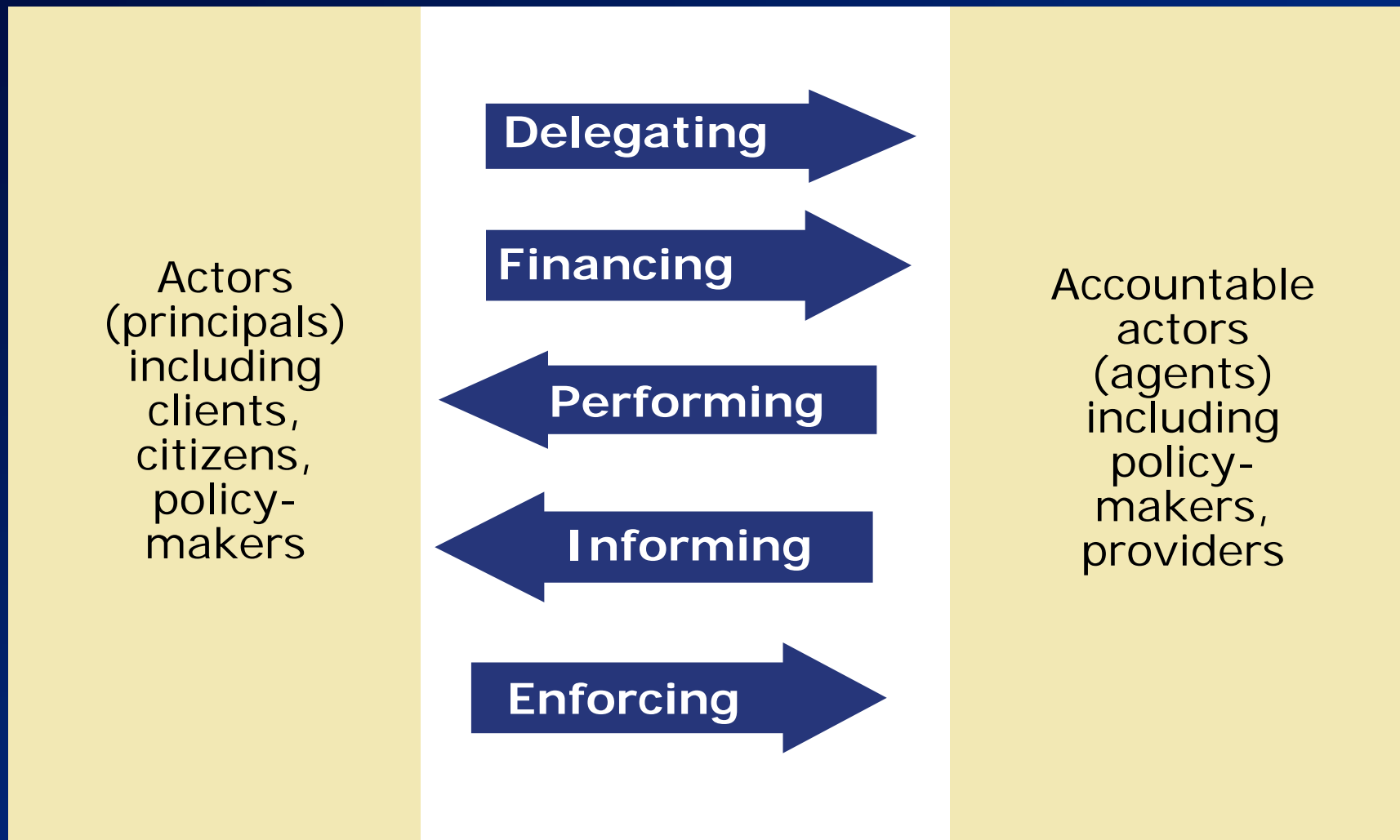


10+ Years of PETS – What We Have Learned

Ritva Reinikka
The World Bank
June 19, 2008

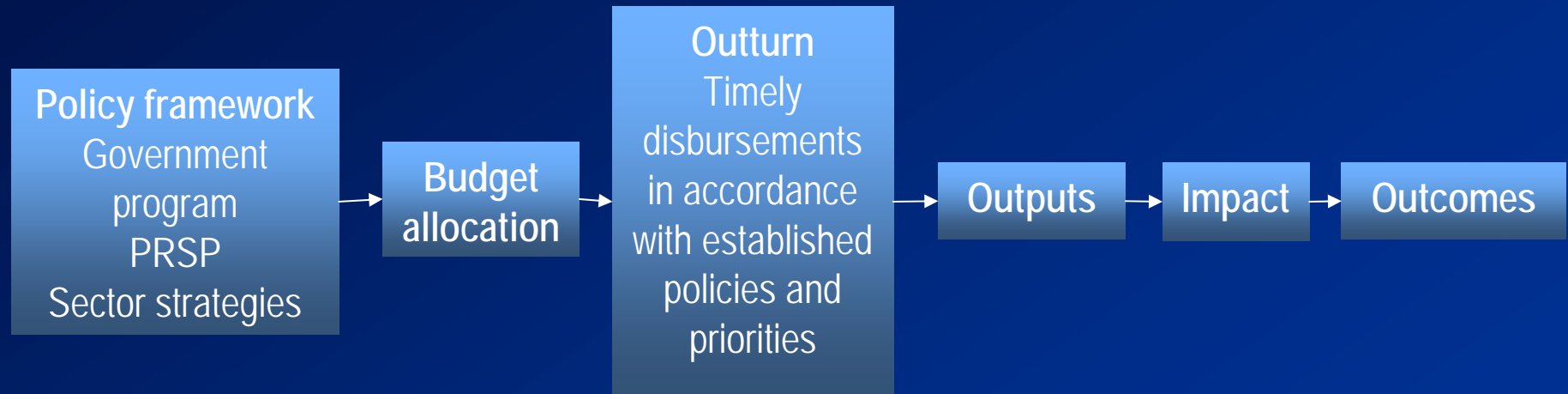
