



Following the money: do Public Expenditure Tracking Surveys matter?

Geir Sundet
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U4 Issue

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Abstract

Public Expenditure Tracking Surveys, or PETS, are recognised as an effective tool to improve accountability in public finance and service delivery. A Ugandan success with PETS is one of the most cited anti-corruption success stories. Expenditure tracking has also become a popular activity among civil society organisations engaged in accountability issues at the local level. This U4 Issue Paper takes a closer look at the experience of expenditure tracking and argues that its successes may have been overstated. It suggests that an uncritical acceptance of the effectiveness of expenditure tracking has hindered the development of a more nuanced approach that is better suited to the particular circumstances of each case. The paper proposes some principles of engagement on how to track expenditures more effectively.

Acronyms

CCAGG	Concerned Citizens for Good Governance in Abra (Philippines)
COA	Commission on Audit (Philippines)
CSCQBE	Civil Society Coalition for Quality Basic Education (Malawi)
CSO	Civil Society Organisation
ESRF	Economic and Social Research Foundation (Tanzania)
IBP	International Budget Project
MDG	Millennium Development Goals
MKSS	Mazdoor Kisan Shakti Sangathan (India) (Organisation for the Power of Labourers and Farmers)
MPWH	Ministry of Public Works and Highways (Philippines)
OC	Other Charges
PEDP	Primary Education Development Project (Tanzania)
PEFA	Public Expenditure and Financial Accountability
PEM	Public Expenditure Management
PETS	Public Expenditure Tracking Surveys
PSAM	Public Service Accountability Monitor (South Africa)
REPOA	Research on Poverty Alleviation (Tanzania)

1 Summary

Expenditure tracking, or ‘follow the money’, has become a byword in development circles for interventions that look into whether the money gets to where it is supposed to be going. The best known ‘follow the money’-initiative is the Public Expenditure Tracking Survey (PETS) methodology that was developed in Uganda in the 1990s, at a time when ‘leakages’ of funds intended for primary schools were cut from 80% to 20%. The Uganda PETS has become one of the most frequently cited success stories in the anti-corruption literature and has spawned a large number of similar initiatives in other countries. PETS have often proved to be a useful diagnostic tool where they have been implemented, but nowhere has the Ugandan success been replicated.

The first part of this U4 Issue takes a closer look at experiences with PETS to date, through a comparison of the Ugandan and Tanzanian experiences with PETS. A recent review by Paul Hubbard on the impact of the public information campaign in Uganda is used to shed additional light on the discussion. Hubbard makes a convincing case that the public information campaign, which had been heralded as the main cause for the dramatic reduction in leakage of funds in Uganda, was only *one* of many factors, and possibly not even the most important one. The present paper suggests that the Tanzanian experience and Hubbard’s revisit of the Ugandan case provide important lessons as to why the Ugandan success has been so difficult to replicate. PETS is only a tool that can identify problems and that actually addressing such problems, or even accepting that they exist, depends first and foremost on the political will to deal with them.

The second part of the paper looks at civil society experiences of expenditure tracking. A number of cases are presented from a recent publication by the International Budget Project (IBP), edited by Vivek Ramkumar: *Our Money, Our Responsibility – A Citizens’ Guide to Monitoring Government Expenditures* (Ramkumar 2008). The IBP publication covers well-known success stories, such as the Mazdoor Kisan Shakti Sangathan (MKSS) right to information movement in Rajasthan, India, and the social audits of Concerned Citizens for Good Governance (CCAGG), in Abra, Philippines, both of which grew out of local movements. Other examples of civil society organisations (CSO) monitoring public funds, such as Fundar in Mexico and Public Service Accountability Monitor (PSAM) in South Africa are also discussed. These are compared with more recent experiences of expenditure tracking conducted by CSOs from Tanzania and Malawi. The present paper argues that while many of the examples have undoubtedly registered successes, there is a tendency to accept successes too readily without any attempt at taking a closer look to see what actually happened.

A general lack of documentation and critical investigation of tracking activities, both large-scale, “official” PETS and tracking exercises by CSOs, indicates a significant missed opportunity to learn from what works and what doesn’t. Learning requires active sharing of information and critical analysis of results. The incentives are not in place for this to be realised.

The third part of the paper provides a number of strategic recommendations for the different types of actors that engage in various methodologies of ‘following the money’. In the public sector, much could be achieved at the national level by establishing a system for more continuous and “automatic” monitoring of resources, as this would be less vulnerable to political intervention.

With regard to the CSO sphere, there is a need for more critical reviews of what works where. This paper suggests that PETS as such is *not* necessarily a well suited tool for CSOs, and that they would be better advised to concentrate on other methodologies, such as ‘report cards’ and ‘social audits’. There is also considerable scope for the integration of CSO initiatives into existing monitoring systems, as this would provide valuable independent data for actors at the national level, while CSOs are being given the political support they need in order to improve their access to financial data.

The quest to strengthen accountability is about realising a *change* for the better in accountability systems. This is, first and foremost, a political challenge, while technical challenges are only a secondary concern. There is therefore a need to pay much closer attention to the political context of the various methods of expenditure tracking and budget monitoring and a need to examine how the

generated information is being used, and what impact it has on the processes that control and influence the management of public finance and service delivery.

2 What the Ugandan and Tanzanian experiences tell us about PETS

The strength of the PETS methodology lies in its simplicity. It is basically a survey that measures the amount of funds received at each link of the public service delivery chain from a nation's treasury down to the service delivery unit, where it is supposed to be spent. By comparing how much was sent from the treasury with how much was actually received at the service delivery units surveyed, one can calculate how much was lost or diverted on the way, commonly referred to as 'leakage'.

The difference from a more conventional audit is its use of statistics and averages. Rather than, for example, going to every single school in a country to determine how much has been received, a PETS selects a statistically representative sample of schools and uses the findings from these schools to calculate an estimate of total receipts in all schools in the country. It can therefore be an excellent diagnostic tool to assess the strengths of existing controls, by demonstrating how the systems are functioning in terms of ensuring that funds reach the intended recipients.

2.1 The first PETS

The first Public Expenditure Tracking Survey was conducted in Uganda in 1996. It had been observed, at the time, that despite large increases in funding of the primary education sector, there did not appear to be significant, observable improvements in enrolment or the standard of services provided in the nation's primary schools. A team of World Bank researchers decided to devise a survey to see whether the funding disbursed for Ugandan primary schools actually reached the schools.

