

**Strengthening National Comprehensive Agricultural Public Expenditure  
in Sub-Saharan Africa**

**Public Expenditure Tracking Survey**

**Template Terms of Reference**

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## 1. Background

The programme “*Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa*” financed by the Bill and Melinda Gates Foundation and implemented by The World Bank, seeks to improve the impact of scarce public resources spent by Sub-Saharan African governments on agricultural sector development activities, thereby improving the welfare of predominantly poor rural populations. It operates in the context of the Comprehensive Africa Agriculture Development Programme (CAADP) of the African Union’s (AU) New Partnership for Africa’s Development (NEPAD) which encourages governments and development partners (DPs) to target public expenditure on the agriculture sector as the most effective way of stimulating growth in the sector, thereby reducing hunger and poverty.

The overall objective of the programme is, through providing analytical support, to promote the articulation and implementation of strengthened national comprehensive agricultural public expenditure programmes so as to build consensus for increased levels of public expenditure in the sector in Sub-Saharan Africa, and to enhance its efficiency, effectiveness and equity.

The programme is intended to provide evidence-based recommendations that will address, *inter alia*, budgetary planning, budget execution, and accountability in the agriculture sector, the creation of a reliable data base, and more effective intra- and inter-sectoral coordination. It is also aimed at stimulating larger donor resource allocations, and enhanced harmonization and alignment of resources behind national strategies. In the specific context of CAADP, the programme will focus on: the level of expenditure on agriculture, with particular reference to the explicit target by African Heads of State in the Maputo Declaration to allocate 10% of national budgets to the sector; the composition and priorities of expenditure with respect to stated national strategies, evidence of impact, sustainability and absorptive capacity; and, budget planning and implementation so as to strengthen public financial management in general and in particular budget coherence, outputs, outcomes and supporting mechanisms such as procurement and audit.

## Template Terms of Reference

Two different levels of analytical support will be provided through the programme: (a) to conduct a basic agriculture sector public expenditure review (PER) in countries where this work has not already been undertaken recently, and (b) to carry out specialised public expenditure analyses in situations where an agriculture sector PER already exists. The three specialised studies are: the development of a sectoral medium term expenditure framework (MTEF); public expenditure tracking surveys (PETS) (the subject of these terms of reference); and, expenditure component impact evaluation. The existence of an agriculture sector PER is the prerequisite for conducting the other specialised studies. This should provide the essential understanding of the structure of public support for the sector and of the flows of funds that result. The public expenditure tracking survey (PETS) which examines outputs of public programmes, and the expenditure component impact evaluation study which looks at outcomes, are both backward looking exercises designed to inform policy and programme design. They both feed into sector investment programmes as part of the sector MTEF which is forward looking. The output of the analytical support will be country-specific reports that have been prepared jointly by government staff from the Ministries of Agriculture and of Finance together with external technical assistance. The specific outputs of the TA team are listed in section 5 below.

The purpose of preparing template terms of reference (TOR) is to provide a clear framework which defines the scope, methodology and processes that should be adopted when carrying out each country study, whilst allowing flexibility for the task to be tailored to the specific needs, data availability and analytical capacities that exist in each country. The terms of reference serve as a checklist of items that should be covered in each study together with an indication of the level of detail that should be attempted and possible data sources and approach [*shown in parenthesis* in the methodology section below]. The template framework aims to ensure that, as far as possible, data and analyses can be compared across different countries.

The template TORs for developing a PETS in the agriculture sector draw for their methodology upon the “*Practitioners’ Toolkit for Agriculture Public Expenditure Analysis*” (APEA) put together by World Bank and DFID<sup>1</sup>, the Bank’s “*Public Expenditure Management Handbook*”<sup>2</sup> and publications by UNESCO and World Bank<sup>3</sup>.

