"Strengthening Institutions to Improve Public Expenditure Accountability" Project

Mid-Term Review

NORC at the UNIVERSITY of CHICAGO

List of Acronyms

ANPP	All Nigeria People's Party
AST	Advanced Social Technologies, Armenia
BIA	Benefit Incidence Analysis
C4C	Coalitions for Change
CBPS	Centre for Budget and Policy Studies, India
CCM	Chama Cha Mapinduzi
CEDS	Center for Economics and Development Studies, Faculty of Economics, Padjadjaran University, Indonesia
CEU	Central European University, Hungary?
CFP	Call for Proposals
CIPPEC	Center for the Implementation of Public Policies Promoting Equity and Growth, Argentina
CIUP	Research Center of the University of the Pacific (El Centro de Investigación de la Universidad del Pacífico), Peru
CRC	Center for Research and Communication, University of Asia and the Pacific, The Philippines
CSEA	Center for the Study of the Economies of Africa, Nigeria
DCD	District Development Committee
DFID	Department for International Development, UK
EGAP	Graduate School of Public Administration and Public Policy, Tecnológico de Monterrey , Mexico
EPRC	Economic Policy Research Centre, Uganda
ESRF	Economic and Social Research Foundation, Tanzania
FIPIA	Federal Institute for Public Information Access
FUNDESA	Fundación para el Desarrollo de Guatemala, Guatemala
FY	Financial Year
GBP	Great British Pound
GDN	Global Development Network
GDP	Gross Domestic Product

GTF	Governance and Transparency Fund
IBP	International Budget Project
ICW	Indonesian Corruption Watch
IDRC	International Development Research Centre
IEA	Institute of Economic Affairs, Kenya
ISODEC	Integrated Social Development Centre, Ghana
M&E	Monitoring & Evaluation
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
NBR	National Board of Revenue
NGOs	Non Governmental Organisations
NIEITI	Nigeria Extractive Industries Transparency Initiative
NORC	NORC at the University of Chicago
NSGRP	National Strategy for Growth and Reduction of Poverty
PBA	Program Budget Analysis
PCS	Policy Community Survey
PEM	Public Expenditure Management
PO	Participating Organization
PRAD	Policy Research and Development Nepal, Nepal
PRO	Policy Research Organization
PRSP	Poverty Reduction Strategy Paper
PSE	Paris School of Economics
R4D	Results for Development Institute
RNPs	Regional Network Partners
RTI	Right to Information
SC	Steering Committee
TI	Transparency International
US	Unnayan Shamannay, Bangladesh
VCD	Village Development Committee

Executive Summary

The "Strengthening Institutions to Improve Public Expenditure Accountability" project aims to strengthen the capacity of the 15 participating policy research organizations over a 4.5-year period to monitor and analyze public expenditure choices, processes, and impacts and to engage constructively with policy officials to recommend improvements. The project's ultimate goal is more capable, accountable, and responsive governments in the countries where the project operates. Populations in the countries where partner organizations are located are anticipated to benefit tangibly in the mid-term from improved government performance.   The project management team consists of representatives from the Global Development Network (GDN), the lead organization, and the Results for Development Institute (R4D), the technical partner.

Participant organizations (POs) will, over the five-year project life, perform four distinct but related budget analysis activities in the health, education, or water services sectors—program budget analysis; benefit incidence analysis; cost effectiveness analysis; and, development of research-based policy options for achieving certain priority policy goals in the different countries. At this stage the project has worked with participants on the first three areas in preparation for the fourth task which will be specifically focused on policy issues in the health, education and water sectors.

The project implementation team is providing capacity building in the corresponding analytic methods and communications/ dissemination through workshops and mentoring through technical advisors and the development of a resource-rich, easy to access website that is open to POs and others. The 50 or so principal analysts at the participating organizations are expected to master new skills and acquire valuable human capital that will be of service to their organizations as well as equip them for future work in this area.

The project has a robust M&E program. This report draws on the 2009 baseline surveys, the 2010 monitoring survey, and the 2010 mid-term impact evaluation.   In addition an implementation evaluation was done explicitly for this report. The MTR was carried out from mid-November 2010 to mid-March 2011.

Impact

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. GDN managers have to the Evaluator that POs have reported more since the conclusion of the MTR's observation period.

Three levels of impact have been considered: (1) before-and-after results on the increase in POs' capacity as evidenced by increased quality of their policy research, perceived effectiveness in the policy arena as rated by policy community members, and effectiveness in communicating policy information broadly defined; (2) specific policy development activity POs reported in their 2010 annual reports; (3) primary and second beneficiaries of the project's work to date.

