Much of this issue focuses on the legislature’s role in the budget process. Legislatures have always been a key partner for civil society organizations monitoring public budgets, and while these partnerships are not always easy, they have yielded important results and valuable lessons.

In June 2007, the International Budget Partnership and the London School of Economics brought together civil society organizations, legislators, and donors to reflect on the status and lessons of collaboration between civil society and legislatures in budget work. This issue covers that conference, as well as a recent multi-donor conference on strengthening legislatures’ financial scrutiny. This issue also covers the current impasse between Malawi’s legislature and executive concerning the 2007 national budget, as well as public hearings in Kenya that are helping civil society hold members of parliament accountable for funds entrusted to them for the development of their constituencies.

This edition of the IBP newsletter also provides updates on budget groups in Mexico, Nigeria, Nicaragua, and the Kyrgyz Republic. Under New Publications and Training Updates you will find a review of Paul Collier’s new book *The Bottom Billion*, a recent National Democratic Institute publication on legislatures in resource-rich countries, and an annotated bibliography of additional resources in the IBP’s electronic library.

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New Publications and Training Updates

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- New Materials in the Budget Library
- IBP-Soros Foundation Kyrgyz Republic 2007 NGO Summer School
- IBP Budget Analysis Workshop in Chad for Francophone African Countries

Announcements

- Seminar on the Future of Participatory Democracy, Brazil
- *Capacity.org*. Online Magazine for International Development Practitioners

**Summary of the Proceedings of the Workshop Legislatures and Civil Society Reconsidering Strategic Relations in the Budget Process, London**

Legislatures have always been a key partner for CSOs monitoring government budgets. These partnerships have however not been devoid of difficulty. In order to reflect on the state and lessons of civil society – legislature relationships with regard to the budget, the International Budget Partnership (IBP) and the London School of Economics (LSE) hosted a workshop on ‘Legislatures, Civil Society and the Budget Process’ at the LSE in June this year. This workshop is the second of a series of thematic reflections on key aspects of applied budget work that are intended to support experienced budget groups.

The workshop provided a unique opportunity for civil society groups in the IBP network to learn from each other, from members of the legislature, from academics and from international organizations supporting legislatures. Its aim was to contribute to the strategic rethinking of the civil society relationships with the legislature. As part of this reflection Fundar (Mexico),
ISODEC (Ghana), Adva (Israel), CIPPEC (Argentina), and IPF (Croatia) presented their experiences of engaging with legislatures.

Reflecting on the experiences of civil society groups, participants agreed that the central challenge is to engage with the political and party political dynamics that form a central part of legislatures’ decision-making processes. Similarly workshop participants further identified a number of factors that limit the relationship between themselves and legislatures. Very few legislatures have the skills and the resources to support their budget oversight role and to provide meaningful interaction during budget debates and committee hearings with the executive. Legislatures also often do not take up the full extent of their legal and constitutional power because of the role of other actors such as political parties, strong ministries of finance, international financial institutions and the private sector. In many cases these ‘external influences’ prove to be stronger than the influence of the electorate and as a result the legislature’s incentives to provide independent scrutiny of the executive is diluted. These ‘external influences’ therefore hamper the extent to which the information provided by civil society is utilized, and dilutes the full potential of legislative oversight.

Joachim Wehner, lecturer at the LSE, reminded participants of the central role that institutional arrangements continue to play in the ability of the legislature to provide independent oversight of the budget process. The familiar institutional constraints include the nature of amendment powers, time or legislative scrutiny, structure of the committee system, access to budget information, etc.

In addition to the weaknesses of legislatures the weaknesses of civil society were also explored. Scott Hubli of the United Nations Development Program (UNDP) remarked on the underdeveloped civil society advocacy strategies which hamper the effectiveness of our relationship with legislatures. He argued that more attention should be given to engaging with party caucuses and to developing civil society workers that specialize in engaging with the legislature. Civil society could also take greater advantage of non-budget opportunities for changing budget priorities such as PRSPs and the MDGs.

Despite these limitations, workshop participants agreed that legislatures remain a strategic core relationship for successful civil society budget work; as Scott Hubli puts it: “It sometimes works.” In the short term the relationship with legislatures continue to provide access to information and provides opportunities to influence specific budget allocations, to monitor budget execution and auditing, and to curb corruption and excesses. In the long term this relationship provides the opportunity for democratic participation in the budget process and opportunities for legal reform for greater transparency and accountability.

Experts from the National Democratic Institute and the UNDP also emphasized the historical opportunity that is currently provided by the growing interest amongst a range of international actors to strengthen parliamentary fiscal scrutiny. Combined with the growing interest (and success) of civil society budget work, this bodes well for a more strategic and developed thinking for civil society relations with the legislature.

The IBP is planning to continue the reflection on how to strengthen the relationship of civil society and legislatures over the next two years. A part of this reflection will investigate how to better coordinate civil society budget work and legislature support. The reflection will also look at how CSOs can be supported to engage with legislatures more effectively.
Summary of the Research on Parliament Presented at the London Workshop and Reactions from CSOs in Argentina, Croatia, and India

As a follow-up to the London workshop, the IBP asked Laura Malajovich of CIPPEC in Argentina, Subrata Dutta of BARC in India, and Katarina Ott of the IPF in Croatia to reflect on the possible applications of Wehner’s research for CSOs.

In his paper Assessing the Power of the Purse: An Index of Legislative Budget Institutions Wehner compares parliamentary capacity for financial scrutiny on the basis of an index using data for 36 countries from a 2003 survey of budgeting procedures. The index captures six institutional prerequisites for legislative control, relating to amendment powers, reversionary budgets, and executive flexibility during implementation, the timing of the budget, legislative committees, and budgetary information. Various methods of index construction are reviewed. The results reveal substantial variation in the level of financial scrutiny of government by the legislature among contemporary liberal democracies. The U.S. Congress has an index score that is more than three times as great as those for the bottom nine cases, predominantly Westminster systems. Even allowing for US exceptionalism, the top quartile legislatures score twice as high on this index as the bottom quartile. These findings suggest that the power of the purse is a discrete and non-fundamental element of liberal democratic governance. For some countries it is a key safeguard against executive overreach, while others maintain a constitutional myth.

Ott pointed out that an understanding of other countries’ parliaments and their budget powers, as well as other countries’ best practices, can help a country strengthen the budgetary powers of its own legislature. Wehner’s index of legislative budget institutions offers the possibility to make such cross-country comparisons and learn from other countries’ experiences.

Malajovich argued that having the appropriate legislation and institutions provides a starting point for CSOs to work with the legislature to create a more transparent budget process. “Appropriate legislative budget institutions are a good basis to start building up a strategic relationship between the legislature and CSOs. They are, however, only one dimension of the complex process of budget politics.”

