

Public Expenditure Tracking Surveys (PETS) - World Bank



Objective and features

1. Objective

To track the flow of public funds and material resources from the central government level, through the administrative hierarchy, and out to frontline service providers. The specific objective will depend on sector and context.

2. Institutional coverage

National and subnational governments, and sectors.

3. Technical coverage

PETS track public expenditure, covering both revenue and expenditure management.

4. Application method

Custodian, any external.

Methodology



5. Methodology

In general, PETS consists of two main survey instruments intended to collect information at different government levels involved in service delivery:

- institutional survey – to track public spending in the system; and
- facility survey.

PETS method refers to randomly selected units through statistical sampling methods. By choosing a flow of resources that can be customized to a sector situation or a specified program, estimates of the extent of leakages can be determined. Multiple questionnaires are prepared to collect data from state level, locality level, and facility level. Each questionnaire applies the same set of core sections around three broad issues:

- identification – to collect basic information about the state, locality, and facility.
- budget preparation process – to understand the decision makers for budget allocations.
- budget execution process – to review the state and locality budget education.

6. Benchmarking system

Narrative evaluation.

7. Linkage to PEFA framework

Direct links to the benchmarking of key PEFA indicators covering PI-1 to PI-26, under budget reliability (Pillar I), transparency of public finance (Pillar II), management of assets and liabilities (Pillar III), policy-based fiscal strategy and budgeting (Pillar IV), predictability and control in budget execution (Pillar V), and accounting and reporting (Pillar VI).

8. Complementarity with PEFA framework

The tool focuses on subnational levels by providing information on effective resource allocation at decentralized level and by assessing the performance of the administrative systems at service delivery unit level.

Development and use



9. Development and coordination

PETS was launched in 1996 by WB to analyze whether public funding was reaching its intended destination and whether it was being used accordingly. Where funds were not reaching their intended destination, PETS were designed to find out where the leakage occurred and for what reasons. In education and other social sectors, PETS were often linked with Quantitative Service Delivery Surveys (QSDS), a non-PFM tool, to explore in more detail how effectively and efficiently public funding was used. For example, QSDS looked at teacher absenteeism in schools as teacher salaries take up a considerable portion of the education budget and absent teachers is seen as a resource leakage. Since PFM systems and the flow of funding differ from one country to another, WB has defined what PETS should comprise, and the tool is to be contextualized and customized for application in a country. Depending on the country context, WB coordinates with various partners/agencies for PETS assessments.

10. Assessment management

Initial assessments were led by WB. Later, demand-side actors were engaged for collecting quantitative and qualitative information and for disseminating PETS findings. To implement the surveys, the WB teams have traditionally worked in cooperation with central ministries - the ministries of finance and sectoral ministries - and CSOs. PETS are carried out in close collaboration with local research institutions in order to obtain reliable data and build capacity in diagnostic survey work. Dissemination typically includes publications and in-country seminars. Custodian quality assurance procedures are followed. Findings are discussed with the governments and are peer reviewed.

11. Uses by the government and members of the PFM community

PETS can be used for analyzing public expenditure management reforms, reforms to improve the efficiency of public expenditure, crosscutting public sector reforms, anti-corruption, and service delivery reforms. PETS can also be used to determine whether public funds and material resources end up where they were supposed to, and if they don't, why are funds diverted.

12. Sequencing with other tools

PETS are usually conducted in parallel with QSDS and Public Expenditure Reviews (AO7). In general, relevant existing PFM assessments such as PERs (AO7), PEFA (AO1), and Reports on the Observance of Standards and Codes (D14) are consulted before undertaking the assessment.

13. PFM capacity building

Recommendations may include PFM capacity-building measures.

14. Tracking of changes and frequency of assessments

The tool is not designed to track performance change over time. There is no defined recommended frequency for successive assessments.

15. Resource requirements

Varies depending on scope, sample size, geography, and labor costs in the country. Costs can vary between US\$75,000 and US\$800,000 per sector. On average, it takes about one year to complete a PETS. Personnel with adequate experience in similar types of surveys and substantial country knowledge is preferable.

Transparency



16. Access to methodology

Methodology and user guidance are not available. Sample PETS questionnaire for education is available.

17. Access to assessment results

Some of the reports are available on the WB website.