM radio stations broadcasting in local languages. At the national level, the media committee worked with select media organizations with wider national coverage.

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Investigating Corruption in Public Education in Kazakhstan by Abenova Maira

DOM (the Russian word for “house” or “home”) was founded in 1996 to promote public participation in the oversight of public institutions; it is based in the city of Semipalatinsk, in eastern Kazakhstan. In 2005 DOM started its budget monitoring activities, with a focus on education.

To find out if people have access to budget information on education, DOM polled 120 parents and 30 teachers in various schools. Four-fifths of the parents, and all of the teachers, responded that they do not know the size of their school’s budget. Interestingly, most respondents blamed this situation on the lack of funds for education. Only 27 percent of parents and 10 percent of teachers stated that one of the reasons for collecting money is the opacity of the budget. Every fourth parent and every third teacher attributed this situation to the low literacy levels amongst the population.

DOM established a “hotline” for complaints to enable parents to share stories about payments they had been forced to make. Some parents reported that they had been forced to pay for school repairs, the principal’s travel expenses to collect school supplies, and so on. The payment amount varied from $2 to $8 per family. The schools issued no receipts for these payments.

DOM’s hotline was featured on a commercial television program, and a newspaper article entitled “If scared of bribery — do not go to school” discussed the magnitude of the problem across Kazakhstan. When a private television channel devoted a live program to the problem of transparency in school budgets, more than 6,000 viewers responded to the question, “Do you give money for the needs of your school voluntarily?” The responses confirmed that forced parental contributions are a serious problem.

The next step in DOM’s research was the project “School Budgets: Simple and Accessible,” designed to enable citizens to participate in the budget process through the creation of experimental sites in certain city schools. DOM carefully selected the schools for these sites: two are headed by members of the city council, and one has been the source of most of the parents’ complaints about forced contributions. In addition to distributing notification letters to the principals of the schools selected for the project, DOM disseminated more than 10,000 information cards, posted 1,000 leaflets, and prepared information posters for the schools.

At these schools, DOM conducted a seminar called “Public Participation in the Budget Process” for local officials, union and school administrators, students, and parents, as well as reporters and NGOs. Most participants had never received a training like this, which gave
them straightforward explanations of complicated budget issues. Among the participants were five journalists who confessed that previously, they had had only a vague understanding of budget issues and therefore had rarely asked questions of public officials when covering these issues.

DOM held four sessions of this seminar. It also held public hearings on the issue, with the participation of the chairman of the city council’s budget commission and other public officials, as well as a large group of concerned parents, teachers, and journalists.

The project’s most important outcome was the formation of a parents’ committee to develop a system to monitor the education budget, increase public participation, and discuss problems related to education quality. The lack of openness in the budget process has contributed to numerous violations of the rights of parents, teachers, and students, which in turn have had a great impact on the public’s attitude toward education.

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**Hakikazi Catalyst: Using the PIMA Card to Track Public Expenditure in Tanzania by Jennifer Sleboda**

NGOs use several methodologies to monitor public expenditures at the local level, including community-based monitoring and evaluation (as in Uganda), social audits (as in India), expenditure tracking surveys (as in Malawi), and accountability forums (as in Kenya). Essentially, these systems mobilize local communities to access and analyze information on government expenditures within the community and pressure local governments to use public resources more effectively.

A similar public expenditure tracking system, known as the PIMA card (pima means “measure” in Swahili), is being used in Tanzania by Hakikazi Catalyst, an Arusha-based NGO committed to achieving social and economic justice. The PIMA card is a simple, flexible evaluation tool used by communities to gather qualitative and quantitative information on inputs (e.g., what funds did the community receive?), outputs (how were the funds used?), and outcomes (how did the projects affect the community?) of government expenditures on poverty-reduction strategies.

Participatory processes such as the PIMA card are designed to empower poor communities with information about policies that affect their development and with the skills to work with government and other stakeholders to improve those policies.

In 2006, Hakikazi used the PIMA card to monitor implementation of MKUKUTA, the government’s five-year national antipoverty strategy, in 13 communities in northern Tanzania. Hakikazi shared its findings with the government officials charged with overseeing MKUKUTA’s implementation.

In Tanzania, public funds flow from the central government to district governments, which then disburse them to individual villages. When the village government receives funds from the district for a project, this information is posted on a public notice board and announced at a formal meeting of all adult village residents. (Local governments are also required to
provide government records to the public upon request, but most Tanzanians are unaware of this right.)

