



Implementing Public Expenditure Tracking Surveys for Results: Lessons from a Decade of Global Experience

Asli Gurkan, Kai Kaiser, and Doris Voorbraak, PRMPS*

Public Expenditure Tracking Surveys (PETS) can serve as a powerful tool to inform prevailing public financial management (PFM) practices and the extent to which government budgets link to execution and desired service delivery objectives and beneficiaries. Since the first PETS in Uganda in 1996, tracking exercises have now been conducted in over two dozen other countries, often as part of core analytical and advisory work related to PFM. This note synthesizes the findings and lessons from a number of recent PETS stocktaking exercises and indicates their potential benefits for enriching PFM and sectoral policy dialogues in a variety of country settings. Key findings include: (i) PETS have proven to be useful as part of a broader policy strategy aimed at improving service delivery results; (ii) PETS has become a brand name for very different instruments, but at its core there is a survey methodology that requires skilled technical expertise and a solid knowledge of budget execution processes; (iii) policy impact in a variety of PETS experiences could be further strengthened by stronger country ownership and effective follow-up; and (iv) the Bank could enhance PETS results through strategic partnering, and greater emphasis on dissemination and communication strategies aimed at involving actors who can foster actions on the ground.

A. What is a PETS?

A PETS tracks, locates, and quantifies the flow of public resources across various administrative levels of government. It aims to determine, on a sample basis, how much of the original allocations (financial, salaries, in-kind items) reach the next level of government and, ultimately, service delivery units such as clinics and schools. Unaccounted resources between levels

provide a *measure of leakage of resources*. In seeking to derive representative and credible quantitative information on whether and how much funds actually reach points at the end of the public expenditure chain, a full-fledged PETS will typically need to collect information concerning the expected and actual receipt of public funds for several dozen, if not hundreds, of front-line service delivery points.

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A PETS helps focus on the links between effective PFM and actual service delivery. Consequently, it is potentially valuable for the cross-cutting dialogue on PFM, often conducted among stakeholders in ministries of finance and the Financial Management (FM) and Poverty Reduction and Economic Management (PREM) families in the World Bank. This work is particularly relevant to sectoral dialogues in education and health (notably the Human Development sector, HD), as well as other infrastructural and administrative service delivery sectors (see Table 1). The implementation of a PETS has itself become part of a benchmark for achieving basic performance scores within the Public Expenditure and Financial Accountability (PEFA) indicator concerned with frontline service delivery financing (see Kaiser and Steinhilper, 2008).¹ The PETS can speak most directly to “implementation deficit” issues in PFM. This includes the significant, albeit challenging, reform agenda in Africa, and the observation that many “African countries tend to make budgets better than they execute them” (see Andrews, 2008:22). These observations are certainly not limited to the Africa region,

but are also pertinent to higher-capacity settings elsewhere.²

More compelling and accessible information concerning budget execution for service delivery beneficiaries can most importantly help draw in enhanced popular demand across service delivery beneficiaries and civil society organizations (CSOs). While this note considers PETS from mostly a PFM perspective, there are other approaches, such as viewing PETS through the lenses of sector analysis, and civil society advocacy.

Successful PETS can expect to achieve a range of results. Whether or not survey results are able to quantify leakages, PETS can shed significant light on the actual functioning of public expenditure systems, including planning and management capacities of ministries; delays in disbursements and volatility of transfers; equity in allocation; and accountability mechanisms. By focusing on the operational impact of budgets, PETS studies can help reveal whether spending from higher levels of government meets its intended budget allocations at the point of frontline service delivery units.

Table 1: Examples of PETS objectives

Country/Study	Objective
Uganda: Education PETS 1996	Assess why increased public expenditures in the social sectors are not leading to improved social indicators.
Brazil: Health PETS 2006	Assess whether the resources transferred to states and municipalities are used for the intended purposes.
Madagascar: Health PETS 2006	Explore the potential of premium schemes.
Mongolia: Education PETS 2006	Assess equity and regional disparities in quality.
Democratic Republic of Congo: Education PETS 2007	Examine spending processes that precede the payroll expenditure phase at the provincial level.

Source: PREM Public Sector Group (PRMPS) PETS Database.

