**BCOP Working Group on Budget Literacy and Transparency**

**Tools for assessing Budget Transparency and Discussions on Future Work in Participatory Budgeting Practices**

**June 23,10.00-12.30**

**Moscow, Russia**

**Background and Context**

**This workshop is a part of the Working Group on Budget Literacy and Transparency, established by PEMPAL[[1]](#footnote-1)** Budget Community of Practice (BCOP) under its Action Plan for FY15. The Working Group is led by the Ministry of Finance of the Russian Federation. Its activities are supported by the World Bank resource team. The objective of the Working Group is to learn from international experience on approaches to raise budget literacy among citizens and to enhance budget openness and accessibility.[[2]](#footnote-2)

**The key objective of the workshop is for OECD to provide an overview of its new toolkit on budget transparency.** A review of preliminary results from the International Budget Partnership on availability of budget documentation will also be provided and a roundtable held to identify expectations and desired results from member countries on the new knowledge product on participatory budgeting practices.

**The OECD has designed a Toolkit on Budget Transparency that can be used by countries to provide a self-assessment to determine performance in fiscal and budget transparency.** The Toolkit was developed with the participation and collaboration of the broader global community of budget and fiscal transparency institutions – in particular the International Monetary Fund (IMF), the World Bank Group, the International Budget Partnership (IBP), the International Federation of Accountants (IFAC), and the Public Expenditure and Financial Accountability (PEFA) Program – all of which form part of the Global Initiative of Fiscal Transparency (GIFT) Network. According to the OECD, the Toolkit does not aim to repeat or replace any of the materials that are already available from these bodies: it simply aims to serve as a guide or signpost to these materials, while also reinforcing some key practical messages about budget and fiscal transparency.[[3]](#footnote-3)

**Discussions will also be held by the Working Group on participatory practices in the budget process (or ‘public participation’ as referred to by IBP),** given the Working Group has identified this topic as a priority after it recently finished working on identifying and addressing challenges in developing and distributing Citizens’ Budgets.[[4]](#footnote-4) Roundtable discussions will focusonmember country expectations and desired results of such work to provide input to the proposed new knowledge product that will be initiated shortly after. Internationally, countries performed poorly in regards to ‘public participation’ ratings in the 2015 Open Budget Survey.Findings of the Open Budget Survey in 2012 and 2015 demonstrated that in many cases the governments do not provide their citizens and civil society organizations with sufficient opportunities to participate in budget processes. However, there has been significant improvements in this area, notably Kyrgyz Republic who scored highest in the PEMPAL region with 52/100 followed by Georgia (46), and Romania (42) which is considerably above the international average of 25/100.[[5]](#footnote-5) The International Budget Partnership also recently advised of significant changes in the survey instrument for ‘public participation’ for the 2017 Open Budget Survey (currently being conducted), thus historical comparisons between earlier 2012 and 2015 results will not be possible (noting this does not impact on Open Budget Index results, which will still be comparable over time, given questions related to the OBI are from different, separate sections of the Open Budget Survey).

**The Lead of the Working Group, Anna Belenchuk, and the resource team held preliminary discussions with GIFT and IBP during the recent Bishkek plenary meeting on how they can help BCOP in its proposed work on participatory budgeting.** IBP advised they could provide the Working Group with good country examples from the results of the recent Open Budget Survey currently underway. IBP also offered to outline the specific questions related to ‘public participation’ in the survey, so countries know what is considered good practice globally. GIFT advised it could identify countries that have used Citizens’ Budgets to begin consulting citizens as an instrument of dialogue and engagement, given many PEMPAL countries are also at this early stage of reform. GIFT can also share good country examples of fiscal transparency portals that have been used to consult and gain input from citizens.

**GIFT and IBP advised that such reforms are going to take time, because ‘public participation’ needs longer to be built and to become sustainable** (compared with the publication of budget documents). Specifically, strengthening public participation requires working on two levels: government; and civil society/the public. While it is important for the government to introduce mechanisms for the public to participate, it is also important to work on the “demand” side especially in those countries, where it looks like civil society is not as vibrant as in others (such as Brazil, which has a strong civil society sector for example). The two streams of working may be feeding into each other: i.e. the government can provide mechanisms to encourage people to get interested so they participate more; but as people become interested in the topic, they start demanding more opportunities to participate so more mechanisms are created and used. Thus, it is important to keep in mind that it may take longer than expected to make sure that those mechanisms are fully functioning and useful. In this respect, IBP advised it would be useful to connect this new stream of work with that which has just been completed on Citizens’ Budget, so that they are used, and citizens are consulted on what it is that they would like to see in Citizens’ Budgets and more generally how they would like to engage in the budget process.