In Mkonoo, one of the 13 communities participating in Hakikazi’s monitoring project, the village assembly focused on the use of primary education funds allocated by the district government to the village. To carry out data collection using the PIMA card, the local monitoring committee reviewed the village government’s bank statements, accounting records, and receipts. It found that:

- There were no records to show how $880 of the $7,500 allocated for the construction of three classrooms had been spent. It was also discovered that the iron sheets used for roofing on the classrooms were thinner than those listed in the budget (and required by government standards); the thinner sheets that were used can blow off during a strong storm.
- Similarly, there were no records to show how $900 of the $3,770 allocated for the construction of a teacher’s house had been spent.

Hakikazi and the village monitoring community brought the misuse of funds to the attention of the village, ward, and district governments. The district government subsequently formed a team to investigate the misused funds, the findings of which are yet to be publicized. The central government’s Prevention of Corruption Bureau is also investigating the matter, since district officials may have been involved. This is one small example of how simple, community-level monitoring can lead to improvements in local governance and accountability — and ultimately in the lives of poor people.

Hakikazi’s 2006 expenditure tracking project is the second project in which the group has used the PIMA card to monitor implementation of government poverty-reduction initiatives; the first took place in 2004. Hakikazi plans to build on these two tracking experiences by spreading the PIMA card process to additional communities and districts.

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**Budget Work in Central America**

From 23-24 April representatives of Central American organizations working on public finance, budget monitoring, and citizen participation participated in a two-day workshop in Managua, Nicaragua, organized by the IBP, the Open Society Institute, and **Probidad**, Nicaragua. Participants came from Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama and reflected a wide variety of backgrounds, including doctors, journalists, academics, and activists. The workshop helped them learn about budget work in the region and explore common challenges to obtaining budget information and conducting budget analysis, as well as discuss ways to move forward.

Some of the groups are directly involved in initiatives to increase citizen participation in the budget process and improve access to budget information. For example:

- In Nicaragua, the Institute for Strategic Studies and Public Policies (IEEPP) runs a project called Promoting Citizen Audits on the Social Budget and its Public Policies. As part of this project, IEEPP publishes a “Citizen’s Budget” newsletter to disseminate budget information to citizens, public officials, decision makers, and civil society organizations. The newsletter includes an economic and socio-institutional
analysis of the country’s public budget, with an emphasis on the health and education sectors. (See http://www.ieepp.org/pfort_partciud.php.) Also, IEEPP has recently released several reports exploring mechanisms to monitor transparency in the allocation of defense funds. (See http://www.ieepp.org/cdi_presupuesto.php.)

- In El Salvador, FUNDE recently began work on budget transparency and access to information at the municipal level and has provided assistance on these issues to the municipalities of Nejapa and Sonsonete.
- In Costa Rica, *Fundación Arias* is promoting citizen participation at the municipal level through its *Hagamos Cuentas* initiative. This experience has allowed the group to work on different aspects of public budget policy, citizen participation, and governance.

Other groups in the region are focused on budget monitoring activities. For example:

- In Panama, the Institute for Democracy (ICD) within the Latin University of Panama runs a project on good governance that includes monitoring the work of the national legislature. ICD has also monitored and analyzed the financing sources of political parties and electoral processes.
- In Guatemala, *Coordinación de ONGs y Cooperativas* (CONGCOOP) has monitored the budgets of the ministries of health and agriculture through the Social Expenditure Observatory, which works in conjunction with the International Center for Human Rights Research (CIIDH).
- In Honduras, *Fundación Democracia sin Fronteras* (FDsF) is monitoring the expenditure phase of the budget process and the legislative branch. The group has provided legislators with “sensitizing workshops” to make them more aware of the needs of the populace. FDsF also successfully pushed for enactment of a law to promote transparency and access to information in that country.

To follow up on issues discussed in the workshop, participants expressed interest in developing a newsletter on public budget issues in Central America. The IBP has agreed to facilitate this process and will announce the release of the first issue.

For a list of participants and the agenda, go to: http://www.internationalbudget.org/Agenda-Participantes.pdf.

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**Preparing for the Open Budget Index 2008**

From 29-30 May the Open Budget Initiative hosted a meeting in Washington, D.C., to introduce new researchers to the Open Budget Questionnaire, a survey instrument developed by the IBP to collect the quantitative data used to calculate the Open Budget Index (OBI). The participants came from 28 countries from around the world, including Angola, Argentina, Colombia, Costa Rica, Ethiopia, Fiji, Ghana, Indonesia, Kenya, Liberia, Macedonia, Malawi, Mexico, Mozambique, Nepal, Niger, Nigeria, Papua New Guinea, Peru, Poland, Senegal, Sri Lanka, Turkey, Uganda, the United States, Venezuela, Vietnam, and Zambia.