Central to PETS, in a sense, is a measure of budget credibility at a micro level. In this regard, the findings of a PETS narrowly defined can only be as good as the intended budget allocations and their timing that are used as milestones. The existence of an education capitation grant in Uganda provided clarity for benchmarking this expenditure flow, and hence the headline result that less than 13 percent of these expenditures reached their intended beneficiaries. One tangible impact of a PETS process may, therefore, be to institute greater clarity and transparency as to what frontline facilities are actually entitled to in the public budget, and in turn, an entry point for citizens and civil society to hold government to account. The Mongolia PETS, for example, encouraged the adoption of allocation rules with greater equity for rural areas.

But PETS has become a broad brand name for different types of products, even including lighter expenditure flow-scoping exercises that do not encompass core aspects of the PETS survey methodology application.³ The PETS method refers

to randomly selected units through scientific sampling methods. By choosing a particular flow of resources that can be customized to a sector situation or a specific program, estimations of the extent of leakages can be determined. In recent years, a number of nongovernmental organizations (NGOs) have used methods combining elements of case-specific tracking and survey-based exercises under the PETS banner (Ramkumar, 2008). The name “PETS” has also been used interchangeably with other survey methods including surveys of absenteeism and ghost workers.

The best known PETS, particularly for its strong policy impact, remains the Uganda study of 1996. The study was able to trigger a concrete set of policy actions such as publishing intergovernmental transfers of public funds in major newspapers, and replacing the central supply of in-kind materials with school-based procurement. The smart information and communication campaign on the PETS results, combined with strong political interest in reforms, contributed signifi-

Seven Elements for an Effective PETS

1. Define the objectives and scope of the PETS, including whether to look at a specific expenditure program or program component, or specific transfers such as capitation or bursary schemes.
2. Given the scope of a PETS (for example, the facilities and flows proposed for survey), ensure adequate time and resources for completion.
3. Engage key counterparts upstream of the PETS to develop cooperation and ownership.
4. Conduct an institutional mapping of key resource flows to front-line facilities (including cash and in-kind) prior to survey implementation and prioritize these resources based on policy relevance and measurability.
5. Conduct a Rapid Data Assessment (RDA) to verify if the data required are available, and ensure adequate testing of the survey instruments and close monitoring of data collection.
6. Consider the policy positioning in relation to key cross-cutting and sectoral ministries, including for within the overall PFM/public expenditure dialogue.
7. Identify clear policy recommendations and actionable reforms, and dedicate sufficient time and resources for effective dissemination and follow-up.

cantly to make real change possible. The work in Uganda was also complemented by a series of robust policy research impact evaluations that demonstrated the impact that information can have on service delivery outcomes (Reinikka and Svensson, 2004).

Feedback by task team leaders (TTLs) and clients suggests that well-designed and implemented PETS can make very powerful contributions to the policy dialogue, including how expenditures are monitored and various program components are held accountable on a day-to-day basis. Note that leakages as measured by PETS do not necessarily imply corruption, but in some cases simply reflect reallocation of funds for alternative priorities at intermediate levels of the bureaucracy.

PETS are most appreciated for providing additional information to the PFM and sectoral dialogue, and in many cases documenting and systematizing weaknesses already sensed by the various counterparts. However, there are some concerns about the impact and actual follow-up effectiveness of PETS. Weak country ownership and political will sometimes limit the achievement of expected results. Few PETS are positioned as instruments for creating more accountability in deficient service delivery systems. Survey results often are not actively disseminated to civil society. Nevertheless, the larger question that emerges is how this information is fed into wider PFM reform action plans.

B. Positioning of PETS in the World Bank: A Snapshot

There are a number of diagnostic economic and sector work (ESW) products that the World Bank often uses to analyze a country's PFM system (World Bank, 2008a). These include:

- *Public Expenditure Reviews* (PERs), which analyze the country's fiscal position, its expenditure policies (in particular, the extent to which they are pro-poor), and its expenditure management systems;
- *Country Financial Accountability Assessments* (CFAAs), which evaluate the strengths and weaknesses of accountability arrangements for managing public resources in areas like budgeting, accounting and audits, and also identify the risks these may pose to the use of World Bank funds;
- *Public Expenditure and Financial Accountability* (PEFA) indicators, which assess a country's PFM system against a list of indicators in the areas of budget credibility, comprehensiveness, transparency, and the stages of the budget process (that is, planning, execution, reporting, and audit);
- *Country Procurement Assessment Reviews* (CPARs), which examine public procurement institutions and practices in borrower countries;
- *Public Investment Management/Efficiency Reviews* (PIM/ER), which examine the efficiency of the public investment management function;
- *Reports on the Observance of Standards and Codes* (ROSCs), which help countries strengthen their financial systems (including accounting and auditing) by improving compliance with internationally recognized standards and codes;
- *Institutional and Governance Reviews* (IGRs), which evaluate the quality of accountability, policy-making, and service-delivery institutions in a country from a broad governance perspective;
- *Governance and Anticorruption* (GAC) diagnostics, which examine shortcomings of formal PFM systems; and
- *Public Expenditure Tracking Surveys* (PETS).