**The knowledge product could provide a review of participatory budgeting practices globally including any available research and country case studies.** Ms Belenchuk has indicated that an understanding needs to be gained on what is done internationally and from this, the Working Group can develop feasible options for reforms in PEMPAL member countries. The ten biggest advantages to applying participatory budgeting practices should form part of the product, to provide evidence of the benefits of such reforms. GIFT suggested that an outline of the knowledge product be developed first, including resources that will be reviewed, so it can provide references for the latest ongoing research and results to ensure no duplication.

**Participants**

**Fourteen member countries of the working group will be invited to the workshop**: Albania, Armenia, Belarus, Bosnia and Herzegovina, Croatia, Kazakhstan, Kyrgyz Republic, Moldova Romania Russia, Tajikistan, Turkey, Ukraine, and Uzbekistan. The core World Bank Team supporting the workshop includes: Maya Gusarova and Deanna Aubrey.

**AGENDA**

Moderator: Anna Belenchuk

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| 10.00-10.15 | ***Welcoming of the participants***Elena Nikulina, PEMPAL Team Leader, Senior Public Sector Specialist, World Bank ***Introduction of the agenda***Deanna Aubrey, Public Finance Management Consultant, PEMPAL Strategic Advisor/member of BCOP Resource Team, World Bank***Participants introductions*** |
| 10.15-10.30 | ***Update on Progress: Review of Preliminary Results from the 2017 Open Budget Survey; and update on progress of Citizens’ Budgets Knowledge Product:*** Anna Belenchuk, Chair of BCOP, and Lead of Working Group, Ministry of Finance of Russian Federation (15 minutes) |
| 10.30 – 11:30 | **OECD Toolkit on Budget Transparency: Ronnie Downes,** Deputy Head, Budgeting and Public Expenditures Division, Public Governance & Territorial Development Directorate, OECD (30 minutes) ***Questions and Answers*** (30 minutes) |
| 11:30-12:30 | ***Roundtable Discussions***: ***Expectations and Desired Results for Knowledge Product on Participatory Budgeting***: Each member country will be expected to provide their input on what they would like to be addressed in the knowledge product, and what input they are able to provide. Moderators: Maya Gusarova, Lead Coordinator of BCOP Resource Team, Public Sector Specialist, World Bank and Anna Belenchuk |
| 12.30-14.00 | Lunch |

Background documents to be circulated:

* *OECD Budget Transparency Toolkit*: Practical steps for supporting openness, integrity and accountability in Public Financial Management, developed by the OECD with the participation of the Global Initiative for Fiscal Transparency (GIFT) Network
* *BCOP Citizens’ Budgets Knowledge Product* (Draft final which incorporates comments from external consultation)
1. Public Expenditure Management Peer Assisted Learning network established 2006 by the World Bank and other donors. Currently has 21 countries participating with members from budget areas of Ministries of Finance. Supported by World Bank, Ministry of Finance of Russian Federation, and SECO. See [www.pempal.org](http://www.pempal.org) for more information. [↑](#footnote-ref-1)
2. Source: Budget Literacy Work Group Concept Note <http://www.pempal.org/event/eventitem/read/140/389> [↑](#footnote-ref-2)
3. Source: OECD Budget Transparency Toolkit, 2017, Foreword [↑](#footnote-ref-3)
4. For a copy of the knowledge product developed by the WG on breaking challenges in developing Citizens’ Budgets refer to a copy under ‘Background Materials’ at <https://www.pempal.org/events/bcop-plenary-meeting> [↑](#footnote-ref-4)
5. Annex D: Open Budget Survey 2015: Transparency, Public Participation and the Strength of Oversight Institutions. OBI 2015 results available in English and Russian at <http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/full-report/> [↑](#footnote-ref-5)