Participants discussed the questionnaire and common concepts related to public-sector budgeting and financial management that will help researchers complete the questionnaire. They also shared their organizations’ experiences in advocating for greater access to budget information and using this information to hold their governments to account.
In addition, participants discussed current trends in government reforms to public-sector financial management systems. These reforms, in many cases supported and shaped by international donors, in theory aim to improve public access to budget information, help create a more inclusive and accountable budget-making process, and strengthen institutions of accountability.

A key challenge for civil society researchers is evaluating just how these issues develop in practice. Accordingly, the Open Budget Initiative gives researchers basic comparative information and materials, as well as contacts and links to colleagues with similar interests, to support them to make their own evaluation of their own country.

The OBI is intended to help participating groups highlight issues related to public access to information and accountability about their country’s finances and then communicate those issues to the public. For example:

- The Peruvian NGO Ciudadanos al Día will use the OBI’s findings in the transparency reports it produces and in the workshops it provides to journalists and government officials on best government practices. It is important to let national stakeholders know about the Open Budget Initiative and Peru’s ranking in budget transparency, said Cecilia Zevallos of Ciudadanos al Día, which has established best practices awards in areas such as transparency and access to information. “One of the goals of our budget research is to produce reports in a language that is accessible to the public,” she added.

- The Macedonian NGO Centre for Research and Policymaking (CPRM) was founded in 2004 with a focus on public finance at the subnational level. This is the first time CPRM has participated in the OBI, and it is very excited to complement its training materials with national-level budget information. “Starting last March we began to offer budget awareness workshops to activists, members of Parliament, and CSOs and have several workshops lined up until the end of the year,” said Marija Risteska of CPRM. The OBI will help CPRM raise awareness about the necessary changes to make the budget more accessible to the public. It will also help CPRM share best practices and design advocacy campaigns to promote budget transparency. “Our organization has an important advocacy component, which is central to our long-term goal of affecting policy making and the formulation of laws,” said Risteska.

- The Strategic Group in Nepal is planning to organize a forum with government officials where it will present the OBI findings and raise specific concerns, such as the government’s failure to make certain budget documents publicly available and delays in the release of budget information during the budget process. The Strategic Group is also helping prepare a book (available in Nepali and English) on the budget process and budget transparency in Nepal.

- In Venezuela, budget transparency is rapidly fading as a result of new government measures. Today 50-60 percent of the budget is labeled as “discretionary funds” and is managed outside the budget process, which means only 40-50 percent of the budget is approved by the national assembly and scrutinized by the auditor general. This and other important changes in the budget process have alerted civil society to the importance of finding allies within the media and international organizations that can help defend transparency and accountability. The Venezuelan representative at the Washington meeting is exploring the idea of holding an annual forum at which civil society, academia, and government can discuss the priorities and content of the budget before it is approved. The OBI findings would play a key role in such a
meeting, showing which areas need particular attention to improve transparency, accountability, and citizen participation.

To read the presentations and see the full list of participants, go to:
http://www.openbudgetindex.org/meeting.htm

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The Economist supports Tax Havens by Nicholas Shaxson

On February 22, 2007 The Economist magazine presented the article "Offshore and beyond the pale" with the subtitle "Tax Havens are an unavoidable part of globalisation and, ultimately, a healthy one." (See: http://www.economist.com/opinion/displaystory.cfm?story_id=8740214.) The piece discusses an Economist survey of Offshore Financial Centres (OFCs) reaching conclusions that sparked a serious reaction from the Tax Justice Network (TJN). The TJN arose out of meetings at the European Social Forum in Florence in late 2002 and the World Social Forum in Porto Alegre in early 2003, in response to trends in global taxation and globalization. (See: http://www.taxjustice.net/cms/front_content.php?idcat=2.) Below follows the response by the TJN.

The Economist survey concluded that "tax havens thrive not because of crookery, but because they are well run and well regulated." According to Nicholas Shaxon from TJN the survey contains many errors of fact, interpretation, and omission, and the evidence fails to support its misguided conclusions.

