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# From plans to budgets To expenditure

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Workshop on Budget Analysis  
Tanzania, January 2004

# Structure of the Presentation

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- # Sector strategies—How to do it
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# Introduction

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- # Understanding the links between PRSP, sector strategies, budgets and public expenditure is key to adequately monitoring service delivery
- # The **budget** is the public policy instrument that best reflects a government's true priorities
- # Civil Society (CS) should participate at both the **macro and micro** levels
- # Money flows and policy priorities should be monitored at **all points of the expenditure**

# Introduction—Why should CS analyze budgets? I

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- # CS's participation tends to focus on the **micro-level**:
  - Projects--participation
  - Resources dedicated to a specific group
- # When, at the **macro-level**, they could be experiencing:
  - A reduction in total social spending
  - A deterioration of transparency and good management of the budget

# Introduction—Why should CS analyze budgets? II

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- # Because they can analyze and influence the quantity of **resources dedicated to:**
  - **A specific group** (children, women, the disabled)
  - **Total social spending** (benefiting vulnerable groups & investment for growth)
- # Because they can draw attention to aspects of **transparency and public expenditure management** (benefiting the general public)

# PRSPs—What we want to do

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# PRSPs establish:

- **Goals**, e.g. Improve Quality of Life and Well Being
- **Targets**, e.g. Reduce Illiteracy by 100 %
- **Indicators**: e.g. Gross Enrolment Rate; Net Enrolment Rate; Drop Out Rate; Transition Rate
- **Priority sectors** for action to achieve key goals, e.g., primary education

# Monitoring What We Want to Do

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- # There are many different potential indicators
  - Appropriateness depends on whether they are Specific, Measurable, Applicable, Relevant and Timely
- # Need to distinguish between monitoring implementation (Inputs, Outputs and Outcomes) and monitoring poverty (Outcomes and Impacts)
- # Initial focus in most PRS is on Impacts  
but  
Before monitoring impact, need to monitor implementation to allow for management.
- # Indicators need to be defined in a systematic way after agreeing on what the interventions are and how they will lead to changes in the behaviour of the targeted group.

# Monitoring What We Want to Do

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- # Tanzania Poverty Monitoring Master Plan
  - Emphasizes Impact and Outcome Indicators with proxy indicators to provide estimates for outcome and impacts
  - Output Indicators are covered by sector programs
  - Input Indicators are defined and monitored in the PER / MTEF Framework
  - Progress is measured in all

# Sectoral Strategies—How we want to do it

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- # Plans that develop the key elements of the strategies included in PRSP priority sectors e.g. PEDP:
  - Key policy and institutional interventions in the sector to achieve established goals
  - Costing of those interventions
  - Detailed goals, indicators and targets for monitoring progress in the sector

# Monitoring How We Do It

- # Consistency of sectoral strategies with PRS (if following it) and poverty focus (if preceding it)
- # Key indicators of sectoral strategies—outputs:
  - Goods and services produced
  - We need this information in the Short - Medium Term. Ideally more than once a year - annually will do.
- # Everywhere administrative data suffers from questions over
  - accuracy timeliness and coverage
  - Incentives to misreport
  - In the medium to long term these need strengthening
- # Its important that outputs get incorporated into program budgets

# Monitoring How We Do It

- # The PMMP identifies a large range of indicators that will come from Routine Data Sources (RDS)
- # Much of this data is collected at LG level – meaning a major role for LAs and Local Government Reform
  - Needs to be made more relevant at all levels – currently there is little use for this at local level
  - Needs to improve the quality of the data
- # In Tanzania, PER sector working groups play a critical role in monitoring sector strategies and their consistency with PRS and budgets

# Budgets—How to pay for it

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- # (Ideally) mechanisms of resource allocation to achieve key goals in PRSPs and sector strategies:
  - **Macro-economic framework** determines overall resource envelope—how much money is available in total?
  - **Sectoral envelopes**, based on costing of sector strategies and determined at the line ministry level with arbitrage by MoF

# Examining How We Pay For It

- # Understanding the budget requires a technical expertise that often discourages civil society groups from becoming involved
- # To be able to participate in allocating budgets or producing alternatives one needs to be able to look at elements of allocative efficiency and equity
  - Includes issues of intra-sectoral allocation as well as geographical distribution e.g. the reallocation of staff among regions or districts
  - Can look at specific groups, such as gender
- # Example of Gujarat in India

# Examining How We Pay For It

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- # In Tanzania, the PER process can provide a chance for CS to affect allocative efficiency by influencing:
  - The MF as it makes cross-sectoral allocations
  - Line ministries as they propose intra-sectoral allocations
- # Major difficulty for independent analysis lies in the complex nature of the budget
- # Some initiatives undertaken to assist with this e.g. TEN/MET Simple Guide to Working with Finances in Education

# Expenditures—Paying for it

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- # Money allocated “on paper” in the budget needs to actually be made available to:
  - Ministries or local governments
  - Spending units (schools, clinics)
- # Money allocated to spending units needs to buy services:
  - Books
  - Teachers’ salaries
  - Drugs

# Monitoring How We Pay For It

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- # Need to track whether what is allocated gets there (the flow of funds) - ensuring the government spends public monies according to budget allocations
- # Independent Audits such as Expenditure Tracking Exercises
- # Example Participatory Expenditure Tracking Survey in Uganda

# Monitoring How We Pay for It

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- # Accountability and control systems:
  - Ministries - Accounts Submitted
  - Independent Auditor General  
Accountants Office - Accounts Audited
  - Parliament Approval of Audited Accounts  
- very important that parliament acts on the reports
  - From the judiciary
  - From civil society

# Services—Getting what we paid for

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## # Services need to actually reach citizens:

- Books need to reach children
- Teachers need to show up in school
- Drugs need to reach patients

## # Services need to be appropriate to needs/demand:

- Teaching material content needs to be appropriate to children's learning needs
- Health packages need to be appropriate to geographic area
- Education in a language not understood by children is not very helpful

# Monitoring We Get What We Paid For

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- # Entails checking the money is spent properly and reaches its intended destination – that the outputs are actually produced
- # Also involves looking at outcomes and whether what is produced is used
- # Good Tools for CS Involvement Include Service Delivery Surveys and Score Cards
  - Many examples of these Philippines, India, Malaw
- # Important to including qualitative information that explains quantitative results PPAs play a role here

# Monitoring We Get What We Paid For

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- # In Tanzania the PER identifies that the lack of output targets makes it difficult to draw a link between actual expenditure and outputs
- # In terms of outcomes the PPA can play a role in providing depth to the information that comes from statistical exercises
  - PMMP – Not all information required for pro-poor policy and decision making can be obtained through measuring pre-determined indicators

# Key entry points for CS

## Plenty of entry-points for CS:

- PRSP consultation phase/PRSP Review?
- Participation in budget planning / PPER
- Formulation of sector strategies/policies
- Monitoring spending and service delivery—  
expenditure tracking and service delivery surveys
- Planning at local government level
- Monitoring the donor community

# Conclusion

- # Public spending is a crucial factor in the implementation of PRSs...
- # ...and the easiest/least technical instrument to analyze...
- # ...analysis and monitoring of public spending is the best instrument in the hands of civil society for monitoring and evaluating PRSs!
- # Need to monitor at ALL points of the chain!