

Motivation

This PETS took place within the framework of the PER to monitor pro poor expenditures.

Objectives

To track down government pro poor expenditures on priority sectors

-To assess the efficiency of budget execution

-To make recommendations for improving monitoring pro poor expenditure.

Main findings

Decentralized funds (OC) sent to districts are essentially all consumed at the district level. Only material sent by the center to districts is partially redistributed to facilities. It is also observed that there is no cash funding below the sector/district level, only in-kind material.

At the district level, treasury and sector heads tend to reallocate non-wage expenditures in favor of activities that benefit the council staff at the expense of facilities (e.g. traveling, vehicles, fuel versus school material).

Lack of predictability of the disbursement promotes leakage especially at the sub-national level.

Highly aggregated government records are reported to undermine transparency.

Leakage

The study does not provide average figures for leakage. Difference between disbursement and receipts between Treasury and councils is estimated at 18% on average for non-wage funds for July 1999 - June 2000 and July - December 2000. No clear timetable for supplying school materials and supplies; this element of unpredictability in the system also promotes leakages. Cash budgeting leading to volatile transfers due to fluctuations in revenue, which in turn, gave rise to information asymmetry as it became increasingly difficult for beneficiaries to know the amount of their monthly allocation or entitlement. Highly aggregated government records were found to undermine transparency in public spending.

Other findings

Delays in disbursements and in the processing of non-wage funds range from 6 to 42 days at the treasury, while wage disbursements are rarely delayed. There was a tendency of Councils to underreport receipts of Other Charges. Delays are also observed in all districts surveyed. Overall, delays are reported worse for non-wage expenditures versus salaries and in rural areas. In some district, transfers were not made by councils to some sectors for the period 1999-2000.

Distribution of education material is unequal between councils and between schools in districts. Important shortage of exercise books and textbook for students.

Sample

5 districts and 16 primary schools

Sample design

-Choice of districts based on geographical balance (rural-urban) and whether or not a financial management system (FMS) was in place.

-At the council level, 2 schools chosen from the ward that houses the council headquarter and 2 others from a ward considered remote by the council.

Resources monitored

- Non-wage expenditures

- Data for FY 1999-2000 and first half 2000

- 3 levels (central government, districts and schools)

Main report

REPOA and ESRF "Pro-poor Expenditure Tracking," draft report, submitted to the PER Working Group, PETS