Tax haven activities not only facilitate corruption and crime, but also distort markets by, for example, giving companies advantages over their competitors that have nothing to do with the quality or price of their goods and services. They widen inequality (such as by facilitating capital flight, helping elites avoid paying tax, and making it harder for governments to raise taxes,) and subvert democracy, by allowing tax-avoiding elites to skip their responsibilities to society, and by eroding the fundamental relationships of accountability that taxation fosters between rulers and citizens. It even opposes trying to tackle the abuses, arguing that this would be "a Sisyphean task" (which is like arguing against trying to tackle drug trafficking because it is too hard.)

It followed the "Stop Tax Haven Abuse Act" (See: http://www.senate.gov/~levin/newsroom/release.cfm?id=269479) in the United States by three American senators, including the Democratic Party presidential candidate Barack Obama, who said OFCs have "declared economic war on honest US taxpayers." The senators are right, but do not go far enough. Tax haven activities (and, as a recent IMF working paper correctly noted, big financial centers like the City of London are tax havens too) spread harm not just in America but around the world, especially in poor countries.

Remarkably, the word "corruption" occurs just once in this 13,000-word survey. Cross-border corruption has a demand side (money-launderers, tax evaders, kleptocrats, etcetera); and a supply side: those who provide secrecy and sell the services that exploit it. The general strategy for fighting drug abuse by tackling both users and suppliers is equally applicable to the global struggle against corruption and financial crime.
The survey mentions Cayman (population: 45,000) twenty times but Africa (population: 750 million) just two serious times: once noting that South Africa loses $8.8 billion a year to tax havens, and once to mention efforts by Khartoum, "not so far from war-ravaged Darfur" to market secrecy services. These shocking thoughts are not followed up. It then quotes the Tax Justice Network as estimating, conservatively, that global tax revenues lost to OFCs just from wealthy individuals exceed $255 billion a year, then says "not everybody believes it." This figure has been public for two years, but nobody has demonstrated, or even tried to show, that it is wrong.

*The Economist* dismisses concerns about tax competition, asserting: "This competition does not seem to have started a downward race." A striking graph then shows that despite falling corporation tax rates over the past 30 years, corporate tax yields as a share of GDP have risen. It concludes that the 'race to the bottom' is an illusion. This is wrong. First, the graph uses an unweighted average of countries, but the (more appropriate) weighted average, on a longer time frame (using 1965-2004 OECD data), shows exactly the opposite trend. Second, corporate profits as a share of GDP have risen more sharply -- so corporate tax yields as a share of profits have fallen, even on the misleading unweighted average. Third, the survey only considered OECD countries, and failed to note that poor countries, as in Africa, are far weaker than rich countries in the face of tax competition.

It presented a "very rich list" of rankings of the countries with the highest GDP per person, with the tax haven of Bermuda at the top (followed by Luxembourg and Equatorial Guinea,) also arguing that tax havens make nearby economies wealthy too, mistakenly concluding that tax havens must therefore be a good thing. This ignores the systemic issue: this argument is analogous to one that points to private jets, yachts and palaces owned by a rich dictator, his family and their cronies, as evidence that corruption generates wealth. Wrong: tax competition is biting hard, as countries compete to suck capital out of each other, and tax havens intensify this. Study France, Luxembourg and Switzerland, for example, and even if one could reach a conclusion favorable to tax havens, the exact opposite would apply if one brought Africa into the analysis.

Jeffrey Owens, head of tax policy at the OECD, strongly criticized the survey: it ignored the tax compliance costs generated by tax havens, he said, adding that its lack of focus on law-breaking was "like saying if one shopkeeper in a neighborhood evades taxes, this gives him a competitive edge, enabling him to re-invest his tax-evaded capital to expand his business. Few politicians are going to stand up and support this approach." (See: www.oecd.org/LongAbstract/0,3425,en_2649_201185_38720675_119802_1_1_1,00.htm)

U.S. Treasury Secretary Henry Paulson made a related point: "Where people fail to pay their taxes, it serves as a de facto tax increase on everyone else." The big risk, as a former U.S. Treasury official said, is that "globalization is perceived to be rigged against the average citizen." The survey failed to face up to this problem -- which goes to the heart of the modern debates about poverty, corruption, democracy and globalization.

A more in-depth critique of The Economist's survey, and other resources on tax havens and tax competition, are available at www.taxjustice.blogspot.com and www.taxjustice.net.

For further information, contact Nicholas Shaxson at nicholasshaxson@aol.com.
Mark Robinson, Head of Governance at DFID, Discusses the Impact of Budget Analysis

Research in Focus, a new initiative by the Governance and Social Department Resource Center (GSDRC) – established by DFID in 2005 - considers how recent research can feed into development policy and thinking by examining innovative research projects to determine their practical implications. Research in Focus interviews a lead researcher who discusses the rationale behind his or her research, how it has evolved, its intended goals, and what the next steps are.

