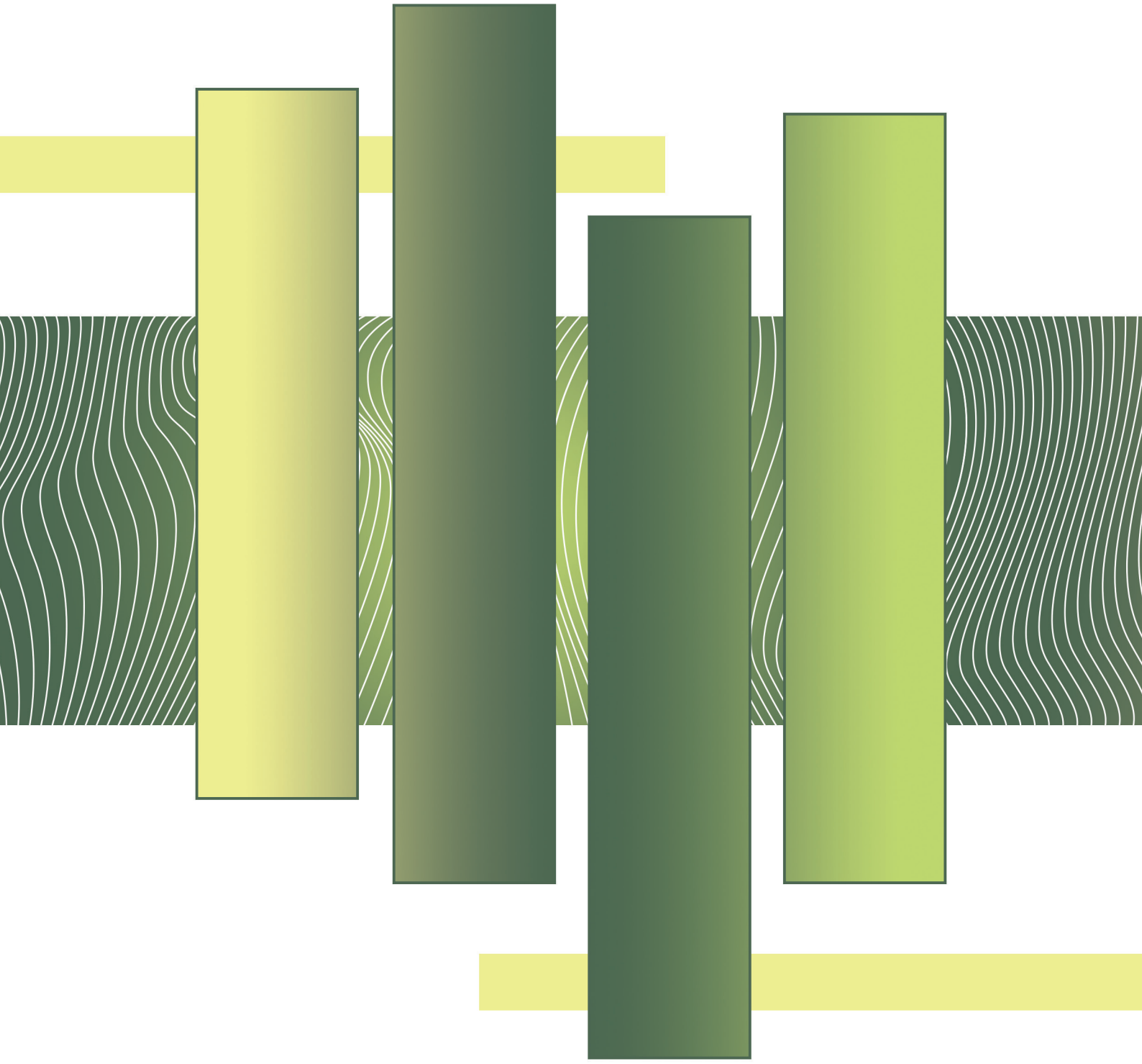
PEMPAL

BCOP Budget Community of Practice



IMPROVING CLARITY AND ACCESSIBILITY OF BUDGET DOCUMENTATION

May 2022

Copyright © 2022 PEMPAL BCOP

All rights reserved. No part of this publication may be reproduced, transmitted, or distributed in any form without prior written permission from PEMPAL BCOP except for noncommercial uses permitted by copyright law. Any modification to the guidance provided on cooperation agreements in this publication requires a citation to the effect that this publication was used and that it was modified. Contact: ikhatiashvili@worldbank.org

Icons © Eucalyp, Good Ware, berkahicon and Freepik / Flaticon. Used with the permission of Eucalyp, Good Ware, berkahicon and Freepik / Flaticon. Further permission required for reuse.

PEMPAL

PEMPAL SECRETARIAT

36/1 B. Molchanovka, str.
121069 Moscow, Russia

www.pempal.org

BCOP

Budget Community of Practice (BCOP)
E: BCOP@pempal.org

CONTENTS

Acronyms and Abbreviations **4**

Executive Summary **6**

Roadmap for Improving Budget Clarity and Accessibility 11

1. BUDGET CLARITY **13**

Definitions and Rationale 13

Practical Steps to Advance Budget Clarity 15

2. AVAILABILITY OF BUDGET INFORMATION **22**

Definitions and Rationale 22

Practical Steps to Advance Availability of Budget Information 24

3. BUDGET VISIBILITY AND COMMUNICATIONS **35**

Definitions and Rationale 35

Practical Steps to Advance Budget Visibility and Communications 36

4. BUDGET LITERACY **42**

Definitions and Rationale 42

Practical Steps to Advance Budget Literacy 43

5. PUBLIC ENGAGEMENT **48**

Definitions and Rationale 48

Practical Steps to Advance Public Engagement 50

Implementation **58**

References **59**

FIGURES

Figure 1. The United Kingdom Government's website provides an option to request an accessible format....26

