PUBLIC EXPENDITURE TRACKING AND FACILITY SURVEYS: A GENERAL NOTE ON METHODOLOGY[1]

1. INTRODUCTION

Budget allocation alone can be a poor indicator of the quality and quantity of public service delivered in countries with weak institutions. While shifting of budgetary resources to priority sectors like education and health is a good first step, it is crucial to ascertain where and how the allocated sum gets spent. The Public Expenditure Tracking Surveys (PETS) are quantitative exercises that trace the flow of resources from origin to destination and determine the location and scale of anomaly. These are distinct, but complementary to qualitative surveys on the perception of consumers on service delivery. They highlight not only the use and abuse of public money, but also give insights into the concepts of capture, cost efficiency, decentralization, and accountability. In absence of a strong institutional infrastructure to manage information flow, tracking surveys provide a realistic portrayal of the status of demand and supply of services, potentially justifying a need for creating of cost effective mechanisms of public accountability through, for example, information dissemination on resource allocation and use.

2. KEY PHASES

Like a Report Card initiative, a tracking exercise also goes through the following key stages, i) Identification of Scope, Purpose and Actors, ii) Design of Questionnaires, iii) Sampling, iv) Execution of Survey, v) Data Analysis, vi) Dissemination, and vii) Institutionalization.

2.1 Identification of Scope, Actors and Purpose

First, among a cluster of stakeholders to be identified, the most important step is to be clear on the scope of the tracing exercise: what area – an entire sector like health or units of service provision like a group of primary schools? and what are we seeking to do – collect information or diagnose problems for broad public sector reform? Criteria for choosing the unit of analysis vary with contexts. It could be, i) a sector receiving the largest amounts of public funds, ii) service units that are most directly related to the poor, iii) service units that have sensitive mandates such as security and policing, or iv) service providers plagued with high volume of anecdotal complaints from users, etc.

Second, administration of an expenditure tracking initiative is a technical, expensive exercise. Are there credible policy institutes or other local NGO-type intermediaries at home who can undertake the exercise, or does external support need to be sought? Ex-ante respectability of the intermediary organization directly affects the ex-post credibility of the findings. In some cases, external involvement such as that of the World Bank can add to the credibility, while in other cases, it can be counterproductive because this may weaken local ownership. One way to circumvent this dilemma between ownership and technical expertise is to make the exercise a collaborative one.

Third, from which broad class of users will the sample be drawn? This will depend on what sector is being evaluated, e.g., in the case of health, it could either be the most advanced hospitals in the country, district hospitals, or primary health care centers in the villages.

---

[1] This note is prepared by Swarnim Waglé and Parmesh Shah of the Social Development Department at The World Bank Group. Some sections draw on Dehn, J., Reinikka, R., and J. Svensson, "Basic Service Delivery: A Quantitative Survey Approach", The World Bank.

Fourth, after the unit for evaluation has been identified, it would be useful to do a rapid data assessment to see if there exist sufficient data to conduct the tracking exercise. Unavailability of data will prevent the study from being useful.

Fifth, from an implementation point of view, the audience is key. The general public and the media are obvious beneficiaries of the findings, but it is crucial to delineate up front how the findings are going to be used and by whom? This could be a government agency seeking self-evaluation for self-improvement, donors evaluating their past investment or considering new lending, civil society organizations working on accountability issues, or government oversight offices like that of the Auditor General interested in knowing about the use of public money.

2.2 Design of Questionnaires

First, since a key purpose of tracking studies is to diagnose institutional problems in the public service delivery, especially the flow of funds, questionnaires should be designed in a manner that can extract truthful answers from those surveyed. But there is a problem here that is similar to the Principal-Agent puzzle in economics, where it is costly for the Principal (enumerator) to observe the actions of the Agent (survey respondent) long enough to determine whether his answers are true or not. Because the Agent has hidden information about her environment, such as corruption and leakage which she may not want to reveal to the principal, a useful way to get around the problem is *data triangulation* where many sources are consulted about an identical question.

Second, for inter-sectoral comparability, a core set of questions that are suggested for inclusion in questionnaires include, i) Characteristics of the facility - like size, ownership, opening hours, competition from other sources, access to infrastructure, ii) Key inputs that form a substantial chunk of total inputs such as drugs and labor in health posts, and those that can ideally be monetarily valued, iii) Outputs - to calculate cost-efficiency, iv) Quality – it determines demand, but overall quality can be broken down into structural, process and outcome quality, v) Financing – sources and smoothness in flow of funds, vi) Institutional mechanisms and system of accountability – under what kind of institutional architecture is a certain service delivery unit operating?

Third, while there is a trade-off between detail and time, a critical mass of information has to be collected to ensure credibility and usefulness. If questionnaires are exhaustive, mechanisms will have to be worked out to alleviate the burden and make the sessions mutually convenient to the enumerator and the respondent. A useful practice is to break the questionnaire into different modules. Each module can then be answered by more than one official.

Fourth, a good questionnaire should be able to answer what the key issues in a sector are, such as dimensions of low quality performance, corruption, access. After a sector and issues are known, a tracking exercise combines both tracing of fund flows through the ministry-banks-local government-facility chain to determine extent of leakage, while identifying the non-functioning institutional features at each stage.