Dutta pointed out some of the results of a weak institutional environment in the Indian state of Rajasthan: “The Public Accounts Committee (PAC) is currently dealing with the audit reports of 2002-03. This means that the present executives essentially have a free hand with the current budget, since the committee is busy with the budget of several years ago. Moreover, the present PAC chairman was a minister in the government that was in power from 1999 to 2004. How can this chairman find problems in the 2002-03 budget?”

According to Ott, Wehner’s index can be useful to CSOs in many ways. First of all, it gives them a benchmark to compare their country with other countries and see what gaps exist in its laws concerning legislative oversight over the budget process.

CSOs’ next step should be to advocate for legislation to eliminate those gaps, working together with the legislature. The legislature’s engagement here is essential: the legislature must “own” the need to enhance its institutional capacity to control the budget. Often, legislators believe that the budget is too technical for them to deal with and that concentrating budget powers in the executive would be more efficient. Trying to create consensus in the legislature to create and enact needed legislation will be one of CSOs’ main challenges.
Once the necessary legislation is in place, argued Ott, CSOs should point out instances where it is not being applied properly. Most developing countries that have the proper institutional framework do not implement these laws correctly, sometimes because of political issues or lack of capacity.

Ott added that ”Measuring the budget research capacity of a legislative body by the number of professionals engaged does not seem appropriate, as bigger countries could be expected to have more professionals involved. Five competent people in a 4-million-person country like Croatia might mean more than 50 equally competent people in the U.S.” Dutta agreed, adding that in a poor country the legislature may find it difficult to afford to employ 230 researchers, as the U.S. Congressional Budget Office does.

In response to Wehner, Ott stated: “If the legislation exists and it is being implemented, the question for CSOs should be whether the legislative budget institutions are enough to allow the Congress to influence the budget.” Many times, even with the appropriate legislation, the executive still makes most budget decisions. In such cases, CSOs need to work together with the legislature to enhance budget transparency and accountability.

Malajovich agreed: “Unfortunately, parliaments sometimes do not fully exercise the few powers they have, and sometimes they are limited by a strong executive or party discipline.” These problems can cause legislators to remain uninvolved in budget issues, which in turn lead to limited skills and resources. Lack of accountability and ethics among legislators can worsen the situation further.

Malajovich also noted, “Even if legislatures are not interested in budget issues, some political parties might be, and that could bring CSOs a step closer to the parliament’s door. We should not lose time discussing whether it is better to work with MPs or with political parties, because MPs will vote as their parties tell them to vote.” Perhaps CSOs should pay more attention to political science, sociology, and psychology than to economics or public administration, since even countries with good institutional environments sometimes suffer from weak participation and accountability.

In fact, a developing country could have an “ideal” legislative institutional framework, but this will not automatically lead to an effective role for the legislature in overseeing budget decisions. If we have the institutions, what can we do to improve their functioning? How can we work with the legislatures to strengthen their role and enhance their capacity to oversee the budget? In the months that follow, the IBP will coordinate further CSO reflections to refine our answers to these fundamental questions.

To read the article Assessing the Power of the Purse: an Index of Legislative Budget Institutions by Joachim Wehner, go to: http://www.internationalbudget.org/resources/library/IndexLegBud.pdf.

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**Donors Discuss How to Strengthen the Role of Parliament in the Budget Process**

The U.K. Department for International Development (DFID), the United Nations Development Program (UNDP) and the World Bank Institute (WBI) organized a two-day meeting from 21-22 May in Brussels for the donor community to share recent experience...
and lessons learned on parliamentary development, with a particular focus on financial accountability. The consultation focused on donor approaches to parliamentary strengthening, including around the budget process – as well as donor lessons on what works in legislature support, what doesn’t and why. Special consideration was given to how donor support can be harmonized and aligned with country priorities, identifying the sources of demand from such work and the political interests and incentives at play.

During the first day of the consultation presenters shared reviews and evaluations on parliamentary development and discussed measures and standards of parliamentary performance. The second day will focus on lessons learned in strengthening the role of parliaments in ensuring financial accountability and budget oversight. In addition, the second day included a discussion of mechanisms for continuing an exchange among donors on the issue of lessons learned on parliamentary development. During the second day the IBP presented some of the lessons that it and its partners have learned in working with legislatures.

At the meeting it was decided to:

- Develop good practice principles for donor support to parliamentary strengthening, especially in the context of direct budget support.
- Establish an informal donor contact group on parliamentary strengthening.
- Hold regular structured consultative meetings to discuss donor approaches to parliamentary strengthening.
- Pilot an on-line ‘knowledge hub’ on parliamentary strengthening.
- In the longer term, share results and good practice principles with the OECD DAC Network on Governance (GOVNET) and encouraging GOVNET to consider parliamentary strengthening as part of its next work program.

The meeting was attended by delegates from the donors providing legislature support (UNDP, DFID, the World Bank Institute and others), academics doing research on legislatures (Joachim Wehner, Alan Hudson, and Steve Fish), legislature support foundations (IPU, Westminster Foundation, etc) and NGOs (IBP and the Parliamentary Center).


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"Twataka Pesa Zetu" (We Want Our Money): A Public Hearing on Kenya's Constituency Development Fund? by Sowmya Kidambi and Vivek Ramkumar

Since 2005, Muslims for Human Rights (MUHURI), a nongovernmental organization based in Mombassa, Kenya, has been monitoring expenditures made under Kenya’s Constituency Development Fund (CDF). MUHURI has developed strong contacts with communities that benefit from CDF expenditures and has used their assistance to identify problems in the CDF’s implementation.

Under the CDF, which was established in 2003, every Member of Parliament (MP) is entitled to allocate approximately $1 million a year to support development projects in his or her constituency. The CDF has become a popular but controversial program and receives substantial media coverage, including praise for its potential but also complaints about
corruption and mismanagement. While the CDF was designed to involve community participation in the selection of development projects and the management of CDF funds, in practice the fund’s management is shrouded in secrecy and lacks public accountability.

In August 2007, MUHURI organized a national-level training sponsored by a grant from the Open Society Initiative of East Africa. Held in Mombassa, it was attended by 60 participants drawn from 15 organizations working throughout Kenya. During the week-long event, the IBP and the Indian NGO Mazdoor Kisan Shakti Sangathan (MKSS) — which pioneered the development of public budget hearings in the Indian state of Rajasthan — conducted a comprehensive training program on the CDF’s management and ways to monitor CDF projects and expenditures.

Working with documents such as bids submitted by contractors for CDF projects, letters issued to contractors specifying contract awards, and minutes of meetings of the committee that manages CDF funds, training participants collated this information into simplified formats that made it possible to identify problems such as inflated costs or preferential selection of contractors. These simplified analysis forms also allowed attendees to identify instances in which project records were incomplete.

Participants then used the forms, along with a standardized questionnaire, to visit project sites to assess whether each project was completed according to the specifications provided in project documents. They discovered a large number of discrepancies, including inadequate and misreported construction methods and materials.