A Bank Independent Evaluation Group (IEG) review notes that the PETS has proven to be a powerful addition to the PFM toolkit (World Bank, 2008b). It has been helpful in identifying problems with expenditure and financial management, including corruption in these areas. The development of this tool by the Bank has also helped to improve transparency and societal accountability. The review also notes that the costs and time demands have limited the application of PETS for more universal application.

PETS are often conducted in conjunction with the broader PFM engagement with clients by the Bank. Often they are undertaken as part of PERs or in parallel, and also have direct links to the benchmarking of key PEFA indicators (PI-1 to PI-21). PETS have also frequently used to speak to concerns around the quality and targeting of public expenditures in

the context of Poverty Reduction Strategy Paper (PRSP) exercises and Heavily Indebted Poor Country (HIPC) initiatives. PETS have been seen as valuable in post-conflict settings such as Sierra Leone and Rwanda to establish service delivery baselines in contexts where no such information was available.

The foremost motivation of Bank staff has been to identify problem areas in public expenditures and related accountabilities. A large number of PETS have been undertaken by the Bank to examine country policies and to assess the impact of specific social programs (see Table 2). PETS can be useful for upstream dialogue and can be a tool for joint analysis and collaboration between a sector ministry and the Bank team.

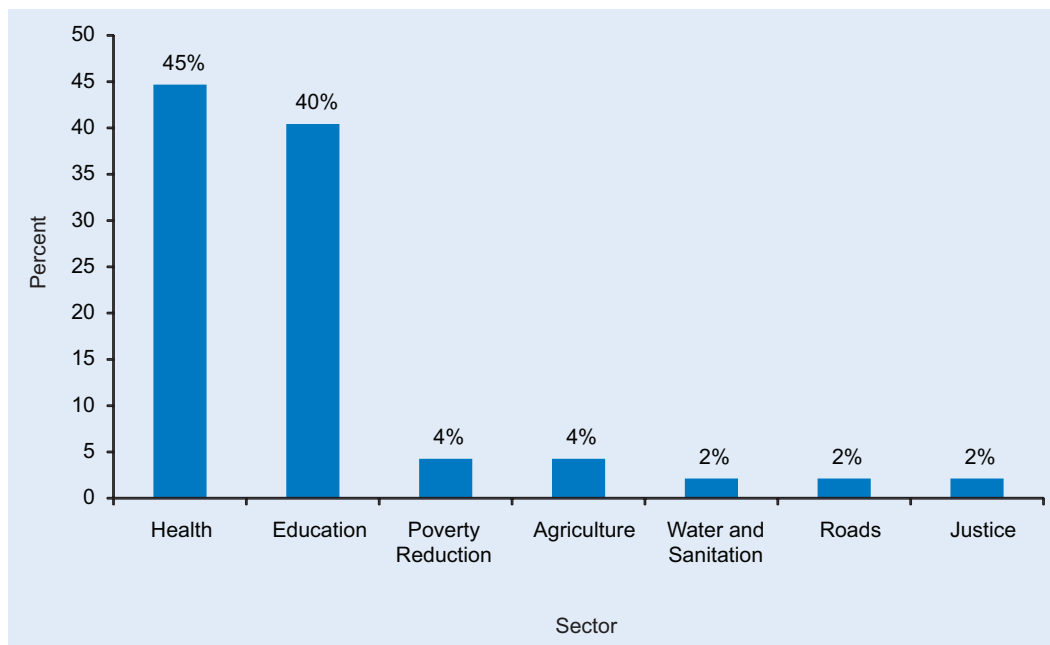
The majority of PETS have been implemented in the Africa Region and in the HD sector. Most of the follow-up stud-

Table 2: Selected Examples of PETS Assessing Country Reforms/Policies

Country	Program/Policy	Description
Peru	Glass of Milk (Vaso de Leche) program	The study serves as an impact evaluation for the largest social transfer and the second largest component of transfers from the central government to municipalities.
Mongolia	Education Funding Formula	The main question examined is the impact of the government's funding formula on efficiency and equity across regions.
Cambodia	Priority Action Program (PAP) in primary education	The study examines financing of PAP.
	Primary healthcare reform	This study collected data on the interaction between different levels of the health system, in particular, in relation to financing, allocation, distribution, and use of healthcare resources.
Ghana	Decentralization in service delivery	The study was undertaken to measure the impact of the government's budget increases for health and education in line with the legal framework of decentralization.

