

# Session 14: Social Accountability Tools - PETS

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## Session 14: Social Accountability Tools - PETS

### 14. Social Accountability Tools - Public Expenditure Tracking Surveys

#### 14.1 Session overview



This session is compulsory for the orientation training and is elective for the rolling-out training. The training notes are based on a time frame of 360 minutes. The trainer of the 180 minute orientation training has to adjust the session accordingly.

<b>Aim of session</b>	Raise awareness on the potential of PETS to enhance service delivery at the Woreda and Kebele level
<b>Learning Outcomes</b>	At the end of the session, participants will understand: <ul style="list-style-type: none"><li>• The concept of the Public Expenditure Tracking Survey</li><li>• The scope, benefits, opportunities and challenges of the Public Expenditure Tracking Survey</li><li>• The phases of designing and implementing the Public Expenditure Tracking Survey</li><li>• How to use the results of the Public Expenditure Tracking Survey to improve service delivery</li><li>• The importance of working towards institutionalisation of the Public Expenditure Tracking Survey</li></ul>
<b>Additional results</b>	Orientation training: A Public Expenditure Tracking Survey start-up plan Field level: Plans for implementation of Public Expenditure Tracking Survey
<b>Time allocation</b>	Orientation training: 180 minutes (half a day) Rolling-out training: 360 minutes (one day) for SA stakeholders, SA Committee and data collectors or enumerators
<b>Work form</b>	Plenary discussions, presentation, case studies and practice exercise.
<b>Key topics</b>	<ul style="list-style-type: none"><li>• The concept, scope, benefit, opportunities and challenges of the Public Expenditure Tracking Survey</li><li>• Phases in implementing the Public Expenditure Tracking Survey</li></ul>

#### 14.2 Hand-outs

The following hand-outs are prepared for distribution to participants to guide the discussions and enable interested civil society organisations to undertake Public Expenditure Tracking Surveys in Ethiopia.

14.3 Primer Public Expenditure Tracking Survey

14.4 Public Expenditure Tracking Survey Phases of Implementation

14.5 Case Studies of Public Expenditure Tracking Surveys (Malawi, Ethiopia)

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### 14.3 Primer Public Expenditure Tracking Survey (PETS)

<b>Key message</b>	The Public Expenditure Tracking Survey (PETS) is a tool to assess if the allocated budget for the provision of public services is actually spent as intended, to deliver quality services. By studying the transfer and use of funds and in kind resources, the Public Expenditure Tracking Survey provides a rigorous basis for citizens and citizen groups to engage in a dialogue with service providers and local government to improve budget execution for enhanced service delivery.
<b>Estimated reading time</b>	30 minutes
<b>Remarks</b>	Adapted from various PETS manuals and articles. See the references at the end of this tool.

#### *Introduction to Public Expenditure Tracking*

Government mobilises taxes and financial assistance from various sources to deliver basic services. These resources must reach frontline service providers and ultimately citizens, and not disappear or get misused along the way. A Public Expenditure Tracking Survey helps to identify problems, weaknesses, irregularities, leakages, and delays observed in the management of budget allocation, transfer and expenditure.

Every school, health centre, agricultural extension site, water scheme or rural road requires money and other resources for operation and maintenance. However, budget allocation doesn't always mean that services actually reach intended beneficiaries, especially when accountability is weak. The reasons why public spending does not always transform into quality services can be explained as follows:

- Government expenditure may be made on the wrong goods or the wrong people.
- Even when the government expenditure is made on the right goods and the right people, the money fails to reach the frontline service providers.
- Even when the money reaches the frontline service provider, the incentive to provide the service may be weak.
- Even if the services are effectively provided, household may not take advantage of them.

Government budget allocations or federal block grants (see box on the next page), flow through the layers of government and via the banking system down to the service providers, which are charged with the responsibility for actual spending. A Public Expenditure Tracking Survey tracks the flow of resources, both money and in kind (e.g. books, medicines, agricultural inputs) through the levels of government to determine how much of the original resources reach each level, and how long resources take to get there.

The presence of leakage implies that some of the funds have not been spent according to the government policy, that is, some of the funds have been captured at some level in the administrative hierarchy, for example the district or regional administration. It has been beyond the scope of most PETS to study how captured funds have been spent and to what extent a leakage reflects poor management and/or corruption in the system.

The PETS aims to explain the underlying cause why leakage is observed. Why is there more leakage in some districts than others? Why do some schools receive more of their entitlements than other schools? By studying variation in characteristics between



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different parts of the administrative structures and different service providers, PETS may contribute with knowledge about how to reduce leakage and improve accountability.

Almost all existing PETS track resource flows either in the education sector, in the health sector, or both. There are fewer examples of successful PETS in the health sector than in the education sector. Attempts at conducting PETS in the health sector have been seriously hampered by unreliable and inconsistent budgets and/or little systematic information on financial flows at facility level (e.g. Mozambique, Honduras, and Uganda).

### Federal Block Grants and Budgets in Ethiopia

The purpose of the block grant formula is that every citizen has access to basic services. In accordance with the international standards, the formula is based on the following variables:

- Population size of the region
- An expenditure assessment, which estimates resources needed to provide all people of the region with basic services.
- A revenue assessment; in other words an estimate of the revenue potential in the region, based on previous years' performance and divided per capita.
- An infrastructure deficit index, which favours disadvantaged regions in terms of schools, health clinics, roads and other infrastructure.

Check MoFED website for detailed budget allocations 2013 - Federal Government Budget Proclamation: <http://www.mofed.gov.et/English/Resources/Pages/Resources.aspx>

There are two types of budgets:

- **Recurrent budget:** repeated every year, e.g. salaries for teachers, health workers and development assistants, offices' operational costs, medicines, books and electricity.
- **Capital budget:** items that last for several years, e.g. buildings, roads and water points. Maintenance and service provision will be in the recurrent budget.

Expenditures are also categorized into recurrent and capital expenditures. The recurrent budget is financed in principle by taxation, and the capital budget is financed through external borrowing and grants from donors.

Regions have a monitoring and oversight role on Woreda budget, but **Woredas are the ones who decide the allocation and spending of their budgets**. One way to monitor the use of Woreda budgets is through Woreda Performance Agreements, which combine federal and regional development objectives with local priorities.

### *What is a Public Expenditure Tracking Survey?*

With the PETS financial information can be presented in a way that allows different stakeholders to discuss where money is coming from and where it is being spent. It enables officials, service providers and ordinary citizen to understand their budget entitlements and to use these for the intended purpose.

The PETS involves citizen groups in tracking how the local government and service providers actually spend funds, with the aim of identifying leakages and/or bottlenecks in the flow of resources, both money and inputs (e.g. books, vaccines, fertilizer). The citizen groups involve the actual service users to collect and analyse data on inputs and expenditures. The approach involves triangulation of information received from disbursement records of the finance ministry, accounts submitted by line agencies, store



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records kept by service providers, and information obtained from other independent enquiry (e.g. SA tools like Citizen Report Card and Community Score Card). Thereafter, information is analysed, disseminated and discussed for action during interface meetings with service users and providers.

### **The Power of Public Expenditure Tracking Surveys**

Examples of what researchers can do by strategically utilizing the PETS methodology:

- In Ghana, 50 % of non-wage education expenditures and 80 % of non-wage health expenditures did not reach intended beneficiaries. Researchers found that incidences of leakage were more prevalent when the value of in-kind materials distributed to beneficiaries was unknown.
- In Zambia, leakage rates of discretionary non-wage expenditures reached 76%. Researchers found evidence to suggest that a few select schools with greater bargaining power were able to capture the majority of the funds.
- In Chad, less than 1 % of the non-wage budget officially allocated to regions actually reached health centers. Researchers estimated that, had all resources officially budgeted to regions actually reached service providers, the number of patients seeking primary health care would have more than doubled.

Adapted from: World Bank 2010

### **Public Expenditure Tracking: Surveys or Systems?**

Traditionally, Public Expenditure Tracking Surveys are applied to track the flow of resources through various levels of government to see how much of the allocated resources reach each level and ultimately reach the end user, such as students or sick persons or other service users. Recently, the Public Expenditure Tracking Survey is also defined as a method through which citizens can find out how much of the budget that is allocated to basic services is actually spent, and what outputs are obtained through the resources that have been spent.