Principal Agent: Relationships of accountability have five features



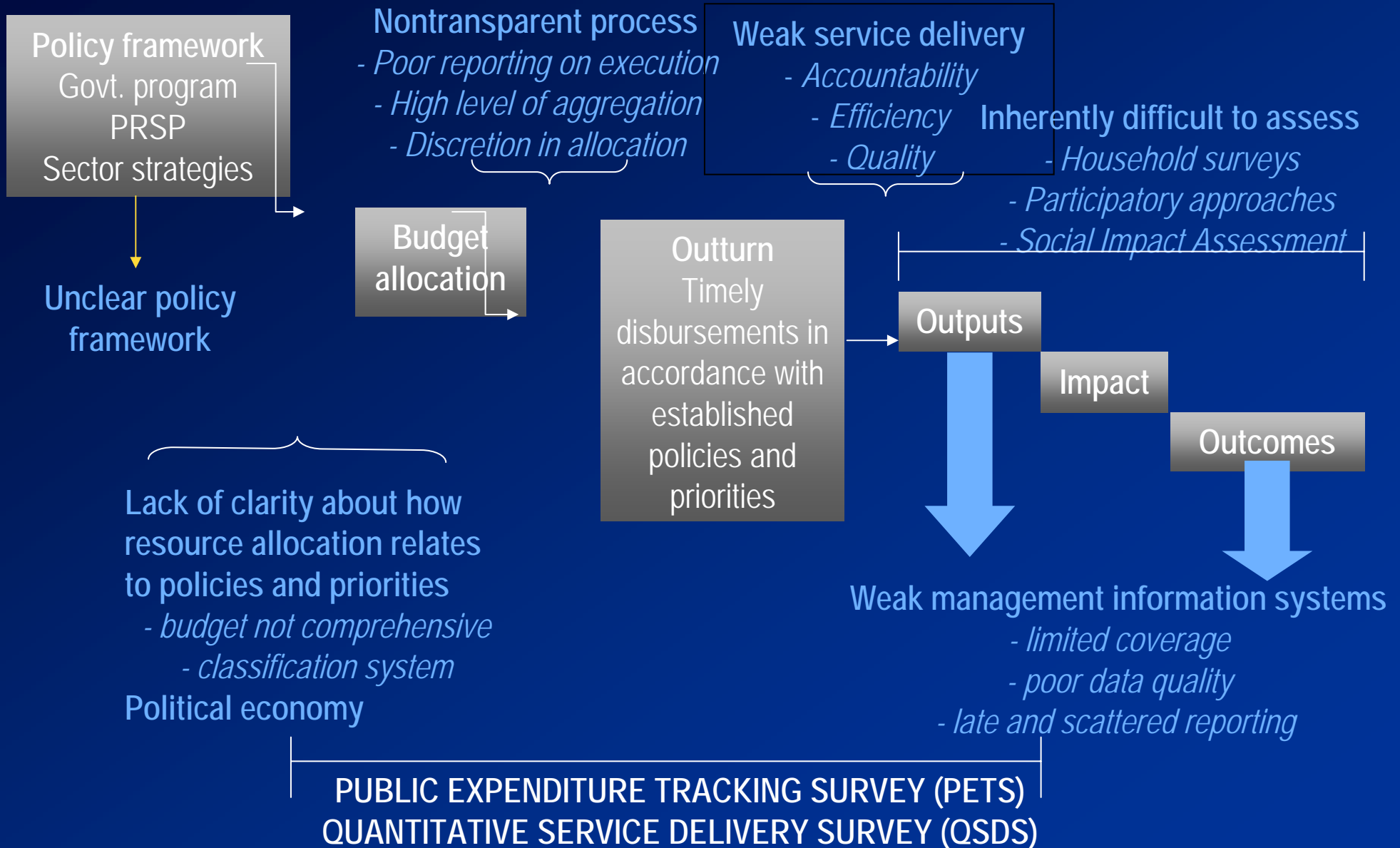
Why is public spending not equal to good services and outcomes?