Figure 2. Widget for main parameters of the state budget....28

Figure 3. Widget for the main parameters of local budgets and geographic budget map....28

Figure 4. Pie chart for public sector spending, illustrative allocations to functions....29

Figure 5. Fan chart around current budget deficit in the United Kingdom....29

Figure 6. Alluvial charts comparing budgeted revenue and expenditures....30

Figure 7. Bar chart for consolidated government expenditure by function....30

Figure 8. Bar chart for consolidated government expenditure by function....31

Figure 9. Dashboard for health and care statistics for England....31

Figure 10. Scatter plot for correlation between qualification level and productivity, by region....32

Figure 11. Budget TreeMap for the number of managers and recipients of budget funds....32

Figure 12. Budget TreeMap for the consolidated budget summary....33

Figure 13. Geographic budget map for number of managers and recipients of budget funds by regions....33

Figure 14. Budget speech by the Minister of Finance of South Africa Enoch Godongwana, Facebook live....36

Figure 15. Banner to advertise the 2021 Medium Term Budget Policy Statements, South Africa, in the social media....36

Figure 16. The United Kingdom HM Treasury presents information on socially important topics....37

Figure 17. The United Kingdom HM Treasury's efforts to attract public attention to the budget data....37

Figure 18. The Money Show interviews National Treasury Director General Dondo Mogajane and analysts after the presentation of the 'mini-budget'....38

Figure 19. Banner to present in the social media the information on GDP....39

Figure 20. Banner to advertise in the social media the National Treasury Brief on the 2020/21 Annual Report....39

Figure 21. 'Budget Tips' for the Minister of Finance, South Africa....40

Figure 22. Twitter of the National Treasury, South Africa....40

Figure 23. Reporting a Problem at the United Kingdom Government's website....40

Figure 24. Invitation from the United Kingdom Government to follow a blog or social media channel of the Government departments....41

Figure 25. The South African Citizens Budget 2021 44
Figure 26. Learning resources on the budget process at the Vulekamali portal, South Africa 45
Figure 27. Educational video, on budget basics. Developed by the South Africa's National Treasury 46
Figure 28. Open Budget Index 2019 score for the assessed countries of Eastern Europe and Central Asia 51
Figure 29. The new Budget timetable and the tax policy making process, United Kingdom 53
Figure 30. Information booklet on Vulekamali portal 54
Figure 31. Wazimap tool at the Vulekalami portal 55
Figure 32. Allocated budget for initiatives proposed and voted by citizens through the Open Budget Portal, Uzbekistan 56

BOXES

Box 1. Main principles and action areas 7
Box 2. Explanations in the text of the United Kingdom Fiscal Risks Report 15
Box 3. Contents of the 2021 Medium Term Budget Policy Statement, South Africa 17
Box 4. In Brief Boxes from the 2021 Medium Term Budget Policy Statement, South Africa 19
Box 5. Highlights of the 2021 Budget Review, South Africa 21
Box 6. Consultation Principles, the United Kingdom Cabinet Office 51

TABLES

Table 1. How budget definitions in the Budget Review of South Africa evolved over time 16
Table 2. The Open Budget Survey's guidelines on the timeliness of budget documents 24

ACRONYMS AND ABBREVIATIONS

AR	Audit Report
BCOP	Budget Community of Practice
BLTWG	Budget Literacy and Transparency Working Group
BRICS	Brazil, Russia, India, People's Republic of China, and South Africa
CABRI	Collaborative Africa Budget Reform Initiative
CB	Citizens Budget
CESEE SBO	Senior Budget Officials regional network for Central, Eastern and South-Eastern European Countries
CSO	Civil Society Organization
EB	Enacted Budget
EBP	Executive's Budget Proposal
EU	European Union
FAU	Fiscal Analysis Unit
FMIS	Financial Management Information System
GDP	Gross Domestic Product
GIFT	Global Initiative for Fiscal Transparency
HM Treasury	Her Majesty's Treasury
IBP	International Budget Partnership
IFI	Independent Fiscal Institution

IMF	International Monetary Fund
IT	Information Technology
IYR	In-Year Report
KP	Knowledge Product
MoFs	Ministries of Finance
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MYR	Mid-Year Review
NGO	Non-Government Organization
OBI	Open Budget Index (IBP)
OBR	Office for Budget Responsibility
OBS	Open Budget Survey (IBP)
ODB	Open Data Barometer
OECD	Organization for Economic Cooperation and Development
PBS	Pre-Budget Statement
PEFA	Public Expenditure and Financial Accountability
PEMPAL	Public Expenditure Management Peer Assisted Learning network
PLAIN	Plain Language Action and Information Network
SA	South Africa
SANEF	South African National Editors' Forum
UNDP	United Nations Development Program
VC	Video Conference
WB	World Bank
YER	Year-End Report
UK	United Kingdom
UN-Habitat	United Nations Human Settlements Program
US	Unites States

EXECUTIVE SUMMARY

While many countries provide citizens with increasing amounts of budget information, citizens face a challenge to understand the budget and participate in the discussion on the distribution of public resources. As was highlighted during the PEMPAL Budget Community of Practice (BCOP) Budget Literacy and Transparency Working Group (BLTWG) workshop on October 13, 2021,[1] the challenge results from complex contents of budget documentation, lack of clarity on overall context and intended results of budget policy, complicated structures, large amounts of budget information, and complex concepts and jargon. Transparency is often misunderstood as the *availability* of information only. In its full meaning, however, transparency means good *understanding* of information.