There are some variations in interpretation of the PETS acronym, where the “S” can stand for either surveys or systems. The following table attempts to characterise the differences between these two interpretations (USAID 2009).

<b>Public Expenditure Tracking Surveys</b>	<b>Public Expenditure Tracking Systems</b>
Involves conducting studies or surveys on public expenditures	Encompasses setting up structures, processes and procedures relevant for PET
Surveys are mostly temporary, and mostly provide financial information over specified periods	Establish permanent structures for continuous monitoring of public expenditure in the community
Largely conducted by INGO and LNGOs since conducting PETS requires some level of technical and financial capability	Emphasizes active participation of Local Government Authorities, Civil Society, and local community in the tracking process
Generates and analyses government budgets at different levels, focused on the supply side	Local government and citizens are the main targets, focused on supply and demand side

In the Ethiopian context, the Public Expenditure Tracking Survey tool seeks to combine some of these characteristics, with a focus on Woreda and Kebele levels, with active

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stakeholder participation in the process, and with the aim to enhance the quality of basic services.

PET Systems could eventually be established, but at this stage the focus is on creating trust, partnership and openness. Prerequisites for PET Systems are adequate citizen awareness, citizen mobilisation or community groups formation, and local governments that are convinced of the benefits of Public Expenditure Tracking.

ESAP2 starts with familiarizing CSOs and CBOs with the PETS tool, and building their capacity to create a partnership among the service providers, service users, and the local government. These CSOs and CBOs can facilitate active participation of all stakeholders during PETS implementation. At a later stage, it may be possible to put structures and systems in place for open and transparent budget transfer and tracking, to “follow where the money and other resources are going”.

### *Scope of the Public Expenditure Tracking Survey*

At the national and regional levels PETS is limited to understanding the amounts allocated to the Woreda, the actual transfers, and delays in the transfers. At Woreda and Kebele level the survey tracks allocations and actual spending, budget delays, leakages, staff behaviours (e.g. absenteeism), and supply management (quality and availability), in relation to the agreed outcomes of basic services in the Woreda Performance Agreement.

PETS sets out to answer the following questions:

- What are the service delivery objectives?
- What is the objective and scope of PETS?
- What is the amount of resources allocated (capital and recurrent) for service delivery, or for a specific part thereof (such as provision of books to schools, vaccinations to health centers, agricultural inputs to extension sites)?
- Do the funds and material resources reach the intended users?
- What are the processes and procedures involved in budget planning, allocation, disbursement, execution and evaluation?
- How efficient and effective is the budget execution process?
- What is the amount of money spent at each level and how?
- Is there any leakage or diversion of funds or other resources?
- What is the impact of the budget on the service delivery objectives?

### *Benefits of the Public Expenditure Tracking Survey*

Public Expenditure tracking has a number of benefits, and strengthens both supply and demand for services.

- It creates common understanding about what blocks allocated resources from being used for the intended purpose;
- It improves the relationships between public spending and the quality of services;
- It improves transparency and accountability in the budget execution processes;
- It improves the efficiency and impact of public spending;
- It creates a better understandings of basic service delivery performance;
- It helps to assess the equity in public expenditure and service delivery among service facilities, or among Kebeles and Woredas, or among vulnerable groups;
- It provides a baseline against which to monitor budget execution, through subsequent surveys.

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### **Public Expenditure Tracking Survey – The Ugandan Experience**

In the mid-1990s, the World Bank (WB) – a major donor to the Ugandan government – observed that despite a significant increase in Uganda’s budgetary allocations for primary schools for more than a decade, enrolment in primary schools remained stagnant. It was suspected that leakages or diversion of funds might be causing less funding to reach primary schools than was budgeted to support them.

To uncover the truth, the WB conducted the first PETS. Its findings confirmed officials’ worst fears: between 1991 and 1995, only 13 % of the annual per-student grants reached primary schools, on average. The rest was either misappropriated or used for purposes not directly related to education. The survey also showed that larger schools and schools with pupils from wealthier families benefited more from the grants than smaller and poorer schools did. In fact, half of the schools did not receive any funds.

These shocking findings prompted authorities to undertake a number of initiatives to enhance transparency and accountability. The central government began publicizing all fund transfers to districts and required schools and district offices to post information on the transfers they received. School committees also received training on how to use such information to hold authorities accountable. The effect of these efforts was dramatic: when the school survey was repeated in 1999, it found that schools received more than 90 % of the funding budgeted for them. (Sundet, 2004)

### **Opportunities for introduction of PETS**

- The early introduction of the Financial Transparency and Accountability (FTA) program will certainly pave the way for the adoption of PETS. FTA’s commendable effort to create awareness of budget disclosure, budget literacy and budget hearing, facilitates the roll out PETS for social accountability. The use of PETS further strengthens the linkage between FTA and ESAP2.
- PETS can complement the FTA Public Budget and Expenditure templates developed for the supply side. These FTA templates can provide the inputs for ESAP2 Public Expenditure Tracking Survey on the demand side. PETS can support the identification of resource leakages and help to address these.
- The perspectives of Woreda and frontline service providers are often forgotten at central level and PETS can address this gap. Woreda and Kebele level PETS results can provide a basis for further research that can improve understanding of the determinants of poor service delivery.

### **Challenges and limitations of Public Expenditure Tracking Surveys**

- Traditionally PETS provide information, but don’t necessarily result in action and change. The link with leakage and service outcomes remains a challenge.
- It may be problematic to define the research objective of PETS, depending on the local context (policy, culture, capacity and availability of budget information/store records etc.).
- Delay of budget release from the central government may prompt service levels to hold-up the allocated budget and spend it on more pressing issues. Inter and intra-sector allocations are hard to track.
- It might be difficult to effectively track the resources, as some Regional States or Woredas may not provide complete information about the allocated resources and the utilization of the same resources (which can be minimized through capacity building).
- Getting quality data can sometimes be tricky (miss-reporting), therefore it is important to field test, triangulate data, and ensure quality control in the field and during data entry.



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- Lack of qualified accounting personnel and trained store keepers at Woreda and Kebele levels may make it hard to explain leakage (e.g. not clear if leakage is due to poor record keeping or to diversion/corruption).
- Budget analysis and social impact analysis are still important and provide value added data that is not captured through PETS.
- PET Surveys can only complement and not replace routine information, control, and integrity systems.

### 14.4 Public Expenditure Tracking Survey Implementation Phases

The implementation of PETS passes through the following eight phases.

1. Mapping the Resource Flow
2. Identification of Objectives, Scope and Actors
3. Designing Questionnaires
4. Sampling and field testing
5. Execution of the Survey
6. Data Analysis
7. Interface Meetings and Dissemination
8. Monitoring and Institutionalisation

Before starting consider that administration of a Public Expenditure Tracking Survey can be a technical exercise. Is there in-house capacity (e.g. auditors, researchers) that can support the exercise, or is external consultant support required?

#### *Phase-1: Mapping the Resource Flow*

To inform the PETS design, an extensive mapping exercise is needed to capture 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. This will help to design and conduct appropriate surveys with the corresponding responsible officers.

The first step is to establish the origin or source of funds to track, which may be many in some cases. Secondly, establish whether the funds to track are cash or material form (e.g. textbooks, drugs). Finally, identify all administrative levels through which funds flow to reach destination. What is the process of receiving cash or inputs? What documentation is kept in the process? Where may things go wrong?

In general, Rapid Assessment techniques will help to know the availability/accessibility of information and documentation needed to conduct PETS. Collect and review all the relevant documentation related to the sector under study. Develop a map of the resource flow.

#### *Phase 2: Identification of Objectives, Scope, Actors*

Define the objectives, scope and actors in consultations with key SA stakeholders:

- To get their inputs
- To understand what they hope to find out
- To motivate them and develop ownership

**Identification of Objectives:** First identify the government policy objective and standard for the selected service. For instance what is the government policy for agricultural extension services, health posts, rural roads, or water supply at different levels? Define the objectives of the PET Survey: what hypotheses is going to be tested? For instance: why is school enrolment poor despite increase of government funding?