The researchers decided to track disbursements and receipts of the so-called capitation grant, a sum of money intended for school supplies that was calculated as a set amount per student. Because the amount of funding was non-discretionary and easy to calculate, it provided an ideal subject for tracking.

The findings painted a damning picture of a weak system of controls that failed to ensure that the funds reached the schools. The quality of financial records at the country's local authorities was so poor that no statistics could be generated to capture differences in receipts and onward transfers at this level. The surveyors found, however, that the individual schools had fairly good systems of accounting. This was to a large extent a result of schools relying mainly on parental contributions for non-wage expenditure, like maintenance and school materials, to keep schools running. This had provided powerful incentives and some authority for the Parents-Teachers Association (PTA) to demand financial information from the schools. By comparing the funds that had been transferred from central government with the receipts at the schools surveyed, it was revealed that in 1995, the year prior to the survey, only 26% of the cash intended for the primary schools made it to the schools (Ablo and Reinikka 1998). Most of the schools received no capitation funds at all, and it was also found that many of the schools were not even aware that they were entitled to such a grant.

After the findings of the survey became known, the Ugandan government conducted a public information campaign. The Ministries of Local Government and Finance started to publish data on the monthly transfers of the capitation grants in national and local language newspapers. After the 1997 introduction of the donor supported policy of universal primary education, the Ministry of Education went a step further by requiring district headquarters and schools to publicly post notices informing communities when funds were received. In 2002, a follow up PETS by the World Bank showed that there had been a dramatic improvement in getting the capitation grant out to the schools. More than 80% of the funds transferred to the schools from central government had now been received by the schools.

This phenomenal improvement in Uganda quickly became one of the better known anti-corruption success stories. The achievement of reducing leakage from 74% to less than 20% is often attributed to the PETS methodology.¹ The originators of the PETS methodology, on the other hand, did not claim that it was the PETS itself that reduced the leakage. Rather, based on a statistical analysis of the variance in the reduction of leakage between the sample schools, they argued that the one significant determinant here was access to information: the leakage had reduced significantly more in schools that were closer to the nearest newspaper vendor. This was taken as proof that access to information, specifically through newspaper announcements, was the main factor behind the successful reduction in leakage in the period after the first PETS (Reinikka and Svensson 2003).

The PETS methodology had an instant appeal. In addition to being a rare anti-corruption success story, it also had the attraction of combining a technical approach (the survey) with a softer outreach dimension (the public information campaign). It appealed to a wide range of actors and PETS have now become a stable component of various strategies, from macro-level public financial reform programs to advocacy programs of civil society coalitions. Still, more than ten years after the first PETS was conducted, and six years after the massive improvement was documented, there appears to be no comparable success stories forthcoming. Before we consider why the Ugandan success has been so difficult to replicate, we will take a closer look at the Tanzanian experience.²

2.2 PETS in Tanzania

Tanzania was one of the first countries after Uganda to apply the PETS methodology. The country's first PETS was conducted in 1999. It tracked non-wage recurrent expenditure, known as Other Charges (OC), in the education and health sector. The survey found that only 43% of the education funds were transferred to schools, while no more than 12% of health funds made it to health stations, dispensaries or hospitals (PWC 1999). A second Tanzanian PETS was conducted in 2001, and covered OC in the priority sectors of the Poverty Reduction Strategy Paper (PRSP), namely education, health, water, agriculture, and roads. The second survey confirmed the findings of the first PETS, which had showed that district councils prefer to spend the funds at district level on activities that benefit them (allowances, supplies for the district office, fuel, etc.) rather than to forward the funds down to the service delivery units, e.g. health centres and primary schools at the village level. The general trend was for less than 50% of the funds to be forwarded to service delivery units (REPOA and ESRF 2001). As an interesting side issue, the study found that districts on the whole did not forward any of their own tax revenue to service delivery units.

Although both PETS were shared and discussed by the Tanzanian government, donors and civil society as part of the national budget consultations, they were not widely disseminated and did not trigger the same kind of high-level policy debate as they did in Uganda. As of today, none of these two PETS, or subsequent ones (see below), are available on the internet. It should also be noted that the two first PETS were not based on statistically representative samples. The first was drawn from only three districts, while the second considered five districts, out of more than 100 districts in the country. This meant that their findings did not carry the weight and credibility they would have had they been based on statistically significant samples. They were also not consistent in methodology and did not

¹ A note for the especially interested: The figures for leakage before and after are often given as 90% and 10%, respectively, so a short note of explanation may be in order. The former is an average of the leakage for the years 1991 to 1995, and is severely pulled down by the extremely high figures, 98% and 91%, of the first two years (Ablo and Reinikka 1998). This shows, of course, that there was already some improvement before the 1996 PETS. The 10% leakage figure is for the Financial Year 2000/01, and comes from a Ministry of Finance survey, while the World Bank survey the following year found the higher figure of just under 20% (Reinikka and Svensson 2003).

² The Tanzanian experience with PETS has been documented in an earlier U4 Brief on "Public Expenditure Tracking Surveys: Lessons from Tanzania", which gives a detailed account of the politics surrounding the 2004 PETS (Sundet 2007). A more detailed review of the Tanzanian PETS conducted in 1999 and 2001 can be found in Sundet (2004).

produce comparable statistics, which meant that they could not be used to document any trends or impact of policy reforms. Notably, the second PETS made no reference to the first one.

In 2004, Tanzania conducted a much larger and more ambitious PETS. This survey tracked the finances of the Primary Education Development Project (PEDP). This PETS had a more robust methodology, which tracked the flow of resources from the national level, through the district level and down to the primary schools. It was based on a large, representative sample of 210 schools from 21 districts (REPOA 2004). PEDP was a highly popular program that provided substantial funding for the building of classrooms and for introducing capitation grants to replace the previously compulsory parents' contributions. A pilot PETS had indicated 'minimal leakage' in PEDP, and it therefore came as a surprise when the larger PEDP PETS documented significant leakages in the range of 40% (REPOA 2004).³

The PETS documented an overly complex system of financial flows that consisted of parallel streams of funding from three ministries (Finance, Education, and Local Government), and lack of clarity at council level of where the received funds were supposed to be going and what they were for. It was also documented that school principals were not aware of how much funding they were actually entitled to.

