



Annual Report (April 2010-March 2011) For Governance and Transparency Fund

**CN-164: Strengthening Institutions to Improve Public Expenditure
Accountability
Global Development Network**

30th June, 2011

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1. Programme Identification Details

GTF Number	CN-164
Short Title of Programme	Strengthening Institutions to Improve Public Expenditure Accountability
Name of Lead Institution	Global Development Network
Start Date	16/10/2008
End Date	30/06/2013
Brief Summary of Programme:	<p>The project aims to improve development outcomes by increasing the effectiveness with which governments allocate and use their resources. It will strengthen the analytical underpinnings of the policy debates around public expenditure priorities and their impact, thus improving the governance of public service delivery in three sectors in 15 countries. Through this approach, the project intends to achieve the following key outcomes:</p> <ul style="list-style-type: none"> • Expanded institutional capacity for public expenditure monitoring and analysis, development of policy alternatives and constructive engagement in a peer-learning environment; • Increased use of evidence-based policy alternatives in the social sectors; and • Internationally comparable information on public expenditures, incidence (who benefits), effectiveness and policy alternatives that will begin to build benchmarks for quality of public spending.
List all countries where activities have taken place	Annex D1
Target groups and wider beneficiaries	Direct beneficiaries are the 15 selected research institutions whose research and communication capacities will be built for providing rigorous evidence-based policy options for public expenditure management. Indirect beneficiaries include government officials, civil society organisations, academic institutions and citizens of the 15 partner countries who would gain from these research-based policy options and in-turn better allocation of public expenditures in their countries.
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2. List of Acronyms

AERC	African Economic and Research Consortium
AST	Advanced Social Technologies, Armenia
BIA	Benefit Incidence Analysis
CBPS	Centre for Budget and Policy Studies, India
CCT	Conditional Cash Transfers
CEA	Cost-Effectiveness Analysis
CEDS	Center for Economics and Development Studies, Indonesia
CIPPEC	Center for the Implementation of Public Policies Promoting Equity and Growth, Argentina
CIUP	Research Center of the University of the Pacific, Peru
CRC	Center for Research and Communication, Philippines
CSEA	Center for the Study of the Economies of Africa, Nigeria
CSO	Civil Society Organisation
DFID	Department for International Development, U.K
EADN	East Asian Development Network
EERC	Economics Education and Research Consortium
EGAP	Graduate School of Public Administration and Public Policy, Mexico
EPRC	Economic Policy Research Centre, Uganda
ESRF	Economic and Social Research Foundation, Tanzania
FUNDESA	Fundación para el Desarrollo de Guatemala, Guatemala
GDN	Global Development Network
IDB	Inter-American Development Bank
IEA	Institute of Economic Affairs, Kenya
IGG	Inspector General of Government
ISODEC	Integrated Social Development Centre, Ghana
KHTP	Karnataka Health Promotion Trust
M&E	Monitoring and Evaluation
MP	Members of Parliament
MTR	Mid-Term Review
NGO	Non-Governmental Organisation
NORC	National Opinion Research Center
OKF	Open Knowledge Foundation
PBA	Program Budgeting Analysis
PEM	Public Expenditure Management
PMT	Project Management Team
PRAD	Policy Research and Development, Nepal
R4D	Results for Development
TA	Technical Advisor
US	Unnayan Shamannay, Bangladesh

3. Executive Summary

The five-year project '*Strengthening Institutions to Improve Public Expenditure Accountability*' builds the capacities of 15 partners in 15 developing countries to monitor and analyse public expenditure options, processes and impacts (in sectors of high significance to human development—education, health and water), to engage with policymakers by providing evidence of efficiency, equity and costs of public spending for enhanced public service delivery.

During the reporting period various activities have been undertaken to strengthen the capacities of the partners as well as to further increase the impact of the project. An external and independent Mid-Term Review (MTR) has been carried out to assess the progress of the project and the extent of its achievements against objectives till March, 2011.