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Tentative answers: funds may not reach all schools; remote schools get less funds than urban schools because they have less influence with local government.

In the Ethiopian context, focus on the quality and standard issues – this is where leakages and quality compromises are happening.

Examples of issues in five basic service sectors that can be studied with PETS:

- **Education:** How much of funds allocated reach the school level and how do the schools spend the money? Equity in distribution of funds between and among schools in a Woreda – what are the main characteristics in distribution/allocations? Link between school performance and allocation?
- **Health:** How much is transferred from the treasury, how much is reaching the Woreda level, and how much is actually spent at the health post/health centre/hospital? Do the supplies in store match with store records? Satisfaction among the communities, vulnerable groups who utilised the services?
- **Water and sanitation:** How many fees are collected from communities? Which amount is allocated and transferred from the Woreda? How much spent and for what (e.g. overhead or per diem, capital, sanitation, operation, maintenance)? Delays and leakages? Staff or volunteer behaviour and motivation?
- **Agriculture:** What are the criteria for the allocation of agricultural inputs? What is the quality and quantity of inputs? How do these reach the farming households/communities, vulnerable groups? Equity issues between and among Woredas/Kebeles, and reasons for discrepancies?
- **Rural Roads:** How was the allocated budget executed? How was procurement organised? Was the quality of construction value for money, and according to the standard? How are road maintenance and contract management and payment practices organised?

**Identification of Scope:** The scope of PETS can vary with the research objective and characteristics of the sector under study. In the case of ESAP2, the focus is the Woreda and Kebele level basic services, though some comparison among Woredas may be possible, where PETS is conducted in several Woredas at the same time. Moreover, it is best to focus on a specific resource flow (e.g. capital grants), in-kind items (e.g. books or agricultural inputs) or programs (e.g. rural road construction project). The focus could also be on specific levels, for instance only primary education or health posts.

### Example of scope

In Chad, the PETS in the health sector in 2004 tracked resources down to all levels of providers (health clinics, local hospitals and tertiary hospitals) and examined public, private and non-profit providers to identify difference in performance across these ownership types.

Criteria for choosing the unit of analysis vary with contexts. It could be:

- a sector receiving the largest amounts of public funds
- service units that are most directly related to vulnerable groups
- service units that are known to have budget leakage
- service providers experience a high level of complaints from users
- etc.

**Identification of specific actors:** Which sector facilities and citizen representations (including vulnerable groups) will be involved in the PETS? This will depend on the sector that is being evaluated. For instance, in the case of health, it could be district hospitals,

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and/or health centres and/or health posts in the villages. Accordingly, Woreda officials and council members, health personnel, and communities / vulnerable groups who utilize the health services are the relevant actors to be surveyed.

From an implementation point of view, the audience of PETS is key. The general public / citizens are obvious beneficiaries of the findings, but it is crucial to agree with stakeholders up front how the findings are going to be used and by whom? Plan the involvement of various stakeholders for the whole process, including the interface meetings and who will attend.

To sum-up, before designing the questionnaire it is important to identify the following:

Basic question to define scope and level	Examples
Which facilities and level?	<ul style="list-style-type: none"> <li>• <b>Education:</b> primary schools, secondary schools</li> <li>• <b>Health:</b> hospital, health centre, health post</li> <li>• <b>Water and Sanitation:</b> water schemes, latrine blocks,</li> <li>• <b>Agriculture:</b> extension sites, veterinary service, inputs provision</li> <li>• <b>Rural roads:</b> maintenance, new construction</li> </ul>
What facility type and which source of fund?	<ul style="list-style-type: none"> <li>• Type: public, private and/or NGO</li> <li>• Funding: government, donor, NGO or community user fees</li> </ul>
What category of spending or resource flow?	<ul style="list-style-type: none"> <li>• <b>Education:</b> teacher salaries, text books</li> <li>• <b>Health:</b> drugs, vaccinations, health equipment</li> <li>• <b>Water and Sanitation:</b> spare parts, per diem for committee members</li> <li>• <b>Agriculture:</b> fertilizer, seeds, drugs, equipment</li> <li>• <b>Rural roads:</b> contractors fees, construction materials</li> </ul>
What program or policy?	Scholarship program, textbook fund, vaccine spending, latrine construction campaign, or rural roads project
What is the geographic scope?	Comparing several Woredas, comparing Kebeles in one Woreda
Who are the key actors to survey?	<ul style="list-style-type: none"> <li>• <b>Education:</b> head master, teachers, PTA, Woreda education officials, students</li> <li>• <b>Health:</b> doctors, nurses, Kebele and Woreda health officials, patients</li> <li>• <b>Water and Sanitation:</b> manager of the facility, users of the facility, Woreda water and health officials,</li> <li>• <b>Agriculture:</b> extension agents, veterinary doctors, input sellers, Kebele and Woreda agriculture officials</li> <li>• <b>Rural roads:</b> maintenance managers</li> </ul>

Adapted from: World Bank 2010

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### Phase 3: Design of Questionnaires

It is important to design questionnaires so that truthful answers can be obtained from those surveyed. This may be difficult, because the interviewees have hidden information about their environment, such as corruption and leakage, which they may not want to reveal to the interviewer. To overcome this problem it is best to use data triangulation, where diverse actors are interviewed on the same question.

Let's say, you want to know whether or not the money allocated for construction of teacher houses in a Woreda was properly managed, the sample questions would be:

- What were sources of funds?
- What was the amount of funds allocated for construction of the houses?
- What was the actual amount of funds received?
- When was the money received? And how?
- How many teacher houses did the Woreda plan to construct? And where?
- How was the procurement process?
- How many houses were built using this money?
- How was the money spent and when?
- What was role of different stakeholders in construction process?
- How do the houses benefit the teachers? Get feedback from teachers?

The interviewees would be Woreda education officials, construction firms and/or community members involved in the construction, head of the school, PTA, students, and teachers.

### Example of Budget Flow

Budget flow		Sector				
		Education	Health	Water	Agriculture	Rural road
Approved national Budget 2013/14 (Birr)		86,000,005	302,000,000	181,000,000	459,000,000	355,000,000
Regional Budget Allocated						
Woreda level	Received					
	Spent					
	Transferred					
Kebele level	Received					
	Spent					
Leakage at different levels						

### Phase 4: Sampling and field testing

What determines the number of questionnaires and interviews?

- The scope of PETS – what are you tracking – specific service, program?
- Level and number of facilities – one or more Woredas/Kebeles, all facilities or a selection?
- Flow of funds – source, received, spent, transferred etc.
- Type of resources – money, inputs?
- SAIP project budget for PETS, time and human resource constraints



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The rule on sample size is that there is no rule. There is no recommended sample size, but generally speaking the larger the sample size, the better. In some of the more notable PETS exercises in Africa, about 25% of particular types of service units have been surveyed.

The sampling follows purposeful and random sampling depending on the selected sector. Aim at making the sample representative of the population, including vulnerable groups, that needs to be serviced. Also, take the need to triangulate data from multiple sources into account. For example, if the unit is primary schools, the targets are students, teachers, school administrators, parent and teacher committee members, families of selected students (e.g. physically challenged students, students from poor families), regional/woreda educational officials, and possibly an NGO that is supporting primary schools.

When an appropriate sample size has been determined, geographic allocations will have to be made. It is recommended to cover at least all project Kebeles in one Woreda, and where possible do the same in other project Woredas. It might be useful to stratify the survey population into subpopulations, and sample these sub-populations independently as individual populations.

There will likely be more non-sampling than sampling errors in PETS exercises, with major problems encountered during survey implementation. From an incomplete coverage of issues to ambiguous questions, non-sampling errors require that the survey be field-tested before launch. **Field testing** is also a way to expose the enumerators to the exercise, and it will be necessary to use their preliminary feedback to modify questionnaires or the tactic of questioning.

### *Phase 5: Execution of Survey*

First, enumerators or survey personnel have to be selected and trained. Further, to ensure that recording of information is being done accurately, it is important to involve the enumerators in field testing of the questionnaire. Monitoring of question sessions during field testing has to be undertaken. If questions are misinterpreted, or some answers are found to be inconsistent, then adjustments need to be made and re-interviewing is required.