The Tanzanian government's reaction to the findings of the third PETS was simply to question its methodology. The Ministry of Finance immediately submitted a rebuttal with a list of objections to the methodology used. The authors of the study, REPOA, a renowned Tanzanian research organisation, addressed all the objections in the final draft that was submitted to the Government in September 2004. No formal response to the study has since been forthcoming. Even the donors make few references to it.

This reaction to the third Tanzanian PETS by the government and the donor community clearly demonstrates what a PETS alone can and cannot do. The survey did succeed in identifying unexpected weaknesses in the system. Neither the Government nor the donors providing the most funding for the program had noticed or suspected that there were significant leakages in the program. The PETS also provided a useful set of recommendations on how to address the weaknesses. However, without the government's willingness to accept the findings, there was little that could be done. The government might have been concerned about publicly tackling powerful vested interests at the central and local level in the run up to the national elections in 2005, and the donors likewise seemed to have little appetite for conflict with their partners in the government. Both governmental actors and donors seemed reluctant to look too closely at the often messy realities of policy implementation at the local level, especially as these conflicted with earlier reports of progress and success.

Before the third PETS, the Tanzanian government had received accolades for improvements in financial management at the local level following the implementation of the Public Financial Management Program and the fiscal decentralisation under the Local Government Reform Program. From around 2002, the government replicated the Ugandan post-PETS policy of publicly posting information at district levels and advertising in the media when transfers were made to the districts.

The policy assumption, based on the experience documented by the analysis of the results of the public information campaigns in Uganda cited above, was that the publication of transfer data would enable local stakeholders to get better oversight over the use of funds by the council. The 2004 World Development Report, titled *Making Services Work for the Poor*, cites the Tanzanian policy of publishing transfers as a best practice (World Bank 2004). An assessment by an independent group of researchers, however, has since revealed that the information advertised in the media and posted at the council level were not useful for improving oversight. The financial information was too aggregated, not tied to any specific outputs and in general of little help in informing local stakeholders of any specific entitlements (Mushi et al. 2005).

This latter example demonstrates the need to consider more thoroughly the local context when introducing new initiatives. In Tanzania, for example, the very useful diagnostics of three consecutive

³ See Sundet (2007) for a discussion of the reasons why the pilot PETS failed to spot diversion of funds.

PETS and the systemic shortcomings they have documented, together with a comprehensive public information policy, has so far failed to have a significant impact on the systems in place. The simple reapplication of the individual tools that were thought to have been tried and tested in Uganda did not gain much traction in the Tanzania case.

2.3 The Ugandan success revisited

Having the Tanzanian experience with PETS and public information campaigns fresh in mind, let us take a closer look at the Ugandan experience. As we saw above, the instigators of the Ugandan PETS concluded from their research that the public information campaign was the main determinant of the dramatic reduction of leakage. Recently, this conclusion has been challenged by Paul Hubbard, who has taken a closer look at the context of the reforms in the Ugandan education sector in the period surrounding the Ugandan PETS (Hubbard 2007).

Hubbard agrees with the common view that the first Ugandan PETS in the 1990s did have an important catalytic effect on the reforms that brought about the improvements and that the public information campaign was a key part of these reforms. He points out, however, that there were also a number of other developments at the time that had an impact on the flow of finances. The following factors help explain some of the context.

First, it is important to understand how poor the financial system and practices was to start with. The management of schools were chaotic at the beginning of the nineties:

- The number of schools had doubled in the previous decade. The schools were run by Parents-Teachers Associations and the parents provided more than half of the school budgets.
- The capitation grant was very small, and had it been paid in full it would still have amounted to only 12% of the total government funding of primary schools in 1995.
- The government paid the capitation grant as part of a 'block grant', where 24 separate grants were bundled together and forwarded to districts, and we recall that the state of financial reporting at district level was so poor that the first PETS did not manage to collect data at that level.
- The system provided incentives for schools to underreport enrolment: The contributions made by parents are to be remitted to the district level. Since they, however, in practice exceeded the value of the governments' capitation grant, schools were tempted to underreport the number of students to keep the additional funds. In fact, one of the findings of the first PETS was that enrolment was actually 60% higher than previously reported.

With the above in mind, it is less surprising that only 2% of the capitation grant made it to the surveyed schools in 1991. As mentioned above, by 1995, and before the public information campaign started, that figure had already increased to 24% as a wide range of ongoing reforms and capacity strengthening was already starting to have an impact. Nevertheless, most schools still received nothing in capitation grants and most teachers and parents were unaware that they were entitled to a capitation grant at all.

Second, systemic reforms were underway in the education and public finance systems at the time the public information campaign was introduced:

- The system of block grants was changed into conditional grants that were paid into separate district bank accounts.
- In 1997, the electoral promise of the previous year to introduce Universal Primary Education was implemented. This entailed the abolishment of a compulsory parental contribution. This move was highly popular and the publicity campaign made many schools for the first time aware that they were entitled to a capitation grant.
- To compensate for the foregone parental contributions, the capitation grant was roughly doubled, which also increased the incentives and necessity for schools to ensure that they received the grants.
- The massive increase in funding for primary schools was made possible partly through large injections of donor funding. The donors put in place strict conditionalities on ensuring transparency and accountability of funding mechanisms, which again raised the incentive for the central government to put in place strict oversight. The education ministry was keenly aware of these conditionalities and conducted numerous audits and commissioned reports on the flow of funds, which they used to identify and address weaknesses in the financial system.

As can be seen, in the period between the first and the last PETS in Uganda, there was a large number of systemic reforms and more attention was paid to where the money was going by a number of actors that significantly improved transparency and strengthened control. This brings into question the clear-cut conclusion of the Uganda PETS team:

Interestingly, the extent to which funding reached the intended beneficiaries had little to do with conventional audit and supervision mechanisms, but on the schools' opportunity to voice their claims for the funds. (Reinikka and Svensson 2002, 19)

A closer look at the statistical analysis of the PETS findings shows one of the main findings to be that the schools with the largest reduction in leakage were on average closer to places selling newspapers than those that had less reduction in leakage. Schools with better access to newspapers received an 8.7% greater share of the capitation grants than schools with less access to newspapers. On the one hand, one can think of a number of reasons why schools with better access to newspapers would be better positioned to claim their entitlements (closer to district headquarters, better connected to informed people with influence, better informed parents and teachers generally, etc.). On the other hand, one should also note that it is not the claimed improvement of 8.7% that is cited in the literature on the Uganda PETS, but the much bigger improvement from 20% to 80%, for which the public information campaign is claimed to be the main explanatory factor.