In the initiative’s first interview, Mark Robinson, head of governance at the UK’s Department for International Development (DFID) and former team leader at the Institute of Development Studies, discussed the impact of civil society budget analysis and advocacy.

When asked about this paper “Budget Analysis and Policy Advocacy: The Role of Non-governmental Public Action,” Robinson observed:

The document examines non governmental public action with the broad goals of improving the accountability of government decision makers in formulating public budgets but, in the process, contributing to the reduction of corruption in terms of misappropriation of funds, and also broadening the base of democracy. So whilst this might seem like it is a narrow technical subject it actually has much broader implications and they are broader because the set of organizations now set across 40 countries in the world have been using tools of budget analysis to scrutinize public expenditure decisions, and decisions of revenue raising to improve transparency of the budget process. This in turn contributes to ensuring that priorities are geared towards the poor and disadvantaged. Therefore, part of the project is concerned with ensuring that the budget is spent on what it should be spent on and secondly that the priorities fall to those which are most developmentally significant.

The paper draws on case studies of independent budget organizations in Brazil, Croatia, India, Mexico, South Africa, and Uganda that have been engaged in budget analysis and budget advocacy for five to ten years. Robinson referred to the Mexican case study as “one of the important success stories in terms of impacting on government budgets for key priority areas.” The Mexican NGO Fundar succeeded in generating a ten-fold increase in national funding for emergency obstetric care for women in areas of southern Mexico dominated by indigenous peoples, where rates of maternal mortality are extremely high. Funding jumped from $6 million to $60 million.

Robinson also discussed the Indian case study. DISHA, an Indian organization born out of a social movement, worked to increase government expenditures for tribal welfare not only by mobilizing its tribal constituents in demonstrations and campaigns, but also through budget analysis.

DISHA is particularly innovative at the local level and monitors what expenditure commitments are made at the local level of a Gujarat state assembly for local development projects. They will inform local officials in local councils that the money has been allocated — sometimes they know about it but have not seen anything in terms of implementation, sometimes they do not know that the allocation has been
made. If DISHA gets a negative response they write to the minister, who puts pressure on the local government official to release the funds. It is a very effective way of tracking budget commitments, which is another important aspect of budget work — monitoring what happens on the ground is another critical area in which DISHA is involved in as well as other groups such as the Uganda Debt Network.

To read the full interview with Mark Robinson, go to:
http://www.gsdrc.org/go/research-in-focus/research-in-focus-with-mark-robinson-march-2007-

To listen to the interview, go to:
http://www.gsdrc.org/docs/open/mark_robinson_interview.mp3


To read the case studies on which the paper is based, go to:
http://www.internationalbudget.org/casestudies.htm

CSOs Advances the Budget Work Agenda in Bolivia: The Experience of CESU and CEDLA by Sarah Arnett

With the financial support of the Civil Society Budget Initiative (CSBI), Bolivian civil society is advancing an agenda of more transparent government dealings in the natural gas industry. The Center for Higher Education (CESU) and the Center for Labor and Agriculture Development Studies (CEDLA) have received CSBI support since 2004 to increase citizens' understanding of — and participation in — the budget process, with an emphasis on the natural gas industry.

Bolivia's budget and policymaking processes could, indeed, benefit from initiatives of this kind. Bolivia has a mostly closed budget process (as recently indicated in the Open Budget survey) combined with high levels of government corruption (as indicated by a Transparency International ranking of 105 out of 163 countries) and a truly dismal record of transparency in dealings with oil and gas companies. Headlines about oil company misdeeds and inconsistencies in natural gas contracts are commonplace, but in-depth analysis with historical grounding is often lacking.

CESU and CEDLA aim to fill this void by providing information to the public through academic papers, briefings, workshops, radio programs, and other avenues of dissemination.

Despite the initial flurry of changes by the Morales government when it took office in 2006, including the renegotiation of oil and gas contracts, very little has changed in the policymaking and budget processes. There remains a lack of transparency in the budget process, a heritage of more than 20 years of closed political decision-making. In addition, obtaining access to information pertaining to the hydrocarbon and mining industries is very difficult.
Thus, the obstacles that have hampered public policy research in Bolivia in the past continue to do so. Despite the passage in 2005 of a law guaranteeing access to government information and documents relating to state-owned businesses, the primary obstacle to research remains the lack of available information.