- Public spending benefits the better-off rather than the poor
 - Diagnosed using benefit incidence studies
- Money fails to reach frontline service providers
 - Public expenditure tracking surveys (PETS)
- Poor quality services
 - Quantitative Service Delivery Survey (QSDS)
 - e.g., teacher and health worker absenteeism
- Lack of demand by households

The ideal situation...



A more typical situation...



Public expenditure tracking surveys (PETS)

- Diagnostic tool to understand problems in budget execution
 - Delays or predictability in funding
 - leakages
 - discretion in allocation of resources
- Micro data collected from different levels of government, including service delivery units
- Reliance on record reviews, but also facility manager's and staff interviews
- Variation in design depending on perceived problems, country and sector
- Open source tool for in-country analysis

Nonwage funds not reaching schools: Evidence from PETS (percent)

<i>Country</i>	Mean
Ghana 2000	49
Kenya 2004 (secondary bursaries)	22
Peru 2001 (utilities)	30
Madagascar 2002	55
Mali (books)	60
Papua NG 2001	28
Tanzania 1998	57
Uganda 1995/2001	78/20
Zambia 2001 (discretion/rule)	76/10

Quantitative service delivery surveys (QSDS)

- Focus on the frontline service unit and service provider behavior
- Inspired by micro-level household and firm surveys. Provides data on
 - Resource flows (financial and in-kind)
 - Inputs
 - Service outputs and efficiency
 - Quality of service
- Focus on dimensions of performance in service delivery
- Allows comparisons across ownership categories
- Increases observability of outputs and inputs