The development world is full of conventional wisdom. Repetition turns back of the napkin estimates into ingrained facts. Case studies are compressed into paragraphs, and research is presented shorn of its assumptions. The danger in all this is that we pursue development policies based on what sounds true, what we want to believe, rather than on the evidence.

Dennis de Tray, Centre for Global Development (from the foreword of Hubbard 2007)

2.4 PETS – are we learning?

The Ugandan experience launched PETS as one of the better tools to strengthen accountability and to make sure that funds for service delivery reach the intended beneficiaries. Most people who work with these issues have seen graphs and presentations that demonstrate the dramatic impact of the Ugandan PETS, or rather of the public information campaign that was adopted as a policy response to the first

PETS. Paul Hubbard's analysis of the wider context of the information campaign reminds us that there was, however, a lot more than information campaigns going on at the time.

Hubbard's analysis of why the documented leakages in the Ugandan education sector decreased so rapidly in the nineties is valuable because it helps us better understand what happened and what the potential for, and limitations of, methodologies like PETS and public information campaigns are. Success stories can be useful as examples of what is possible to achieve, but they also carry the danger of raising false expectations and of providing the wrong lessons, if the context of the success story is poorly understood, or its claims are not examined critically. And it is interesting to note that ten years after the findings of the first PETS were documented, and six years after the dramatic reduction in leakage was documented and reported, there are no other well publicised cases of where the use of PETS has played a prominent role in the policy process.

In addition to Uganda and Tanzania, PETS have been tried in a number of other countries, but there is little by way of evaluations of PETS attempted in other countries. A 2003 World Bank review examined the conduct and impact of World Bank sponsored PETS in eight countries.⁴ With the exception of Uganda, no claims are made that the PETS have had a direct impact on the flow of resources or on any other aspect of service delivery.

A presentation on the World Bank's experience with PETS puts the uses of PETS into perspective when observing that

[s]urveys provide information but don't necessarily result in change. A lack of information may not be [the] primary constraint to improving PEM [Public Expenditure Management] and service delivery ... findings need to be used strategically (Lindelow 2003).

A DFID briefing paper on PETS also notes the lack of cases where the impact of PETS has been documented. It further notes that PETS "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." (DFID n.d.)

As the Tanzanian case clearly illustrates, one cannot take for granted that governments will be happy to share uncomfortable findings with the public. Accountability, after all, is an intensely political issue which can be perceived to threaten the political balance and status quo in even seemingly progressive policy environments.

3 When civil society follows the money

Unlike governments, who may not be too keen on washing their dirty linen in public, CSOs have more natural incentives for using findings of PETS, or other methodologies of budget monitoring, as part of their work in policy advocacy and lobbying. In the last 20 years, some very different approaches of 'following the money' have been developed by citizens directly. The IBP has been working with citizens' organisations to assist building capacities to monitor the use of the public's money for a number of years. Their latest publication - *Our Money, Our Responsibility: A Citizen's Guide to Monitoring Government Expenditures* - documents the work of 18 organisations who work with budget monitoring in their respective countries.⁵ We will take a closer look at the work and approaches

⁴ Dehn et al (2003) discuss the findings of eight countries: Ghana, Honduras, Papua New Guinea, Peru, Rwanda, Tanzania, Uganda, and Zambia.

⁵ Ramkumar (2008). Unless otherwise indicated, the information in this chapter is taken from this volume.

of some of these organisations to see what lessons they offer on expenditure tracking and ‘following the money’.

First we will look at two forms of what has been termed ‘Social Audits,’ from Rajasthan in India, and Abra in Philippines. Second, we will see an initiative from civil society to follow up on cases identified by the Auditor General in South Africa. The third part looks at CSO attempts to do PETS-type work in Malawi and Tanzania. As we shall see, CSOs can trigger and facilitate a public demand for accountability.

3.1 MKSS - social audits in India

MKSS is an organisation that was started in 1990 in Rajasthan, India’s largest state.⁶ The organisation’s original objective was to campaign for the payment of the minimum wage in public works and land redistribution. MKSS assisted labourers who complained that they had not been paid for work they had done for the local authorities. When they asked to see the records of work and payment, the authorities refused them, citing the Official Secrets Act. This sparked the beginning of the MKSS “Right to Information” campaign.

Sit-ins, rallies, and public lobbying finally succeeded in the local government passing an order allowing citizens the right to inspect records. Later, they were also provided with certified photocopies. The first inspections of the records uncovered a number of irregularities. In the process of verifying the records and consulting with villages, the tool of public hearings was developed. Using public hearings to cross-check payrolls and records of performed work, MKSS started to amass a considerable body of evidence of fake payrolls, recorded public work that was never done, overbilling, and underpayment.⁷ Experts and government officials were invited to take part in the public hearings, where they had to answer questions from the public.

When I send my child to the market with 10 rupees to buy something, I demand an account for the money I have given him when he returns home. Similarly, when the Government spends my money, I have the right to ask for an accounting of these expenditures.

Sushila Devi, a mother of three with little formal education attending a Right to Information rally in India, explaining why she demands access to her local government’s financial reports (Ramkumar 2008)

The public hearings had a dramatic impact. Workers who had not been paid for years were finally compensated. In many cases, the elected village representative would pay in person to ensure that the payment was made, in order to avoid being called to testify at the next public hearing. Action was also taken against officials convicted of embezzling funds.

The success of the public hearings mobilised support throughout the state. Following intense lobbying and mass demonstrations, the Rajasthan legislature passed a Right to Information Law in 2000. The campaign then continued at the national level, and India’s parliament finally passed a Right to Information Law in 2005. In another development, the public auditor’s office in Rajasthan, which was frustrated by the poor implementation of its recommendations, has started sharing its findings with MKSS and invited the organisation to publicise them (Ramkumar 2007).

⁶ This section is drawn from Kidambi (n.d.). Also see the IBP publications Ramkumar and Krafchik (2005) and Ramkumar (2008).

⁷ For a visual account of the MKSS tool of public hearing, see their inspiring video documentary which can be accessed through their website: <http://www.mkssindia.org/> or directly at: <http://video.google.com/videoplay?docid=-3238128636848285898>.

