

PUBLIC EXPENDITURE TRACKING SURVEYS – LESSONS FROM ESAP2

What is a Public Expenditure Tracking Survey?

Government mobilises fees, taxes and financial assistance from various sources to deliver services. These resources must reach frontline service providers and ultimately citizens, and not be misappropriated or get misused along the way. A PETS assesses if the allocated budget for services is actually spent as intended: to deliver quality services to all citizens, especially vulnerable groups. In the case of ESAP2, at the national and regional levels, PETS are limited to understanding the amount of budget allocated to the Woreda, the actual transfers, and possible delays in the transfers.

The implementation of a Public Expenditure Tracking Survey is a technical exercise, and not all SAIPs have the in-house auditing and research capacity to support the exercise. SAIPs did identify bottlenecks and some system improvements were agreed during interface meetings. More importantly, citizens were empowered through the exercise, and their increased vigilance and demand for more transparency will certainly help service providers in future to make the most of the resources provided.

8-step PETS implementation guide

- 1. Mapping the Resource Flow** - This phase calls for capturing the flow of funds and inputs, as well as the roles and responsibilities of various administrative units in the service chain and the budget execution processes.
- 2. Identification of Objectives, Scope and Actors** – Stakeholders agree what they want to find out, and why.
- 3. Designing Questionnaires** - Questionnaires are designed so that truthful answers can be obtained. Data must be triangulated to ensure integrity, meaning diverse actors are interviewed on the same question.
- 4. Sampling and field testing** - The number of questionnaires and interviews depends on many factors, but in some notable PETS in Africa 25% of service units were surveyed. There will likely be more non-sampling errors, so it is very important to field test the questionnaires. This exposes enumerators to their work, and enables modification of survey tools.
- 5. Execution of the Survey** – Useful measures are random monitoring, surprise visits to facilities, check and recheck data at various sources.
- 6. Data Analysis** – depends on the objectives and questionnaire design, but it is important to present information in way that can be understood by citizens.
- 7. Interface Meetings and Dissemination** – Findings should enable dialogue between citizens and service providers to enable transparency and accountability, and work towards service improvements. Create opportunities for authorities to respond and listen to their grievances. Incorporate their feedback and any agreements that were in the final report and disseminate widely to support implementation of Joint Actions.
- 8. Monitoring and Institutionalisation** – Ideally citizens continue to monitor if local governments and service providers use PETS results, by making use of the various committees and meetings designed for such purpose. Internal government monitoring and external audits can also play a role to ensure that expenditures attain their intended purpose.

For future use of PETS by CSOs in Ethiopia:

- **Focus** - Use PETS after citizens have expressed concerns about expenditure or quality of goods and services, and be specific in the investigation.
- **Keep it simple** – Involve WoFED/Public Finance Management committee in checking that the selected PETS objective concerns a decentralized funding stream for which the facility, Kebele and/or Woreda are accountable. PETS is difficult for citizens, and requires SAIPs to cooperate with the local government to develop a fund flow map before engaging citizens in the process.
- **Know the policies** – For instance, is the Woreda allowed to redistribute the school grant allocation based on internal revenue capacity of schools? Note that regions often have room to adjust federal policies to their situation.
- **Verify expenditure documentation** – Ask service providers and WoFED to show store records and accounts. Do a random check on availability of items in the store, or receipts for certain expenditures. Take an interest in contract documents (for bidding) and ask WoFED/PFM to summarize the budget information for use by citizens.
- **Sustain the effort** - One PETS is usually not enough to make sustainable changes in public spending procedures. Involve the participatory sector structures, community management committees, and facility management boards in the PETS implementation, because it is an educative and empowering experience for them. This involvement builds capacity for PETS so that spending habits and processes improve over time.

For future citizens' engagement in public expenditure tracking:

- **Community participation** – Is more than community contribution in financing, labor and materials. Government has structures for community participation, but PETS found that these are not functioning in cases where government appoints people to these structures: citizens perceive these structures to belong to government. Much can be learned ESAP2 vulnerable groups and CBOs mobilisation, to truly represent diverse views of communities, and support the realisation of construction projects.
- **Community contribution** – Local governments would gain a lot of trust with citizens if they could properly account for the spending of, often substantial, sums of community contribution for construction projects.
- **Qualities of goods** – Service providers and citizens alike have observed that goods are not received as per the request, and are often delayed. In part this can be explained by the fact that requests are not made within the context of available budget.
- **Budget transparency** - Although the woreda budget is posted in all woredas, citizens find it hard to take an interest, because the budget is not specific about where the capital budget will be spend, and for what. Expenditure checking by citizen will work best for kebele facilities or project specific investments: PFM can develop a summary of project contract documents by PFM, and sectors can draft 'citizens' charters' for facility budgets.
- **Regional and decentralized funding streams** – The woreda should be aware of regional and program budgets. The woreda accountabilities should include: the approved block grant budget, local taxes, and community contribution. A directive in this area would help citizens to hold government to account for spending.