This Knowledge Product focuses on a modern approach to the presentation and dissemination of budget information, and offers ministries of finance (MoF) ways to improve budget transparency in a sequenced manner. The KP is divided into five chapters, which highlight the essential features of complete and well-rounded budget transparency and openness. These features include budget clarity, availability of budget information, budget visibility and communications, budget literacy, and public engagement. Chapter I underlines the need to improve the contents to put the budget documents into clear and understandable language. Chapter II addresses the necessity of publishing budget documentation timely, transparently, and in-non-technical terms using interactive information technologies (IT) and visualizations. Chapter III establishes how MoFs can increase budget visibility to the public. Chapter IV discusses how to educate citizens and raise awareness about the new clearer content of the budget documentation. Finally, Chapter V refers to previous KPs, which deeply examined public engagement, to emphasize the new trends and rapid changes that have occurred in the pandemic years.

This report offers a roadmap consisting of 12 steps which MoFs may consider adopting to improve clarity and accessibility of budget documentation. Country examples and best practices provided by South Africa (SA) and the United Kingdom (UK) illustrate the 12 steps of the roadmap. Relevant examples from Ukraine and Uzbekistan, considered at the BCOP BLTWG workshop, offer approaches to presenting budget information using e-data portals, popularizing the presentation of budget data, and enabling participatory budgeting.

Box 1 summarizes the main principles and their action areas which are elaborated in the five central chapters of this Knowledge Product.

[1] BCOP BLTWG VC Meeting, October 13, 2021. Ways for Ministries of Finance to Improve Transparency and Budget Literacy/Understanding Within the Budget Planning Process. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

Box 1.

Main principles and action areas

1. BUDGET CLARITY

- Budget transparency is not only the availability of budget information and is related to understanding. Budget clarity should be an essential part of transparency.
- Budget clarity is about budget documentation being easy to interpret and understand by providing a concise but adequate context and explanations.
- Ten principles of clear budget communication: Think about your reader; Write clearly and to the point; Structure documents logically; Ensure main policy documents are concise; Omit unnecessary detail; Prefer concreteness to abstraction; Reduce density; Use visual elements effectively; Provide sufficient analysis; Tell a story.
- Proper narrative explanation and storytelling, concise executive summaries and glossaries of terms help the broad public to understand budget documentation.
- A balance between the volume of information and clarity is important.

2. AVAILABILITY OF BUDGET INFORMATION

- General public and civil society need clear, accessible, useful and timely budget information to participate effectively in the budget process.
- Open Budget Portals provide budget information to the public in open data formats, in real time, and with interactive tools for analysis.
- Budget visualizations help improve data access and analysis.
- Budget documentation in HTML format provides access to mobile devices.
- Accessible formats should be provided for the users with disabilities, who need assistive technologies such as screen reader.

3. BUDGET VISIBILITY AND COMMUNICATIONS

- Budget visibility means the publicity the budget receives among the broad public because of communication activities by ministries of finance.
- Good budget communication requires modern mass communication channels such as social media.
- The role of journalists and bloggers in budget communications is critical and increasing.
- MoFs can empower more staff to communicate with the public through social media to strengthen capacities to improve budget communications.

4. BUDGET LITERACY

- Budget literacy is a competence to understand, analyze, and discuss issues related to the budget and its intended results.
- Citizen Budgets, guides to budget, budget analysis manuals and other educational materials are key to improving budget literacy.
- Budget literacy curricula can be introduced into the general education system.
- Youth and school participatory budgeting, and training to journalists and bloggers are tools that raise awareness and educate citizens on budget issues.

5. PUBLIC ENGAGEMENT

- Fostering meaningful public engagement through the use of budget data is part of budget transparency work.
- Digital interactive forms of online public engagement allow for ever more citizens to participate in formulating budget policies.
- Public needs comprehensive prior information (purpose, scope, process and timeline, constraints, intended outcomes) to participate in an informed manner.
- It is important to incorporate citizen feedback into future budget cycles and inform the public on how their inputs have been used.

Budget transparency is often misunderstood as the availability of information only. In its full meaning, however, transparency is related to understanding of information. Complex, unclear and overly long budget documents, combined with the use of complex concepts and jargon are often challenging for citizens. Budget documentation presented in simplified and understandable language with clear narrative and explanation of budget terminology is much more useful for citizens, public debate, and the formulation of budget policy. Better communication of budget information encourages and enables truly meaningful public engagement.

For the sake of transparency, budget documentation should be clear and usable to citizens and others. This means that the information must be well-explained, credible, comparable, analytical, relevant, and provided in an accessible format. Published budget reports should not be too long and detailed. Additional information can be presented in annexes if needed. Indeed, all documents should be written in plain and readily comprehensible language, using no jargon, giving sufficient background and clear context. A user-friendly structure, proper narrative explanations, and storytelling increase the budget clarity. Readability formulas, if available for the country's official language(s), such as the Flesch-Kincaid Reading Ease tool for English, can be used to simplify the language, and thus improve the budget documents.

Executive summaries and glossaries of terms are useful. Executive summaries should be concise, present all relevant points, and capture the reader's attention. The terminology must be familiar to readers. A glossary of terms or explanations right in the text of the budget documents can be helpful to understanding technical concepts and issues.

An example of a clear and well-structured narrative with highlight boxes and executive summary, tables, graphs, and glossary of terms is the SA Budget Review. The SA Medium Term Budget Policy Statement (MTBPS) describes in detail the government's policies, objectives and priorities, setting out the policy context and direction for provinces and departments to make their spending plans, and includes clear short technical summaries of the main points of the budget document.