Capacity Building

Institutional development of partners has occurred and will continue to take place during the project. All partners have unanimously reported that they have increased their capacities by gaining knowledge of new tools to analyse public policies. According to the MTR, 'participants believe they have strongly increased their analytic capacity in the areas where the project has focused its activities.'

While the project has provided Economic and Social Research Foundation (ESRF) with a strong platform to engage in long-term government expenditure analysis and accountability in Tanzania, for Fundación para el Desarrollo de Guatemala (FUNDESA), it has build their capacity to create a new programme (Guatemala's Transparency Programme for Social Investment) on transparency for monitoring services in the three sectors in Guatemala.

To further increase the capabilities of the partners, additional grants have been given to eight partners on merit bases to strengthen their dissemination activities and enable them to undertaken extensions to the analysis. Sectoral experts have been engaged as Technical Advisors (TAs) to provide additional technical mentoring. Building on the recommendations of the MTR, the Project Management Team (PMT) has partnered with Commsconsult, UK and GDNNet, to formulate a research communications training strategy to support the partners in disseminating their results to policymakers and stakeholders.

Sustaining Outputs and Outcomes

The project's sound technical capacity building (mentoring and capacity building workshops) component has been strengthened by the cross-fertilisation and learning component (peer-reviews and regional workshops). Both components have encouraged extensive networking and peer-learning. The Global Development Network (GDN) has also provided platforms to partners to disseminate their results at regional forums. Some partners are even engaging with others beyond the project by inviting them to present at seminars and conferences¹. Few have even made training modules and tools available in the public domain, supporting knowledge sharing.

Networking and collaboration

In order to increase the likelihood of influencing policy in the three sectors, many partners have entered into leveraging partnerships and collaborations

¹The Latin American partners were invited to participate in conferences held by FUNDESA, Guatemala and EGAP, Mexico. CBPS, India was invited to participate in a PEM-related seminar held by CEDS, Indonesia.

with like-minded Non-Governmental Organisations (NGOs), Civil Society Organisations (CSOs) and coalitions. Interactions between Centre for Budget and Policy Studies (CBPS), India; Karnataka Health Promotion Trust (KHPT) and the Open Knowledge Foundation (OKF) have evoked positive response from stakeholders who continue to hold the research outputs from CBPS in high regard. Through the Economic Policy Research Centre (EPRC)-Inspector General of Government (IGG) partnership, it is envisaged that the annual report on corruption trends will be used to engage the public on addressing corruption issues in Uganda. These are only two of the many examples. The MTR states that 'there exists a strong opportunity for the partners to be able to sustain effective work in the public expenditure area.'

Influencing Policy

In the past year, partners have also made conscious efforts to engage with the media, policymakers, parliamentarians and ministry officials to disseminate their research findings. Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC), Argentina has attempted to impact public opinion through newspaper articles, radio and TV interviews as well as specialised debates. Advanced Social Technologies (AST), Armenia; Policy Research and Development (PRAD), Nepal and EPRC, Uganda have contributed to the policy debates around Public Expenditure Management (PEM) by sharing policy briefs with CSOs and policymakers. EPRC, Uganda; ESRF, Tanzania; FUNDESA, Guatemala and Unnayan Shamannay (US), Bangladesh have also issued press releases incorporating findings of PEM analysis. Integrated Social Development Centre's (ISODEC's) programmes on public expenditure tracking transparency and accountability, of which this project is a part, have yielded positive impacts on the marginalised and vulnerable groups in Ghana. This is evidenced by the annual improvement in government's budgetary system. The MTR reports 'partners were seen [by the Policy Community] as focusing on issues of high priority, being valuable sources of information and providing helpful policy recommendations.'

Innovation and Learning from GTF

The project's innovation has been recognised by the MTR when it states that 'the GDN project is implementing a genuinely innovative project.' At the mid-point, key learnings have also been identified. The time at which partners engage with policymakers, media and civil society has been recognised as an important factor to ensure higher likelihood of research uptake. The tremendous opportunity for cross-country learning, using benchmarks and references, has been identified as a tool in getting media attention and influencing policymakers. The positive approach with which partners engage with policymakers has also been recognised as essential in ensuring the bridge between research and policy. These are just some of the many learnings from the project.

