

# **PUBLIC EXPENDITURE TRACKING SURVEYS**

## **Introduction**

1. The Department for International Development's (DFID) principal aim is to reduce poverty in poorer countries, in particular through the achievement of the Millennium Development Goals (MDGs) by 2015. The international community established the MDGs in September 2000, with 189 nations signing up to their attainment. The key global objective is to halve the proportion of people living in extreme poverty (defined as living on less than US\$1 per day) by 2015.
2. Together with the rest of the donor community and developing countries, DFID is concerned with a range of institutional frameworks to underpin the effective delivery of services to poor people, in particular, effective public financial management and accountability. However, as well as working to improve government institutions, developing countries have been developing techniques to engage communities in ensuring they receive intended resources and services. Public expenditure tracking surveys (PETS) are one of the techniques used for this purpose. This paper describes what public expenditure tracking surveys are, as well as providing some examples of their use and impact. It concludes by suggesting the relevance of PETS for the UK.

## **What are public expenditure tracking surveys?**

3. PETS are tracing surveys, ultimately intended to provide local communities with information about the level of resources allocated to particular services in their area; perhaps to the local school or health clinic. They are systematic, tracking the flow of resources through the various layers of government bureaucracy. This is to determine how much of the originally allocated resources reach each level and how long they take to get there. The surveys therefore assess the leakage of public funds and can help to assess the efficiency of public spending and the quality and quantity of services.
4. The term "PETS" is also sometimes used to describe service delivery surveys. These are limited to an assessment of the efficiency of public spending in one discrete "unit" of expenditure, generally at the level of frontline service provider. They enable an assessment of accountability mechanisms, incentives for service quality, and the relationship between agents and principals.

## **Where tracking surveys are being undertaken**

5. PETS are known to have been undertaken in the following 13 countries, spread across the continents:  
  
Albania  
Cambodia  
Chad (also undertaken service delivery surveys)

Ghana  
Honduras  
Macedonia (also undertaken service delivery surveys)  
Papua New Guinea (also undertaken service delivery surveys)  
Peru  
Rwanda  
Senegal  
Sierra Leone  
Tanzania  
Uganda (also undertaken service delivery surveys)

Service delivery surveys have also been undertaken in a further five countries: Bangladesh, Madagascar, Mozambique, Nigeria and Zambia.

6. The World Bank first piloted the use of PETS in Uganda in 1996, and follow-up surveys were conducted by the Uganda Government in 2000 and 2001. Uganda has undergone major reforms to its public expenditure management over several years with substantial donor input, so PETS are not the only new mechanism in place. However, the follow-up surveys concluded that the flow of funds to the education sector had improved dramatically. The proportion of intended capitation reaching schools increased from 13 percent to about 80 to 90 percent, although delays were often still considerable. However, it is worth noting that PETS have had limited success in the health sector in Uganda, blamed largely on poor records and transfers in-kind.
7. While PETS mainly have been used to examine whether the leakage of funds obstructs service delivery, the technique has been used in Honduras to look at the extent of absenteeism and job migration.

## Impact

8. There is not yet rigorous comparative data on the impact of PETS. Some of the surveys are too recent to have been evaluated. But generally, the effect on education spending in **Uganda** is held to be the best example. The poor results from the first survey galvanised the Government of Uganda to take direct action, by:
  - Publishing monthly inter-governmental transfers of public funds in the main newspapers (which increased awareness amongst head teachers about the Government's grant programme);
  - Broadcasting information about transfers on the radio;
  - Requiring details of transfers to primary education to be posted on notice boards in each school and district centre;
  - Replacing the central supply of construction and other materials with school-based procurement;
  - Compiling data on spending on teachers' salaries at central government level.

This was obviously an intensive exercise to address particularly poor performance, and it is not yet known whether the dramatic reduction in resource leakage will be sustained.

9. Elsewhere, PETS have had less direct impact on actions by governments, and therefore on outcomes. However, following a tracking survey in **Tanzania**, the Treasury has begun to disseminate itemised local budgets to Members of Parliament. Budgets for pro-poor programmes have also been published in Swahili and English language newspapers, showing the allocations for ministries, regions and local authorities. The impact of these measures on transparency and resource use is not yet known.
10. In **Ghana**, a pilot PETS provided the catalyst for opening up inter-ministerial collaboration and assessment of frontline expenditure and service delivery.

### **Ensuring maximum benefits from tracking surveys**

11. PETS have varied in design and effect. Those involved in their use suggest that comprehensive assessments of the flow of resources have more impact, particularly if they are strongly linked with an assessment of service delivery. However, it is clear that they will not have any effect without a clear commitment from governments to:
  - Disseminate the results widely;
  - Engage all levels of government in changing the way in which sector policies are developed and resources are managed;
  - Remain committed to transparency over the allocation and use of resources.

### **Relevance for the UK**

12. UK public services are, of course, used to publishing information about the allocation and use of resources in a variety of formats and subjecting information to audit. Nevertheless, it is unusual for expenditure to be tracked rigorously through the hierarchy of government. At various times, attention has been given to level of resources reaching frontline services, particularly in education and health. There could therefore be merit in applying the technique to particular sectors, particularly to demonstrate that additional resources have been applied to frontline services.
13. It is undoubtedly true that the use of PETS to stimulate both the demand for, and supply of information, has helped to engage communities in making public services more accountable. Tracking surveys and wider publication of information could also be of some benefit in increasing the levels of public engagement with local public services in the UK.

## **Further Reading**

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