3.2 CCAGG – participatory audits in the Philippines

The CCAGG is a CSO that was formed in response to a new government policy to increase community participation in the monitoring of development programs.⁸ CCAGG is based in Abra, a province in the north of the Philippines. The majority of its members are housewives, students, and out-of-school youth, who have the backing of professionals, such as engineers and accountants. They monitor public works and document any suspected sub-standard work, fraud or embezzlement.

One of CCAGG's first successes came after they saw an advertisement by the Ministry of Public Works and Highways (MPWH), which announced that it had completed 27 projects in Abra province. CCAGG members knew that many of these projects had not been completed, and they swung into action. They compiled a well documented file on the actual state of the projects, building on statements from residents and photographs from the sites. They submitted their findings to the MPWH and demanded that the responsible engineers be investigated.

The CCAGG file triggered an official government audit, which confirmed CCAGG's findings. CCAGG members were called as witnesses and the ensuing prosecution resulted in the dismissal of eleven government officials. Following this case, the MPWH regional director issued an order that bills from public works contractors needed to be verified by CCAGG before they were paid. In 2001, the National Commission on Audit (COA) entered into an agreement with CCAGG that its members would work together with COA officials as part of the statutory audits of road repair projects.

3.3 PSAM – monitoring the official audits

Another interesting example of how civil society can intervene to strengthen public financial management comes from South Africa. Following a spate of reports on corruption in the provincial administration in the mid-1990s, a group of researchers established the PSAM as a research project at the University of Rhodes, in the Eastern Cape province of South Africa.⁹

The PSAM researchers brought together information on cases reported in the Auditor General's reports. In 2000, they created a database of audit queries which they made available on the internet. PSAM researchers publicised their findings in non-technical terms through radio and newspaper interviews. In this way, they succeeded in bringing public attention to the serious malpractices documented by the Auditor General, and the fact that by and large, no corrective action was taken.

The database showed that audit had questioned more than 90% of the budget, but that corrective action had been taken in only 10% of the cases. Partly as a result of the PSAM advocacy efforts, the South African National Cabinet established a team to follow up on audit queries, and by 2005, the part of the budget with audit disclaimers had decreased to 54%.¹⁰ The team was only a temporary measure and by 2006, after the team had been disbanded, 86% of the budget was affected by disclaimers again (Ramkumar 2008, 137).

3.4 CSO attempts at PETS

The examples of MKS, CCAGG and PSAM demonstrate how CSOs can use their particular capacities and the opportunities presented or created by themselves, to organise public demand for

⁸ The information in this section is drawn from Ramukumar and Krafchik (2005).

⁹ The information in this section is drawn from information on PSAM's website, <http://www.psam.org.za>, and also draws on Ramkumar and Krafchik (2005). For a more detailed description of the PSAM methodology see Ramkumar (2008).

¹⁰ "The auditor issues an audit disclaimer when s/he has not been able to obtain sufficient appropriate evidence and accordingly is unable to express an opinion. Audit disclaimers are most often issued when the auditor is not provided access to all the books of accounts, when the values of significant items in the accounts are uncertain, or when officials in the audited agency do not provide certain information on the financial statements." See Ramkumar 2008.

accountability. They show that there can be opportunities for innovative communities that can be more successful than the best resourced initiatives led by leading experts.

Let us now have a look at some documented experiences of what has been achieved by adopting a ready-made methodology to a new context. The recent fashion for supporting CSOs to conduct PETS provides a particularly interesting issue to investigate closer. Of the 18 case studies documented by IBP in the volume referred to above, the following example from Malawi relates to a CSO using the PETS methodology.

3.4.1 CSCQBE – monitoring education expenditure in Malawi

In Malawi, a coalition of over 60 civil society groups, the Civil Society Coalition for Quality Basic Education (CSCQBE), has come together to monitor Malawi's progress towards achieving the Millennium Development Goals (MDG) in education. The Malawian treasury disburses education funds directly to district assemblies, which have discretion over how the funds are spent. CSCQBE decided to adopt the PETS methodology to monitor expenditure at district and school level.¹¹

The Coalition has conducted three PETS, in 2002, 2005, and 2007. After a modest start in 2002, covering 50 schools, the 2005 and 2007 surveys utilised stratified random samples of 500 schools, which is about a tenth of the schools in the country. Alongside the PETS, CSCQBE also administered questionnaires seeking to get information on the quality of teaching, materials, and working conditions for teachers.

CSCQBE has raised awareness and stirred debate around key issues that they identified through its monitoring work. Its lobbying efforts contributed to the government revoking a decision to close a teacher's college and brought the parliament's attention to the failure to pay teacher salaries. Lobbying by the Coalition also brought about a specific budget allocation for children with special needs and convinced the government to look into addressing urban/rural disparities.

There is little doubt that the type of work done by CSCQBE can play an important role in opening previously closed processes to the public. By focusing public attention on critical issues that have been documented, CSCQBE raises demand for corrective action in a manner that is likely to produce more efficient, accountable, and pro-poor public expenditure on education. This is exactly the type of impact one hopes to achieve by budget monitoring.

Notwithstanding the successes demonstrated by CSCQBE, one could question why PETS is put forward as the central component of the Coalition's work. The Coalition suffers from limited technical capacity to undertake budget analysis, it frequently has problems extracting reliable financial data from the authorities and it does not seem to manage producing the type of outputs which PETS is meant to be doing, i.e. accurate data capturing financial flows and showing the extent of leakages in the system. There are no published reports presenting data on the leakages documented by CSCQBE. The PETS conducted by the Government of Malawi in the education sector in 2004 also remains unpublished.

There is arguably a misfit between the considerable resources required to prepare a stratified random sample which is large enough to be representative, conduct the survey, do the analysis and write the reports, and the usefulness of the final product. The successes of CSCQBE documented by IBP relate more to qualitative observations, such as late or non-payment of teacher salaries, than to statistical findings on leakage.

It is probably not surprising that the much cited success story of the Uganda PETS together with the power of citizen's monitoring demonstrated by MKSS, CCAGG, and others together seem to suggest that CSO PETS could have a large potential for empowering citizens to demand accountability. But if there is room to question the extent to which the PETS methodology has contributed to CSCQBE's success in Malawi, the one case of CSO PETS highlighted by IBP, there may be cause to reconsider what is the hot new trend in CSO work in many countries.

¹¹ In addition to Ramkumar (2008), information on CSCQBE is taken from CSCQBE (2005).