Risks

While many partners have strengthened their teams to include sector-specific researchers and communication staff, high staff turnover at few partner institutions continues to be a major risk; along with challenges in accessing data for analysis. The PMT is working closely with these teams, providing them with additional technical assistance and rigorously monitoring their progress.

4. Programme Management

There has been a relatively small change in the PMT since last year. Mr. Nicholas Burnett, Managing Director at the Results for Development institute (R4D), has joined the PMT, and in his role provides strategic guidance to the project and is an advisor on education.

Sectoral experts, working as TAs have been brought in to provide additional technical mentoring to partners. The panel includes Dr. Lyn Squire, consultant and expert on the education and health sectors; Dr. Anil Deolalikar, Professor of Economics and Associate Dean of Social Sciences at the University of California Riverside, and expert on the health sector; and Dr. Dale Whittington, Professor at the University of North Carolina and expert on the water sector. Dr. Charles Griffin, consultant, is the Lead Technical Advisor for the project. Depending on their needs, partners are in direct contact with the TAs and often seek their guidance on strengthening their analyses. The PMT is copied on all communications between the partners and the TAs. One of the TAs (Dr. Lyn Squire) is also a member of the project Steering Committee.

Dr. Ana Corbacho from the Inter-American Development Bank (IDB) has replaced Dr. Mario Marcel who is no longer a member of the Steering Committee after his exit from the IDB.

In partnership with Commsconsult, UK and GNet, the PMT is in the process of formulating a research communications training strategy to further build the capacities of the partners to engage effectively. A workshop on research communications was held in Mombasa in June, 2010 for partners from Africa.

An external and independent MTR was carried out by the National Opinion Research Center (NORC) to assess the progress of the project and the extent of its achievements against objectives till March, 2011. The review particularly highlighted the competency with which the PMT has managed the project to-date. The bi-monthly Skype/conference/Webex with the partners has enabled the PMT to stay up-to-date with their progress and discuss relevant technical and project management related matters.

Remaining personnel responsible for overall management and Monitoring and Evaluation (M&E) functions remain the same as indicated in the previous Annual Report of June, 2010.

5. Working with Implementing Partners

As the project enters the next phase of analysis, some partners (Armenia, Indonesia and Tanzania) have expanded their teams to include sector-specific researchers. The teams from Bangladesh, India and the Philippines have also strengthened their staff on communications to support effective dissemination of research results to policymakers and stakeholders.

Partners from Ghana, Nigeria and Uganda have witnessed considerable changes in their research teams owing to high staff turnover due to career advancements and moves to pursue higher studies. This has affected their ability to meet deadlines and quality of reports. The PMT is working closely with these teams, providing them with additional technical assistance and rigorously monitoring their progress.

Additional grants have been given to eight partners (Argentina, Armenia, Bangladesh, Guatemala, India, Mexico, Philippines and Peru) to undertake

extensive dissemination activities and relevant extensions to the public expenditure analysis. These grants have been awarded on merit bases.

6. Risk Assessment

GDN has updated the risk assessment table (external and internal) as stated in the previous Annual Report of June, 2010. Staff turnover at partner institutions and challenges in accessing data for analysis have been major risks. Annex E1 lists the risks in order of importance and the corresponding possible mitigation measures during the project duration.

7. M&E Arrangements

The project has an integrated M&E plan which has helped in tracking changes over time, managing the project outputs, reassessing priorities and reporting to stakeholders.

