

**BCOP Budget Literacy and Transparency Working Group (BLTWG)**

**Videoconference meeting, May 22, 2019**

**Event Report**

The following summary provides a record of key discussions and decisions made by the Budget and Literacy Working Group (BLTWG) in its videoconference meeting held on May 22, 2019. The meeting was held to continue and deepen the discussion about public participation in budgeting at the national government level held during the BCOP’s plenary session in March 2019. Specific objectives were to:

1. decide on the content and process of completion of the knowledge product on public participation in budget process at the national level,
2. discuss how to formulate the lessons learned and practical use of them within the BLTWG related to public participation in budget process at the national level, and
3. identify objectives of the next BLTWG knowledge product devoted to public participation in budgeting.

Fifteen participants from eight BLTWG member countries (Russia, Ukraine, Belarus, Croatia, Kazakhstan, Bosnia and Herzegovina, Moldova, and Republic of North Macedonia) participated in this meeting.

Ms. Anna Belenchuk from the Ministry of Finance of the Russian Federation held a presentation on *Mainstreaming Public Participation in Fiscal Policy and Budget Processes: Developing BCOP Knowledge Products for PEMPAL Countries* after which participating BLTWG members provided feedback. Ms. Belenchuk explained that the topic of public participation at national level has been discussed by the BLTWG for around years, including at the 2018 and 2019 plenary meetings and at the learning event in Portugal.

Summary of the work of the BLTWG on public participation subtopic is next outlined for reference. The work started with a background paper developed with the assistance of previous PEMPAL Strategy Advisor and BCOP Resource Team member Ms. Deanna Aubrey. This paper was developed in August 2017 and it focused on public participation in fiscal policy and budget processes at the national government level, given the working group members are from central government Ministries of Finance (MoFs). The document (which is available among Background Materials at <https://www.pempal.org/events/bcop-plenary-meeting-improving-effectiveness-and-accountability-public-expenditures-and>) presented research on the international framework and assessment mechanisms in public participation**,** including international good practices, trends and available researches..Advices from international stakeholders such as the International Budget Partnership (IBP), GIFT, World Bank, the International Monetary Fund (IMF), OECD, the Public Expenditure and Financial Accountability (PEFA) Secretariat, and the Institute of Public Finance in Croatia (IPF), were reviewed with source references and links provided where advice relevant to public participation practices were found. Next, a template was developed, based on which the data was collected from six BLTWG country members (Belarus, Croatia, Kyrgyz R., Russian Federation, Serbia, and Uzbekistan) on both supply and demand side of the public participation process at the national level. On supply side, collected data covered legislative and policy/procedural framework, mechanisms used in different budget stages, types of information shared with the public prior to consultations, the process of collecting that information, and ways of responding to the public. On demand side, collected data covered types of participants, specific information on CSOs that are using budget information, training of CSOs and media, and budget literacy initiatives. Since Ms. Aubrey left PEMPAL in meantime, analysis of the collected data was facilitated by Harika Masud from the World Bank and was presented (detailed presentation is available among Background Materials at <https://www.pempal.org/events/bcop-plenary-meeting-improving-effectiveness-and-accountability-public-expenditures-and>)) at the BCOP plenary meeting in Vienna in Spring 2018.

BLTWG held three events in current fiscal year (FY19), all partially relevant to the topic of public participation at national level. This included a participation of a small delegation of the BLTWG at the 2018 Moscow Financial Forum in September 2018, including the international conference on *Citizens’ Participation as a Development Resource: Russian and International Experience with Participatory Budgeting* and a separate conference on public participation organized by the World Bank Local Initiatives Support (LISP) Project team in Russia. In addition to public participation initiatives at regional and local level, mechanisms used at the national level were also reviewed and discussed. Next, in October 2018, BLTWG held an event co-designed and co-organized with the Global Initiative for Fiscal Transparency (GIFT) in Cascais, Portugal. Part of the agenda was devoted to examining the Portuguese government experience in enhancing public participation at the national level. Finally, public participation was also examined in the part of the agenda of the BCOP 2019 plenary meeting in March 2019 in Tashkent. One of the presentations was delivered by GIFT on detailed examples and lessons from recent good practices of public engagement at the national level.

Ms. Belenchuk explained that the work on expanding the knowledge product to add the data collected from six PEMPAL countries has not been conducted yet, as Ms. Masud has not been available to work with the BLTWG since the Vienna meeting in Spring 2018. Having all this mind, Ms. Belenchuk proposed that the work now continues to update, expand, and finalize the overall knowledge product on public participation at the national level to: i) integrate previously collected PEMPAL countries’ experience from Spring 2018 with the analysis from the background paper prepared in August 2017 and to also add updated information on PEMPAL countries’ experiences; ii) to integrate the knowledge and experience on best international practices, including the information learned during the events in Portugal and Tashkent, and iii) to supplement countries’ examples with the recent information from the International Budget Partnership’s Public Participation Index database. Given the large scope of this work, Ms. Belenchuk proposed engaging a consultant to assist BLTWG with this work.