Source: PRMPS PETS Database

Figure 1: Distribution of PETS by Sector/Theme



Source: PETS Database (N=47 Country, Sector, Year PETS)..

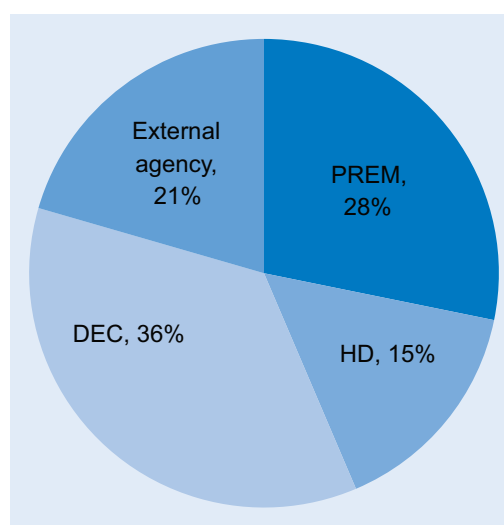
ies have also been carried out in Africa, including Uganda, Tanzania, Madagascar, and Zambia. Education and health have been the most common sectors in which PETS were implemented, although there are examples of the water & sanitation and agriculture sectors (Figure 1). In Burundi, a PETS was also completed in the justice sector, as well in health and education. However, there is scope for wider applicability of the PETS instrument both regionally and sectorally, perhaps even in middle-income countries with more sound budgeting and accounting systems.

The initial batch of PETS at the Bank were primarily led by Development Economics (DEC), followed by HD and PREM. PETS TTLs have been mostly affiliated with these three networks (Figure 2). The different professional affiliations of TTLs have manifested themselves in a diversity of PETS survey designs and objectives.

PETS have frequently been used in combination with Quantitative Service

Delivery Surveys (QSDS). The QSDS emerged from the PETS experience and go beyond the PETS focus of tracking funds. It examines the efficacy of spending, as well as incentives oversight, and the relationship between those who contract for a service and those who deliver it.

Figure 2: PETS TTL Affiliations



Source: PETS Database (N=39 Country/Year PETS).

The frontline facility or service provider is typically the main unit of observation in QSDS (just as the household is the unit of observation in household surveys, or the firm in surveys of the investment climate). In some cases, beneficiaries are also surveyed to allow for cross-validation of information. Absenteeism and ghost worker studies use the QSDS approach. These combined studies allow the examination of how resources are used and services offered to the population in addition to identifying leakages. Examples of combined PETS/QSDS include the Chad, Nigeria, and Zambia surveys (Gauthier, 2006).

The key national partners for PETS are very context-specific but largely determined by incentives and the power dynamics among ministries. To implement the surveys, the World Bank teams have traditionally worked in cooperation with central ministries, namely, the ministries of finance and sectoral ministries. Ministries of finance have been supportive of PETS initiatives as they have a clear incentive in seeing sector-based resources being used more efficiently. On the other hand, there are cases where sectoral ministries have been on the defensive with respect to the studies; this is because the PETS are perceived as part of anticorruption crusades and as a way to cut public spending in their respective sectors. (This was the case, for example, with the Nigeria Health PETS.)

The cost of the survey depends on a number of factors, including its scope, its combined PETS/QSDS nature, the sample size, geography, and labor costs in the country. Costs of surveys undertaken in a single sector range from US\$75,000 to US\$200,000. When two or more sectors are considered jointly involving a larger sample and two surveys, the cost might go

up to the US\$400,000 range.⁴ The TTLs indicated that a large part of the costs was often for hiring expensive survey firms, or senior international experts.

Sufficient time and resources are necessary to plan, design, and implement a survey. Normally, it takes about one year to complete a PETS. The length of the survey depends on the time needed for designing the suitable methodology, finalizing the Terms of Reference (TOR), and hiring consultants. For several PETS conducted in West Africa, the process of identifying key survey objectives and designing survey instruments took an average of three to six months, and the hiring of local consultants took about six months. In some cases, survey lengths were longer. (For example, the Mozambique study, originally planned for six months, ultimately took 24 months to complete.) In some cases, the collection (and “cleaning”) of data took considerable effort despite the development and use of expensive survey forms and data collection methods.