Comprehensive budget information, presented in an accessible way, in non-technical terms, and in open data formats is critical for budget transparency. Open data means that the data are available online, open-licensed, machine-readable, and free of charge so that anyone can access the information no matter what their budget.

The UK, for example, presents the budget in full on the government's website in user-friendly formats, including HTML, together with the key tables in excel format, and the details of all other data sources.

Interactive IT and visualizations for budget presentation and analysis play an important role. They allow users to draw insights from abstract budget data in an efficient and effective manner.

Ukraine established an Open Budget Portal that provides budget data from all government levels. The portal entails the Citizens Budget module, international financial institutions module, and a budget analysis tool, BOOST. Dashboards, widgets, scatter plots, charts, tables, maps, diagrams, budget TreeMaps, both static and interactive, are helpful for broad audiences in truly accessing budget information. They are used in presentation of the UK and SA budget documentation, as well as for visualization of budgets in Ukraine and Uzbekistan.

It is important for MoFs to strengthen their communication activities to improve how budget information reaches and resonates with citizens. An important trend in government communications has been the growing use of social networks and social media platforms.

For example, the presentation of the SA 2021 MTBPS was widely advertised through social media and social networks in addition to official websites. The UK Treasury is present in social media, and pairs important budget news in Twitter.

The role of journalists and bloggers in budget communications is increasing. Budget storytelling that is closely linked to journalism helps citizens to see the connection between the public services they use, and the policies discussed in the budget documents.

UK government departments tag specific topics that journalists may want to search when placing stories in Twitter. Many governments (e.g., Uzbekistan) invite bloggers to their official meetings and briefings on par with journalists.

MoFs should consider developing a mechanism to learn what types of information their audiences are most interested in.

Visitors to the UK government's website can report a problem on each page through a special window. The SA Treasury can use the feedback mechanism "Budget Tips" to find out more about their readers' interests.

In an accelerating mass communications world, MoFs can empower more staff to communicate with the public through social media. More often governments acknowledge that the benefits of using social media tools outweigh the risks. To protect government's reputation, MOFs can issue guidelines on acceptable and forbidden content and data handling.

A good example is the SA Policy Guidelines for government employees using social media.

To enable constructive feedback, citizens must have the ability to read, decipher, and understand public budgets. The role of the MoFs should be not only to share budget data in a clear and understandable way, but also to expand budget literacy and create a culture of openness through the education system. Citizens Budgets, guides, manuals, and educational materials prepared by the MoFs provide a general introduction to the budget in a simplified and engaging format.

The SA People's Guide to the Budget, published since 2010, is a good practice example of an attractive and concise 4-page brochure for people to get a quick picture of the main characteristics of the budget.

Another powerful tool to improve budget literacy is youth and school participatory budgeting. It serves as a practice-oriented education for young people and promotes the development of their "flexible" skills and potential development as journalists, bloggers and opinion-makers.

The SA National Treasury hosts media workshops on topical issues and partners with a coalition of civil society organizations (CSO) to train journalists. Skills and capacities of journalists and bloggers around data analysis and visualizing budgets ensure better quality of budget stories.

Publishing clear budget documentation and making it visible are not the end of the process - they are just the beginning. The essential function of budget transparency is to enable meaningful public engagement with governments using budget data. Rapid digitalization of the public sphere that has occurred in the pandemic years significantly influenced government interaction with citizens. More citizens can participate through digital interactive tools, such as online participatory budgeting.

The previous BCOP KPs extensively examined international norms, standards, and practices of public engagement in the budget process.

Meaningful engagement between budget makers and the public requires setting clear objectives, defining scope and process, and finding effective means. To participate in an informed manner, the public needs plentiful access to comprehensive information.

For example, the UK Treasury posts the budget timetable and all draft legislature on its website, including finance bills and tax proposals by for each consultation to provide thorough information for engagement. It welcomes comments from citizens and interest groups on existing policy, or suggestions for new policy, and especially the priorities set out by the government through the "budget representations" mechanism.

Governments should develop Open Budget platforms not only for interactive presentation of budget information, but also for engaging more actively with the public.

An example of a functional platform is the Vulekamali portal in SA. Vulekamali reaches thousands of citizens, through the portal and through in-person events - Hackathons, DataQuests and Civic Information Drives (invitations sent through Vulekamali). The portal encourages feedback from users and ensures that the data and portal's functionality respond to user needs. Examples include Uzbekistan, where the Open Budget Portal collects public opinion and votes for the citizens' ideas and proposals within the participatory budgeting section.

Timely feedback to citizens about progress and results should follow for successful engagement. For instance, the UK constructively reports on public contribution after the policy consultations. The UK Government informs the public on how their inputs have been used and posts a complete list of responses received during each consultation, along with a response from the government of how citizen feedback is going to be incorporated into future budget cycles.

ROADMAP FOR IMPROVING BUDGET CLARITY AND ACCESSIBILITY

This KP offers a roadmap MoFs may consider taking to improve budget clarity and strengthen accessibility of budget documentation. Steps are grouped under five key action areas.

Practical steps to advance

1. BUDGET CLARITY

STEP 1 Put the budget documentation into clear and understandable language, explain it in clear narrative form, and provide a user-friendly logical structure and context.

STEP 2 Prepare a concise executive summary of the main budget documents.

Practical steps to advance

2. AVAILABILITY OF BUDGET INFORMATION

STEP 3 Provide full online access to comprehensive and timely budget information free of charge, including in open data formats.

STEP 4 Expand access to key budget documents for all users.

