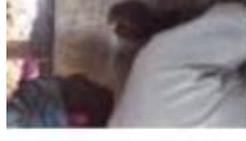


DevNet 2008 Conference



## Peripheral Vision



# Researching the Practice of the Public Budget

Gerard Prinsen – Massey University

5 December 2008



### **In a Nutshell**

- Budget support weakens formal domestic accountability
- Who owns the public budget?
- Who owns the research into the public budget?
- What if...

## Budget support:

### weakening formal domestic accountability

Since 2000, donor funding shifts away from supporting projects towards budget support (SWAp, GBS)

*“By 2010, 85% of aid must be ‘on budget’ (Paris Declaration, 2005)*

*Yet, “In 2007, only 40% of aid was ‘on budget’” (OECD, 2007)*

However, evaluations suggests that budget support weakens *formal* domestic accountability mechanisms:

*“Budget support tends to make recipient governments think first of donors...”*

*It is not conducive to participation of civil society...*

*... or government rendering account to institutions”*

(DGIS, 2008)



## Budget Support Increases Ownership... But who *is* the Owner of the Public Budget?

Audits and Public Expenditure Tracking Surveys (PETS) find 12-68% deviations between national budgets for education and health services and actual spending at local level

### Deviation is *not* theft

Donors and Ghana agree in 2005 on school feeding in poorest region

Ghana re-focuses that in 2006 on poorest schools across the nation

Yet... in 2007, 70% of funds go to schools in richest region, and schools in poorest region only get 7% (SNV, 2008)

### Deviation is *not* theft

Between 2000 and 2006, Ghana's health budget grew by 179% (ODI, 2007)

But ...

	2000	2006
<i>medicines</i>	16%	3%
<i>salaries</i>	64%	90%

The *informal* politics of pork barrel, patronage, and special interests also impact on budget allocation



## Research and Budget Support ...

### Who Owns the Research?

Increasingly DFID and DGIS commission research into weakening formal structures and into the informal politics:

#### **DFID: Drivers of Change (DoC)**

"DFID studies ways of improving *its* knowledge ... focuses on formal and informal rules, power structures, vested interests..." (DFID, 2005)

#### **DGIS: Strategic Governance & Corruption Analysis (SGACA)**

"To improve *donor* interventions... analyse what happens behind the façade of the state, patronage, formal and informal rules" (DGIS, 2007)

#### Yet...

- Studies are mostly carried out by international experts
- Reports are often published in an 'edited' version as the full reports "may have negative consequences" (DFID, 2005)
- Workshops "might be open to selected external stakeholders" (DGIS, 2007)



For example:

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## THE POLITICAL ECONOMY OF UGANDA

(THE ART OF MANAGING A DONOR-FINANCED  
NEO-PATRIARCHAL STATE)

Joel D. Barkan (Team Leader)

Professor of Political Science, University of Iowa  
Senior Consultant on Governance, Africa Region, The World Bank



Why do funny things  
happen to World Bank  
Finance and Advice.... in  
Tanzania and Uganda?

Judy O'Connor  
World Bank Director for Tanzania and  
Uganda



**What if ...**

## **We Do *Public* Research into the Public Budget?**

DGIS operates at national level. SNV operates at local level. In 2009 they will 'dovetail' some activities in 7 countries:

- To research issues in "domestic accountability in public services" *with* local actors "multi-stakeholder platforms"
- To strengthen formal domestic accountability mechanisms between local and national level "macro-micro gap"

### **Questions for the Panel and Public**

- If various local actors participate in donor-driven research, what happens to that research?
- If local actors participate in that research, what happens to their formal *and* informal negotiating capacity?