During their site visits, the training participants also met with residents living near the CDF projects and invited them to review CDF project records. These meetings gave members of the public the chance to comment on the accuracy of project records as well as the quality of CDF-funded projects. Many of these discussions uncovered facts or concerns that the project records alone did not (or could not) reveal, including additional cases of misreported construction methods and lack of transparency. Participants prepared summary sheets based on their findings from the site visits, which formed part of the report MUHURI later submitted to CDF officials.

A second goal of the MUHIRI training was to help prepare for a day-long public hearing on the CDF. Held on August 26, 2007, the hearing was attended by approximately 1,500 people, including residents of the local Changamwe constituency. The formal program began with the arrival of local CDF officials bringing hundreds of documents on CDF projects undertaken in the past three years. This in itself was a remarkable event, as it marked the first time that CDF officials in that constituency (and probably in the entire country) had felt the need to present local residents with information on CDF-supported projects.

The training participants read out the findings of their investigation of CDF-funded projects and invited residents ask questions of the CDF officials present. Faced with a barrage of questions, the CDF officials hurriedly rang the local MP, who soon arrived at the venue. Initially, the MP tried to control the public hearing by speaking about the achievements of his CDF projects. Unconvinced, the crowd posed questions about alleged mismanagement of funds until the MP agreed that these problems would be investigated.

MUHURI staff then brought out a white cloth approximately 50 meters in length containing a petition with demands for improving the CDF’s management, which everyone at the meeting was asked to sign. The MP initially refused to sign but eventually bowed to public pressure, signing the petition that included a demand for the right to information that he had previously opposed.
After the meeting, participants in the earlier training met to discuss the lessons they had learned and to formulate a national advocacy strategy to improve the CDF’s management. For its part, MUHURI expressed an intention to hold similar public hearings in eight other coastal constituencies.

Significant follow-up is needed to ensure that the public resolutions adopted during the event and the problems identified by the public at the hearing feed into a national advocacy campaign. Only such a campaign can support the creation of a sustainable movement that can effectively demand improvements in the CDF.

The Changamwe CDF public hearing demonstrates how civil society organizations can use an innovative and citizen-centered methodology to hold public officials accountable for the use of public resources. If and when this happens, Kenya might just see a real improvement in structures!

For more information, contact Sowmya Kidambi of the MKSS at sowmyakrishkidambi@gmail.com or Vivek Ramkumar of the IBP at ramkumar@cbpp.org.

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**Suspension of Malawi’s 2007-08 Budget Debate and Responses from Civil Society Budget Experts**

Malawi’s finance minister presented the government’s 2007-08 budget statement to Parliament on June 29, just one day before the start of the financial year. Parliament is supposed to deliberate on the budget within 21 working days but did not meet until August 13 and failed to reach an agreement on the budget, as a political dispute threatened to cut off key government services.

The dispute occurred when MPs supporting President Mutharika joined his newly formed Democratic Progressive Party (DPP). Members of the opposition parties argued that under the constitution, MPs who switch parties should be forced to vacate their seats in Parliament, and when one of the affected MPs obtained a court injunction restraining the speaker from declaring the MPs’ seats vacant, the opposition reacted by boycotting the budget debate.

In early August, President Mutharika ordered all MPs to reconvene and pass the budget in its entirety. In response, opposition MPs obtained a court injunction allowing them to ignore the President’s order. This raised turmoil among Malawians from all walks of life. Finally, MPs reached a consensus to set the issue aside temporarily and start the budget discussion.

**Repercussions of Delaying Passage of the National Budget**

The Civil Society Coalition for Quality Basic Education (CSCQBE) regards Malawi’s 2007-08 budget as a pro-poor budget, as it includes expenditures that are likely to address the needs of poor Malawians. However, the budget delay may have several negative impacts.

First, the delay will likely affect farmers’ purchase of fertilizer, which needs to be distributed on time. Most Malawians are small farmers who rely on government-subsidized fertilizer. The government’s successful fertilizer-subsidy program has been cited as one of the main
reasons for the recovery of Malawi’s agricultural sector after a drought in 2005 left almost 5 million people in need of food.

Second, the delay will likely affect the timely procurement and distribution of teaching and learning materials for the 3.3 million children in Malawian public schools. Primary education is free in Malawi, so pupils are supposed to be supplied with basic teaching and learning materials, but those materials will arrive late because of the budget delay. Also, Malawian schools have been heavily affected by staff shortages, so the new budget includes provisions to train more teachers and increase teacher salaries, but these provisions will be delayed as well.

Third, the budget delay risks denying the Malawian people their right to quality and affordable medication. Malawian hospitals already face acute shortages of drugs and medical personnel.

Fourth, the delay has prevented the government-funded University of Malawi from admitting new students.

Civil Society’s Response

Many members of civil society called on Parliament to pass the budget before dealing with the controversy over the DPP members. Among other actions, citizens:

- camped out for 14 days and nights singing and petitioning MPs to address the budget
- wore purple ribbons in support of the budget
- joined in a “whistle and hoot” campaign to call for action on the budget
- delivered petitions to district officials on behalf of the budget
- sued Parliament for protection of their rights to development
- issued press statements to express their concern in daily newspapers

These efforts were designed to convince MPs of the budget’s importance and point out that failure to approve the budget would affect the delivery of services such as health care, road maintenance, and subsidized fertilizer.

In addition, CSCQBE issued an analysis highlighting several issues in the education budget that need to be examined before the budget is passed. They include:

- **Special needs education**: Although more than 40,000 children with special needs are registered in Malawian primary schools, the government continues to ignore the importance of special needs education and in fact has reduced the allocations for this area by 60 percent. CSCQBE has called on the government to make special needs education a priority and increase funding to buy specialized equipment, train more teachers, and strengthen administration.
- **Science and technology**: The Department of Science and Technology appears twice in the budget, under two different ministries. Thus, it is unclear which functions and operations are covered by each allocation — and whether two allocations for the same department are even necessary.
• **Decline in allocations to some school districts**: Although most districts’ funding allocations would increase under the new budget, others would face cuts, and some districts with large numbers of schools would end up getting fewer resources than other districts with fewer schools. CSCQBE recommends that the government adopt clear criteria for the distribution of resources based on the number of schools.

• **Transparent flow of resources**: A survey conducted in the schools and the school supplies unit revealed that the government has not provided any teaching and learning materials since 2004. CSCQBE is calling for the transparent use of these funds so that more such materials will be procured.

For more information, contact Clara Chindime or Donald Kebabe at CSCQBE (cscqbe@sdnp.org.mw), Chrissie Kafundu at CFSC (ckafundu@yahoo.co.uk), or Limbani Elia (liensa@yahoo.com).