- A **Baseline Assessment Report** was submitted to the Department for International Development (DFID) in November, 2009;
- A **Monitoring Survey** of the partners, assessing the changes in partner institutions related to capacity built, was completed in September, 2010;
- Subsequent to a request by DFID, an **MTR** of the project was undertaken from October, 2010 to February, 2011 that followed the guidelines provided by DFID. The MTR provided an independent assessment on the progress and performance at the mid-point of the project, measured and reported on achievements and documented early signs of change and impact. Most importantly, it also indicated adjustments that needed to be made to contribute to the success of the project. Results from the Monitoring Survey were submitted along with the MTR and GDN Management's Response to the report. DFID **concurred with the findings and recommendations of the MTR** and highlighted its thoroughness and quality, which was deemed to have provided them with a comprehensive and insightful evaluation of the project. The recommendations have also provided an opportunity for the project to ensure continuous learning and to address priority areas for remainder of the project, such as benchmarking across countries, enhancing and undertaking systematic efforts on research communications.

In order to accommodate the changes in the M&E timeline, a further revision has been made to the M&E schedule (please refer to Annex F1):

- Second Monitoring Survey will be conducted between September, 2011 and February, 2012 and the report will be submitted in March, 2012;
- Final Endline Evaluation will commence in November, 2012 and the report will be submitted in June, 2013.

GDN confirms that there has been no significant change in the M&E personnel. M&E activities have been and will be independently undertaken by NORC, the external M&E agency.

8. Logframe Changes

No changes have been made to our logframe.

9. Emerging Impact on Governance and Transparency

As highlighted in the MTR, at the mid-point of implementation (two and a half years), the project has 'gained momentum' as the 'project impacts are just emerging as one expects given the nature of the project intervention and the rhythm of government decision-making on policy changes.' Partners have

presented their results from Program Budgeting Analysis (PBA) and Benefit Incidence Analysis (BIA), introducing methods that are not employed in policy discussions and shared them with government officials, CSOs and other stakeholders. These early activities are important for gaining acceptance of policy proposals based on PBA and BIA to local analysts as 'policymakers will only embrace policy recommendations if they can understand their underlying basis.' The two short articles given in Annex A9 relate to the emerging impact of the project in two countries-Armenia and Uganda.

10. Cross-Cutting Issues

The project is focussing on public expenditure monitoring and analysis in three key sectors of significance to human development. Policy recommendations to follow from the analysis will positively benefit public services for the economically disadvantaged sections of the society. The three types of analysis—PBA, BIA and Cost-Effectiveness Analysis (CEA) have provided analytical insights into support to public services and spending directed towards specific underprivileged groups and under-funded causes in education, health and water. For example, partners have engaged in assessing cost-effectiveness of school feeding programmes, malaria programmes, maternal and child health programmes, immunization programmes, health insurance programmes and HIV services. A few examples of partners focusing on cross-cutting issues are given below:

- Center for Economics and Development Studies (CEDS) is analysing cost-effectiveness of HIV treatments for people living with HIV/AIDS, an epidemic in Indonesia that is amongst the fastest growing in Asia;
- FUNDESA, Guatemala is focussing on indigenous populations and poor families with children;
- AST, Armenia has laid emphasis on women by looking at the unequal distribution of antenatal services in rural areas;
- US, Bangladesh has focussed on programmes related to gender issues (gender ratio in primary level schooling) and environmental sustainability (environmental sanitation while looking at water supply and sanitation in the Coastal Belt Project); and;
- Center for Research and Communication (CRC), Philippines is focussing on children, youth, people with disabilities and the elderly (access to health insurance and water in the rural areas).

11. Progress towards sustainability

Capacity Building

All partners have unanimously reported that they have gained new capacities - new tools to analyse public policies. The MTR confirms this statement when it states 'that there is no question that participants believe they have strongly increased their analytic capacity in the areas where the project has focused its activities.' A few examples are:

- CBPS, India; CEDS, Indonesia and Institute of Economic Affairs (IEA), Kenya have reported that skills and knowledge gained from this project will be useful while engaging with other projects of similar nature in the future;
- The project has provided ESRF, Tanzania with a foundation to engage in long-term government expenditure analysis and accountability. ESRF intends to scale-up by providing training and holding workshops for government institutions and other stakeholders;