STEP 5 Visualize budget information by using convenient formats for various users.

Practical steps to advance

3. BUDGET VISIBILITY AND COMMUNICATIONS

STEP 6 Use modern mass communications channels to transmit budget information to journalists and bloggers.

STEP 7 Supply citizens, journalists and other users with the budget information they need.

STEP 8 Make efficient use of MoFs staff to disseminate budget information to the public.

Practical steps to advance

4. BUDGET LITERACY

STEP 9 Raise the level of budget literacy of citizens, non-state actors, journalists, and bloggers, who want to participate in the budget process.

STEP 10 Introduce training programs to increase awareness of the budget process and create a culture of openness through the education system.

Practical steps to advance

5. PUBLIC ENGAGEMENT

STEP 11 Develop effective opportunities for public participation in the budget process.

STEP 12 Design interactive open budget portals for public engagement in the budget process, and to provide feedback to citizens and other users of budget information.

Implementation arrangements:

- A whole-of-government policy of clear and transparent budgeting can be formulated and implemented solely with leadership and ownership from the top of the MoFs with the support of the Prime Minister and President.
- To supervise this policy, the MoFs could consider establishing a high-level Steering Committee chaired by the Minister of Finance and including representatives of the Presidency, other ministries, Parliament, the media, and civil society. The MoFs should provide a Secretariat to support the work of the Steering Committee.
- A medium- to long-term strategy to implement the policy should be developed and approved by MoFs. The strategy should reflect the 12 steps of the roadmap outlined in this KP, and include a detailed action plan, implementation of which would be monitored by the Secretariat.
- Implementation of the policy should take place over a period of at least 3-5 years, or longer, ideally linked to the electoral cycle.
- Relevant stakeholders, including subnational governments, civil society institutions, academia, the media and journalists should be involved in joint work on the development and implementation of the policy.
- Creating interactive IT technologies and infrastructure is critical to the implementation of clear and transparent budgeting policy and should be incorporated in the overall strategy and roadmap.
- The strategy should be linked to government policies on information, information technologies, information protection, and personnel data.
- A similar approach could be followed for all information released by the MoFs, for example, on fiscal policy issues, tax policy, revenue administration, cash and debt management, oversight of state enterprises, etc.

1

BUDGET CLARITY

DEFINITIONS AND RATIONALE

It is generally accepted that the term *budget transparency* refers to the full disclosure of all relevant fiscal information in a timely and systematic manner. It is a multi-dimensional concept addressing the clarity, comprehensiveness, reliability, timeliness, accessibility and usability of public reporting on public finances, as well as citizen engagement in the budget process. Some of the most important benefits of budget transparency include enhanced accountability, legitimacy, integrity, inclusiveness and quality of budget decisions all of which could develop trust between governments and citizens. Beyond the disclosure of key budgetary information, budget transparency also encompasses public participation in the budget process.[2]

Budget transparency is often misunderstood as the availability of information only. In its full meaning, however, transparency is related to understanding of information. Thus, clarity should be an essential part of transparency. Clarity, as discussed during the recent PEMPAL BCOP BLTWG workshop on October 13, 2021,[3] is about budget documentation being easy to interpret and understand by providing a clear narrative to give context information needed for a full understanding of budget policy and intended results. It is about providing concise but adequate context and explanations to ensure that budget documentation is easy to understand and follow logically. This also includes ensuring that all tables and charts are accompanied by adequate narrative explanations. It is also important to note that a balance between the volume of information and clarity is important.

The budget is written for extremely broad target audiences such as legislators, government departments, financial institutions, experts, civil

[2] OECD (2019). Budgeting and Public Expenditures in OECD Countries 2019, OECD Publishing, Paris. DOI: https://doi.org/10.1787/9789264307957-en; OECD (2017). OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management, OECD Publishing, Paris. DOI: https://doi.org/10.1787/9789264282070-en.

[3] Event report, BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

society, journalists, and the public, not just for technical specialists. With certain exceptions most of the budget documentation prepared by the MoFs is oriented to government officials for internal deliberation, and to the legislature for adoption of the budget. These materials are usually written in specialized language thus making it difficult for non-professionals to interpret. Even journalists who specialize in budget and fiscal policies often find it difficult to work with the budget documents, and therefore tend to report less widely on the budget policies and avoid certain topics.

Transparent budget documentation should be useful and usable to citizens. Budget documentation should be clear, credible, well-explained, comparable, analytical, relevant, and provided in an accessible format for different stakeholders. Budget reports do not always need to be long and detailed to be transparent; they need to be presented in plain and readily comprehensible language without jargon, giving sufficient background and context, while still retaining the detail and disaggregation necessary for analysis, evaluation, and participation.

This approach is summarized in the following ten important principles of clear budget communication:[4]

- Think about your reader.
- Write clearly and to the point.
- Structure documents logically.
- Ensure main policy documents are concise.
- Omit unnecessary detail.
- Prefer concreteness to abstraction.
- Reduce density.
- Use visual elements effectively.
- Provide sufficient analysis.
- Tell a story.

These principles are important for making the budget accessible since accessibility is about how clearly the MoFs are communicating on the budget content.