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**Mexican NGOs Advocate to Improve Oil Company Practices to Support Local Social Development: The Case of Tabasco, Mexico by Rocío Moreno**

Since 2006, Fundar has monitored the flow and use of resources derived from the oil company PEMEX to support social development in Mexico’s oil-producing states.

Fundar identified Asociación Ecológica Santo Tomás “Santo Tomas Ecological Association” as a local partner to work in the state of Tabasco, and requested relevant information through the Federal Law of Access to Information. Asociación Ecológica Santo Tomás also requested information at the local level, though there is no local law guaranteeing public access to information. Throughout the process, Fundar and Santo Tomás met several times with PEMEX and local authorities to obtain accurate information.

Over the course of a year the two groups analyzed data and prepared two reports describing irregularities in the use of oil revenues. Several events in the weeks following the reports’ publication validated the importance of the findings: Mexico’s Congress requested a formal audit of the resources distributed by PEMEX, and PEMEX announced new mechanisms to strengthen transparency and accountability in the distribution of resources.

The following logbook gives a sense of the impact that Fundar and Santo Tomás have had.

**TABASCO**

During a July 31 press conference, “Asociación Ecológica Santo Tomás” presented a report entitled “Grants and Donations of PEMEX to Tabasco,” which received coverage in several local newspapers. Although the response from local authorities was mostly negative and geared to discredit the organization, opinion leaders asserted the report’s validity and importance.

Following the release of the report, the Energy Commission of Tabasco’s Congress asked the government official responsible for re-allocating PEMEX resources to Tabasco municipalities to appear before Congress and explain how those resources were being used. In addition, a member of the Mexican Congress’s Energy Commission requested a meeting with Santo Tomás to discuss the report with his commission.
MEXICO CITY

Following up on the Santo Tomás strategy, Fundar issued a report entitled “The Law for Access to Public Information as a Tool for Social Accountability? The Case of PEMEX in the Development of Oil Producing Communities.” Fundar helped disseminate the report’s findings in an August 3 interview with the national newspaper El Universal. Two other national newspapers — La Jornada and Reforma — covered the report as well.

In addition, Fundar sent the report to PEMEX’s Social Development Corporate Management Office to obtain any clarifications on the information presented. The office expressed interest in the study and requested an official presentation of its findings.

Fundar also prepared a press release for legislators explaining its findings, and on August 9, the Federal Permanent Legislative Commission commented on the study and legislator contacted Fundar for further information on the report.

On August 24 Fundar participated in a radio program dealing with the use of PEMEX revenues for social development. (PEMEX was invited to the program but refused to participate.)

On August 27 Fundar met with the technical secretary of the Mexican Congress’s Energy Commission, to request a hearing to present both studies Congress.

On August 28 a member of the Public Finance Commission contacted Fundar for information on the study and its proposals.

On September 3 a member of the Tabasco legislature’s Energy Commission introduced an initiative requesting an official audit of the resources PEMEX has allocated in Tabasco. The following day, this legislator also asked Fundar for more information on its findings.

On September 5 PEMEX announced that it would strengthen its transparency mechanisms by establishing new guidelines for the allocation of grants and donations. Most of the new steps announced by PEMEX were identical to proposals in the studies by Fundar and Asociación Ecológica Santo Tomás.

For more information, contact Rocío Moreno at rocio@fundar.org.mx.

Enhancing Transparency and Accountability through Participatory Budgeting at the State and Local Levels in Nigeria by Austin Ndiokwelu

Responding to the need to promote transparency and accountability in public revenue and expenditure processes — especially at the state and grassroots levels — the Justice, Development and Peace Commission (JDPC), Lagos, has embarked on a project entitled “Enhancing Transparency and Accountability through Participatory Budgeting at the State and Local Government Area Levels in Lagos State.”

The project, conducted with support from the Heinrich Böll Foundation, focuses on three pilot Local Government Areas (LGAs): Ajeromi/Ifelodun, Mushin and Lagos Island.
The project formally commenced with a two-day training for 30 high-ranking LGA officials to help them appreciate the importance of involving the electorate and community-based groups in every stage of the budget process. The training’s topics included:

- an introduction to the budget process
- the public expenditure management process
- the basic concepts of NEEDS, LASEEDS and LEEDS [local Poverty Reduction Strategy Papers (PRSPs)]
- participation in the budget process
- LGAs, service delivery, and the Millennium Development Goals
- best practices in participatory budgeting

Similarly, JDPC facilitated a series of two-day workshops for community-based organizations in each of the three pilot LGAs. More than 100 representatives from grassroots groups were trained on the basics of the budget process and how they could participate in it effectively.

Following these successful workshops, concerned groups came together to form community-based coalitions in each of the three LGAs to promote budget monitoring and good governance. The coalitions are working to engender community participation in the entire budget process and improve the general governance of the community.

Having worked separately with LGA officials and community-based organizations, JDPC next sought to bridge the gap between the two sides by facilitating town-hall meetings in each of the three LGAs to bring both sides together in a common forum.

In addition, JDPC administered a questionnaire to 2,000 residents in each of the three LGAs to assess the delivery of government services in each area, and it devoted two issues of its “Budget Track Newsletter” to budget analysis and applied budget work at the local and state governments in Lagos State.

**Successes and Impacts**

The project has helped establish a growing partnership between JDPC and the LGA administrations, the Ministry for Local Government Affairs in Lagos State, and community-based organizations in the three pilot LGAs. It also has helped establish grassroots coalitions on budget monitoring and good governance in the LGAs. These coalitions are expected to sustain the gains made so far and promote transparency, accountability, and people’s participation in the budget processes at the local level.

The survey on service delivery helped to expose areas of progress in each LGA, as well as areas where efforts are deficient. The “Budget Track Newsletter,” with its lucid analysis of budget trends and income and expenditure profiles in relation to the government’s stated human rights obligations, has provided further insight into local governments’ budgeting and expenditure patterns and how they affect residents.

**Challenges**

There is mutual mistrust between the elected and the electorate at all levels of governance in Nigeria, as the town-hall meetings facilitated by the JDPC in the three LGAs demonstrated. The sessions proved stormy, and at times it took the people-management skills of the JDPC facilitators to prevent emotions from overflowing.
In addition, JDPC has identified a number of early problems faced by the community-based coalitions this project has promoted. But since budget analysis, monitoring, and advocacy are relatively new fields in Nigeria, and much of the public is unaware of their political, civil and socioeconomic rights, these problems are not unexpected.

**Next Steps**

To extend the gains made in the first phase of the project, JDPC will soon begin a second phase, which will focus on building the capacity of the community-based initiatives to conduct effective advocacy and to strengthen coalitions around budget work.

JDPC also plans to publish in book form the results of its research on service delivery within the LGAs.

For more information, contact Austin Ndiokwelu at ausoneseven@yahoo.com.