Second, try to reduce incentives for people to miss-report. For instance, If health care facilities are being surveyed, it is important to cross check information on user fees and other aspect of performance on least three levels at least: patients, health unit, and Woreda health officials. Similarly, ‘surprise’ visits to facilities work better than pre-announced ones, as staff is known to change their behaviour to formal enquiries.

Third, the complexity of design, implementation and subsequent analysis of PETS is often underestimated. It is necessary for the organizers of the exercise to be clear on the objectives, maintain a hands-on involvement in the process, and ensure that the findings subsequently feed into reforms of service delivery.

### *Phase 6: Data Analysis*

This is the output stage, when all collected data is consolidated and analysed. The approach to analysis will completely depend on the objectives and the results of the tracking exercise. The most common techniques used in data analysis include:

- Averages (e.g. average amount of money that leaked or diverted)
- Data ranges (e.g. revenue)
- Frequencies (percentage of actors who are satisfied with procurement procedures)



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PETS data can also be analysed using more technical analytical techniques such as cross tabulation. However, this method requires someone with expertise and experience in data analysis. The analysed information can be presented in the form of charts, tables, graphs or statistics.

### *Phase 7: Dissemination and Interface Meetings*

The findings of the tracking study should aim at being constructively critical. The goal is not to embarrass or laud service providers, but to enable dialogue between citizens and service providers about improvements in public spending for quality services.

It is important to share the preliminary findings with the concerned citizens, service providers and local government in interface meetings in the study area (i.e. Kebeles, Woreda). Create an opportunity for the authorities to respond to some of the serious criticisms, and listen to genuine grievances on their part, such as capacity, staffing or budgetary constraints. Be open to such feedback and incorporate it in the final report to improve the recommendations. Aim for reform proposals to be incorporated in a Joint-Action Plan, so that there can actually be improvement in the budget execution process and eventually in the quality of service delivery.

To improve broad stakeholder understanding and gain their support, it is important to widely disseminate key findings of PETS and the proposed reform agenda, including Joint-Actions. Making the findings and joint actions widely known and available makes it difficult for the concerned agency to go ahead with “business as usual”. Prepare communication materials, including small printable stories, participatory video, and press release. Translate the main report (at least a summary of key findings) into the local language.

Dissemination mechanisms are: public and stakeholders meetings, press note and media conference, private meetings with policy makers at the district and regional council, creative techniques such as theatre, songs, artwork, film, and puppet shows. Where possible, information technology (IT) should increasingly be used to improve accountability. Through Facebook, web-sites and You Tube channel (e.g. participatory video), the reach of the findings of PETS can not only be widened, but can also solicit the engagement of literate and informed tax payers in solving public problems.

### *Phase 8: Monitoring and Institutionalisation*

PETS initiatives, especially those that arrive as one-of experiments will serve little long-term purpose unless implementation is followed through on a sustained basis. Ideally, citizens monitor if local governments use results from expenditure tracking to initiate reforms in public expenditure management. Tracking exercises institutionalised at the community level can also be linked with participatory planning and budgeting of services.

Institutionalization of PETS can take a variety of forms depending on local circumstances. Some models can be:

- independent civil society organizations undertake the initiative in partnership with external organizations (Uganda)
- governments monitor their own performance as part of ongoing public sector reforms
- an oversight agency such as the Auditing Bureau undertakes the initiative to monitor flow of public money.

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### 14.5 Case studies of Public Expenditure Tracking Survey

<b>Key message</b>	Two cases will present the experiences and lessons of stakeholders who have undertaken Public Expenditure Tracking Survey in Malawi and Ethiopia respectively. The participants will be able to learn from these experiences and challenges and critically think of the applicability of PETS to their own context.
<b>Estimated reading time</b>	20 minutes for each case
<b>Remarks</b>	Participants will exercise both cases per the instructions from the trainer

#### *Case 1: Education Sector - Malawi*

The Civil Society Coalition for Quality Basic Education (CSCQBE), was created in 2000, and consists of 67 civil society groups in Malawi, including non-governmental organisations, community-based organizations, teachers' unions, religious-based organisations, and district networks. CSCQBE brings these organisations together in the common pursuit of the right to quality basic education. CSCQBE has made a long-term commitment to monitor Malawi's progress toward achievement of national education goals.

From 1994, when Malawi introduced free primary education, through 2001, increased government funding for education did not translate into improved quality of education. Many citizens suspected that government corruption and mismanagement were the cause. In a widely reported 1999 case, for example, the Ministry of Education was defrauded of 187 million Malawian Kwacha (approximately US \$1.3 million) meant for school construction. Civil society groups believed that by closely monitoring government budgets and spending, they could help prevent corruption and encourage better management of public funds.

Basic education funds approved by Malawi's parliament are disbursed from the national treasury directly to district accounts, where they are allocated at the discretion of the district assemblies. This decentralized system provides only limited accountability, as the national and district governments provide little information on the use of funds. CSCQBE tracking surveys, however, provide independent data on the use of education funds, which civil society can use to advocate for greater and more effective education funding.

CSCQBE also seeks to enhance public understanding of education and budget policies and the need for accountability. To that end, it has set up 13 district networks to decentralise the monitoring of education budgets. The networks support school budget monitoring by school-based or community-based groups, such as the school board or a parent-teacher association. CSCQBE, in turn, provides these networks with technical assistance to strengthen their capacity to support local efforts. It is hoped that once these district networks are fully operational, they will encourage member organisations to engage in budget monitoring in other spheres besides education.

CSCQBE has used PETS three times between 2002 and 2007 to survey education expenditures, improving its methodology in each round. As part of the PETS process, community-based members of CSCQBE administer a series of standardized questionnaires to teachers and education officials around the country. Questionnaires administered to the head teachers in a number of schools obtain information on students (enrolment, exam pass rates, drop-out rates, etc.), teachers (qualifications, teacher shortages, housing, etc.), salary pickup (teachers' salaries are often made in cash, especially in rural areas), availability of teaching and learning materials, facilities, and



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supervision and accountability. CSCQBE selects a representative sample of 500 schools (roughly one-tenth of those in the country) for its surveys, including both rural and urban schools.

School-level questionnaires collect data on student enrolment, staff levels, student and teacher housing, and teacher qualifications. These questionnaires include questions on the school's proposed recurring expenditure budget sent to the Finance Ministry, actual funds received from the ministry, and actual recurrent expenditures in three sample months. Other questions address the adequacy of classrooms and learning materials.

CSCQBE also collects data from district assemblies, district education offices, division offices, the Education Supplies Unit, and teacher training colleges. District commissioners are given a questionnaire that seeks information on the amount of funding requested from the Finance Ministry for recurrent expenditures, the amounts subsequently allocated to the district, and the actual amounts the district received and spent on a monthly basis (including the purposes for which they were spent). Other questions ask about primary education projects that are planned in the current budget and projects that have recently been implemented, as well as their cost.

Similarly, district education managers are asked about recurrent expenditures in three sample months and monthly allocations in the primary education budget (as compared to funds received and expenditures). Also requested are data on enrolment, staffing, salary distribution, and transportation and facilities.

The supplies unit is surveyed to ascertain budget requirements versus actual funding allocations for teaching and learning materials, to assess the procurement and delivery processes, and to obtain information on the quantities of materials received. The CSCQBE secretariat collects the questionnaires, enters the data into electronic spreadsheets, and analyses it to produce its annual report. Particular attention is paid to:

- any increases in budget allocations;
- differences between the budgets for different levels of education;
- the amount of teaching and learning materials received by schools and colleges;
- the amount and timeliness of teachers' salaries;
- the number of teachers who were recruited and trained;
- the distribution of teachers across geographic areas;
- enrolment of pupils in each school, particularly with regard to gender; and
- enrolment of children with special needs and the availability of teaching materials for them.

A draft report is circulated among CSCQBE organizations and discussed at a special meeting for adoption. Subsequently, a final report is produced. CSCQBE unveils the report during a public meeting with ministry officials, parliamentarians, development partners, and the media during the annual parliamentary budget deliberation. It then holds district meetings during which district assembly officials, district education officials, non-governmental organizations, and school officials can discuss the results and, if necessary, formulate action plans to address problems. The report receives news coverage in newspapers and on radio and television.