Next, Ms. Belenchuk gave summary overview of the main parts of GIFT’s presentation on *Public Participation in Fiscal Policy at the National Level: Selected Country Examples* delivered in BCOP plenary meeting in Tashkent 2019, focusing her feedback on the most applicable to PEMPAL countries parts. This included discussion on reasons for engaging with the public at the national level, different fiscal policy engagement mechanisms in different stages in budget cycle; specific mechanisms from the New Zealand; experience of South Africa and Canada in the pre-budget consultation stage; experience of South Africa on engaging CSO, and the main tools MoFs can use for direct public engagement. In particular, Ms. Belenchuk proposed that within the knowledge product, New Zealand and South Africa should be included as the examples of broadest use of mechanisms at the national level globally. She also proposed specific issues which could be more elaborated in the knowledge product, including: mechanisms for issues that are not directly connected only to annual budget process (macro-fiscal, tax, investment areas); ways to encourage culture of including and sharing experiences of different departments within the Ministry of Finance; and managing privacy and conflict of interest issues. In addition, she also proposed to elaborate on examples on use of social media and other ICT tools (including experiences shared in the May 2018 GIFT’s workshop on Digital Tools, IT, and Citizen Engagement); specific ways to encourage the engagement of the general public; programs used to include sector experts and CSOs to encourage their direct public engagements; ways to increase the quality of inputs and feedback loop within public consultations held in the budget adoption process; measuring citizens’ satisfaction and engagement within the key performance indicators used for performance-oriented budgeting; and main elements each country should take into account when designing public participation mechanisms, depending on its own objectives and circumstance.

Ms. Belenchuk asked participants for their feedback related to future activities of the BLTWG, including the following questions:

1. Should the BLTWG work on the next knowledge product (after the completion of the current work on the knowledge product on public participation at the national level as outlined above) be focused on further continuation of in-dept public participation tools at the national level or the focus should be shifted to the participatory budgeting practices of the municipal level (especially in the light of high interest of BCOP participations for the local initiatives presented in Cascais and Tashkent)?
2. Should the BLTWG engage a consultant to specifically work on developing guidance on thematic and organizational development of further BLTWG activities for the medium term?
3. Should the BLTWG examine in detail the methodology of the International Budget Partnership and the GIFT on the assessment of openness and public participation, to assist PEMPAL countries to design improvements in their practice to increase their scores?
4. Should the BLTWG explore ways of interaction and joint work with other relevant international organizations, PEMPAL’s other communities of practices, or with the BCOP’s Program and Performance Budgeting Working Group?

Based on the feedback provided from all countries participating in this meeting, the following conclusions were made:

1. The work to update, expand, and finalize the overall knowledge product on public participation at the national level will be conducted as proposed to: i) add and expand data on PEMPAL countries’ experience; ii) add and expand on best international practices, and iii) supplement countries’ examples with the recent information from the International Budget Partnership’s Public Participation Index database. The knowledge product should focus on specific elements proposed outlined above, as well as on division of institutional and departmental responsibilities relevant for public participation at the national level, overview of different options and practices for legislations/regulation related to public participation, specifics mechanisms for engaging and training CSOs, and overall ICT elements.
2. Another knowledge product will be developed, to focus on participatory budgeting at the subnational level to examine in more detailed mechanisms and options. Within this work, review of jurisdictions of different government levels for different government functions and public services in PEMPAL countries should also be undertaken, since particular functions are more conducive for public engagement than others. Risks related to participatory budgeting at the subnational level should also be examined, in particular the level and consistency of funds that local government units set aside for these initiatives.
3. BLTWG members would like to engage a consultant to assist with updating, expanding, and finalizing the overall knowledge product on public participation at the national level and to assist in developing the knowledge product on participatory budgeting at the subnational level. In addition, thematic consultant to advice on developing guidance on thematic and organizational development of further BLTWG activities for the medium term would be welcome.
4. The BLTWG would also like to examine in detail the methodology of the International Budget Partnership and the GIFT on the assessment of openness and public participation.
5. Finally, the BLTWG should explore ways to collaborate with the BCOP’s Program and Performance Budgeting Working Group on measuring citizens’ satisfaction and engagement within the key performance indicators used for performance-oriented budgeting and with TCOP on issues related to open budget data and other relevant issues. Continued and expanded collaboration with GIFT, IBP, and OECD is also a priority of BLTWG.