The insights about human decision-making, distilled from the World Bank's World Development Report for 2015,[5] imply that it is not sufficient to present people only with "the facts." Narratives and storytelling increase the budget clarity and help people to understand the budget documentation. Storytelling[6] can be defined as presenting content focused on individual, human experiences using compelling and engaging formats to convey information. It is important because people cannot be just ordered to "get more interest in the budget," or "get motivated to participate." But a good story can lead them there. This is about the context, appeal to emotion, keeping it tangible and concrete, using a narrative style appropriate for government documentation. Moreover, "unless numbers are embedded in a story you've framed, the public will use the stories they know to make sense of them."[7]

Narratives help the broad public to understand how existing and new policies are reflected by the budget revenues and expenditures. Typically, new policies, reflected in budget documents, such as the Pre-Budget Statement, the Executive Budget Proposal, the Enacted Budget, entail an increase, a decrease, or a shift in expenditures or revenues, which may have different impact on people's life. This is why a clear narrative should accompany budget data to explain sufficient detail about new policies and their budgetary impact. The same level of review and clear explanation in the budget documentation is needed for estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due; all budget transfers to public corporations and their purposes; intergovernmental transfers; earmarked revenues; government borrowing and debt; extra-budgetary funds.

Proper narrative explanation should convey the government's budget policy framework, key messages, and enable the presentation of data in a way that ties it all together. It is necessary to overtly and explicitly explain why there are differences between the enacted

[4] Rosenberg, G. Ways to increase transparency and improve budget literacy as seen by the journalistic community. Experience of South Africa. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget (Mr. Rosenberg is on the IMF's Fiscal Affairs Department's panel of experts, specializing in clear budget and fiscal communications, and is the Managing Director of Clarity Global Strategic Communications, Washington, DC and Cape Town).

[5] World Bank's World Development Report 2015. Mind, Society and Behavior. https://www.worldbank.org/en/publication/wdr2015

[6] More on storytelling see Chapter III. Budget Visibility and Communications.

[7] Bales SN (2015b) The Storytelling Power of Numbers. Frameworks Institute: Washington DC

levels and the actual outcome for all expenditures and revenues in the Year-End Report estimates of all differences in revenues and expenditure and for the revisions in the Mid-Year Review and the Year-End Report. This also refers to the estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, presented in the Year-End Report, original estimates of nonfinancial data on inputs and results and the actual outcome. All tables and charts should be also accompanied with adequate narrative explanations. Significant amounts of budget data, which is produced and is compulsory to report, including on spending performance, though, may breed opacity rather than transparency for the broad public. This information may be presented in the Appendices.

PRACTICAL STEPS TO ADVANCE BUDGET CLARITY

STEP 1. Put the budget documentation into clear and understandable language, explain it in clear narrative form, and provide a user-friendly logical structure and context.

For writing clearly it is vital not using phrases without thinking about what it means.[8] Clear and understandable language implies using words people know already, making abstract language clear, and using concrete examples. Unnecessary details should be removed, some density reduced, and some paragraphs merged. Any profession breeds jargon, and sometimes it fills the public space as well, but it is necessary to avoid using jargon in budget documentation. Budget documents should not use terms that someone may have just used at the event for experts such as finance conference. Non-specialist audiences might be confused with jargon, e.g., "Bear or Bull Market," "Black Swan,"[9] "Disrupt," "Macro audit," etc., and obscure terms or fancy words. People might not be comfortable even with typical budget terminology for which simpler substitutions are hard to find, e.g., "adjustments to the ceiling," "debt-service cost," "quasi-fiscal activity," "discretionary spending," "blended finance," "contingency reserve," etc. Developing a commitment to clear, accessible writing may not come naturally to many specialists in the highly technical field of public financial management. However, it is both desirable and achievable, supported by a leadership commitment within the MoF.

Box 2.

Explanations in the text of the United Kingdom Fiscal Risks Report[10]

§21. In Chapter 7 we look at risks that could affect the balance sheet directly via balance sheet transactions (*e.g., lending to the private sector or issuing debt to purchase assets, as when 'bailing out the banks'*), balance sheet transfers (*when the government assumes the liabilities of a private sector entity, either in the real world or through a statistical reclassification*) and valuation effects (*e.g., the effect of currency movements on the sterling value of the foreign exchange reserves*).

§6.46. In terms of the categorisation of risks described in Chapter 1, risks to welfare spending come in many forms. They include discrete shocks to caseloads and average awards (*e.g., when the economy is hit by high unemployment or high inflation*) and slowly building pressures (*e.g., from an ageing population*). There are risks that are largely isolated (*e.g., the delivery of universal credit*) and those that are correlated with others (*e.g., economy-related factors*). Some risks are endogenous to government action (most obviously the ratchet effect on state pensions spending from the triple lock) and others are largely beyond government's immediate control (*e.g., adverse legal judgements that expand eligibility*). Many of these risks would have been apparent in an assessment made at any point over the past 30 years (*e.g., challenges associated with major reforms*), but some have risen in prominence more recently (*e.g., the pressures of ageing and the triple lock)*.

[8] Rosenberg, G. Ways to increase transparency and improve budget literacy as seen by the journalistic community. Experience of South Africa. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

[9] Taleb, Nassim Nicholas (2007), The Black Swan: The Impact of the Highly Improbable. Random House

[10] Source: UK Office for Budget Responsibility in its Fiscal Risks Reports, July 2017. P.16, p.153. https://obr.uk/frr/fiscal-risk-report-july-2017/

Table 1.