CSCQBE also gives copies of the report to key stakeholders such as ministers, the office of the president, and donors and seeks commitments on how they will respond to the issues it raises. CSCQBE takes note of these commitments and then monitors their implementation.

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CSCQBE has achieved important **successes** through PETS. In 2002, for example, when the government closed teacher training colleges due to a lack of funding, civil society groups mounted a three-month campaign that compelled the government to reopen them. The coalition argued that closing the colleges violated the government's commitment to train 6,000 new teachers a year.

In 2003, it was discovered that a number of teachers received their salaries late or not at all. Civil society groups pressed a parliamentary committee to look into the issue. The committee returned a report to the National Assembly.

In 2004, the government undertook its own expenditure tracking survey after observing CSCQBE's successful work. Civil society was involved in planning and monitoring the survey. Civil society groups have also pressured the government into making budget allocations aimed specifically at children with special needs, to purchase specialized materials for teachers who focus on these students. In addition, the government is now seeking to address the educational disparities between rural and urban areas. It plans to introduce incentives to attract teachers to rural areas and construct housing for rural teachers.

### **Case 2: Water Supply Sector - Ethiopia**

Rift Valley Children and Women Development Organisation (RCWDO) undertook an expenditure tracking survey in Zeway Dugda Woreda under ESAP1 in 2009. The project aimed to track the water supply budget in the Woreda, to provide information about water budget utilization and to identify bottlenecks for future improvement.

Zeway Dugda Woreda has 63 water points. Of these water points, 18 are motorized and all are functional, and 54 are hand pumps and 38 are functional (70 %). Moreover, there is one active gravity water supply system which serves Arata town and its surrounding areas. The water points are distributed over 24 Kebeles, while 6 distant Kebeles (25-50 kilometres away from the Woreda centre) had no water supply access during the study.

The sample selection considered type of water point, and ultimately 10 water points in 6 Kebeles were selected for the survey. The rural water supply budget is funded by government and by water fees collected at the water point by elected Kebele water committee members. Therefore, RCWDO used desk review, key informant interviews and focus group discussion, and collected information from the Woreda Water Desk office and at facility level from Kebele Water Committee.

**Table: Sector Budget Zeway Dougda Woreda (in Birr)**

Sector	2007/8 (1999 EFY)		2008/9	
	Salary	Capital	Salary	Capital
Education	5,193,949	Nil	5,757,096	Nil
Health	701,689	Nil	1,028,899	286,000
Agriculture & Rural Development	1,229,516	Nil	1,489,488	262,444
Water & Sanitation	55,714	Nil	72,471	134,538
Rural Roads	14,756	Nil	20,530	Nil
Total	7,195,624		9,051,466	

Source: HelpAge International Ethiopia, Zeway Dugda Capacity Assessment Survey, 2009.

**Regional and Woreda level:** The Woreda had no capital budget allocation in 2007/8, but in 2008/9 the total allocation of capital expenditure was Birr 682, 982. Capital expenditure is 8% of the allocated budget for salary (7.5 % of total budget allocation),



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while allocation for salaries in the 5 sectors was 8,368,484 Birr. In 2007/8, 0.8% was allocated for Water and Sanitation (only for salaries), and in 2008/9 that allocation was 2.3% of the total allocation for the 5 sectors.

The criteria for Kebele water supply budget allocation is based on Peasant Associations, distance from any water source, and the prevalence and severity of water born disease. According to the Woreda Water Desk Office, the amount allocated water budget varies from year to year, it may decrease or increase, and is not satisfactory. The major problems are scarcity of budget for running costs, maintenance and logistics, and high consumption of fuel and spare parts. The recurrent (operational) budget does not include the salary of the Woreda Staff.

**Table: Water Supply and Sanitation Budget Zeway Dugda Woreda**

Year	Type of budget	Amount (Birr)
2007/8	Operational budget allocated	6,025
	Allocated capital	-----
	Operational budget expenditure	6,025
2008/9	Operational budget allocated	8,719
	Allocated capital	134,565
	Operational budget expenditure	134,565
2009/10	Operational budget allocated	3,016
	Allocated capital	100.000
	Capital expenditure	On process

Source: Zeway Dugda Woreda Water Desk Office, 2010.

The information suggests that the capital budget of 2008/9 was entirely utilized, though implementation actually continued into 2009. This might have occurred due to the delay of budget disbursement from the region and/or due to limited implementation capacity of the Woreda.

**Table: Water Supply Budget Allocation 2009 for Kebeles (in Birr)**

No	Kebeles	Allocation purpose	Allocated	Remark
1	Arba Chefa	Reservoir	26, 890	Not constructed
2	Maja Shana (Sukaay)	Hand pump	10, 507	used
3	Hula Arba	Maintenance & Tanker	15, 715	used
4	Goibe	Hand pump	9, 898	Under construction
5	Cafejila	Hand pump	19, 660	
6	Kiyyansho	Tanker	27, 520	Not constructed
7	Arata	Reservoir	50,000	Not used
Total			160,190	

Source: ZewayDugda Woreda Water Desk Office, 2010

The tables are based on Woreda Water Desk Office reports, and show inconsistencies in the budget execution system. There is budget delay and the budget is not utilized according to the plan. RCWDO found that the Woreda Water Desk Office monitoring mechanism was insignificant. As a result, budget utilization and service provision in rural Kebeles is observed to be very weak. In some water points the fees are not fair. Moreover, the available and the potential fees are not properly utilized to solve the water supply problem of the larger community.



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**Community level:** The sampled Kebeles Maja Shana, Arata, Ubobericho and Ogolcho received their water supply from NGOs, and others received from government. Currently, all of them are administered by the community with support from the Water Supply Offices.

The survey showed minimal community knowledge of the budget process, the source of revenue, and expenditure. The displayed Woreda budget was not detailed and was not explained to the community at the time of the survey (2009).

Regarding information about budget planning, out of 120 interviewed users and service providers 67% said to have information, and 33% said they did not have any information. The majority said this information comes mostly from government. Users have little information about their own water point budget. Nearly, 89% said no participation in the planning process of the water budget, but the remaining 11% acknowledged their participation. Most respondents agree that users can make suggestions about tariff and opening and closing time of the rural water supply, but other decisions are made by the water committee and Kebele councils. In Quene Sebaro, Ubo Bericho and Ogolcho the community voiced their needs, and successfully changed the manual hand pump to a motorized water pump.

The community stated that information about the water budget is shared during occasional community meetings and this doesn't give a chance for detailed discussion. Almost 65% of users and service provider agree that **accountability and transparency** of the water supply system is very poor, 25% said it is encouraging, and 10% said there is an accountability system, but the providers are not transparent. Regarding the water point expenditure and income, 78% don't know, 13% did not answer and 9% said its main income is from water fees, and mostly it is spent for fuel, salary, per diem and spare parts. Concerning complains, 37% said they complain but there is no response, and 53% they never complain because they believe it is not important.

Some respondents (11%) think that **budget monitoring** is by the Kebele monitoring committee, 67% respondents think that the Woreda Water Desk Office has a budget monitoring mechanism, 12% said they don't know, and 15% said there is no monitoring mechanism. Researchers observed the absence of a budget monitoring system in Kebeles and Woreda, except that auditing was done in two Kebeles.

Regarding **record keeping and auditing**, 68% said they observed a recording mechanism, 19% said no record, and 13% don't know. In some water points, researchers observed the presence of a registration book, income and expenditure receipts, and bank books, but in most cases there was no complete recording system. For instance, the sales from water points is only delivered to the cashier after 15-30 days, and the money can stay with the cashier for more than 2-6 months without depositing into the bank account.

The expenditure process mostly does not follow the regular financial system. In some water points there is no procurement person, and the secretary and the chairperson accomplish this task. In some cases, even with the presence of a procurement officer, minor bidding procedures are not respected. As such, there are no large items to be purchased, as most expenditure is for fuel and spare parts. Almost 65% of the users and service providers accepted there is no planning system, and 35% said there is planning, but the community is not involved or doesn't know it.