Dissemination activities have varied depending on the level of involvement by the national actors (see Table 3). Most Bank teams have organized dissemination activities after the completion of the surveys. In most cases, the activity consisted of a one-time meeting with the relevant ministries. Often, smaller dialogue rounds are more effective than large scale plenary presentations.

A recent trend has been to engage demand-side actors for collecting quantitative and qualitative information and for disseminating PETS findings. A number of studies tapped into the incentives and existing capacities of nongovernmental actors including NGOs, CSOs, community-based groups, PTAs, and unions (see Table 4).

Table 3: Selected Examples of Dissemination Activities

Country	Dissemination Activities
Mali	Representatives from the IMF, Ministry of Education, Ministry of Finance, as well as sectoral unions participated in the half-day workshop and discussed the survey results.
Mozambique	Regional workshops were held to discuss the findings, which included Ministry of Finance and Ministry of Health officials, and hospital directors.
Ghana	Local FM radios ran a program about the PETS findings.
Uganda	The findings of the studies were posted on the doors of facilities to make them available to all staff, clients associated with the facilities, and to encourage demand-side accountability/consumer empowerment.

Source: Ramkumar (2008).

C. Some Challenges in Conducting and Disseminating PETS

Measuring resource leakages has been difficult in some countries due to the complexity of resource flows, and lack of reliable and available data.⁵ In Sub-Saharan Africa, countries rarely use hard allocation rules and often it is up to administrations at district levels to decide how resources are allocated. Measuring leakage is particularly challenging for in-kind transfers, because often the cost of these transfers is unknown at the facility level, signaling the problem of information asymmetry. Lack of clear allocation rules particularly creates problems if a PETS aims to track resources for several years.⁶

Even when the funds do reach the intended beneficiaries, the lack of detailed accounting might lead to erroneous cal-

culations in the books. This has, in some situations, resulted in a flawed perception by the PETS teams that leakage or even corruption has occurred. Collection of data on “total resource flows” can be difficult sometimes. In general, collection of data, including budget data, can pose significant challenges in many countries.

National counterparts, even when supportive of the study at inception, can sometimes dispute the validity of findings. In Rwanda, the Ministry of Finance questioned the claim that there were significant delays in delivery of resources. In Mali, the government officials disputed the methodology that led to the findings of corruption (school books were being sold in the market). The results of this study subsequently were not released in the public domain and apparently received no follow-up.

Table 4: Examples of PETS Process Led by NGOs

Country	Name of NGO
Tanzania	REPOA, the Economic and Social Research Foundation (ESRF)
Malawi	The Civil Society Coalition for Quality Basic Education (CSCQBE)
Zambia	Transparency International (TI); Catholic Center for Justice, Development and Peace (CCJDP); and Zambia National Education Coalition (ZANEC)
Mongolia	The Open Society Forum

Source: Ramkumar (2008).

Some of these tensions with the national counterparts can be avoided if Bank staff adequately address political economy considerations upfront and make them an integral part of the PETS process. A number of TTLs noted that PETS can be often seen as an instrument imposed from the outside, and consequently civil servants may not necessarily take part in the process. Care must be taken that the PETS is not perceived as a punitive or audit type instrument of one agency or government level in relation to another, but as a contribution to broader reform efforts. Poorly timed completion and dissemination of a PETS with respect to the electoral cycle may also be unconstructive, and therefore needs to be carefully assessed for a given country context.

The institutional structures at the Bank can sometimes create a challenge in the follow-up of PETS findings and similar products. Bank incentive structures can be focused on deliverables and fiscal year budgets; thus, the Bank teams (often led by a TTL based at Headquarters) may be less concerned with what actually happens with such documents once the initial work is completed. Once the survey is done, peer reviewed, and published, team members usually move on to other assignments. This may also result in lack of clarity for the division of roles and responsibilities for the dissemination stages.

D. Lessons Learned: Suggestions for PETS Teams

Planning

- Determine whether PETS is the right tool: PETS have been most effectively implemented and used in cases where, on the Bank's side: (i) the time, human resources, and funding allocations in the planning phase were sufficient;

and (ii) bottlenecks and policy questions were thrashed out and taken into consideration in the PETS design. And, on the counterpart side: (i) the unit to be tracked was clearly identified; (ii) lower levels of administrations did not have independent funding sources; (iii) lower levels of administrations did not have discretionary powers in the use of funds; and (iv) funds were not disbursed by the central government directly to service facilities (Sayedoff, 2008). If these preconditions are met from the start, a PETS may be the most appropriate tool for identifying certain specific sectoral challenges. In cases where the country context is not suitable, alternative approaches towards tracking budgets could be more appropriate options in terms of time and resources.