The difficulties are twofold: government agencies often do not collect information on a timely basis, and agencies are often reluctant to provide the information that has been collected. For example, in an effort to analyze the contracts about to be signed between the Bolivian government and foreign oil companies, CEDLA requested information on rates of oil production, levels of investment by the foreign companies, and recoverable costs, among other data. The response was not positive. The information available about production levels was out of date, while information about recoverable costs would not be available until after the contracts had been signed.

In the area of budget documents as well, both CESU and CEDLA cite a lack of disaggregated and timely information, along with overly technical language.

The two groups' ongoing activities are detailed below.

**CESU's Ojo Energético**

*Ojo Energético* is a small organization of student researchers, communication specialists, and one senior researcher housed in the CESU office at the University of San Simon in Cochabamba, Bolivia. Founded in 2005 amid civil unrest over the national government's hydrocarbon policies, *Ojo Energético* aims to make contractual and budget information, specifically in relation to the natural gas industry, available to social movements and citizens. According to Roberto Fernández, the director of *Ojo Energético*, "The goal is to put the tools for a political fight in the hands of the people."

**Research Activities**

The core activity of *Ojo Energético* is research on subjects relating to Bolivia's political, economic, and budget processes. The group focuses on the power relations between the government and transnational oil and gas companies, in part by conducting detailed analyses of the contracts and tax systems that have operated to these companies' benefit. *Ojo Energético*’s research examines the reasons why Bolivia has not benefited financially from hydrocarbon revenues: the tax system is designed to benefit oil and gas companies, revenues are often misused, and there has been a complete lack of investment in industrializing Bolivia's gas industry. The group aims to provide historical background on these issues, as well as concrete examples of government negligence.

*Ojo Energético* is launching a new research project to examine municipalities' efforts to ensure transparency in the use of tax revenue from the hydrocarbon industry. A 2005 law mandates that a portion of the revenues from the direct tax on hydrocarbons be distributed to municipalities and departmental governments. *Ojo Energético* is investigating how these revenues are administered — including the stages of planning, execution, and disbursement of these funds — in the Camiri municipality, located in the department of Santa Cruz. The group also plans to hold a workshop with local citizens to show them how they can participate in the budget and planning process. This research project, currently in the planning stage, is expected to be completed by the end of 2007.

**Capacity-Building Workshops**
Ojo Energético conducts workshops for diverse audiences, including leaders of social movements and indigenous groups, young people, rural residents, and factory workers. The workshops include background information on the oil and gas industry (including an overview of the nationalization of the gas industry) as well as examinations of the current gas contracts between the government and private companies and the taxes faced by the oil and gas industry. The research activities undertaken by Ojo Energético are used to inform these workshops. The workshops aim to 1) create interest in the hydrocarbon industry among social movements, 2) foster a sense of social responsibility over how this sector is administered, and 3) spur the growth of political networks on this issue and give organizations the tools they need to advocate effectively.

Transparency Proposal

Ojo Energético has developed a proposal on transparency and the role of the government in the economy (www.ojoenergetico.com/transparencia) that it will submit to the assembly charged with creating a new national constitution. The group hopes to take advantage of the current debate over the constitution to address the extreme difficulty in obtaining government documents, as well as the closed nature of the policymaking process. "People should be able to obtain information directly and should not be forced to chase after it in different ministry offices," explained Roberto Fernández of Ojo Energético.

While the group does not expect its proposal to be included in the new constitution, it is using the proposal to begin a public dialogue on the lack of transparency in government operations and documentation.

The Center for Labor and Agriculture Development Studies (CEDLA)

CEDLA was founded in 1985 in La Paz, Bolivia, to promote public understanding and critical reflection about capitalism as it functions in Bolivia and specifically how it affects the Bolivian worker.

Research Activities

Within CEDLA, the Public Policy Monitoring and Evaluation Unit is responsible for analysis and research on public policy and finance issues. In relation to budget work, CEDLA’s research activities provide up-to-date analyses on subjects such as the tax system, internal and external debt, and revenue surpluses created by natural resource exploitation, which are used by newspapers and civil society alike to inform the public and challenge government rhetoric.

On the topics of budgets and transparency, CEDLA is planning several research activities for 2007:

- examining the national fiscal and administrative plan to use revenues generated by the hydrocarbon sector
- continuing to monitor and evaluate the government's fiscal policy and ensure that it is in accordance with the national development plan
- analyzing the treatment of the country’s external debt
- helping collect information to develop a budget transparency index for Bolivia (FUNDAR-Mexico is coordinating this project)
**Dissemination Activities**

CEDLA uses an extensive dissemination network to connect with social movements and public institutions. The group contributes to the public policy discussion on a given subject through a four-step process: CEDLA produces a critical analysis of the subject; disseminates the findings to social organizations and government representatives through newsletters, short briefs, press releases, radio programs, and other mediums; organizes public forums to share information and ideas; and participates in forums organized by other social organizations, again to share information and ideas.