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**The Budget Process and Civil Society Participation in Nicaragua by Dayra Valle Orozco**

In Nicaragua, civil society plays only a limited role in budget decisions. Although public officials have an obligation to be transparent and accountable to society, the national budget is prepared exclusively by the executive and kept secret until it is introduced to the national assembly.

In January 2007 a new budget cycle was launched with a provisional budget that lasted until March, when the final budget was approved. It has become common in recent years for the government not to have a definitive budget for the year; this has impeded the fulfillment of programs in key social sectors like health and education. In the first part of 2006, for example, the government’s failure to deliver on a promised salary raise for health workers paralyzed the delivery of health services, severely affecting the population.

**Civil Society Efforts to Open Up the Budget Process**

Some Nicaraguan civil society organizations (CSOs) have tried to participate in the budget process. In 2006, for example, Coordinadora Civil (an organization that prepares analyses on the public debt) and the National Council for Economic and Social Planning (CONPES) presented a series of budget recommendations to the president. Among other things, they urged the president to:

- present total fiscal and non-fiscal revenues clearly and transparently
- prioritize national resources to address needs in sectors like health, education, infrastructure and basic services (water, energy and welfare), and welfare
- establish cooperation between the central government and regional and municipal governments regarding sector and national investments
- develop criteria to distribute budget resources equitably across regions and municipalities
- obtain the budget savings to pay for increased social spending through steps such as restructuring the domestic debt, and cutting unnecessary spending
The groups’ recommendations did not produce any concrete results, in part because the financial agreements Nicaragua has signed with international organizations such as the IMF include specific conditionalities for lending that do not allow such modifications.

**Congressional Efforts**

During the March budget debate, congressmen from the opposition party proposed changes in the executive’s budget proposal to address problems such as:

- the lack of citizen participation in the budget, despite the Law on Citizen Participation and the Organic Law of the National Assembly
- the budget’s failure to include international loans
- the allocation of government funds to associations and foundations with very close ties to political parties and congressmen
- the indication that a large portion of the budget would be used to pay Nicaragua’s public (internal and external) debt, in particular its onerous bank debt

Congress, however, approved the budget without taking these proposals into consideration.

Moreover, while Congress’s consideration of the budget is supposed to offer opportunities for civil society participation in the budget process, this was not the case in 2007. The budget was introduced and approved in a record 15 days, and the public did not have timely access to the budget document.

**The Work of IEEPP**

The Institute for Public Policy and Strategic Studies (IEEPP) publishes a newsletter, *Presupuesto Ciudadano*, designed to facilitate public participation and citizen audits on budget issues by making budget information more accessible to citizens, decision makers, and CSOs. The issues for the current year cover different budget angles, and each issue will include information to enhance budget and social audit literacy. (See: [http://www.ieepp.org/auditoriaciudadana](http://www.ieepp.org/auditoriaciudadana)).

IEEPP believes that CSOs’ role should be to counterbalance the power of the state and influence public policies related to the budget. To achieve these goals, CSOs should push for an agenda that includes: budget transparency, the strengthening of simplified and effective accountability mechanisms, and the promotion of online government, greater understanding of (and information on) how public programs operate, and constant oversight of the government’s budget and spending priorities.

One of the main findings of IEEPP’s budget work to date has been that the health and education budgets do not include goals and indicators to be met under the approved budget. Nor do they include targets tied to the Millennium Development Goals. Hence, there is no clear way to measure inputs and outputs in these areas.

For more information, contact Dayra Valle Orozco [dayravalle@ieepp.org](mailto:dayravalle@ieepp.org).
Promoting Transparency in the Budget Process in the Kyrgyz Republic by Nurbek Toktakunov

Since 1994 the Kyrgyz Republic has adopted several laws to open up the budget process, such as by mandating the release of regular reports related to budget execution and improving public access to budget information. Unfortunately, these reforms have not been fully integrated into the budget process.

To improve public participation in the budget process, the Kyrgyz Republic must overcome two important obstacles. One is the fact that many citizens do not understand that public funds are public property and that they are therefore entitled to “look into the government’s pockets.” The other is the prevailing myth among government officials that distributing public resources is the government’s exclusive privilege.

There are some signs of progress, however. For instance, several important initiatives aimed at involving civil society in the budget process are taking place, supported by international agencies in cooperation with high-level Kyrgyz authorities. Within the framework of the budget dialogue supported by the Soros Foundation Kyrgyzstan, for example, key events during the budget process are now broadcast on national television and radio. In addition, a series of seminars and workshops on budget issues has been held for NGOs, especially those that represent remote areas of the country. Also, with the support of the Urban Institute, public hearings have been held to discuss issues related to local budgets in many areas of the country. And the UK government, through its development agency DFID, has supported the establishment of the “For Budget Transparency” alliance between NGOs and the government.

It is to be hoped that the government’s current support for these efforts is not intended merely to comply with international commitments but also reflects a genuine understanding of the importance of budget transparency for the Kyrgyz people.

For more information, contact Nurbek Toktakunov at Ihr2g2003@gmail.com.

Paul Collier’s The Bottom Billion. A Review by Albert van Zyl

Much of the recent discussion over development policy has been dominated by the debate between Jeffrey Sachs and William Easterly. In The End of Poverty, Sachs argued that a large, one-time infusion of aid would allow poor countries to launch sustainable growth; in The White Man’s Burden, Easterly described the limits of what aid can do. Paul Collier’s The Bottom Billion significantly enhances this debate by addressing some of the harder questions that neither Easterly nor Sachs has dealt with.

Collier argues that poverty among the world’s 1 billion poorest people has unique characteristics and cannot be approached in the same way as poverty among the other 5 billion people who live in developing countries. This, he says, is because the countries that contain the “bottom billion” poorest people are stuck in one or more of the following “poverty traps” that prevent them from growing their way out of desperate poverty:

- the conflict trap
- the natural resource trap (the so-called “resource curse”)
- being landlocked and having “bad neighbors”
bad governance

Collier’s extensive research illustrates the devastating impact that each of these traps has on the economic growth of the countries that house the bottom billion. Without significant outside intervention, these countries — most of which are in Africa — cannot emerge from these traps. In fact, they are likely to regress. Collier’s argument that these countries’ problems cannot be explained by a single factor (such as their history, trade policy, or conflict) but rather reflect a set of interacting variables is an important contribution to the development debate.

While aid has a role to play, Collier argues that “Aid alone will not solve the problems of the bottom billion — we need to use a wider range of policies.” This is where Collier provides us with a more nuanced picture than Sachs, Easterly, and others. Collier proposes a package of tools: aid, trade policy, military intervention, and laws and charters. Each of these is discussed below.