- Invest enough time and thought in the planning stage, typically 3–6 months depending on the country context and previous diagnostic work: TTLs in particular should consult with other at the country level and think through the usefulness of doing PETS before initiating fieldwork. Successful planning for PETS would include: mapping the respective resource flows, determining the scope for leakage, and establishing how the various public expenditure flows are being recorded.
- Set appropriate and attainable objectives based on the country context and available information: Quantifying leakages should not be always considered a main objective of PETS. The objective of the study could be to identify problems in the deployment of human and in-kind resources, such as staff, textbooks, and drugs; or, to investigate specific issues such as timeliness of resource delivery by paying further attention to lags in service delivery (see Table 5).

Table 5: Selected Examples of Qualitative Findings of PETS in Education

Country	Year	Findings
Congo, Dem Rep. of	2007	Answerability of financial officers is not well defined; cash leakages for salary distribution occur at the payment level.
Albania	2004	Three different and uncoordinated allocation methods exist for school supplies and teaching materials. Municipalities are very unequal in their funding capacity.
Azerbaijan	2006	District Education Departments are not accountable to schools and thus have no incentive to deliver school-based financial documents (smetas).
Madagascar	2003	Teachers hired by Parents Associations (FRAM) earning less than the official minimum wage is a key factor for low quality of education in rural areas.

Source: PRMPS PETS Database.

- Have a fact-finding mission for an institutional assessment, mapping of roles and responsibilities of relevant actors, and review of stakeholders: A detailed institutional understanding would be greatly enhanced by being in the field and seeing the way public resource allocation actually works on the ground. If the TTL is new to the country, it is always useful to treat the first visit as a fact-finding mission and have the flexibility to adjust the objective, scope, and the survey design accordingly.
- Promote country ownership from the planning stages. The message should be clear from the start that it is not the intention of the World Bank to embarrass and undermine the government by documenting misdemeanors, exposing corrupt deeds, and identifying individuals. PETS are likely to have the best results if key client counterparts believe the study findings would *help* government to do a better job at effectively managing its funds and provide better services for the people. One way to start building consensus around PETS, as suggested by Gauthier (2006), is to circulate survey instruments for comments.
- Evaluate the trade-offs for doing a joint PETS: A number of teams have conducted joint PETS in two or more sectors, most commonly as joint health and education PETS (for example, Ghana and Rwanda). Doing joint PETS could certainly be beneficial in terms of economies of scale; it is, overall, a more cost-effective way of completing the survey work. Yet, a number of TTLs have raised concerns about the quality because each sector has its own dynamics, and needs its own data collection methods and survey questions.
- Evaluate the trade-offs of covering single versus multiple types of expenditures or facilities: In many country contexts, there is no effective data collection system; thus, the survey teams have to start with a broad agenda to identify problem areas. In many circumstances, it might be impossible to conduct PETS on the basis of a census because of the large number of facilities in the country and resulting time and cost factors.⁷ The survey team may

decide to have a greater scope and have a larger sample of facilities, but that often results in worse quality of data. When the type of expenditures can be quantified, then TTLs have suggested focusing on micro issues.⁸

Implementation

- Recognize that a well-managed process can unleash additional benefits to the PETS survey results: Several teams observed that the consultations, dissemination, and feedback processes created a platform for ministries and individual authorities, who have traditionally been skeptical of each other, to cultivate trust and create the incentive for them to work towards a common goal. This is particularly important because in many country contexts, mistrust and secrecy may prevail among and across ministries. The idea of creating a steering committee is a particularly useful approach for promoting cooperation among different governmental and nongovernmental bodies.
- Understand that it is ultimately the respective sector ministry that needs to be the main actor for the implementation of policy: It does not always yield the optimum results to work with the ministry with which there exists established relations (oftentimes the ministry of finance for the Bank team) and bypass other ministries. The ministry of finance has its own incentives, which may or may not be suitable to the agenda. Even when sectoral ministries might be harder to work with from the donor's perspective in the short run, it is crucial to engage them for the longer-term sustainability of effective public expenditure management in a particular sector.
- To the extent possible, ensure that the mix of individuals in the PETS team have adequate experience in similar type of surveys and substantial country knowledge. An experienced and knowledgeable team may create a more realistic timetable and conduct more suitable activities for this kind of survey. Ideally a PETS team is composed of people with different skills and perspectives, including audit and sector-specific experience. An alternative approach to hiring experts has been to engage government officials to carry out the work, as was the case with Cameroon and Sierra Leone. However, this approach may raise questions on the capacity and independence of the teams and the objectivity of the data collected. In the case of Indonesia, ministry staff were part of the enumerator team. While this was useful for local capacity building, the enumerators were not necessarily well trained to elicit correct financial information.⁹ Recruiting the right people at the local level is also key.¹⁰ Civil society organizations would be valuable resources in some contexts for carrying out PETS with their local knowledge and organized structure.¹¹