3.4.2 Examples of civil society PETS from Tanzania

In Tanzania, for example, PETS is a growth industry among CSOs. There are currently more than 20 Tanzanian CSOs conducting PETS in more than half of the country's 124 districts. It is difficult to gauge the impact of these highly independent tracking activities as there is very little information available on the type of PETS they are performing. This in itself is a bit of a puzzle and some cause for concern, seeing that the key to the effectiveness of PETS is that they produce valuable expenditure data, which, if shared widely, can enable citizens to monitor the financial performance of their authorities. PETS is also an important tool for national-level stakeholders to assess the strengths and weaknesses of the systems of controls and financial transfers. Therefore, if the CSO PETS do not produce much information that is visible at the national level, what do they do? Perhaps they are more visible at the local level.

Although one hesitates to generalise, it might be useful to describe a typical Tanzanian CSO PETS. This description draws from the author's close co-operation with CSOs that work with PETS in Tanzania. From the dozens of PETS performed by CSOs in Tanzania in the last six years or so, the following characteristics emerge:¹²

- The motivation for doing a PETS was that there was funding available and that it fit within the stated objectives of the organisation to address accountability issues at the local level.
- It was difficult to get accurate financial information from the local authorities, and it was therefore often not possible to check what percentage of the funding had reached the service delivery centre (usually primary schools) and to see whether there were any leakages.
- Information on how much money had been received was collected at the frontline service delivery centres, but the information was often not shared with people at this level.
- The final reports were presented to the aid agencies that provided funding for the PETS and at national workshops. There was generally no follow up and no attempt to make the reports available to officials and other stakeholders at district and village level.

Basically, many of these studies almost appear as studies for their own sake. They may be fed into national processes, such as national consultations among CSOs, but they do not connect with similar studies of other CSOs to fit into a larger context. And perhaps most crucially, they do not feed back into processes at the level where the information was collected in order to improve local awareness of entitlements and to build stronger demand for accountability from the bottom.

This is not to say that all studies by CSOs that are referred to as PETS are failures. On the contrary, many studies have a real impact on the ground. One such example is the work of Hakikazi Catalyst in Tanzania. The approach by Hakikazi is to build capacities in communities to monitor quality of service and the use of funds. By involving district officials in the exercise, they secure access to official data and also facilitate direct communication between communities and the authorities, which enables a type of social audit reminiscent of the work pioneered by MKSS in Rajasthan (see above). As an example of the impact it has had, IBP refers to Hakikazi's experience in a village where it supported the community to organise themselves to monitor the implementation of funds intended for the village's primary schools (see Ramkumar 2008). By collecting information on the use of funds and inspecting the construction work on the school and teachers' houses, it uncovered substantial cases of embezzlement and poor management of resources. This was brought to the attention of the authorities who were investigating the matter at the time the case was reported.

It is worth noting that although this case has been referred to as an example of a CSO PETS,¹³ it bears more resemblance to the social audits conducted by MKSS in Rajasthan, as referred to above. More

¹² This description draws from the author's own observations of PETS while working with CSOs on expenditure tracking and expenditure monitoring in Tanzania in the 2002-2007 period. Also see de Graaf (2005) and Sundet (2005) for more information.

¹³ This was the heading of an email circulated by the Tanzanian Ministry responsible for Local Government who shared this success story with the donors.

important, it is case-specific, meaning that it consists of the investigation of one case, rather than being a large-scale statistical survey. Moreover, it reports the findings back to the community where the intended beneficiaries are and assists them in claiming action on the suspected misdemeanours uncovered. The contrast with the above description of typical CSO PETS that report to their funders at the national level, with no feedback loop to the communities where the data was collected, is obvious.

3.5 What learning is there on civil society following the money?

We have seen some examples of a rapidly growing trend of CSOs engaging in ‘follow the money’-type of initiatives, most often without support or co-operation from the authorities. Many of these initiatives have registered quite some significant successes. This paper has reviewed some of the well-known cases of CSOs engaging in budget monitoring and some lesser known ones, most of which have been covered by IBP’s *Citizens’ Guide to Monitoring Government Expenditure*. We have discussed, in some detail, the experiences of five of the organisations reviewed by – MKSS, CCAGG, PSAM, CSCQBE and Hakikazi. The above mentioned IBP publication also reviews the experiences of five more organisations that work with report cards (PAC in Bangalore, India), procurement audits (PWI and G-Watch in Philippines), and audit analysis (Fundar in Mexico and Hakielimu in Tanzania). The lessons derived from these initiatives are also considered in the brief analysis provided below, in order to try and capture what has been achieved by the ten best practices highlighted by IBP.

In assessing the successes registered, two cases stand out: MKSS in Rajasthan, India and CCAGG in Abra, Philippines, which are both well known and often cited in the literature. Both relate to organisations that grew out of locally-based initiatives without any outside support, and both have demonstrated and continue to demonstrate significant successes. Particularly the MKSS has become a showcase example of the potential power of citizens’ oversight. These examples of successful citizens’ oversight have been known for many years.¹⁴ Should it give pause for thought that the recent fashion among donors for supporting civil society monitoring has not produced any new successful examples? Before we return to this question, let us have a closer look at what the cases reviewed by IBP have to tell us about the successes and challenges of CSOs attempting to follow the money.

The documented successes can be divided into the following categories:

- Discovery of specific missing funds leading to recovery of funds and/or disciplinary action against officials found to be diverting funds (CCAGG, MKSS, and Fundar).
- Formal co-operation between national audit authorities and citizens in audit processes (MKSS. There was temporary involvement also by CCAGG and PSAM, but the arrangement had been suspended at the time of publication).
- Legislative reform, i.e. the enactment of Freedom of Information Acts in India (MKSS) and a Procurement Law in the Philippines (PWI).

The cases present achievements that demonstrate the powerful potential presented by citizen’s oversight. At the same time, however, one should be careful not to overstate the extent of the successes demonstrated by such cases to date. The examples reviewed by IBP are handpicked from a very large number of CSO initiatives in an area that is receiving significant and rapidly increasing funding from international donors, as exemplified by the Tanzanian situation. One could therefore argue that the achievements to date are relatively modest.

¹⁴ For example, the author referred to both cases as notable and already long-standing examples of community oversight in a 2004 publication (Sundet 2004). They are also discussed in Ramkumar and Krafchik (2005).