- FUNDESA, Guatemala has created a new programme (Guatemala's Transparency Programme for Social Investment) on transparency for monitoring of education, health and water services in Guatemala. It is also exploring the possibility of creating a Social Investment Monitoring Office that will enhance its capabilities and institutionalise the evaluations of Conditional Cash Transfers (CCT), expanding analysis to nutrition sector;
- CRC Philippines, affiliated to the University of Asia and the Pacific and Graduate School of Public Administration and Public Policy (EGAP) at the Tecnológico de Monterrey University, Mexico have incorporated the analytic methods learnt through the project within their curricula. Few Masters students have also based their thesis on public expenditure monitoring.

Partners are sharing their longer term goals with the PMT for defining the importance of the project at their institutions. As mentioned earlier, GDN has given additional grants to eight deserving partners for strengthening their dissemination activities and conducting extensions to the analysis. While staff turnover has been a challenge faced by few partners, institutionalising PEM analysis will help sustain during and beyond the project. Few partners have also increased the staff capacity conducting analysis in the three sectors and in communications. The sections on Working with Implementing Partners (Section 5) and Risk Assessment (Section 6 and Annex E1) provide more details on the challenges and risks given the political space in the countries of implementation and institutional capacity of partners.

Sustaining Outputs and Outcomes

The project has a sound technical capacity building component (mentoring and capacity building workshops) which is strengthened by the cross-fertilisation and learning component (through peer-reviews and regional workshops). Both components encourage extensive networking and peer-learning. Peer-reviews at regional workshops held in the last year have given a cross-country perspective to partners who have been able to build on lessons in other countries. Partners from Latin America, for example, have shared their experiences on CCT, a policy priority in the region. The project intranet site (<http://gdn-pem.projectsaces.com/>) has been a useful platform for sharing resources and materials related to PEM analysis.

GDN has also provided a platform to disseminate research findings of PBA and BIA regionally by inviting partners from the Africa region to present to a select group of researchers at the bi-annual African Economic Research Consortium (AERC) workshop in June, 2010. AST, Armenia has presented their findings at the Economics Education and Research Consortium's (EERC) conference in Ukraine in June, 2010 while CRC, Philippines and CEDS, Indonesia have shared their finding at the East Asian Development Network's (EADN) Annual Forum in Bangkok in August, 2010. Audience at these conferences have ranged from academicians, researchers and experts to key policymakers from the region.

Partners are continuously engaging with each other beyond the project by inviting researchers from the other partner teams to present in forums, conferences and participate in PEM related discussions. Few partners have also made training modules and tools available in the public domain, supporting knowledge sharing between interested researchers. Research Center of the University of the Pacific (CIUP), Peru has launched a national

contest that envisages to be a good vehicle to promote knowledge sharing among other like-minded organisations. It will help achieve sustainability as many more organisations working on sectors beyond health, education and water may learn how to engage in budget analysis in a meaningful way.

Networking and collaboration

In the Monitoring Report 2010, 'a surprisingly high (65) percent of partners said they work with a certain NGO network regularly or recruit a special set of NGOs for individual projects. The balance of partners, however, is much less engaged.' In order to increase the likelihood of influencing policy in the three sectors, many partners have entered into leveraging partnerships and collaborations with like-minded NGOs, CSOs and coalitions:

- CBPS, India has been working with stakeholders and implementers, like the KHPT, on sharing their results. CBPS is also working on the International Budget Project and managing the India-specific webpage on the Open Spending Website by the OKF. The interactions have evoked a positive response from stakeholders who continue to hold the research outputs from CBPS in high regard. Household surveys for the analysis have been undertaken in partnership with the Akshara Foundation;
- CEDS, Indonesia is creating a network across 34 districts in the West Java Province for gaining easier access to budget and household survey data;
- Center for the Study of the Economies of Africa (CSEA), Nigeria is building sustainable partnerships with government agencies and non-state actors. It is working with the National Primary Health Care Development Agency to provide support to the implementation of Primary Health Care in line with the National Health Policy. CSEA is also in discussion with the Agency on the possibility of scaling-up with expenditure incidence analysis in the health sector, and also with the Nigerian Economic Summit Group on public expenditure with the aim of introducing public expenditure accountability at both legislative and executive levels of the government;
- EPRC, Uganda is partnering with other institutions involved in public sector accountability and governance:
 - It is partnering with the office of the IGG to initiate the annual Data Tracking Mechanism for corruption indicators. This initiative is part of Transparency International's Country Perception Index and the National Service Delivery survey on corruption in health, education, transport and public work sectors. Through the EPRC-IGG partnership, it is envisaged that the annual report on corruption trends will be used to engage the public on addressing corruption issues; and;
 - In conjunction with the UNICEF Uganda country office, the EPRC team has undertaken public expenditure tracking of local government funds in four districts of Uganda wherein presentation of results of the analysis to the District Executive Council to publicise major source of leakages of public funds at the local government level have been done. In the longer term, leveraging such institutional engagements will afford EPRC the opportunity to push forward the public sector accountability agenda, even beyond the project period.
- ISODEC, Ghana has collaborated with networks and coalitions working in the education sector such as the Ghana National Education Coalition, in Health with the Alliance for Reproductive Rights and in water with the National Coalition against Water Privatisation. Work around the thematic

- areas by ISODEC's networks has generated public debates and discourse structures that will eventually strengthen and make the project sustainable;
- CIUP, Peru has developed a web-portal 'Eye on the Budget' (www.gastoenlamira.pe) which will provide public expenditure related information beyond the life of the project.

The MTR clearly states that 'there exists a strong opportunity for the partners to be able to sustain effective work in the public expenditure area.'

Influencing Policy

GDN recognises that within the democratic framework and political climates of the 15 different countries, there exists a complex set of interactions with policymakers, CSOs and bureaucrats determining any tangible impact on policies, transparency and accountability. These are beyond the control of GDN and the partners. As the lead project management unit, GDN monitors variations in project activities mindful of the country and institutional context and will report all variations to DFID. Over the past year, partners have made conscious efforts to engage with the media, policymakers, parliamentarians and ministry officials to disseminate PBA and BIA findings:

- CIPPEC, Argentina has attempted to impact public opinion through numerous newspaper articles, radio and TV interviews as well as specialised debates. It is considered to be a neutral and independent expert that has helped work with public officials in the education sector for a new law with special focus on teachers;
- CIUP, Peru is continuing to work on the health sector due to its close relationship with the political authorities. AST, Armenia; PRAD, Nepal and EPRC, Uganda have contributed to the policy debates around PEM by sharing policy briefs with CSOs and policymakers;
- EPRC, Uganda; ESRF, Tanzania; FUNDESA, Guatemala and US, Bangladesh have also issued press releases incorporating findings of the PEM analysis. ESRF, Tanzania was interviewed by the government owned TV and radio wherein they shared findings with the public and highlighted recommendations. EPRC, Uganda was interviewed by Channel Africa;
- ISODEC, Ghana's programmes on public expenditure tracking transparency and accountability, of which this project is a part, have yielded positive impacts on the marginalised and vulnerable groups in Ghana. This is evidenced by the annual improvement in the government's budgetary system. For instance, Ghana has shown remarkable improvement in the Open Budget Transparency Index; from a rank of 50 percent in 2008 to 54 percent in 2010. Currently, Ghana tops the list in the West African Sub-region on budget transparency;
- PRAD, Nepal held a training programme for 58 Constituent Assembly members in partnership with the World Bank for educating the members on the budget, its processes and the role of different agencies including the Parliamentary Committees;
- CEDS, Indonesia has been involved as an adviser (both formally and informally) to the provincial government that helps push for policy changes by sharing results beyond academic circles; and;
- CBPS, India has entered into sector specific alliances with CSOs to align research and inform debates that can improve service delivery within each sector. CBPS is collecting budget data on Gram Panchayats (local self-governing bodies) and the municipal bodies and analysing it to simplify the

data in a way that it can be used by the citizens. It is also engaging with the local officials and elected representatives through trainings and workshops, providing them with information on the state of the budget and trends in expenditures, which builds the capacity of the elected representatives in budget processes and the use of the budget as an effective tool for decentralisation.