Dissemination and Follow-Up

- Strike a practical balance for making findings from a PETS actionable: The nature of a PETS may range from being purely diagnostic (for example, survey results on leakages), analytical, or even incorporate impact evaluations (for example, assessing the impact of certain interventions). The background work and survey are likely to provide indications of a range of weaknesses in prevailing systems. This is to be expected,

since by its very motivation and nature, PETS are applied in settings where monitoring and auditing systems are weak. An important challenge for PETS will therefore be to help define key priorities and tractable options for addressing these. The Ghana PETS (ECORYS, 2008) highlighted that the process should be used to encourage the definition and ownership around context-specific solutions, rather than prescriptions with limited promise for follow-up results.

- Carefully align the timing and dissemination of the PETS results with the event schedules of both government counterparts and the wider public. As it takes a considerable amount of time to finalize the study, the timing for releasing the findings needs to be planned carefully to align constructively with reform processes. In the case of Ghana, the dissemination of the results coincided with the 2000 elections, which created challenges in implementation.
- Determine the share of responsibilities among Bank units for dissemination activities: Country Management Units, particularly those staff based in the field or with active communication with the government, should take a share of the responsibility for initiating and following up on dissemination activities to ensure that there is clear ownership of the process. TTLs should be considered a part of the country unit—not left alone to complete the tasks. There should also be a plan to disseminate the findings in local language translations.
- Do not overestimate the capacity and “neutrality” of civil society: Partner-

ships between the government and civil society or user groups can significantly enhance the capacity of the government and perform an oversight function in ensuring the delivery of services. However, involving NGOs/CSOs in the policy discussions on sector specifics may not always be a useful contribution. It would be better to have a targeted approach, and promote their contributions according to their specific issues of interest.¹²

- Establish a PETS monitoring and follow-up mechanism: A number of TTLs suggested that the first PETS should be used as a baseline to pave the way for a more comprehensive follow-up survey.¹³ PETS could be conducted on a much smaller scale in a first test-round involving a smaller number of facilities and districts. Although a small sample might not be representative, this would still be an illustrative exercise to understand the underlying problems. Some TTLs have argued that PETS should be a repetitive mechanism. A PETS could serve as a reference whenever there is new work taking place on that particular sector in the country. Repeated PETS promise to be an important instrument for benchmarking progress in implementation of reforms over time. An emerging number of repeat PETS across a range of countries can speak to this issue. In terms of “headline” numbers of fiscal leakages, care must be taken, however, that like is compared with like. The impressive declines in fiscal leakages from 87 percent to below 20 percent evidenced by the Ugandan case pertained only to the capitation grant. Changes in institutional arrangements or types of

financial flows (notably from budgets based on discretionary versus transparent—for example, rules-based—allocations) may also be important examples of progress. Teams may thus wish to prioritize flows both in terms of their volume as well as their nature as critical inputs for a frontline service to function well. In focusing on specific public expenditure resource flows, the PETS provide some of the most tangible forms of evidence of PFM performance down to the actual frontlines where services actually intersect with intended beneficiaries.

In sum, successfully designing, implementing, and leveraging a PETS is not without its challenges. But the PETS remains one of the most powerful tools to systematically drill down and ultimately help strengthen actual public expenditure processes for frontline service delivery impacts.