In its review of CSO initiatives, IBP also identified challenges experienced by the organisations, which give some clues about what is impeding a more impressive array of achievements:

- All of the organisations experienced significant problems in accessing financial data from the authorities, both because authorities did not want to share them, and because of the often poor quality and incompleteness of financial records.
- Physical threats and intimidation from people in authority (e.g. MKSS).
- Poor capacities of organisations to engage in budget analysis, in particular when using sophisticated methodologies such as PETS (e.g. CSCQBE). and
- Failure to develop strong advocacy strategies to draw public attention and action to identified weaknesses.¹⁵

The identified challenges suggest at least two lessons. First, it is important to address the interface between the civil society actions and authorities at the central and local levels. Expenditure tracking depends on co-operation from authorities, both in terms of getting access to financial data and in terms of initiating co-operation and support in the follow-up of the findings. Second, it is also important to ensure that the organisation has the required skills and that the adopted methodologies are suited to the skills possessed by the organisation. These are significant challenges, which point to the need to adopt a long-term strategy that incorporates an ongoing process of learning, as well as the documenting of achievements and setbacks in an open and critical fashion.

The example of a CSO PETS success story referred to in the box on this page, may be an illustration of how there are few incentives for international agencies to question or look too closely at claims of success, but many incentives for reporting successes onwards in its own corporate reports. For the actors in the development business, there is more to gain by accepting and repeating success stories than there is by looking more closely to see whether the successes are as significant as they are claimed to be. This, for one, is why there is a need for independent evaluations, research and critical reporting. But it is also why there is need for adopting a more nuanced and contextually informed understanding of what expenditure tracking entails and what is required to strengthen transparency and accountability on the ground.

A CSO PETS success story?

The 2006 Global Monitoring Report which serves to track the progress towards achieving the MDGs, provides the following story:

In Tanzania, the Rural Initiatives and Relief Agency helped 10 local communities track government program expenditures for health and education. The pilot projects appear to have helped ensure that commitments to deliver funds were indeed followed through. The expenditure tracking tool has been made available to CSOs in other rural areas of the country. (World Bank 2006, 155)

The Report does not provide a reference for this case, but the organisation cited, RIRA, has published a report which repeats much of the same information (RIRA 2004). There is no elaboration, however, on the approaches used or any details on what resources were recovered. At the time of the publication of the 2006 Global Monitoring Report, the author was working with the country's leading CSO coalition in developing a strategy on expenditure tracking. None of the participating organizations in budget monitoring had received any news on the above cited organization's work or were even aware of its existence.

Considering how rare this type of success story is, it is curious that not more effort has been made to investigate what made this work, and to document this to encourage learning.

¹⁵ This is given as one of the reasons why not more organisations have managed to replicate the successes registered by the Citizen's Report Card methodology pioneered by the PAC in Bangalore, India (Ramkumar 2008, 85).

The discussion above suggests that the success of expenditure tracking conducted both by governments/donors and CSOs have been overstated. Although there are well documented successes, many of these dates back many years and there are surprisingly few well-documented “new” successes. While one should not underestimate the challenges involved in engaging citizens in budget monitoring, one might have expected that the large level of support and attention given to CSO budget monitoring and expenditure tracking would have had more traction by now. Rather than this being a concern in the literature on the subject, the emphasis seems to be geared towards citing well known success stories and advocating for the approach, rather than looking more critically at what is actually happening on the ground and asking why better results are not being achieved.

4 Principles for engagement

In the previous two parts of this paper we have looked at the experience of two types of expenditure tracking: the large-scale, original type of PETS that are commissioned by governments and the smaller expenditure tracking exercises that are conducted by CSOs. What we saw from the discussion of both types of tracking studies is that there is a certain level of confusion at several levels in the discourse on PETS. With reference to officially commissioned PETS at the national level, there is both some misunderstanding about what PETS have done and what they can do. As regards the CSO tracking exercises, the application of the PETS label to them is most often misleading, and the impact of the recent upsurge in CSO tracking initiatives, as can be seen in Tanzania, has not been well documented and assessed.

The potential of expenditure tracking has been recognised, and in particular PETS is routinely listed as one of the tools in any list of methodologies for combating corruption and ensuring integrity in public financial management. This paper has taken a closer look at some of the successes and suggests that the experience to date is not as positive as is often suggested. This has not been done to take anything away from what has been achieved, but to highlight the significant challenges that need to be addressed in order to make expenditure tracking work in more than a few isolated cases. This concluding section suggests principles for how to make more effective use of expenditure tracking.

4.1 National PETS

Considering first the application of the large-scale, officially sanctioned Public Expenditure Tracking Surveys, it is useful to state what PETS can do:

- They are a very practical and direct tool to test how well a system of financial transfers work in terms of getting the money to where it is supposed to be going.
- By identifying weaknesses, they can provide valuable policy recommendations.
- They can also provide a useful launching pad for a policy dialogue, by providing accessible information, notably by quantifying leakage.

And what PETS cannot do:

- They do not tend to provide a process or strategy by which the technical recommendations that are provided can be implemented.
- They do not necessarily trigger a public debate. Beyond the Ugandan experience, there is little evidence of PETS capturing the public imagination or leading to concerted pressure for reform.

Essentially, a PETS does not “do” anything. It is merely a survey, and it is only useful if its findings are acted upon. It is therefore important that a PETS is seen as only *one* part of a larger strategy. Although this might seem obvious, it is striking how little attention is often paid to the follow-up in policy discussions leading up to decisions to conduct a PETS.

There are at least three types of issues that a PETS is likely to identify:

- Unnecessary complexities in the systems of financial transfers and reporting.
- Lack of transparency in reporting.
- Poor knowledge or access to information on entitlements among target populations.

A PETS is most likely to be useful when there is a strategy in place to act on the findings of the PETS, before the actual PETS is conducted. Of course, most PETS are conducted in a context of reform, but it is surprising to what extent the attention of the users of the PETS is focused on the percentage of leakage identified, rather than on the weaknesses that lead to the leakage. In the Tanzanian case, for example, the weaknesses identified remained undisputed: an overly complex system of financial transfers and very poor knowledge on behalf of the targeted communities of their entitlements. What was disputed was the extent of the leakage, which the government claimed was overstated due to methodological errors. The PETS was subsequently shelved, not because its analysis and its recommendations were not deemed appropriate, but because there was disagreement on the leakage documented. Almost four years after the publication of the PETS, there is now some indication that the system of transfers will be streamlined to some extent, but there is no evidence that school committees are any more aware of their entitlements.