## 2. Scope

The purpose of this specialised study is to assist selected governments in sub-Saharan Africa (SSA) to assess whether public resources budgeted for key agriculture sector programmes are effectively reaching the intended programmes and beneficiaries through carrying out a survey tracking resources through administrative and procedural steps of budget execution to pinpoint bottlenecks, inefficiencies or deviations from the intended purposes. A widespread problem in SSA is that public funds do not reach frontline service providers and even when they do, they tend to be used inefficiently. The limited information available to clients (especially farmers) about the services that should be delivered undermines accountability on the part of those delivering the services, since clients are not in a good position to demand better services.

A PETS is often used as a diagnostic tool to identify sources of inefficiency or leakage, and as an analytical tool to discover the causes of poor service delivery. It can also be combined with end-user surveys as a form of impact evaluation. In the context of this public expenditure strengthening programme, however, it will be used primarily as a way of examining the effectiveness of expenditures with respect to the outputs of key services in the sector rather than outcomes and impacts. For this reason, it will not include household or farm level data gathering. In particular, the PETS will attempt to:

- Identify cash and In-kind leakages in the delivery system
- Estimate the share of total resources reaching each administrative level
- Assess the effectiveness of targeting expenditures and services
- Record the facilities available at each level
- Assess staff quality and the extent of absenteeism and “ghost” workers
- Review governance of the system and accountability
- Address specific issues such as equity, transparency, adequacy, timeliness and regional disparities in service delivery

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<sup>1</sup> “*Practitioners’ Toolkit for Agriculture Public Expenditure Analysis*”, World Bank and DFID (draft)

<sup>2</sup> “*Public Expenditure Management Handbook*”, World Bank, 1998

<sup>3</sup> “*Public Expenditure Tracking Surveys in Education*”, by Ritva Reinikka and Nathanael Smith, International Institute for Educational Planning, UNESCO, 2004; “*PETS-QSDS in Sub-Saharan Africa: A Stocktaking Study*”, by Gauthier, World Bank, September 2006

## Survey Focus

In order to be manageable and to yield actionable conclusions, a PETS should be focused on a specific area of public expenditure. Within the agriculture sector, this could include specific aspects of service delivery (for example, extension services, animal health, artificial insemination, or dissemination of research technology), or major sector expenditures (for example, fertilizer support, grain reserves) which is considered critical but for which there are concerns about inefficiencies in resource use. Areas of service delivery that need closer scrutiny of the sort that a PETS could provide would normally be identified during a sector PER or other study.

## Country Selection

In order to make a significant contribution to the effectiveness of public expenditure, a PETS should be carried out in countries which meet the following criteria:

- Have a sufficiently sound level of public expenditure management (PEM) to ensure that funds can be tracked and possible misallocations and misappropriations of budget can be identified
- Have recently completed an agriculture sector PER (possibly the Basic Ag PER which forms part of this overall programme), so that there is a clear understanding of the flow of funds within the sector institutions and between different administrative levels (flows to decentralised units)
- Concerns have been expressed regarding the delivery of services or the effectiveness of substantial expenditure items
- The government concerned has expressed a willingness to explore the sources of ineffectiveness of delivery

## Institutional Scope

Any of the line ministries or related agencies can be selected as the partner for a PETS. The choice of specific area of public expenditure on which to focus would determine the responsible institution.

## Implementation

The exercise is intended to provide evidence-based insights into service delivery problems to high level policy and decision makers. Close collaboration with the sector line ministry or agency concerned would be crucial throughout the exercise. However, care should be taken to avoid undue influence on the part of those engaged in delivering the service under scrutiny on the way the survey is undertaken. For this reason, a steering group (SG) would provide oversight of the exercise and access to high level decision-makers. The timing and length of the survey would depend upon its focus and the extent to which it has important seasonal characteristics that would need to be captured. As explained below, the duration of the study will depend upon the complexity of the task. As a minimum, it is likely that a period of five months would be required to complete a comparatively simple evaluation. For more complex situations, nine months or longer might be needed.

The programme will be carried out by a TA team comprising one international expert with methodological expertise in PETS, knowledge of the agriculture sector and cross-country experience, and one national expert, working closely with government counterparts. The national expert will bring country and sector knowledge as well as analytical skills and will share responsibility with the international expert for survey

design, data gathering, analysis and report writing. The specific outputs of the TA team are listed in section 6 below.