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Annex A: Selected PETS/QSDS

Region/ Country	Year	Type	Sectors	Initial Sponsor
AFR				
Burundi	2007	PETS	Health/Education/Justice	WB-PREM
Cameroon	2004	PETS	Health/Education	WB-PREM
Chad	2004	QSDS	Health	WB-DEC
Congo, Dem. Rep. of	2007	PETS	Education (teacher payroll expenditure)	WB-PREM
Ghana	2000	PETS	Health/ Education	WB-HD
Kenya	2004	PETS Preliminary Report	Health/ Education	DFID
Madagascar	2003, 2005, 2006	PETS-QSDS	Health	WB-DEC
Mali	2005, 2007	PETS-QSDS	Education, Health	WB-HD
Mozambique	2001, 2004	PETS-QSDS, PETS	Health	DFID
Namibia	2004	PETS-QSDS	Health, Education	IFPRI
Niger	2008	PETS	Health, Education	WB-PREM
Nigeria	2004	PETS, QSDS	Health	WB-DEC
Rwanda	2003, 2004	PETS	Education, Health/ Education	WB-PREM
Senegal	2002	PETS	Health	WB-DEC
Sierra Leone	2000/01, 2003	PETS 1 and 2, PETS- review	Agriculture/Health/ Education/Water and Sanitation	DFID
Tanzania	1999, 2001, 2003, 2004	PETS and PETS review	Health, Education, Agriculture and Roads	USAID, REPOA
Uganda	1996, 2001, 2003, 2004	PETS and PETS-QSDS	Health, Education	WB-DEC
Zambia	2001,2002, 2004	PETS-QSDS (3)	Education	WB-DEC
EAP				
Cambodia	2005	PETS (2)	Health, Education	WB-HD
Lao PDR	2008	PETS	Health, Education	WB-PREM
Mongolia	2006	PETS	Education	WB-HD
Papua New Guinea	2002	PESD	Health	WB-DEC
ECA				
Albania	2004	PETS (2)	Health, Education	WB-HD
Azerbaijan	2006	PETS	Education	WB-PREM
Tajikistan	2008	PETS (programmatic PER)	Health	WB-PREM
LCR				
Honduras	2001	PETS +QSDS	Poverty Reduction	WB-PREM
Peru	2002	PETS +QSDS	Poverty Reduction, Education	WB-PREM
SAR				
Bangladesh	2003	Absenteeism Survey	Health	WB-HD
MNA				
Yemen	2006	PETS	Education	WB-PREM

Source: Public Sector Group PETS inventory (beginning 2009). The list attempts to be comprehensive, but omissions of particularly more recent PETS tasks are likely.

Endnotes

1. The PEFA indicators have now been applied in almost 100 country settings, with an increasing number of repeat assessments coming on stream.

2. Andrews (2008) suggests that PFM performance, as captured by the various sub-dimensions of PEFA scores, becomes more challenging when they need to involve multiple/deconcentrated actors, rather than concentrated functions.

3. Detailed PETS methodology, guidance, and good practice notes are under preparation for use by Bank TTLs.

4. For example, the costs for implementing PETS in Chad was US\$150,000–US\$200,000; Mali, US\$140,000; Cameroon, US\$300,000 (larger sample and two surveys); and Tajikistan, US\$75,000.

5. Chad, Madagascar, Tajikistan, and Mozambique are examples with no rules-based allocation systems.

6. Furthermore, finding an average percentage of leakage may not accurately reflect large variations in leakage across schools, as observed in Reinikka and Svensson (2004).

7. Interview with Waly Wane (TTL for Chad PETS).

8. One of the reasons why the 1996 Uganda study successfully captured leakage was because it was able to focus on a specific type of

expenditure allocation: the capitation grant system, which was based on clear rules, thus trackable rather easily.

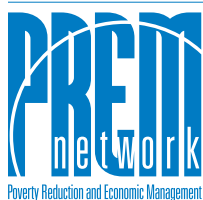
9. The United Nations Educational, Scientific and Cultural Organization's (UNESCO) International Institute for Education Planning (IIEP) has developed a training course on PETS in education. The Mongolia and Cambodia PETS teams, among others, benefited from this training.

10. A positive example is Nigeria, where the lead local consultant was a very qualified doctor and who was instrumental in designing the survey and finding qualified professionals for data collection.

11. The advantage of using CSOs is not in the survey design and data collection stages, but rather in disseminating PETS findings and overseeing service delivery performance.

12. Ramkumar (2008) notes that the biggest challenge CSOs face in implementing PETS (and, indeed, in all budget monitoring work) is access to information. In addition to this challenge, CSOs also struggle with the significant scale of coverage, resources, and technical skills required to implement PETS comprehensively.

13. This was the case with the Uganda survey.



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