Collier estimates that over the last 30 years, aid has added only 1 percent to the annual growth rate of the bottom-billion. Admittedly this is significant in the context of many of these countries, but it hardly lives up to our expectations for aid. Collier argues that aid for the bottom billion should be reorganized and retargeted. Aid needs to be retargeted because, for example, it can be most effective in countries stuck in the bad governance trap, where it can provide the incentives, skills, and reinforcement to support incipient reform efforts. In countries stuck in the resource trap, in contrast, aid is fairly impotent. The reorganization of aid, for example, would mean that post-conflict countries should receive large amounts of aid only after some level of governance has been established, not immediately after conflict ends, as is currently the case.

On the issue of trade, Collier argues that the bottom billion have largely missed out on the advantages derived from wage differentials, which have propelled China and South East Asia into the world economic system over the last 20 years. Despite his extensive analysis of how marginal economies can benefit from global economic growth, he is ultimately quite skeptical of this happening anytime soon. Collier concludes that trade policy is likely to have an impact on development only in the bottom-billion that are stuck in the bad governance trap, not those stuck in the other three gaps.

One of Collier’s most controversial arguments is his advocacy of military intervention in support of development. Despite the ineffectiveness and unpopularity of interventions such as that in Iraq, he contends that interventions can help the bottom billion by restoring order, maintaining post-conflict peace, and preventing coups. Despite Collier’s eloquent argument, this chapter is unlikely to find a ready audience, given recent history. Collier stresses the need for interventions to have political legitimacy, but it is very hard to see how this requirement could be met in light of the political opportunism that has characterized military interventions over the last half-century.

Collier’s discussion of the role that laws and charters can play in development is one of the book’s most innovative features. Collier argues that initiatives like the Extractive Industry Transparency Initiative (EITI), the Kimberley process to stem the flow of conflict diamonds, and the EU’s _acquis communautaire_ (body of European laws) show that norms and laws have the potential to strengthen civil society, reform-minded politicians, and other development actors. Collier proposes five charters to support development:

- A charter for natural resource revenues that would build on the work of EITI and Publish What You Pay (PWYP).
• A charter for democracy that would set a standard for democratic checks and balances that goes beyond ‘free and fair’ elections. Collier puts particular emphasis on the role of the news media — radio in particular — in keeping regimes honest.
• A charter for post-conflict situations that would guide the behavior of donors and the international security regime. Controversially, Collier argues that post-conflict countries should be put under “probation” for a period and should be granted full sovereignty only after they have made significant progress on the governance and security fronts.
• A charter for investment that would guide the governments of poor countries in their treatment of both domestic and foreign investors.
• A charter for budget transparency. While it is refreshing that Collier acknowledges the role of budget transparency in development, this section is disappointingly superficial and does not go much beyond the often repeated discussion of the World Bank’s public expenditure tracking survey work in Africa. Inclusion of the work of the IMF, OECD, and IBP would allow the development of a much more extensive charter on budget transparency than what Collier acknowledges. These charters could usefully be supported by regional formations such as the African Union, the Economic and Monetary Community of Central Africa, (CEMAC), West African Economic and Monetary Union (UEMAO), and Southern African Development Community (SADC). Civil society would benefit enormously from an internationally accepted set of benchmarks on budget transparency and participation.

Collier’s book is important for the budget community for a number of reasons. First, he provides an interesting and well-researched framework within which budget work can be situated. His research on how aid is used in the budgets of countries where the bottom-billion lives, for example, provides invaluable analysis of the allocation problems to which aid can expose countries. (Unfortunately, while Collier’s arguments in the book are largely based on his own voluminous research, the book omits footnotes for readability’s sake, which prevents readers from looking at this background research.)

Second, Collier presents useful research on how countries use natural-resource rents and on the weaknesses in public and private infrastructure investment. His discussion of the role of charters also provides interesting perspectives on how civil society work on budget transparency and participation can be “scaled up” to play a more prominent role in broader development debates.

Third, Collier emphasizes the importance of strengthening governance checks and balances in fragile societies. Simply having an election does not ensure good governance in the future, he notes, because elections determine who governs rather than how they govern. Collier’s argument provides strong support for efforts to strengthen the institutions that ensure budgetary checks and balances, such as audit institutions, legislatures, the media, and indeed civil society itself, though he does not go to this level of detail.

If you have comments on this review or Collier’s book, please send them to albertvzyl@gmail.com and we will publish them together in the next edition of the newsletter. Other reviews of The Bottom Billion can be found at:

A Report on Paul Collier’s Recent Presentation at the Brookings Institution

On September 25th Paul Collier gave a presentation of his book at the Brookings Institution. Here Collier began by reviewing how and why he differentiates the bottom billion from other groups suffering from underdevelopment and also why they constitute a critical group worthy of focus. Collier argued that his analysis suggests potential resource booms in Africa while potentially positive in the short term would be negative in the longer term if previous historical patterns held and reforms to the international system were not made.

Collier focused his comments on the potential of laws and charters and trade policy, and also felt it necessary to clarify his views on military intervention stating the intervention in Sierra Leone rather then Iraq was an appropriate model to emulate. Collier focused heavily on laws and charters as a way to establish standards which would allow countries to make better deals in regard to resource extraction. He also argued that the African Growth and Opportunity Act (AGOA) had been a success in some aspects and that there is great potential for further advancement through trade if Africa was given a temporary phase of protection to have the chance to create clusters of industries.

Gobind Nankani - President of the Global Development Network and former Vice President for Africa in the World Bank - offered comments and criticisms of The Bottom Billion arguing that it overemphasized Africa to the exclusion of other very poor countries, while underemphasizing the role of the African Union and internal country factors in advocating for reform. Charles Griffin - Brookings Senior Fellow - also questioned why lack of education was not included as a trap preventing countries from escaping poverty. Collier expressed agreement with many of Nankani’s comments and emphasized that The Bottom Billion was not intended to be the final word of the subject. Most relevant to international budget work, Collier expressed apprehension about the prospects for positive internal political reform.

Collier concluded by responding to an audience question about what advice he would give the new World Bank President (Robert Zoellick) saying that he would suggest the World Bank stop focusing on being an aid agency and start focusing on being a development agency.

For more information, contact Christopher Brown at cbrown@cbpp.org.
New Publications:

Mexico’s Right-to-Know Reforms: Civil Society Perspectives by Fundar and the Woodrow Wilson Center and Transparency and Accountability in Africa’s Extractive Industries: the Role of the Legislature by the National Democratic Institute

Mexico’s Right-to-Know Reforms: Civil Society Perspectives

On October 25, the Woodrow Wilson Center, together with IBP's Mexican partner organization, Fundar, will present their new book: Mexico's Right-to-Know Reforms: Civil Society Perspectives.

In 2002, unusually diverse civil society and political forces came together to launch a remarkable transparency reform that gave Mexican citizens institutional tools to put the "right to know" into practice. This book brings together a wide range of civil society and scholarly perspectives on lessons learned from the actual exercise of these newly won information rights. Seen through the lens of diverse electoral, political, economic, social, and environmental issues, public interest groups and academics share their experiences with both advances and limitations in wielding the power of information.