### **Example of water supply budget management in Arata Kebele**

Arata Water Supply was constructed by OSHO with Ethio-Italian funds of 1.2 million Birr. The water committee members serve as a board, because there are four water points, and each has a sub-water committee to run the day to day water supply. The water supply



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works by gravity, so there are no expenditures for fuel. The salary of the water supply worker depends on how much he sells. The opening time of the water supply is from 2 to 6 hours in the morning and 8 up to 12 hours in the afternoon (Ethiopian time), but this is not always respected.

Currently, the main budget source is from water fees and private meter instalment. The water committee deposits money in bank, and at the time of survey had 16, 977 Birr at the bank and 400 Birr in the hands of the cashier. The water committee has good management and accounting systems. It also has defined policies for per diem, water tariff, and for income and expenditure transactions. However, there is no regular reporting system to the community and the Woreda Water Desk.

The major problem is lack of sufficient water reservoir. Accordingly, the Woreda Water Desk Office has a plan to support Arata with about 50, 000 Birr.

**Table: Amount of Income and Expenditure in Arata in Birr**

Year	Income GOs & NGOs	Income citizens	Income Water tariff	Total income	Expenditure	Balance
2007/8	-----	-----	5,579.95	5,579.95	1,622.50	3,957.45
2008/9	-----	-----	9,890.50	9,890.50	3,337.00	10,510.90
2009/10	-----	-----	7,732.00	7,732.00	1,265.50	16,977.00

**Meeting with Woreda Officials:** On April 9/2009, the researchers presented the Zeway Dugda Woreda Water Supply Budget Expenditure Tracking Survey Report to Woreda officials and RCWDO staff members. The aim was to synthesise the major problems of water supply expenditures in the area and to get feedback.

The officials emphasized that previously their plan was focused on the water supply expansion and maintenance of existing water schemes, but this study shows that it is equally important to monitor miss-utilization of water budget, and to enhance community participation in the budget process. It was mentioned that there used to be an accountant who was able to monitor some of the water supply budget utilization, but this stopped due to the absence of such personnel.

The officials stated that in 2009 and 2010 the budget was posted and oriented at Woreda and Kebele level, but the community understanding of the aggregated budget and its implication for development is very low. It therefore seems very important to simplify the budget posting system.

Moreover, the officials emphasised that since rural water provision is a basic service for rural communities, “all of us should be evaluated on the effectiveness of the service and the water budget utilization”.

The local government has guidelines for Water Committees, which was observed as a strong point. However, it is also important to monitor the water supply management systems and to improve the guidelines where needed. The survey identified problems related to opening times, to unbalanced tariff systems, and to high per diem expenses. Also, poor community participation and in-effective water budget utilization needed further analysis and improvement. The Officials agreed to include these points in their meeting agenda.

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### Survey recommendations:

- The water and sanitation capital budget allocation is not clear, and budget utilization is not according to the plan. Participatory planning and implementation procedures may overcome such problems.
- Training of Keble water committee members and concerned stakeholders about the financial management and quality service provision is a must to avoid budget leakage.
- Monitoring in Zeway Dugeda Woreda is insignificant, and as a result the water budget and community water fees are not well utilized. Data indicates that some Kebeles have financial potential to solve their problems, but they need technical support to solve problems with the available local resources.
- In some Kebeles the community complained to the concerned office about leakage of water supply budget; however no measure were taken until 2008-2009. It is crucial to develop mechanism to timely and adequately address community needs and complaints.
- According to the assessment, there is a perception gap between the communities and service providers about the fee collection and budget utilization. As a result, the majority of community members suspect the presence of high water budget leakage in their Kebeles. It is recommended to build trust by introducing real participatory planning, budgeting, and expenditure tracking systems.



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### 14.6 Trainer Notes



This session is compulsory for the orientation training, and elective for the rolling-out trainings. These training notes are based on a time-frame of 360 minutes. The trainer of the 180 minute orientation training has to adjust the session accordingly.

<b>Key messages</b>	<ul style="list-style-type: none"> <li>Public spending has an impact on service quality. Public Expenditure Tracking Survey is a tool to examine budget allocation, transfer and execution, with the aim to identify problems, weaknesses, irregularities, leakages and delays.</li> <li>Citizens can use it to assess equity in public expenditure for service delivery among Kebeles/Woredas, vulnerable groups, rural/urban settings etc. Improved transparency and accountability in budget execution can improve efficiency of public spending for basic services.</li> <li>PETS can provide a baseline against which to monitor public spending through subsequent surveys.</li> </ul>
<b>Timing</b>	<ul style="list-style-type: none"> <li>Part 1: Presentation and plenary discussion on PETS – 60 (20) minutes</li> <li>Part 2: Group discussion on case 1 PETS Malawi – 90 (60) minutes</li> <li>Part 3: Presentation and group discussion on case 2 Ethiopia – 90 (60) minutes</li> <li>Part 4: Group exercise to practice with implementation phases, and concluding presentation – 90 (60) minutes</li> </ul> <p>Total: 360 minutes for roll-out training (180 minutes for orientation)</p>
<b>Work form</b>	Presentation and plenary discussion, group discussions on case studies, practice exercise
<b>Hand-outs</b>	14.3 Primer Public Expenditure Tracking Survey 14.4 Public Expenditure Tracking Survey Implementation Phases 14.5 Case Studies of Public Expenditure Tracking Surveys <ul style="list-style-type: none"> <li>Case 1: Education Sector Malawi</li> <li>Case 2: Water Supply Sector Ethiopia</li> </ul>
<b>Preparations</b>	<ul style="list-style-type: none"> <li>Pre-prepared flipcharts or Slides on PETS</li> <li>Flip chart paper</li> <li>Markers</li> <li>Flip chart stand</li> <li>Power Point projector</li> </ul>
<b>Remarks</b>	Distribute slides after the presentation

### Part 1: Presentation and plenary discussion on PETS 60 (20) minutes

#### Slide 1: Session 14 - Public Expenditure Tracking Survey

Introduce the theme and explain the outline of the presentation. Before moving to slide 2, ask participants what they already know about PETS, and if they have been involved in PETS before. A co-facilitator can take down the responses on flipchart.

Make a link with relevant chapter in the Social Accountability Guide:

- Overview of Budget Process in Ethiopia (page 66-81)
- Participatory Planning and Budgeting Tool (page 152-172)
- Gender Responsive Budgeting Tool (174-194)
- Social Auditing Tool (page 197-212)



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### ***Slide 2: What is the Public Expenditure Tracking Survey?***

This is a process that involves citizens, service providers and government officials in collecting and presenting information about public spending for service delivery, to discuss where money is coming from and where it is being spent. It enables all stakeholders to understand their budget entitlements and to use it for the intended purpose.

Give examples from the box: The Power of PETS (14.3), and/or invite participants with experience to share recommendations or changes that came out of the PETS they were involved with.

### ***Slide 3: Public Expenditure Tracking Survey or System?***

Traditional PETS track money through various levels of government. Recently, PETS is used by citizens to find out how allocated budget is spent at the local level, and how this affects service quality.

The “S” in PETS can stand for survey or system. For ESAP2, PETS seeks to combine some the two, which means focus on Woreda and Kebele levels, active stakeholder participation in the process, and with the aim to enhance the quality of basic services.

PET Systems could eventually be established, but at this stage the focus is on SAIPs creating trust, partnership and openness among stakeholders. Prerequisites for PET Systems are adequate citizen awareness, citizen mobilisation or community groups formation, and local governments that are convinced of the benefits of Public Expenditure Tracking.

At a later stage, it may be possible to put structures and systems in place for open and transparent budget transfer and tracking, to “follow where the money and other resources are going”.

### ***Slide 4: Why we conduct a Public Expenditure Tracking Survey***

- It creates common understanding about what blocks allocated resources from being used for the intended purpose;
- It improves the relationships between the public spending and quality services;
- It improves transparency and accountability in the budget execution processes;
- It improves the efficiency and impact of public spending;
- It creates a better understandings on basic service delivery performance;
- It helps to assess the equity in public expenditure and service delivery among service facilities, or among Kebeles and Woredas, or among vulnerable groups;
- It provides a baseline against which to monitor budget execution, through subsequent surveys.

### ***Slide 5: Opportunities***

The Financial Transparency and Accountability (FTA) program under Promoting Basic Services (PBS) has created awareness of budget disclosure, budget literacy and budget hearings, and this will certainly facilitate the roll out PETS for social accountability.