It could be an issue that PETS are often seen as “add-ons” to the existing reform process, rather than being a more integral part of it. Seen from the point of view of governments and often also donors, the findings from many PETS appear as “noise” that distracts from the reform itself, as might have been the case in Tanzania. If instead, PETS were approached as a routine part of the ongoing monitoring and analysis process one might ensure better follow-up. One could, for example, devise an ‘expenditure tracking dashboard’ that indicates issues that have been identified, action taken to remedy it, and data on leakages. This could also provide information gathered between two PETS, for example polls of school committees, to see if they are aware of their entitlements. The PETS could be repeated at regular intervals, say every two or three years. If the dashboard was openly available to the public, such an instrument would also enable an informed and critical debate on key issues, which would be helpful in terms of mobilising active demand for reform.

This is not to suggest that there is any easy solution. Reform, particularly when it relates to the use of public resources, is notoriously difficult. Apart from having to deal with institutional inertia and capacity constraints at every level of government, there is also the perhaps even more formidable obstacle of vested interests. Whereas the technical solution might be simple, the political challenges are considerably more complex.

4.2 Expenditure tracking efforts by civil society

The tracking efforts by civil society are probably better placed to deal with the political challenges than are the government-led processes. Many of the best CSOs initiatives, as we have seen in the cases reviewed here, are all about generating public pressure for change. This has been recognised, also by the donor community, and in the later years we have seen a large increase in support for CSO tracking activities. This paper has posed the question about what impact this wave of CSO expenditure tracking and budget monitoring has had. It has been suggested that there are perhaps not as many new successes documented as one might have expected. While there is no shortage of interesting initiatives and innovative methodologies, there are still surprisingly few well-documented cases of civil society initiatives that have successfully impacted on the way public funds are managed.

These are no easy undertakings, of course, and change takes time. It would not be realistic to expect a revolution of transparency and accountability over night, as a result of well-designed and executed tracking efforts by civil society. Nevertheless, the fact that it is such a difficult challenge only adds to the need for critical review and learning of the experiences gained. The IBP’s *Citizens’ Guide to Monitoring Government Expenditure*, which has been cited extensively in this paper, provides a very useful background to methodologies and experiences by CSOs worldwide, pointing to achievements and challenges. What is still largely missing, however, is a more critical review of CSO tracking and

an attempt to situate the role of civil society in the wider framework of reform in many of the countries where CSO PETS are rapidly becoming the new buzz word.

Some lessons can be derived from the above discussion:

- Successes in translating tracking into action (recovery of funds, holding people accountable, etc.) seem more likely where tracking is case-specific, i.e. the type of social audit done by MKSS and Hakikazi, where specific cases are documented and followed up, rather than the statistical type of work attempted by CSCQBE in Malawi and many CSOs in Tanzania.
- PETS is not a good description for many of the ongoing tracking initiatives that have been attributed this label. As indicated above, surveys are non-case specific and attempt to establish averages. This is virtually impossible for most CSOs to do, both for resource and capacity reasons, and because of problems of gaining access to the required financial records, particularly from local government authorities. What many CSOs end up doing is some kind of mix between case-specific tracking and surveys. This tends to confuse the process of tracking, the presentation of the findings and any follow-up.
- It could therefore help CSOs make better use of their resources and have a more defined impact if they were more careful in defining what they are trying to do.

In aid-dependent countries with large numbers of sector reforms addressing various aspects of financial management in local government and service delivery, there is considerable scope for linking CSO tracking activities to ongoing reform processes. This could give central government and donors important information from the ground on how well certain aspects of the reforms are going. Also, national authorities could, in this context, assist the CSOs, by giving them some form of formal accreditation, to access financial information at the local level. The extent to which central governments would be willing to provide such accreditation to CSOs would also be a good indicator of the government's commitment to transparency and openness.

In Tanzania, there is currently a process underway to try and establish such a CSO – government collaboration. The Ministry responsible for Local Government maintains a list of CSOs that engage in 'PETS', and there is a tentative agreement with a CSO coalition to establish closer collaboration. Similar processes are probably underway in other countries and this is a good start, but obviously there is still a long way to go.

What governments and donors can do is to try and integrate CSO initiatives into existing monitoring systems of reforms, such as those that are established around the poverty monitoring systems that track the policy outcomes in the context of the national goals and the MDGs or the Public Expenditure and Financial Accountability (PEFA) indicators developed through the public financial management reforms. CSO findings and reports would also fit well into the type of expenditure tracking dashboard suggested above.

4.3 Concluding thoughts - learning for change

This paper has examined experiences to date with the large-scale formal expenditure tracking surveys conducted by donors in collaboration with partner governments, and with smaller, non-official monitoring activities done by CSOs. We have seen that there is considerable innovation and that the new methodologies, such as PETS, public information campaigns, and social audits, provide powerful tools for diagnostics, enhancing transparency and enabling bottom-up accountability.

While highlighting the potential presented by these new tools and methodologies, this paper has also argued that there is scope for a more critical and methodological approach in documenting and analysing what is being achieved. Bringing about change in public financial management and service delivery presents considerable political challenges. The weaknesses that a PETS or a CSO survey may identify often provide important sources of patronage for vested interests at both the central and local levels. Addressing and fixing these weaknesses, therefore, would also mean removing a source of rent for people who may be closely linked to local and/or national political elites. The challenge, therefore, is not only to get more information on where the money is going, but also how to apply this

information. This challenge is predominantly political, and it is this dimension that is largely missing from the present approach to expenditure tracking. A political change approach to expenditure tracking would require a more determined and deliberate effort to document, examine and discuss what is being planned, implemented, and achieved.

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Abstract

Public Expenditure Tracking Surveys, or PETS, are recognised as an effective tool to improve accountability in public finance and service delivery. A Ugandan success with PETS is one of the most cited anti-corruption success stories. Expenditure tracking has also become a popular activity among civil society organisations engaged in accountability issues at the local level. This U4 Issue Paper takes a closer look at the experience of expenditure tracking and argues that its successes may have been overstated. It suggests that an uncritical acceptance of the effectiveness of expenditure tracking has hindered the development of a more nuanced approach that is better suited to the particular circumstances of each case. The report proposes some principles of engagement on how to track expenditures more effectively.