**Recent Reports from CEDLA**

A May 2007 CEDLA report ([http://cedla.org/admin/noticias/files/articulo_deuda.pdf](http://cedla.org/admin/noticias/files/articulo_deuda.pdf)) examines Bolivia's external and internal debt. In 2006 the country's internal debt surpassed its external debt, largely because of debt forgiveness by the World Bank and IMF. At the same time, however, these organizations reduced their annual donations and concessions to the government, so the actual flow of resources between Bolivia and the international lending institutions will remain the same. Meanwhile, Bolivia's internal debt — half of which is owed to the pension fund for retired workers — continues to increase. The increasing internal debt will absorb much of the government's revenue, potentially leading to reductions in state spending. The report underlines the need for a discussion of the use of government revenue and a revision of state spending patterns.

CEDLA also analyzes general economic indicators. In a report released by the Public Policy Monitoring and Evaluation Unit in May ([http://cedla.org/admin/boletin/files/control_c6.pdf](http://cedla.org/admin/boletin/files/control_c6.pdf)), CEDLA predicts that the Bolivian GDP will grow by 4.6 percent in 2007, spearheaded by gains in construction, financial services, and mineral extraction. Interestingly, the report predicts that the gas industry, where many had predicted rapid growth, will grow by only 6.4 percent, just 2 percentage points faster than last year. Lower levels of government investment (due to conflicts in a major gas-producing region) have slowed the gas industry. The CEDLA report received coverage in leading Bolivian newspapers.

**CESU and CEDLA Look Ahead**

Both CESU and CEDLA see an important future role for budget work in Bolivia. In recent years social organizations have effected important changes in public finance — most notably the 2005 hydrocarbon law, which is designed to shift the brunt of the tax burden from consumers to the large multinational oil and gas companies operating in Bolivia. According to CEDLA, "In the last few years, social organizations have become principal actors in the resolution of political and economic conflicts in Bolivia. In this sense, it is possible to believe that these organizations can play an important role in the direction and orientation of economic policy." CEDLA and CESU aim to provide the information and training these organizations need to bring about such change.

For further information, contact Sarah Arnett at sarah.arnett@gmail.com.
Publication of the Month: *Follow the Money. A Resource Book for Trainers on Public Expenditure Tracking in Tanzania* by REPOA

This manual follows public funds disbursed by central government authorities through local governments until they reach users such as schools and clinics. Aimed at local governments, local councilors, civil society organizations, and journalists with a basic understanding of how budgets work and a commitment to good governance, the toolkit was published by the NGO Policy Forum, which consists of the Tanzanian NGOs Hakikazi Catalyst, Research on Poverty Alleviation (REPOA), and Tanzania Gender Networking Programme (TGNP).

The manual describes the key features of a public expenditure tracking system and explains how it can work for marginalized groups. With the use of community scorecards (called “PIMA cards”), local communities collect quantitative information about inputs, outputs, and outcomes of government services. The community then decides which services should be tracked, such as road repair, agricultural projects, and so on. The scorecards, which also reveal the gender-specific distribution of benefits from public services, are particularly useful in establishing baselines and setting up monitoring systems.

To read this publication, go to: [http://www.internationalbudget.org/resources/library/PETSManual.pdf](http://www.internationalbudget.org/resources/library/PETSManual.pdf)

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**New Materials in the Budget Library**

*Strengthening Legislative Financial Scrutiny in Developing Countries*
By Joachim Wehner with Klaus Brösamle, Taylor Dimsdale, Mads Aaæ Mathiesen, Tilman Merz, and Elena Mondo/
UK Department for International Development (DFID)

This paper examines the budget process from a legislative perspective and discusses the challenges to financial scrutiny in developing countries, as well as the benefits and risks of a stronger legislature. The global survey carried out as part of this project indicates that efforts to improve financial scrutiny by legislatures are not widespread. The study examines the role of donors, in general, and of the U.K.’s Department for International Development, in particular, in enhancing legislative capacity for financial scrutiny. It also offers recommendations and an extensive bibliography.