How budget definitions in the Budget Review of South Africa evolved over time[11]

2000	2021
Consolidated expenditure	**Consolidated government expenditure**
Total expenditure by national and provincial government, including transfers to municipalities and other extra-budgetary agencies. Consolidated expenditure includes spending by provinces financed from own revenues. Consolidated spending is therefore the sum of national and provincial spending, excluding the double counting of transfers from national to provincial government.	Total expenditure by national and provincial government, social security funds and selected public entities, including transfers and subsidies to municipalities, businesses and other entities.
Excise duties	
Taxes on the manufacture or sale of certain domestic or imported products. It is imposed either as a user charge for government services, as a regulatory charge on activities, or as a special tax on the consumption of a commodity. Excise duties are usually charged on products such as alcoholic beverages, tobacco products and petroleum products.	Taxes on the manufacture or sale of certain domestic or imported products. Excise duties are usually charged on products such as alcoholic beverages, tobacco and petroleum.
Tax incentives	
Specific provisions in the tax code that provide favourable tax treatment to individuals and businesses to encourage specific behaviour or activities, e.g., accelerated depreciation provisions to encourage investment and provisions to encourage retirement saving.	Specific provisions in the tax code that provide favourable tax treatment to individuals and businesses to encourage specific behaviour or activities.

A glossary of terms included in the budget documents or explanations, provided right in the text, can decrease the effort required to read and understand them. Some definitions can be enhanced by referencing them to the specific legislations under which they are established. The Glossary of terms is included in the South Africa MTBPS.[12] The number of terms explained doubled since 2000, and many of them were shortened and simplified (see **Table 1**). The UK Office for Budget Responsibility (OBR)[13] in its Fiscal Risks Reports explains terms directly in the text (see **Box 2**).[14]

Simple words and shorter sentences can improve readability. With a view towards simplifying the language of budget documentation MoFs may wish to consider writing guidelines on plain official language, such as "A Plain English Handbook. How to create clear SEC disclosure documents."[15] or those issued by the European Commission, or the United States (US). In 1998, the European Commission launched a "Fight the FOG" campaign to encourage Commission staff to write more clearly.[16] The US adopted a public act on plain writing[17] in 2010. It was preceded by

[11] Source: National Treasury, Republic of South Africa. http://www.treasury.gov.za/documents/national%20budget/default.aspx

[12] Medium Term Budget Policy Statement 2021, Republic of South Africa. http://www.treasury.gov.za/documents/mtbps/default.aspx

[13] The UK Office for Budget Responsibility (OBR) is one of a growing number of IFIs that have been established around the world to provide non-partisan analysis of public finances and fiscal policies.

[14] The UK OBR. Fiscal risks report. July 2017. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628416/OBR_Fiscal_risks_report_print.pdf. Commissioned by Parliament in 2015, the "fiscal risk report" identifies and analyses risks to the medium-term outlook for the public finances and to long-term fiscal sustainability.

[15] https://internationalbudget.org/wp-content/uploads/CB-Guide-SEC-Plain-English-Handbook.pdf

[16] Fight the Fog Campaign Booklet for writers of English at the European Commission. http://www.eurosfaire.prd.fr/bibliotheque/pdf/Write_EN_Fight-the-fog.pdf

[17] US Public Law 111 - 274 - Plain Writing Act of 2010. https://www.govinfo.gov/app/details/PLAW-111publ274

informal meetings of the Plain Language Action and Information Network (PLAIN) in the mid-1990s. PLAIN is an unfunded working group of federal employees from different agencies and specialties who support the use of clear communication in government writing. In 2011 PLAIN developed the Plain Language Guidelines,[18] and started a training campaign.

A user-friendly structure, like a clear map, helps readers find their way in budget documentation. It refers to the ease with which users are able to access and navigate budget documentation. Headings should be also defined to organize the content of the budget documents visually and structurally. For example, the 2021 MTBPS,[19] the SA equivalent to the Pre-Budget Statement (PBS), was improved for the last decade. It was restructured for more logic and access and uses more tables, graphs, and text boxes, which provide more guidance on content and format of the document (see **Box 3**). Putting clear names for the budgets shows their intention of the budget policy. For example, the name for the UK Budget 2021 "Protecting the Jobs and Livelihoods of the British People," for the European Union (EU) Budget: "2021-2027 Long-term EU budget & NextGenerationEU."

Box 3.

Contents of the 2021 Medium Term Budget Policy Statement, South Africa[20]

CHAPTER 1. Recovery, stability, reform and growth

- Introduction
- Sustainable public finances support growth
- Structural reforms to be accelerated
- Risks and spending pressures
- Fiscal response to COVID-19 and social needs
- Overview of the 2021 MTBPS
- Conclusion

CHAPTER 2. Economic outlook

- Introduction
- Progress on reforms critical to economic recovery
- Global outlook
- Domestic outlook
- Sector performance and outlook
- Conclusion

CHAPTER 3. Fiscal Policy

- Introduction
- Medium-term fiscal strategy
- Expenditure performance and outlook
- Revenue performance and outlook
- Main budget framework
- Consolidated budget framework
- Financing and debt management strategy
- Risks to the fiscal outlook
- Conclusion

CHAPTER 4. Expenditure priorities

- Introduction
- Revisions to medium-term expenditure priorities
- Spending priorities by function group
- Division of revenue
- Conclusion

Annexure A. Fiscal risk statement

Annexure B. Compensation data

Annexure C. Technical annexure

Annexure D. Glossary

TABLES

- 1.1 Fiscal relief package
- 1.2 Macroeconomic projections
- 1.3 Consolidated government fiscal framework

[18] Federal Plain Language Guidelines of the United States government. http://www.plainlanguage.gov/howto/guidelines/bigdoc/TOC.cfm

[19] Medium Term Budget Policy Statement 2021, Republic of South Africa. http://www.treasury.gov.za/documents/mtbps/default.aspx

[20] Source: The 2021 Medium Term Budget Policy Statement, Republic of South Africa. http://www.treasury.gov.za/documents/mtbps/default.aspx