The MTR reports that 'partners were seen [by the Policy Community] as focusing on issues of high priority, being valuable sources of information and providing helpful policy recommendations.' These questions are on the very heart of the policy research institutions' work and speak very well for them. Additionally, the MTR also stated that the results of the Policy Community² Survey indicated a positive but small change in policy communities' perceptions of partners' performance as sources of useful information, research and recommendations, and in having a positive impact on public policy programme administration. 'There was a significant change in the perceived impact they are having on government accountability for expenditure quality.'

GDN is formulating a comprehensive project-level communications strategy that will further support the partners in dissemination of the policy recommendations that require substantial outreach and consultations with different political and non-political actors.

12. Innovation

The MTR states 'that the GDN project is implementing a genuinely innovative project. Its implicit paradigm can be defined as consisting of the five elements. While none of these is unique to this project, the project is succeeding in employing them effectively together. The elements are: a solid conceptual framework, recruitment of organisations with a clear interest in the project's somewhat demanding approach; highly structured technical assistance that is immediately applied to local issues; strengthening advocacy to constructive engagement; and, peer-learning.'³

Project Experience:

As mentioned in the previous Annual Report of 2010, the project has several innovative features, which have been substantiated by the MTR:

- **Solid Conceptual Framework:** In contrast to many technical assistance interventions, the project is underpinned by a solid conceptual framework, supported with rigorous empirical evidence for conducting public expenditure analysis;
- **Highly Structured Technical Assistance that Is Immediately Applied to Local Issues:** The project is training partners in four key types of PEM analysis: PBA, BIA, CEA and policy simulations. Each partner is required to apply each analytic technique to three sectors: health, education, and water. Draft reports are reviewed by sector specialists (TAs) and detailed comments are sent to partners. During the implementation period, support is available from the PMT and peer organisations;

² Policy Community includes a) persons who occupy official positions at the national and local level with official responsibilities in the sector(s) where the institution is active (e.g., education and health); (b) leaders of NGOs in the topic areas on which they have been conducting public expenditure management activities; and (c) other relevant professionals, such as journalists, educators, business leaders, and practitioners.

³ As stated in the MTR 2011.

- **Engaging Constructively:** The project is providing technical assistance for communicating results effectively, and this technical assistance is viewed as important as its analytic counterpart. Partners in Africa have engaged in mock press conferences and media interviews as part of a research communications to policy workshop. Several partners have prepared press releases, policy briefs and conducted media interviews; and;
- **Peer-Learning:** The principle of peer-learning is important for two reasons. First, it is a way to provide a greater volume of technical expertise—stronger partners can help those with less experience, encouraging South-South learning. Second, the project’s peer-review system reinforces the training in analytic and communications techniques that are fundamental to the project’s success. The project intranet site helps partners network for sharing of methodologies and resources.

Key innovations reported by partners as they implement the project are:

- CIPPEC, Argentina has learnt new tools of public expenditure analysis through BIA. The classification in the analysis is innovative in that it helps to gain a deeper understanding of public spending in the three sectors;
- EGAP, Mexico is developing ‘computer simulators’ that will help students, policymakers, lawmakers and the society to understand how different policies may impact welfare and income distribution, the results of which will inform debates regarding expenditure and income policies.

Geographic Location and Conditions of Operation

Many partners have aligned policy research with goals of the government or the sector departments, making it effective for partners to share learnings and results in order to support the government in taking the best decision to improve service delivery. In countries such as Bangladesh, Nigeria and Tanzania where similar studies have not been undertaken in the past, the project represents innovative techniques (PBA, BIA and CEA) for studying public expenditure options, processes and impacts. Partners have been able to comprehend the nature of allocation of limited public resources and government subsidies among competing programmes and income groups. Policy simulation studies will create a distinctively different element as other programmes have focussed more on budget tracking studies, budget expenditure analysis and analysis around value for money. In Nepal, due to the politically unstable situation, PRAD may revisit the schedule for PBA and BIA based on the recent round of the National Living Standards Measure survey which is delayed due to the political situation.