The FTA Public Budget and Expenditure templates developed for the supply side can provide the inputs for ESAP2 Public Expenditure Tracking Survey on the demand side. PETS can support the identification of resource leakages and help to address these.

The perspectives of Woreda and frontline service providers are often forgotten at central level and PETS can address this gap. Woreda and Kebele level PETS results can provide a



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basis for wider research that can improve understanding of the determinants of poor service delivery.

### Part 2: Group discussion on case 1 PETS Malawi 90 (60) minutes



#### Slide 6: Exercise – case 1

Form mixed stakeholder groups of maximum 8 participants. Explain the group work procedures:

1. The group will get 20 minutes to read Case 1- PETS Education Sector Malawi.
2. After reading the case, appoint a facilitator to lead the discussion, and a reporter to keep notes and to share group results with the plenary.
3. Discuss:
  - What are key lessons for Ethiopia?
  - What needs to be done differently to apply PETS in Ethiopia?
  - What are challenges that need to be overcome to apply PETS at Kebele and Woreda levels?
4. Write key points on flip chart and share with the plenary.

Organise a silent gallery walk: All group flip charts are posted on a wall. Participants silently read the results of other groups. After 10 minutes, bring participants together and ask for similarities and differences among the group work. Clarify any questions they may have.

### Part 3: Presentation and group discussion on case 2 Ethiopia 60 (90) minutes

#### Slide 7: PETS implementation phases

**Phase 1: Mapping the Resource Flow** – Before the PET survey can be designed a map needs to be made that shows where money for basic services is coming from, what it is being spent on, and how it is being spent. This includes understanding the roles and responsibilities of various administrative units in the supply chain and budget execution processes.

**Phase 2: Identification of Objectives, Scope, Actors** – In consultation with social accountability stakeholders, the objectives, scope and actors to be involved in PETS are agreed. This is to get their inputs, to understand what they want to find out, and to develop ownership. The following questions need to be answered, so that the PETS questionnaires can be designed (see table in 2.1 for examples):

- Which facilities and level?
- What facility type and which source of fund?
- What category of spending or resource flow?
- What program or policy?
- What is the geographic scope?
- What are the key actors to survey?

**Phase 3: Designing Questionnaires** – It is important to design questionnaires so that truthful answers can be obtained. To ensure integrity data must be triangulated, where diverse actors are interviewed on the same question.

**Phase 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

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test the questionnaires. This exposes enumerators to their work, and enables modification of survey tools.

**Phase 6: Execution of the Survey** – After the enumerators have been selected and trained, and after the questionnaires have been field tested, it is necessary for the organisers to stay hands-on involved in the process to ensure ownership and accurate recording of information. Useful measures are:

- monitoring of question sessions at random
- surprise visits by enumerators to facilities usually work better to get truthful information than preannounced visits
- check and recheck data at various sources

**Phase 6: Data Analysis** – The approach to analysis will depend on the objectives and the results of the tracking exercise. Common techniques include: Averages, Data ranges and Frequencies. More technical analytical techniques such as cross tabulation requires someone with expertise and experience in data analysis. The analyzed information can be presented in the form of charts, tables, graphs or statistics.

**Phase 7: Interface Meetings and Dissemination** – The findings should be constructively critical, to enable dialogue between citizens and service providers about service improvements. Share the preliminary findings with the concerned citizens, service providers and local government in interface meetings in the study area (e.g. Kebele, Woreda). Create opportunity for authorities to respond, and listen to grievances on their part. Incorporate feedback in the final report and include reform proposals (Joint-Action Plan), so that there can be improvement in the quality of service delivery.

Widely disseminate the final report to improve broad stakeholder understanding and gain their support for Joint Actions. Making the findings widely known and available makes it difficult for the concerned agencies to ignore the findings.

**Phase 8: Monitoring and Institutionalisation** – Ideally, citizens continue to monitor if local governments and service providers use PETS results to improve public expenditure management. Models to institutionalize PETS can be:

- independent civil society organizations undertake PETS (Uganda)
- governments monitor their own performance
- an oversight agency such as the Auditing Bureau monitors flow of public money.



### **Slide 8: Exercise Case 2**

Form mixed stakeholder groups of maximum 6 participants. Explain the group work procedures:

1. The group will get 20 minutes to read Case 2 - PETS Water Supply Sector Ethiopia.
2. After reading the case, appoint a facilitator to lead the discussion, and a reporter to keep notes and to share group results with the plenary.
3. Discuss:
  - Compare Ethiopian PETS experience in case 2 with the phases of PETS implementation in the SA Guide
  - If you were asked to do this again, according to the phases of PETS implementation in the SA Guide, what would you change?
4. Write key points on flip chart to share with the plenary.

Ask the sets of two groups to briefly present their joint findings (3 minutes per two groups), and allow other groups to ask clarifying questions. Conclude by summarising the most important changes participants want to make. Clarify any questions they may have.



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### *Slide 9: PETS scope*

At the national and regional levels PETS is limited to understanding the amounts allocated to the Woreda, the actual transfers, and delays in the transfers. At Woreda and Kebele level the survey tracks allocations and actual spending, budget delays, leakages, staff behaviours (e.g. absenteeism), and supply management (quality and availability), in relation to the agreed outcomes of basic services and Woreda Performance.



### *Slide 10: Exercise 3*

Form groups of 6-8 participants. Explain the group work procedures:

1. The group chooses one Woreda and one sector to work on.
2. Complete phase 1 and 2 of PETS implementation for this Woreda.
3. Report your work using the table with basic questions in phase 2 as your guide:
  - Which facilities and level?
  - What facility type and which source of fund?
  - What category of spending or resource flow?
  - What program or policy?
  - What is the geographic scope?
  - What are the key actors to survey?
4. Share your group work with one of the other groups, and give each other feedback.

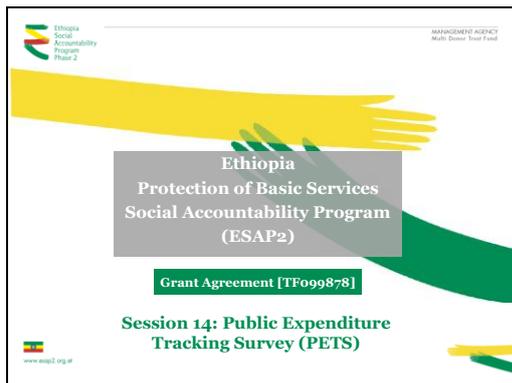
In plenary, ask participants to share important insights they have gained from this exercise. Use the next slide on PETS challenges, to conclude the session.

### *Slides 10 and 11: PETS Challenges*

- Traditional PETS provide information, but don't necessarily result in action and change. The link with leakage and service outcomes remains a challenge.
- It may be problematic to define the research objective of PETS, depending on the local context (policy, culture, capacity and availability of budget information/store records etc.).
- Delay of budget release from the central government may prompt service levels to hold-up the allocated budget and spend it on more pressing issues. Inter and intra-sector allocations are hard to track.
- It might be difficult to effectively track the resources, as some Regional States or Woredas may not provide complete information about the allocated resources and the utilization of the same resources (which can be minimized through capacity building).
- Getting quality data can sometimes be tricky (miss-reporting), therefore it is important to field test and ensure quality control in the field and data entry procedures.
- Lack of qualified accounting personnel and trained store keepers at Woreda and Kebele levels may make it hard to explain leakage (e.g. not clear if leakage is due to poor record keeping or to leakage / corruption).
- Budget analysis and social impact analysis are still important and provide value added data that is not captured through PETS.
- PET Surveys can only complement, not replace routine information, control, and integrity systems.