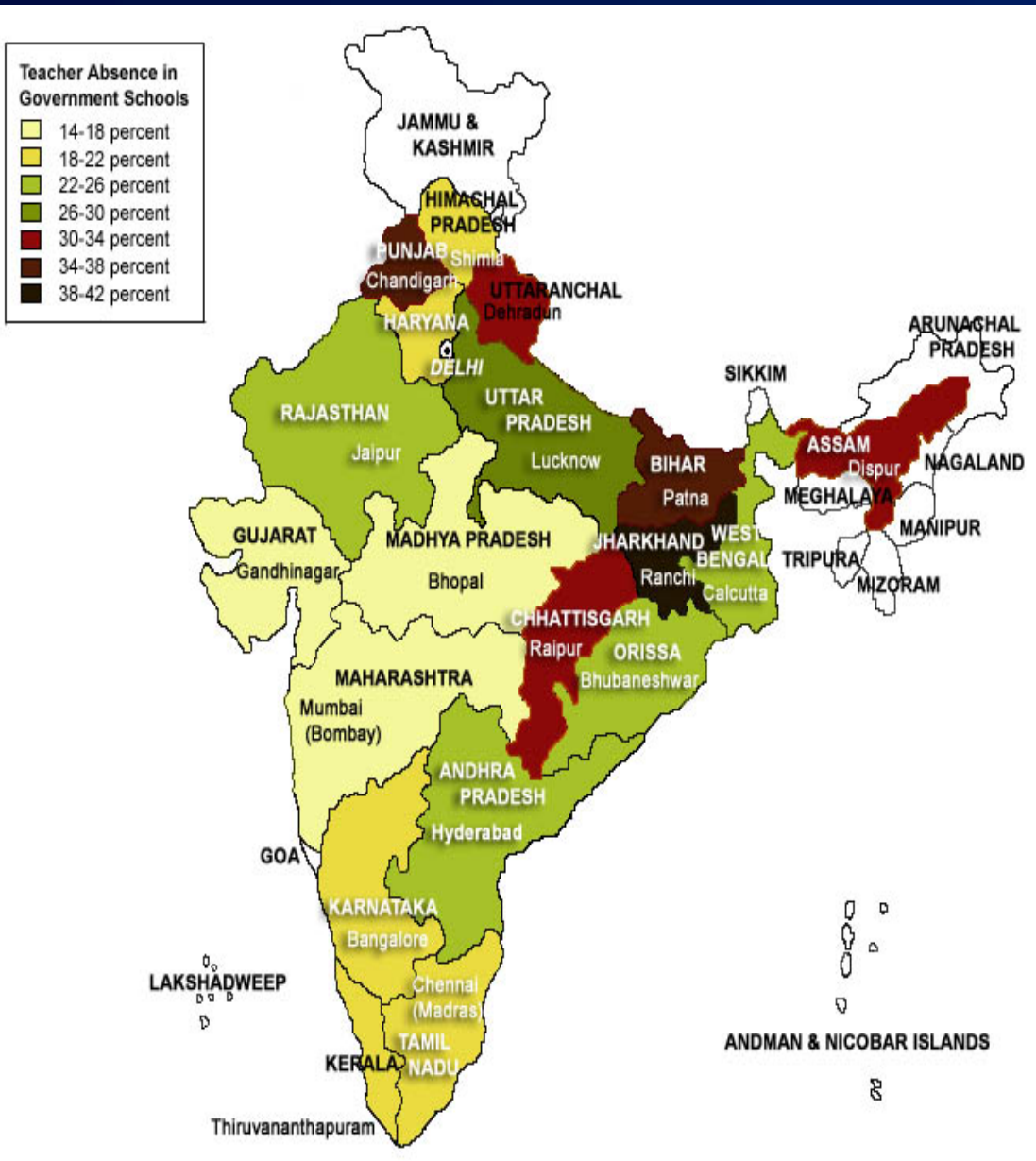
Absence Rates in education and health by country

- Unannounced visits to primary schools and primary health centers in 6 countries

	Absence rates (percent)	
	Primary schools	Primary health centers
Bangladesh	16	35
Ecuador	14	--
India	25	40
Indonesia	19	40
Peru	11	25
Uganda	27	37
Unweighted average	19	35

Source: Chaudhury et al. (2006)

Absence rates in education in India



State	Teacher absence (%)
Maharashtra	14.6
Gujarat	17.0
Madhya Pradesh	17.6
Kerala	21.2
Himachal Pradesh	21.2
Tamil Nadu	21.3
Haryana	21.7
Karnataka	21.7
Orissa	23.4
Rajasthan	23.7
West Bengal	24.7
Andhra Pradesh	25.3
Uttar Pradesh	26.3
Chhatisgarh	30.6
Uttaranchal	32.8
Assam	33.8
Punjab	34.4
Bihar	37.8
Jharkhand	41.9
Delhi	-
All India Weighted	24.8%