13. Learning from GTF

The project, at its mid-term, has built the capacity of 15 organisations in 15 developing and transition countries to encourage change in the culture of governance. Partners have undertaken innovative analysis for public expenditure monitoring that will culminate in defining policy recommendations to be communicated to key stakeholders (government officials, the media, policymakers and CSOs). In terms of programme design, adaptation during implementation and sustainability, the key learnings from the project are:

- **Timing is key:** Engaging with policymakers, media and civil society around the peak of the budget debates or when a major policy reform is at the top of the agenda (such as secondary education in Armenia) or during electoral campaigns is critical for higher likelihood of research uptake and impact on public expenditure effectiveness, governance and public service delivery;

- Tremendous opportunity for cross-learning across regions and countries using benchmarks and references goes a long way in getting the attention of the policymakers or the media;
- Legislation promoting transparency and full disclosure is extremely valuable in facilitating access to the much needed data for policy relevant public expenditure analysis. The Right to Information act, for instance, in India or the Philippines has allowed partners to access much needed data and validate it or supplement it with surveys;
- A positive approach to engaging with policymakers is essential in ensuring the bridge between research and policy. Making the analysis useful for the policymakers and removing the 'threat' factor can make organisations reliable partners and sources of information whose input is regularly sought by the decision-makers in the policy circles;
- Some partners have adapted the methodological tool, CEA, to the context of implementation and data availability. CBPS, India used a combination of qualitative and quantitative studies to capture issues of service delivery in education. EPRC, Uganda modified their approach by using cost information from global databases showing the average cost of delivering various social services like health in developing countries;
- Leveraging partnership at the local level: Partners have been networking with the broader civil society to share information in a timely and easy to understand, non-technical manner, providing information to officials at many levels of the government, media and like-minded organisations. EPRC, Uganda has prepared one-page briefs for CSOs, similar to materials produced for the media. CIPPEC, Argentina have inserted the findings from the PEM analysis as part of a broader agenda and identified stakeholders to disseminate the findings to, for example, informing the debates on teachers' wages in the education sector; and;
- The budget analysis techniques have been useful tools to communicate and engage in a meaningful policy debate. The issues of who benefits within a particular public policy decision in the three sectors are very relevant to developing countries like Peru, Nigeria and the Philippines. In Peru, there is a move towards universal coverage within the three sectors and the related question of which section benefits from government expenditure is crucial to this emerging debate.

In terms of sustainability, partners are aware that in order to impact public policies (in terms of public expenditures), disseminating results to only policymakers and media is not sufficient for long term changes in governance and accountability. Engaging with other CSOs, think tanks and stakeholders is essential for sustaining the outcomes of the project beyond the duration and making an impact outside the immediate reach of the 15 partners:

- The Southern Africa Trust is attempting to formalise the relationship between research and advocacy in six countries of which Uganda is a part. This new partnership will provide an opportunity to continue the research-constructive engagement between EPRC and CSOs;
- FUNDESA, Guatemala agrees that larger audiences can be more efficient to disseminate results of analysis related to social programmes. However, in planning to influence policymakers significantly, they have revised their communications strategy to include more frequent meetings with smaller

- stakeholder groups to validate results, receive feedback from experts and to arm tools to opinion leaders who in turn can then influence audiences;
- From its experience US, Bangladesh has found that it is easier to motivate Members of Parliaments (MPs) who have an increased role in budget making processes than the bureaucracy. Training MPs and journalists in budgetary considerations, 'unpacking' the numbers and allocations of benefits across population segments has proved to be a useful shortcut for the partners to influence public debate.