The event will include presentations by the four co-editors, including IBP's Helena Hofbauer and Jonathan Fox, Libby Haight and Tania Sanchez, as well as Kate Doyle of the National Security Archive, Jorge Romero from Fundar and Juan Pablo Guerrero, one of Mexico's Information Commissioners. The book will be made available free of charge, and is also available in Spanish at http://www.fundar.org.mx. For details on the event, go to: http://www.wilsoncenter.org/mexico.

Transparency and Accountability in Africa’s Extractive Industries: the Role of the Legislature

In 2005, the National Democratic Institute (NDI) launched a program to improve the ability of African legislators in resource-rich countries to understand and respond to the political and economic challenges often posed by the exploitation of natural resources. To achieve this NDI conducted a survey in Angola, Botswana, Chad, the Republic of Congo, Ghana, Nigeria, Sierra Leone and South Africa to identify best practices and other strategies to promote transparency in extractive industries.

The report Transparency and Accountability in Africa’s Extractive Industries: the Role of the Legislature summarizes key findings of the interviews conducted and describes the challenges that African legislators face in overseeing their countries’ oil and mining industries. It also highlights best practices and offers recommendations for legislators, civil society groups, and the international community.

One of the report’s conclusions is that legislatures are uniquely positioned to mitigate the political risks that may be posed by natural resource exploitation. Informed and engaged legislators can also promote economic growth and development in ways that respond to the needs of civil society.

To read the report, go to: http://www.ndi.org/NDI_TransparencyBook(Final).pdf.
New Materials in the Budget Library

Budget Process

Assessing the Power of the Purse: An Index of Legislative Budget Institutions
By Joachim Wehner/ London School of Economics
This article presents an index that ranked 36 countries according to how much control the legislature has over the budget, based on the legislative budget institutions in each country. The article reveals substantial variation in the level of financial scrutiny of government by the legislature amongst contemporary democracies. A number of Wehner’s findings demand our attention. For example, the UK and Canada, both of which have (relatively) highly developed economies, fell into the bottom quartile of countries in terms of legislative control over the budget, alongside Chile and South Africa. Argentina and Mexico, meanwhile, were close to the top quartile, alongside Belgium and Germany.

Budget Transparency

Budget, State and People: Budget Process, Civil Society and Transparency in Angola
By Jan Isaksen, Inge Amundsen, and Arne Wiig, with Cesaltina Abreu/ Chr Michelsen Institute
This study aims to improve understanding of the state of budget transparency in Angola and indicate ways to expand transparency and openness. It describes the country’s budget process and points out its weaknesses. For instance, Angola’s supreme audit institution, the Court of Accounts, has only recently started functioning and needs to strengthen its capacity; the court has strong legal powers but has produced no audit reports as yet and remains largely unknown to the public. While civil society groups have had only limited participation in the budget process, the authors describe prime examples of successful budget work. These include the effort by the Conferencia Episcopal de Angola e São Tomé (CEAST) to pressure the government to subscribe to EITI principles and a more just distribution of Angola’s natural resource wealth, and the Catholic Relief Services’ participation in the Open Budget Initiative 2006.

ESCR-Budget Analysis

The Right to Work in Israel: A Legal and Fiscal Perspective (short version)
By Noga Dagan-Buzaglo/Adva Center
Since the mid-1980s, workers’ rights in Israel have eroded significantly as a result of the weakening of labor laws, economic changes that resulted in a polarized and precarious job market, and a weakened social safety net. This paper analyzes workers’ rights from both legal and fiscal perspectives. The legal discussion examines the scope of workers’ rights, assessing whether Israel’s labor laws adequately reflect international labor covenants the country has signed. The fiscal discussion examines Israel’s budget as a source of investment and job creation and as a financer of programs to protect workers’ rights.

The Right to Higher Education in Israel: A Legal and Fiscal Perspective (short version)
By Noga Dagan-Buzaglo/Adva Center
During the past decade, Israel has undergone a severe recession that has led to significantly reduced social spending, resulting in widened social and economic inequality. Against that backdrop, this paper seeks to integrate discussions on social and economic rights with those on fiscal policy in order to illuminate connections between the two areas and describe steps that can lead towards a more egalitarian society. By opening up such a discussion, the authors aim to empower civil society to become more involved in fiscal policymaking at both the federal and state levels.
Social Rights in Israel: Inferior Legal Status and Insufficient Budgets
By Noga Dagan-Buzaglo/Adva Center
This paper describes various rights articulated in the International Covenant on Economic, Social and Cultural Rights, to which Israel is a signatory, and evaluates the degree to which Israeli law and policies enforce them. It concludes that the state does not take adequate measures to fully protect its citizens’ right to health, social security, employment, and education, primarily because of budget cuts that have slashed social service funding.

Health

Mapping Multilateral Development Banks’ Reproductive Health and HIV/AIDS Spending
By Suzanna Dennis and Elaine Zuckerman/Gender Action
This report tests the commitment of multilateral development banks (MDB) to promoting reproductive health, preventing HIV, and treating AIDS. It analyses the quantity and quality of MDB funding for these sectors during 2003-06 and shows how MDB and International Monetary Fund policies have undermined achievement of the Millennium Development Goal targets concerning reproductive health and HIV/AIDS. It also shows that while donor policies include gender equality goals, these commitments are not reflected in budget allocations.

Does the IMF Constrain Health Spending in Poor Countries? Evidence and an Agenda for Action
By the Center for Global Development
Produced by a team of 15 experts drawn from policymaking positions in developing countries, academia, civil society, and multilateral organizations, this study explores criticisms of the IMF’s macroeconomic policies and their impact on health spending in low-income countries. It includes in-depth case studies from Mozambique, Rwanda, and Zambia.

Public Expenditure Management

Reporte Nacional 5 de Vigilancia de las Industrias Extractivas
By Grupo Propuesta Ciudadana
http://www.internationalbudget.org/resources/library/IndustriasExtractivas.pdf
This report examines the generation, use, and distribution of revenues derived from extractive industries in Peru between 2004 and 2006, with an emphasis on transparency and access to information. It observes that while mining production doubled during this period 95 percent of this gain resulted from an increase in prices; only 5 percent represented an increase in production.

Decentralization

Reporte Nacional 11 de Vigilancia a la Descentralización
By Grupo Propuesta Ciudadana
http://www.internationalbudget.org/resources/library/Descentralizacion.pdf
This report describes the changes implemented by Peru’s regional governments and executive during 2003-06 as part of the country’s decentralization initiative. Aimed both at public officials and at social, institutional, and entrepreneurial leaders, it presents recommendations for the decentralization process, such as how to overcome administrative deficiencies that limit the proper use of investments.