## Donor Working Group

The active engagement of the DWG in the identification of the focus area for the survey, its design and ultimately the discussion of results is important for several reasons:

- To launch discussion with government on possible priority areas for a PETS
- To ensure that DPs have the opportunity to express their concerns over certain service delivery issues
- In cases where the DWG is strongly committed to a PETS which is likely to be “complex” in nature, to facilitate accessing supplementary financing of the task from DWG members
- To ensure that once the survey is completed, the DPs are able to endorse the results and facilitate the dialogue with government on recommended remedial actions

## 3. Methodology

The scale and complexity of the PETS that will be undertaken is likely to vary greatly from country to country. This will reflect the intrinsic complexity of the service or expenditure programme selected as a focus as well as the extent to which existing data are considered to be adequate and reliable. These factors, *inter alia*, will determine the scale of data gathering required, the length of time that will be needed for the survey and, of course, the cost of the exercise. For this reason it is difficult to propose a standard methodology. The table below summarises the likely characteristics of a comparatively “simple” PETS with those of a more “complex” survey.

	Simple Survey	Complex Survey
<b>Survey focus</b>	<ul style="list-style-type: none"> <li>• Small country</li> <li>• Comparatively new service or programme</li> <li>• Largely undifferentiated population with respect to topic</li> <li>• Centrally managed</li> </ul>	<ul style="list-style-type: none"> <li>• Large country</li> <li>• Large-scale, long-term service</li> <li>• Need for careful stratification of sample</li> <li>• Many administrative layers</li> <li>• Decentralised responsibilities</li> </ul>
<b>Data availability</b>	<ul style="list-style-type: none"> <li>• Good M&amp;E system in place</li> <li>• Baseline undertaken</li> <li>• Target and non-target population data available</li> </ul>	<ul style="list-style-type: none"> <li>• Poor or non-existent M&amp;E system</li> <li>• No baseline data available</li> <li>• Data do not address survey issues</li> </ul>
<b>Data gathering</b>	<ul style="list-style-type: none"> <li>• TA team</li> <li>• Small counterpart team</li> </ul>	<ul style="list-style-type: none"> <li>• TA team</li> <li>• Counterparts</li> <li>• Interviewers/enumerators</li> </ul>
<b>Additional costs</b>	<ul style="list-style-type: none"> <li>• Small – can be accommodated within existing budget</li> </ul>	<ul style="list-style-type: none"> <li>• Substantial costs for hiring and mobilising interviewers and enumerators</li> </ul>

A public expenditure tracking survey is intended to track, locate and quantify the flow of public resources across different administrative levels. The resources tracked include human, financial and in-kind resources. Based on extensive experience in the education and health sectors, there are four clear steps that should be taken when setting-up a PETS:

1. Preparation for the survey
2. Sampling and questionnaire design
3. Implementation
4. Data analysis, reporting and dissemination

## 1. Preparatory Stage

The preparations for the PETS require the most careful attention and time. The elements and sequence of events when preparing for a PETS include:

**Identifying focus area:** The first step in conducting a PETS is to agree with government on the area of service delivery or expenditure upon which to focus. This should be informed by some form of quick field identification of issues as well as evaluation reports by donors or other studies. Broad agreement on the focus area should have been reached prior to the engagement of the TA team since the sub-sector selected might well demand specific expertise. At this stage it is crucial to secure full buy-in by government and the DWG.

**Understanding the focus area setting:** Building upon a recent agriculture sector PER, the structure of resource flows in the system, the rules that are applied to the flows, and forms of accountability should be defined. Also understanding how the different institutions that are involved in delivering the service concerned, including government, NGOs and private concerns, operate. This would include the roles and responsibilities of different administrative units and levels, the allocation rules used, the nature of information flows including accounting, reporting and monitoring procedures. It is important to understand both financial and in-kind resource flows. The role played by donors and NGOs must also be understood both in terms of identifying the points in the service delivery “chain” at which they operate and also the way in which financial and in-kind resources which they provide are made available.