# Session 14: Social Accountability Tools - PETS

## 14.7 Slides



Ethiopia Social Accountability Program Phase 2

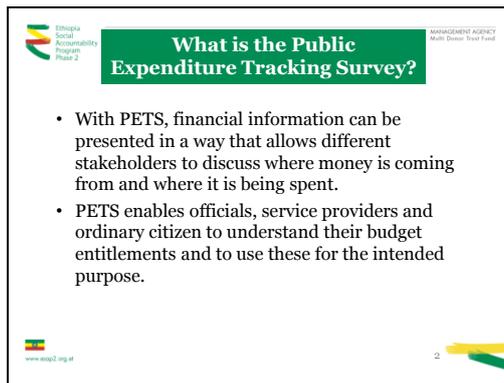
MANAGEMENT AGENCY Multi Donor Trust Fund

Ethiopia Protection of Basic Services Social Accountability Program (ESAP2)

Grant Agreement [TF099878]

Session 14: Public Expenditure Tracking Survey (PETS)

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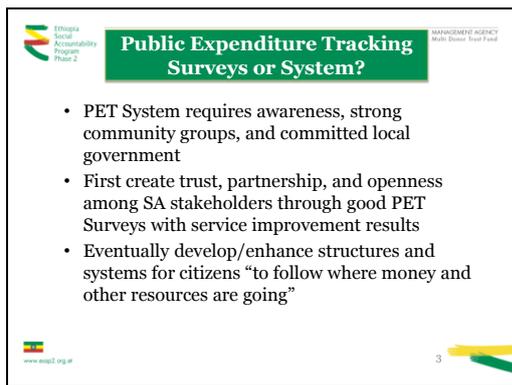
Ethiopia Social Accountability Program Phase 2

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### What is the Public Expenditure Tracking Survey?

- With PETS, financial information can be presented in a way that allows different stakeholders to discuss where money is coming from and where it is being spent.
- PETS enables officials, service providers and ordinary citizen to understand their budget entitlements and to use these for the intended purpose.

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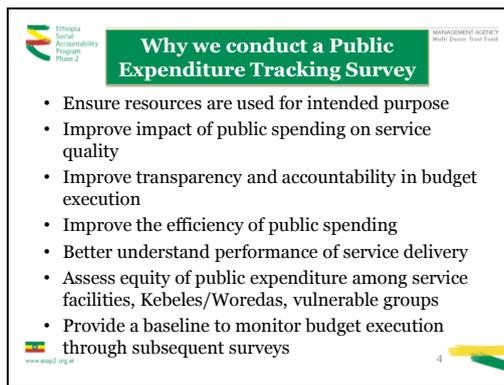
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### Public Expenditure Tracking Surveys or System?

- PET System requires awareness, strong community groups, and committed local government
- First create trust, partnership, and openness among SA stakeholders through good PET Surveys with service improvement results
- Eventually develop/enhance structures and systems for citizens “to follow where money and other resources are going”

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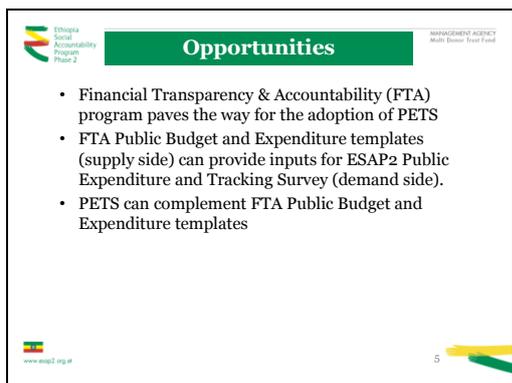
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### Why we conduct a Public Expenditure Tracking Survey

- Ensure resources are used for intended purpose
- Improve impact of public spending on service quality
- Improve transparency and accountability in budget execution
- Improve the efficiency of public spending
- Better understand performance of service delivery
- Assess equity of public expenditure among service facilities, Kebeles/Woredas, vulnerable groups
- Provide a baseline to monitor budget execution through subsequent surveys

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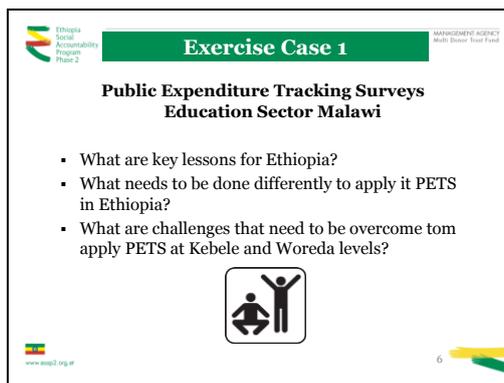
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### Opportunities

- Financial Transparency & Accountability (FTA) program paves the way for the adoption of PETS
- FTA Public Budget and Expenditure templates (supply side) can provide inputs for ESAP2 Public Expenditure and Tracking Survey (demand side).
- PETS can complement FTA Public Budget and Expenditure templates

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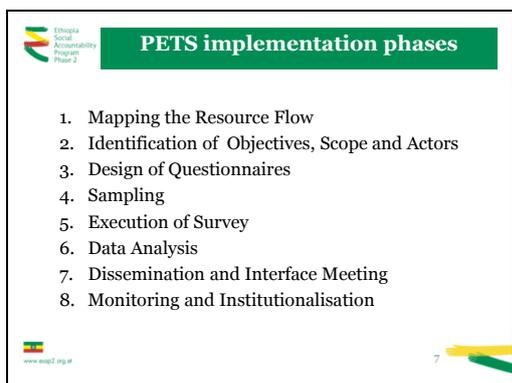
### Exercise Case 1

#### Public Expenditure Tracking Surveys Education Sector Malawi

- What are key lessons for Ethiopia?
- What needs to be done differently to apply it PETS in Ethiopia?
- What are challenges that need to be overcome to apply PETS at Kebele and Woreda levels?



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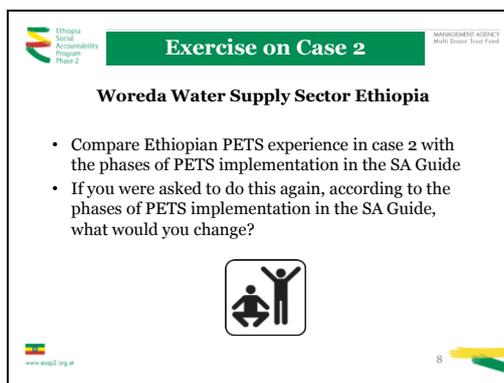
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### PETS implementation phases

1. Mapping the Resource Flow
2. Identification of Objectives, Scope and Actors
3. Design of Questionnaires
4. Sampling
5. Execution of Survey
6. Data Analysis
7. Dissemination and Interface Meeting
8. Monitoring and Institutionalisation

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### Exercise on Case 2

#### Woreda Water Supply Sector Ethiopia

- Compare Ethiopian PETS experience in case 2 with the phases of PETS implementation in the SA Guide
- If you were asked to do this again, according to the phases of PETS implementation in the SA Guide, what would you change?



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## Session 14: Social Accountability Tools - PETS

 **PETS scope** MANAGEMENT AGENCY  
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- Woreda and Kebele level basic services, some Woreda comparison possible
- National and Regional level: amounts allocated and transferred to the Woreda
- Woreda level: track specific resource flows (e.g. drugs), in-kind items (e.g. books) or programs (GO, NGO, and/or Community funded)
- Compare with Woreda Performance Agreement for service delivery

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 **Exercise** MANAGEMENT AGENCY  
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- Choose one Woreda and agree on a sector.
- Complete phase 1 and 2 of PETS implementation for this Woreda.
- Present your work using the table with basic questions in phase 2 as your guide:
  - Which facilities and level?
  - What facility type and which source of fund?
  - What category of spending or resource flow?
  - What program or policy?
  - What is the geographic scope?
  - What are the key actors to survey?

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 **PETS challenges** MANAGEMENT AGENCY  
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- Traditional PETS not much service improvements
- Problematic definition of objectives, depending on local context (policy, culture, capacity and availability of budget information, etc.)
- Budget delay may prompt service levels to spend money on more pressing issues; Inter and intra-sector allocations are hard to track
- Some levels may not provide complete information (minimize through capacity building)

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 **PETS challenges cont.** MANAGEMENT AGENCY  
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- Getting quality data can be tricky (miss-reporting); Important to field test
- Lack of qualified personnel may make it hard to explain leakage (e.g. not clear if leakage is due to poor record keeping or to leakage/corruption).
- Budget analysis and social impact analysis provide value added data that is not captured through PETS.
- PET Surveys complement (not replace) routine information, control, and integrity systems.

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### References

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