Development Economics

The IMF and Aid to Sub-Saharan Africa
By the Independent Evaluation Office (IEO) of the International Monetary Fund
This paper examines IMF loan programs to 29 countries in sub-Saharan Africa between 1999 and 2005. It finds that significant percentages of foreign aid were not spent because of IMF policies on currency reserve levels and inflation rates; about 37 percent of all annual aid increases to these countries were diverted into building currency reserves. Even among countries perceived to have sufficient currency reserves already, only about $3 of every $10 in annual aid increases was spent; the IMF diverted the rest to paying down domestic debt and/or building up currency reserves.

*Budget Support to Ghana: A Risk Worth Taking?*
By the Overseas Development Institute
This briefing paper assesses the strategy of providing development assistance through “general budget support” (GBS), using as a case study the Multi-Donor Budget Support (MDBS) program instituted in Ghana by the Overseas Development Institute and CDD-Ghana. GBS, defined as the provision of financial aid by a donor agency directly to a country’s national treasury, aims to harmonize fiscal systems of donor-supported aid projects and governments’ regular budgets. The report concludes that MDBS has not reduced the risks associated with putting money into weak fiscal systems but has encouraged budget reform and increases in poverty-reduction expenditures. The report recommends that MDBS be re-conceived as a method of budget financing rather than a tool for policy leverage.

*Macroeconomic Analysis*

*Confronting the Contradictions: The IMF, Wage Bill Caps and the Case for Teachers*
By ActionAid
This paper builds on previous research and new in-depth country case studies from Malawi, Mozambique, and Sierra Leone. It finds that a major factor behind the severe teacher shortage in these countries is that IMF policies have forced governments to freeze or curtail teacher recruitment. While the IMF’s influence varies from country to country regarding the precise funding level for wages of public-sector employees, the IMF contributes to teacher shortages by insisting on overly restrictive macroeconomic policies that unnecessarily constrain overall government spending and thus constrain sector budgets and employee wages.

**IBP-Soros Foundation Kyrgyzstan 2007 NGO Summer School**

On July 25-29 in the Kyrgyz Republic, the IBP and the Soros Foundation Kyrgyzstan co-hosted a training workshop for the 2007 NGO Summer School on budget analysis and budget advocacy. Some of the 22 participants, who came from across the Kyrgyz Republic, had already begun monitoring local government expenditures; some also had been monitoring revenues from extractive industries.

The workshop covered the politics, stages, and decision makers of the budget process; budget advocacy; key budget calculations; and how to obtain budget information, with an emphasis on the IBP’s Open Budget Index.

The session on access to information sparked heated debate. The Kyrgyz Republic enacted a freedom of information law in 2006, but many workshop participants had only limited knowledge of its provisions, and participants discussed the government’s frequent disregard of the law — especially when civil society groups request specific budget information. Nurbek Toktakunov, a lawyer based at the International Human Rights Group who has
successfully applied the law in several legal cases, stated his eagerness to litigate a test case that would set a legal precedent for the public’s right to budget information.

The session on the budget process was presented by Akhmetbek Ermekov, a public finance expert and coordinator of a national television program on budget literacy on behalf of the Soros Foundation Kyrgyzstan. During this session, questions from participants focused on identifying the best opportunities to participate in the budget process. Currently, civil society participation is limited to the approval stage (when groups are invited to make submissions to the legislature) and during public hearings at the local government level. Ermekov emphasized that officials in the Ministry of Finance are highly knowledgeable and that civil society actors interested in engaging these officials on budget issues need to be well informed and provide credible budget information.

The workshop also heard presentations from the Urban Institute about its coordination of public hearings around the country on issues related to local budgets and from Youth of the Nation about its project to track school expenditures in the Chui oblast. (The Youth of the Nation project was initiated after the group’s leader, Besedin Evgenii, attended an IBP-OSI workshop in Mongolia in 2006 on budget analysis and budget advocacy.)

The outcomes of the workshop include:

- As a result of the debate on access to information, the International Human Rights Group will conduct a one-day workshop for civil society groups on the freedom of information law.
- The Mental Health and Society Group, one of the participating NGOs, has begun to develop a health budget advocacy strategy in collaboration with the International Human Rights Group (which will help draft formal requests for information) and Akhmetbek Ermekov (who will help implement the public education program).
- The IBP and the Soros Foundation Kyrgyzstan will select up to four groups from the workshop to participate in a regional training workshop on research-based advocacy.

For more information, contact Shaamela Cassiem cassiem@cbpp.org.

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**IBP Budget Analysis Workshop in Chad for Francophone African Countries**

From 21-30 June, in partnership with GRAMP/TC (Group for Alternative Research and Monitoring of the Chad-Cameroon Petroleum Project, a Chadian NGO), the IBP presented a workshop on budget analysis and advocacy techniques in N’ Djaména, Chad. This was the IBP’s first workshop of this kind in French and was attended by 21 participants from eight francophone countries in West and Central Africa. In preparation for the workshop, the IBP translated its intermediate training materials into French and trained six facilitators from Chad, Burkina Faso, Cameroon, and Senegal. These facilitators conducted the entire workshop and will form the core of a group of francophone trainers that will support budget work in the region in the future.

A number of workshop participants expressed a need for further support. Some, for example, are involved in monitoring the implementation of PRSPs and want to know more about how the development goals contained in PRSPs should be translated into government budgets. Also, in many of the countries represented in the workshop, a share of extractives
Revenue is earmarked for use by local governments; groups in these countries are interested in monitoring whether this money actually reaches local governments and, if so, how they use it.

Many participants commented that the workshop strengthened their budget analysis and advocacy skills, which will allow them to participate more meaningfully in budget deliberations in their countries. Many participants also valued the sessions for setting a strategic objective for budget work.

The IBP will provide support on these initiatives in partnership with regional organizations such as ActionAid and Publish What You Pay. A number of the workshop participants have developed substantial budget monitoring programs and will be considered for mentorship and other support.

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

Seminar on the Future of Participatory Democracy, Brazil

The Brazilian NGO CIDADE together with "Centro Universitario Metodista" and Oxfam will offer an international seminar entitled The Future of Participatory Democracy from 25-27 October 2007. The seminar aims to evaluate the limits and possibilities of participatory budgeting experiences and discuss guidelines to build an international network of grassroots based participatory democracy activists. For deadlines, applications, and other program details go to the CIDADE's website at www.ongcidade.org, or contact Sergio Baierle baierle@gmail.com.

Capacity.org Online Magazine for International Development Practitioners

Capacity.org (www.capacity.org) is a web-based magazine for practitioners and policy makers interested in international development and cooperation in the South. The most recent issue of Capacity.org focuses on accountability and addresses the question: What initiatives can citizens take to hold decision makers, service providers, and development practitioners accountable to their commitment to reduce poverty? The articles in this issue deal with the relationships between governments and their citizens and between national governments and the international donor community.