2.3 Sampling

First, four crucial criteria for selecting a sector and a unit of analysis are, i) the units must be an important source of service delivery, such as primary health clinics in rural areas, ii) the units must exist in big numbers for a credible statistical analysis, iii) they must be relatively homogenous in characteristics for comparable analysis of features like cost-efficiency, and iv) as tracking exercises can be expensive, extent of data availability must be pre-appraised.

Second, the need for a critical sample size has to be squared off with budgetary, time, and human resource constraints. While surveys are, by definition, different from censuses, the larger the sample size, it is usually the better. There is, however, no recommended sample size. The rule on sample size is that there is no rule. It is efforts aimed at making the sample more representative of the population that should receive precedence over plain expansion of numbers. In some of the notable report tracking exercises in Africa, about 25% of a particular type of service units have been surveyed.

Third, after an appropriate aggregate sample size has been determined, allocations will have to be made to appropriately carved geographic regions. It might be useful to *stratify* the survey population into sub-populations, and sample these sub-populations independently as individual populations.

Fourth, sampling is complicated if tracing and facility surveys are done together. For tracing studies, a larger number of district government administrations is desirable, but selecting a large number of districts reduces the number of facilities that can be examined within a particular district. This also makes it harder to use sample weights if the number of facilities being surveyed in each district is small, it is more difficult to adjust the number to suit differing population densities, for example.

Fifth, it is usually the case that there will be more non-sampling than sampling errors in these exercises with major problems encountered in survey implementation. From an incomplete coverage of issues to ambiguous questions, non sampling errors require that the survey be field-tested before launch. Field testing is also a way to expose the enumerators to the exercise, and it will be necessary to use their preliminary feedback to modify questionnaires or the tactic of questioning.

2.4 Execution of Survey

First, a cadre of survey personnel have to be selected and trained. Survey personnel or enumerators should not only be thoroughly informed about the basics and the purpose of the project, but also be skilled in questioning respondents with courtesy and patience. Further, to ensure that recording of information is being done accurately, spot monitoring of question sessions at random has to be undertaken in phases after a proportion of interviews are complete. If questionnaires were mis-interpreted, or some answers found inconsistent, re-interviewing is required.

Second, two features are key in execution, i) need to triangulate data from multiple sources, and ii) reduce incentives for people to mis-report. If health care facilities are being surveyed, it is important to cross check information on user fees and other aspect of performance at least three levels: the clients, the health unit, and the district. Similarly, ‘surprise’ visits to the facilities work better than pre-announced ones as staff are known to alter their behavior to formal enquiries.

Third, the complexity of design, implementation and subsequent analysis of these exercises is often underestimated. It is necessary for the organizers of the exercise to be clear on the objectives, maintain a hands-on involvement in the project, and ensure that the findings subsequently feed into reforms of service delivery.

2.5 Data Analysis

This is the output stage, when all inputted data is consolidated and analyzed. The approach to analysis will completely depend on the objectives and the results of the tracking exercise.

2.6 Dissemination

First, the findings of the tracking study should aim at being constructively critical. It may be unhelpful if the goal is solely to embarrass or laud the public service provider. This is why it is important to share the preliminary findings with the concerned ministry or local government itself so that the reform proposals are incorporated and there is actually an improvement in the quality of service delivery. An opportunity for the authorities to respond to some of the serious criticisms must be made, and genuine grievances on their part, such as staffing or budgetary constraints should be fed back to the report to alter the tone of recommendations.

Second, the media is a strong ally in expenditure tracking initiatives. Not only should the findings be launched in a high-profile press conference, but it is useful to take all the required steps to ensure that the coverage is wide. This can require preparation of press kits with small printable stories, media-friendly press releases, and translation of the main report into local languages. Making the findings widely known and available makes it difficult for the concerned agency to ignore the findings.

Third, the new developments in information technology (IT) should increasingly be used to solve old problems of accountability. Through web-sites and discussion boards on the internet, the reach of the findings of expenditure tracking reports cards can not only be widened, but they can also solicit the engagement of literate and informed tax payers in solving public problems.

2.7 Institutionalization

First, expenditure tracking initiatives, especially those that arrive as one-off experiments will serve little long-term purpose unless implementation is followed through on a sustained basis. Ideally, governments use results from expenditure tracking to initiate reforms in policy as well as public management systems. Tracking exercises institutionalized at the community level can also be tied to performance-based budgeting of service providers.

Second, institutionalization of the initiative can take a variety of forms depending on country circumstances. Some models can be, i) independent civil society organizations undertake the initiative in partnership with external organizations (Uganda), ii) governments monitor their own performance as part of ongoing public sector reforms, and iii) an oversight agency such as the Auditing Bureau undertakes the initiative to monitor flow of public money.

3. FURTHER REFERENCES

Dehn, J., Reinikka, R., and J. Svensson, "Basic Service Delivery: A Quantitative Survey Approach", The World Bank, Draft, June 2001.

Participation Thematic Group, SDV Case on "Uganda: Public Expenditure Tracking in Primary Education", April 2001.

www1.worldbank.org/publicsector/pe/trackingsurveys.htm