**Assessing data availability and collection capacity:** An assessment of the availability of data and the local capacity to conduct a survey must be made so as to decide on the most appropriate type, scale and scope of the survey. Data availability is often a problem since records may be kept badly, incomplete, unreliable or just hard to understand. It is important that, as far as possible, the scope of the survey be limited to areas where more reliable data are available and additional data gathering be kept as small as is compatible with achieving credible results.

## 2. Sampling and Questionnaire Design

Both quantitative and qualitative data can be collected. Although desirable, it is unlikely that the survey instruments employed can be standardised across countries in view of the likely diversity in focus topics and the different capacities to support the exercise at country level.

**Sampling:** A PETS is carried out on the basis of a sample survey and it is important to draw the sampling frame carefully so that the survey results are credible from a statistical point of view. A stratified random sample is most likely to work best, and the sample within each stratum being not too small so that results can be truly representative. The sample should be designed on the basis of local knowledge of the typical

variability that exists (for example, well served areas, badly served areas and average areas) as well as factors such as remoteness, rich and poor areas, and so on. Within each stratum, an element of purposive sampling could be applied if there are target groups of particular interest. The sample should also take account of the need to allow cross-validation of results. The effectiveness of drawing a random sample will depend upon the existence of clear data on service delivery points and lists of service facilities.

**Prepare draft questionnaire:** Once the area of focus is agreed, one or more hypotheses should be formulated as the basis for preparing a draft questionnaire for use in the field. The questionnaire should be kept as simple as possible and should be tailored to the different administrative levels involved and the target interviewees including frontline service provider staff (government staff or staff of NGOs or other agencies), local government staff (including civil servants and politicians), and central government staff, especially with respect to financial flows. The main levels to cover are:

- **Central government:** collection of information about the roles of the different ministries, administrative units and frontline service providers; data at this level are important as a way of measuring resource flows officially allocated to different decentralised levels
- **Service provider:** collection of information which will allow an assessment to be made of access to facilities, affordability, quality, and accountability including the facilities provided (level, ownership, catchment area); financing (user charges, expenditures, financial and in-kind support received); inputs (staff, materials, consumables, infrastructure); outputs (utilisation of facilities, number of clients served); institutional and organisational issues (supervision, reporting, performance assessment, audit, incentives, client participation)
- **Regional (provincial) administration:** data on the allocation and execution of budgets; distribution and management of inputs; human resources; infrastructure and equipment; monitoring and governance; service outputs
- **District (lower level) administration:** data on the allocation and execution of budgets; infrastructure; training of staff; support and supervision; sources of financing
- **Staff:** data on status and training; incentives including salaries, allowances, supervision, performance assessment, performance-based promotion, sanctions or rewards; perception of work environment

### 3. Implementation

**Identify enumerators/interviewers:** For a “simple” PETS it is likely that most of the survey can be conducted by the TA team and a small team of counterparts. For more “complex” PETS which require the recruitment of dedicated interviewers or enumerators, the actual survey must be conducted by an institution that is not directly involved in the delivery of the service concerned, for example, a national statistics office. Suitably qualified enumerators or interviewers must be recruited and trained in the use of the questionnaire. This will be most quickly accomplished if interviewers who already have basic training are employed.

**Field testing:** The draft questionnaire will need to be field tested on a pilot scale with the trained interviewers. This will allow adjustments and refinements to be made before launching the survey.

**Data collection:** The survey implementation will be launched once the questionnaire has been finalised and sample frame agreed. During data collection it is important that there is adequate monitoring and

supervision of the task. Spot checks should be conducted to capture any problems that occur during enumeration and completed questionnaires should be checked for consistency. When necessary, return visits to specific enumeration sites or targets might be undertaken.

**Data entry and cleaning:** Those carrying out data entry should receive training in the task. If a known and trusted locally-used system is not available, the Census and Survey Processing System (CSPro)<sup>4</sup> from the US Census Bureau is available as a free download. Basic “cleaning” of data of the data is important to control for data entry errors.