*Minding the Gaps. Integrating Poverty Reduction Strategies and Budgets for Domestic Accountability*
By Paolo di Renzio/ World Bank, Federal Ministry of Economic Cooperation, and GTZ

This study offers practical insights for donors and national governments on how to strengthen the links between poverty reduction strategies (PRSs) and national budgets, with a view to improving domestic accountability. It addresses the following questions: What challenges have arisen in countries where efforts have been made to integrate the PRS with the budget? What lessons have been generated by these experiences, and what are the potential entry points for reforms to strengthen PRS-budget links? To answer these questions, the study reviews case studies from nine low-income countries (Albania, Burkina Faso, Madagascar, Malawi, Mali, Mozambique, Rwanda, Tanzania, and Uganda) and four higher-income countries considered successful reformers in public financial management (Australia, Chile, Republic of Korea, and South Africa).
Tanzanian Non-Governmental Organizations. Their Perceptions of Their Relationships with the Government of Tanzania and Donors, and their Role in Poverty Reduction and Development
By Research and Poverty Alleviation (REPOA) in collaboration with the Dublin City University
In 2005, REPOA surveyed Tanzanian NGOs to examine the extent to which they are contributing to policy development in Tanzania. This paper gives an overview of the social and political context of Tanzanian civil society, examining the relationships among NGOs, the government, and the donor community in Tanzania. It summarizes the perceptions of 81 Tanzanian NGOs of their relationships with the government and donors, as well as their views of their impact on poverty reduction and development. The study discusses some of the challenges and opportunities for NGOs to become a strategic link between the government and local communities.

Beyond Data. A Panorama of CSO Experiences with PRSP and HIPC Monitoring
By Angela Wood/CORDAID
This paper examines civil society organizations’ experiences in monitoring Poverty Reduction Strategy Papers and Highly Indebted Poor Country expenditures in several countries, including Bangladesh, Cameroon, Ghana, Uganda, and Zambia. It provides detailed descriptions of CSO monitoring structures and evaluates CSOs’ ability to monitor effectively. The study argues that CSO monitoring is valuable for reasons beyond its effects on financial management; for example, it can promote community empowerment and the decentralization of power. But the study warns that shortages of data, skilled human resources, and political will constitute a major challenge to the expansion of CSO monitoring activities.

Gender Responsive Budgeting and Women’s Reproductive Rights: A Resource Pack
By Debbie Budlender/UNFPA/UNIFEM
This resource pack, available in Spanish, English, and French, is designed to facilitate the inclusion of gender-responsive approaches in reproductive health programs, as well as the inclusion of specific aspects of gender inequality in national policy frameworks. It focuses primarily on health (particularly reproductive health), HIV/AIDS, and violence against women as it relates to health services. Intended for use in developing countries, the resource pack examines how gender-responsive budgets can be used to direct attention to those who are most in need and those who are disadvantaged by their gender, economic status, location, or other characteristics.

Guía para evaluar el impacto de programas estatales sobre la igualdad de género
By Guillermo Monge/PROCESOS
This guide, available in Spanish, is designed to evaluate the gender impact of government programs at the state level in Costa Rica and promote a gender-sensitive perspective at the state level using budget analysis. It is divided into modules that can be applied independently of one another, so it can be employed in different institutional settings and be used to obtain different depths of information. For example, it can lead to systematic practices implemented by the auditor general or the ministry of planning, or it can be used by academic institutions for specific evaluations on gender equity.

Global Patterns of Income and Health: Facts, Interpretations, and Policies
By Angus Deaton/Princeton University
This paper suggests that growth alone is not enough to spur health gains in poor countries, noting that the poor are sick not because they are poor, but because of social organizational failures (including health delivery) that are not automatically ameliorated by higher incomes. While the direct benefits of growth on poverty reduction cannot be denied,
policymakers cannot expect economic growth to deliver the “double blessing” of poverty reduction and improved health. The paper also underlines the problems posed by lack of reliable data. In many of the poorest countries, particularly in Sub-Saharan Africa, measures of adult mortality are little more than conjecture. Researchers and policymakers thus lack the instruments to evaluate programs in a sector that is crucial for the well-being of millions.

*Guide for a Campaign in Favour of the Right to Access Information in Latin America*

By Article 19

Available in English, Spanish, and Portuguese, the guide is a one-stop information source for those interested in promoting access-to-information laws — particularly in Latin America, where only a few countries have them. The guide explains what access to information is, what should be included in an access-to-information law, and how to advocate for such a law. This html presentation also includes an interactive map with an overview of pending and existing laws in Latin American countries, as well as a bibliography.