### Tool Name: Public Expenditure Tracking Survey (PETS)

<table>
<thead>
<tr>
<th>What is it?</th>
<th>A technique to survey service-providers to assess the efficiency of public spending and the quality and quantity of services.</th>
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<td>What can it be used for?</td>
<td>PETS can be used for the analysis of public expenditure management reforms, reforms to improve the efficiency of public expenditure, cross-cutting public sector reforms, anti-corruption, and service delivery reforms.</td>
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<td>What does it tell you?</td>
<td>A PETS tracks the flow of resources through the various layers of government bureaucracy, down to the service facilities in order to determine how much of the originally allocated resources reach each level, and how long they take to get there. It can help identify the location and extent of impediments to resource flows (financial, staff, equipment). It can therefore evaluates the mechanisms and incentives responsible for public expenditure leakages, capture and deployment impediments. A PETS focuses on service provider behavior, incentives, and relationship between providers, policy-makers and users.</td>
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**Complementary tools:**
- A PETS can be cross-validated by a Quantitative Service Delivery Survey (QSDS) which assesses the efficiency of public spending at the level of service provider.
- A PETS analysis can be linked upstream to public administration surveys, and downstream to household surveys.
- Linking a PETS with household surveys would allow to include the demand for services or outcomes.
- Benefit incidence analysis can be enhanced by using filter coefficients obtained from PETS/QSDS to deflate cost per user to take into account leakage or capture of funds.
- Institutional and stakeholder analysis can help define the parameters of PETS surveys.
- Citizen Report Cards can serve as a monitoring tool to verify the perceived effectiveness of public services for stakeholders.

**Key Elements:**
A PETS is typically implemented with the following steps: (1) Consultations with key stakeholders, including government agencies, donors and civil society organizations are carried out to: define the objectives of the survey, identify the key issues, determine the structure of resource flows and the institutional setup, review data availability, outline hypotheses and chose the appropriate survey tool. (2) Survey instruments are then constructed and implemented. The PETS deals with the fact that agents may have strong incentives to misreport data by using a multi-angular data collection strategy and carefully considering which sources and respondents have incentives to misreport, and identifying sources that are the least contaminated by these incentives.

**Requirements**
- **Data/information:** In addition to the PETS itself, uses public accounts sample data, preferably panel data, on government spending and information on outputs of service providers at ministerial, regional, local and service provider levels. Field testing of the survey is key to ensuring high quality results.
- **Time:** Consultations, design, and pre-testing take several months. The survey itself takes 1-2 months, depending on sample size and data accessibility.
- **Skills:** Some prior experience of micro survey work and STATA required, and a detailed knowledge of the relevant institutional context. Microeconomics of provider behavior (incentives and organization theory).
- **Supporting software:** STATA
- **Financial cost:** US$60-100,000 plus design

**Limitations:** Results suffer from data limitations, i.e. where service provision is not well recorded, or is in-kind. Respondents may have incentives to misreport information.

**References and applications:**
- For an overview, see Dehn, Reinikka and Svensson (2003), Chapter 9 of the Toolkit for Evaluating the Poverty and Distributional Impact of Economic Policies.
- Reinikka and Svensson (2002a) for an overview of the approach.
- Das et al. (2002) on Zambia.
- World Bank (2001b) on Honduras.