Impacts on POs' Capacity. The statistical analysis documents a positive and statistically significant increase in the quality of reports produced: overall report scores increased by about 7 points over the observation period or about 12 percent of the 2009 baseline value. This is a substantial accomplishment.

Regarding the perception of the policy community on PO effectiveness, overall, we interpret the analytic results to indicate a positive but small change in policy communities' perceptions of POs' performance as sources of useful information, research, and recommendations *and* in having a positive impact on public policy program administration. Additionally there was a significant change in the perceived impact POs are having on government accountability for expenditure quality.

The results for communications practices are less positive. In terms of changes in the frequency of contact of respondents with POs and awareness of PO activities between the baseline and the follow-up survey the percentage of respondents stating there was improvement hovers in the 25-35 percent range. This compares with 50-60 percent for effectiveness in the policy arena.

Regarding specific communications channels, although incidence of the use of POs' web sites did not increase, policy community members who did visit them perceived substantial and significant improvement.

While half of respondents thought the quality of events organized by POs increased, no statistically significant change was identified.   For publications, again, about half of respondents expressed the view that these had improved. Importantly, one area—publications' timeliness—was found to have a statistically significant improvement, the equivalent of 19 percent of the baseline mean value.

Specific policy development activity. The reports for program budget analysis and benefit incidence analysis have only recently been finalized. What one would expect to see and what is observed in this circumstance is that many POs have been presenting the results of these analyses, which often

introduce methods not heretofore employed in local policy discussions, to government officials, civil society organizations and others through a wide variety of communication modalities. The formats selected are a combination of those that have proven effective in the past and new approaches learned about in the project's workshop sessions on effective engagement. These early activities can be extremely important to gaining acceptance of policy proposals based on the program budget and benefit incidence analyses the project has conveyed to local analysts: policymakers will only embrace policy recommendations if they can understand their underlying basis.

Primary and secondary beneficiaries. The project's direct beneficiaries are the participating organizations. By the project's end they will have mastered extremely useful tools for public expenditure analysis and may have established themselves in their local policy marketplaces as highly capable organizations, i.e., organizations to be looked to for PEM policy analyses.

The indirect beneficiaries are the participants of the government programs whose targeting of beneficiaries and operational efficiency may have been improved due at least in part to the analyses and constructive engagement of the participating organizations. It is too early to identify probable policy effects. We did, however, obtain a general idea of where such effects will occur, should the projects be successful in the policy arena, through discussions with selected participating organizations. The groups to benefit include populations of specific interest to DfID.

Innovation

The Evaluator's view is 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 organizations 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.

Sustainability

The objective of the project is to improve the quality of government budgeting and expenditures in sectors of high social development signifance, ultimately to improve the lives of a country's citizens. Sustainability requires that each PO master the types of analyses and constructive engagement with policymakers being advanced by the project-team and, where appropriate, adjust them to its particular context. The implicit premise is that the supply of strong analyses of the type being advanced by the project will induce a future demand for such information and sources to fund its production.

Fundamental indicators of progress are the impact measures noted above. The review of several additional indicators of the extent to which POs have increased their capabilities for research and constructive engagement show definite progress. These indicators include POs' self-ratings of their competence in certain analysis, the perception of the policy community of the improvement in their communications operations and the extent of their networking with other NGOs. The stronger POs' mastery of the project's materials, the greater the likelihood of good government practices being realized and sustained.

Improvements

The list of recommendations is brief because the project overall is delivering real value and is well managed. All recommendations are directed to project managers.

- The broadest recommendation is that the project team reconsiders its technical assistance program for strengthening communications capacity of participating organizations. Two specific points could be addressed. One is the formulation of an explicit strategy for conveying good communications practices, parallel to some degree to that for analytic tools. The second is for a workshop dedicated to strong communications practices that would be attended by those responsible for communications at participating organizations, even if they spend only part-time on this task, and a senior researcher from each PO.

- Development of comparable benchmarks across countries in the project's priority sectors is a project goal. To date little has emerged from this task, in part because the information necessary to construct the indicators was still substantially under development. Still it is likely that more emphasis needs to be devoted to this task for the goal to be realized.

- Development of a strong network among participant organizations is another project goal that to date has seen low achievement level. The Evaluator sees this is a much lower priority goal than others defined by the project and would be content to see the network evolve or not largely on its own. Nonetheless, if it is to be realized more project resources will have to be devoted to achieving it. One avenue could be to attempt to stimulate greater use of the project's dedicated web space.