#### 4. Data Analysis, Reporting and Dissemination

**Data analysis:** The process of data analysis should be carried out by the TA team in close collaboration with staff from the institution engaged in conducting the survey. An important element in the analysis will be a graphical representation of resource flows in the system under examination.

**Reporting:** The first report to be produced would normally be a summary of the data analysis which contains the diagnostic aspects of the survey. This summary report should be discussed with the line sector ministry or agency concerned before producing a full report. This will normally include the full analysis of the data together with conclusions on the causes for poor service delivery as well as weaknesses in the system with respect to governance, and differences in delivery in different locations or to different clients.

**Dissemination:** The greatest challenge is to be able to translate the results of the survey into policy reforms and institutional changes. The dissemination of the PETS report would have to be agreed with the ministry or agency concerned. In order to serve the dual purpose of informing policy and building confidence on the part of donors, the report should be distributed to senior government officials, politicians and the DPs. The results of the survey should also be discussed at a workshop for all the key stakeholders.

#### Recommendations

In addition to the conclusions and recommendations emerging from the analysis of the survey data and included in the report of the PETS, the TA team should also make recommendations that might go beyond the scope of the PETS itself including:

- Whether specific norms for the delivery of a service should be set, and what they might be
- The extent to which budget reallocations should be made that would enhance effectiveness or “value for money”
- The need for improved accounting systems to enhance transparency in budget allocations and accountability
- The need to build capacity at different levels in order to enhance service delivery or operations
- Introduction of incentives to make the delivery system more client-driven at all levels

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<sup>4</sup> Version 4.0 free download, only in English at: <http://www.census.gov/ipc/www/cspro>



## 4. Sources of data and Information

A PETS is primarily concerned with generating new data in the agriculture sector. However, the key to a successful and useful PETS is to start with a sound understanding of the sector, public expenditures and areas of service delivery. The main sources will be:

### Official sources:

- Published reports on budget outturn
- Published agriculture sector strategy and investment plan
- Electronic data from MoA and MoF
- Published reports and statistics from MoA and associated agencies such as the Ministry of Trade and/or Commerce

### Studies and “Grey” sources:

- Donor reports on programme implementation
- Sub-sector project appraisal documents for more detailed information on focus areas and expenditures
- Special surveys or evaluation reports
- CAADP Country Roundtable reports
- Sector project evaluations (ICRs) or mid-term reviews

### Sources for reviewing sector outputs and outcomes:

- MoA studies and reports
- Project appraisal documents, mid-term reviews, ICRs
- Focus group discussions with project managers and teams
- Donor evaluation reports
- Beneficiary impact assessments

## 5. Process

A fully participatory approach is to be adopted for the task. The most important first step in starting the exercise is to establish a good working partnership with the key stakeholders: MoA, MoF, the donor working group (DWG) for agriculture, CAADP Focal Point, parliamentarians, representatives of the private sector, and CSOs. In the case of MoA and MoF, technical level counterparts must be assigned to work with the technical assistance team (international and national) on the task on an intermittent basis for a period of at least five months.

The study process will comprise three phases, each of which will require the active engagement of the TA team:

## 1. Preparatory Phase

**Stakeholder briefing:** All key stakeholders<sup>5</sup> must be briefed on the purpose and proposed outputs of the exercise and agree on the main milestones and the timeline. Agreement should also be reached upon the focus area for the survey.

**Inception workshop:** A formal workshop for all key stakeholders should be scheduled within two weeks of the commencement of the study to present and discuss an Inception Report that includes:

- The revised terms of reference for the study
- Proposed area of focus for the survey
- Queries and outstanding issues with respect to the survey
- Agreed milestones and timeline for implementation
- Designation of counterpart staff
- Identification of collaborating institution to undertake the data collection

The workshop should solicit the support of government officials in facilitating access to data (including the agriculture sector PER) and reports on service delivery, and from DPs (through the DWG) on programme evaluations that have been conducted.

**Setting up steering group:** A steering group (SG) should be set up to oversee the survey. It should comprise sector specialists in agriculture, staff responsible for the sector within the MoF, representatives of CSOs and the private sector and a representative from the DWG. The SG would:

- Review the Inception Report
- Review the sampling frame and draft questionnaire
- Review the summary diagnostic report
- Review the analytical report
- Facilitate dialogue with senior levels of government on the conclusions and recommendations of the survey

## 2. Implementation Phase

**Survey implementation:** Including the design of the sampling frame and questionnaire, field testing and actual implementation of the survey.

**Technical workshop:** A technical workshop would be held after approximately two months to report on progress with the survey. This would:

- Present a progress report on all the logistic and technical arrangements for the survey
- Present the findings of the pilot survey and the final questionnaire
- Report on progress with the full survey implementation

**Data analysis:** Data entry and analysis would commence as soon as the first survey data are produced.

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<sup>5</sup> The CAADP Country Roundtable consultative process provides a possible scope for relevant stakeholder consultations.

### 3. Reporting Phase

**Preparation of draft diagnostic report:** The initial summary diagnostic report would be prepared as soon as data analysis is completed.

**Draft summary diagnostic report workshop:** A formal workshop should be scheduled after four months to discuss the key conclusions and recommendations of the survey presented in a summary diagnostic report. The TA team would be primarily responsible for the presentation of the summary report.

**Full analytical report:** The final analytical report would be prepared reflecting the discussions at the draft report workshop and comments from government and the DWG.

## 6. TA Team Outputs, Reports and Database

### TA Team Outputs

The TA team, in close collaboration with counterparts from MoA and MoF, will be responsible for the following tasks:

- Designing the survey and make preparations for the survey
- Monitoring and supervision of data collection
- Carrying out data analysis
- Preparing a summary diagnostic report
- Preparing a full analytical report
- Designing and managing the inception, technical and draft report workshops
- Liaising with the DWG
- Identifying capacity building needs
- Formulating recommendations for enhancing service delivery and the effectiveness of targeted expenditures
- Ensuring that all data utilised during the evaluation is assembled in a form that can be put online

In addition, the TA team would play an active part in refining, through discussions with government and DWG, the focus area for the survey.

### Reports

Following consultation with all the main stakeholders, the TA team will prepare the following reports:

- **Inception report:** within two weeks, which presents the revised terms of reference for the study, raises issues and defines the focus area of the survey
- **Summary diagnostic report:** upon completion of the initial data analysis, which presents the main results of the survey
- **Full analytical report:** within one month of the completion of the initial analysis, which includes all data analysis and identifies strengths, weaknesses, causes and effects in public expenditures in the selected focus area

- **Final report:** within five months, incorporating the TA team's broad recommendations on the specific focus area service or expenditure

## Database

During the assignment, the TA team in collaboration with MoA and MoF will establish a database including background documents and sources, evaluation methodology, data sampling frame and questionnaires, survey data, analytical working papers and analyses that can be put online. This database will be used for capacity building purposes as part of a joint learning activity under the overall public expenditure programme.

## 7. Timeline

The overall timeline for conducting a PETS in the agriculture sector is five months (see Fig. 1). In terms of the timeline chart, additional time is most likely to be required for Phase 2, reflecting the scale of data gathering required.

## 8. Resources

The programme will finance a consultant technical assistance (TA) team comprising one senior international expert with methodological expertise in PETS, knowledge of the agriculture sector and cross-country experience, plus one national expert. Both experts will devote 10 weeks of work to the exercise within the overall time frame of five months. The international expert will make three visits to the country, corresponding to the three phases of implementation. The international expert will be consulted in the selection of the national expert.

The Ministry of Agriculture or other concerned sector agency will be requested to provide at least one full-time counterpart or team equivalent for each consultant. Think tanks, universities and other local contributors to the exercise will not be remunerated.

In the case of more "complex" situations where substantial supplementary data gathering must be undertaken, the costs of recruiting and mobilising interviewers and enumerators will need to be financed outside the programme's budget, possibly through the DWG.

## Annexe - Timeframe

**Fig 1: PETS Template Terms of Reference**  
**Indicative Implementation Timeline**