- 1.4 Consolidated government expenditure
- 2.1 Economic growth in selected countries
- 2.2 Macroeconomic performance and projections
- 2.3 Assumptions informing the macroeconomic forecast
- 3.1 Revisions to non-interest expenditure
- 3.2 Fiscal relief package
- 3.3 Main budget expenditure ceiling
- 3.4 Gross tax revenue
- 3.5 Revised revenue projections
- 3.6 Medium-term revenue framework
- 3.7 Main budget framework
- 3.8 Consolidated budget balance
- 3.9 National government gross borrowing requirement and financing
- 3.10 Total national government debt
- 4.1 Social wage
- 4.2 Employment programmes
- 4.3 Livelihood support programmes
- 4.4 Consolidated expenditure by function
- 4.5 Consolidated expenditure by economic classification
- 4.6 Division of revenue framework
- 4.7 Provincial equitable share

FIGURES

- 1.1 Real GDP growth and projections
- 1.2 Projected three-year change in debt-to-GDP ratio, selected developing countries
- 1.3 Main budget revenue and expenditure
- 1.4 Interest-growth differential
- 1.5 Vaccination progress in South Africa
- 2.1 Global equities
- 2.2 Commodity prices
- 2.3 10-year bond yields
- 2.4 Global manufacturing PMIs
- 2.5 Anticipated recovery in economic activity
- 2.6 Investment by entity
- 2.7 Employment by sector
- 2.8 Deviation from the baseline GDP forecast
- 3.1 Main budget primary balance
- 3.2 Gross debt-to-GDP outlook
- 3.3 Main budget balance
- 3.4 Spending as a share of total
- 3.5 Debt redemptions
- 3.6 Debt-service costs estimates comparison
- 3.7 Comparison of tax revenue projections
- 3.8 Total provisional corporate income tax, with breakdown by top three sectors
- 3.9 Tax-to-GDP ratio

An example of a clear narrative, presenting budget policy to meet modern challenges and to thrive (e.g., plan for jobs) in the economic context is the UK budget speech "Build back better: our plan for growth."[21] The SA MTBPS describes in detail the government's policies, objectives and priorities, and sets out the policy context and direction for provinces and departments to make their spending plans. It provides easy and accessible data sources through which the reader can verify calculations and supporting evidence.

Readability formulas, if available for the country's official language(s), can estimate how difficult a text is to read. For example, in the English language one of the most trusted and commonly used readability tools is the Flesch-Kincaid Reading Ease tool.[22] This tool is used by many people in different industries, including the government. It consists of tests of various aspects, e.g., sentence length, that result in a readability score between 1 and 100. The score indicates the level of education a reader needs to comprehend a text, whereby a higher score indicates an easier text and a lower score a harder text.

[21] Published alongside Budget 2021 and presented to Parliament by the Chancellor of the Exchequer. https://www.gov.uk/government/publications/budget-2021-documents

[22] https://www.textcompare.org/readability/flesch-kincaid-reading-ease

Some tips to increase the readability score include:

- Shorten sentences.
- Refrain from using complex sentences. It is better to break complex sentences into parts.
- Keep your paragraphs short. About 5 sentences per paragraph is an excellent guide.
- Choose words carefully. Simple words used in everyday conversation are preferred.
- Write for the audience. Know the audience and their level of knowledge. Using their terms will help them understand the text better.

Microsoft Word offers an "Editor" function from the home menu. After Word finishes checking the spelling and grammar, authors can choose to display information about the reading level of the document, including readability scores according to the Flesch-Kincaid Grade Level test and Flesch Reading Ease test.[23]

STEP 2. Prepare a concise executive summary of the main budget documents.

An executive summary is a short explanation of the main points of the budget document. Preparing clear summaries and other supplementary explanatory material for budget documents is challenging. Most of the information is complex and can therefore be difficult to explain to the general public. Some tips to write a better executive summary include:

- Write the summary last.
- Capture the reader's attention.
- Use terminology with which the readers are familiar.
- Make sure the executive summary can stand on its own.
- Think of an executive summary as an extremely condensed version of the budget document.
- Do not include information not contained elsewhere in the document.

For example, each chapter of the SA MTBPS starts with an In Brief box, which serves as a high-level summary of key points (**Box 4**).

Box 4.

In Brief Boxes from the 2021 Medium Term Budget Policy Statement, South Africa[24]

CHAPTER 1. Recovery, stability, reform and growth

In brief

- The COVID-19 pandemic has magnified South Africa's social and economic crises, further straining the public finances.
- Over the next three years, government will balance support for economic recovery and reconstruction – through both short-term spending measures and structural reforms – with rebuilding the public finances.
- The economy has recovered more quickly than anticipated. Nevertheless, the recent spike in commodity prices, which has supported GDP growth and tax revenues, is considered temporary. Long-term structural constraints and scarring from the effects of the pandemic weigh on the outlook. Fiscal risks have increased.

[23] Functionality depends on the version of MS Word.

[24] Source: The 2021 Medium Term Budget Policy Statement, Republic of South Africa. http://www.treasury.gov.za/documents/mtbps/default.aspx

- Fiscal consolidation is critical to reduce the public debt burden, restore investor confidence and avoid overexposure to global and domestic risks.
- The Medium-Term Budget Policy Statement (MTBPS) proposes to maintain restraint in public expenditure. Government will not commit to new long-term spending in response to temporary revenue windfalls. No additional funding is provided to state-owned companies over the medium term.

CHAPTER 2. Economic outlook

In brief

- The South African economy grew faster than expected in the first half of 2021, but this momentum is expected to wane following public violence in July, port and rail disruptions, and the third wave of COVID-19 infections.
- Real GDP is forecast to grow by 5.1 per cent in 2021. Output is expected to return to pre-pandemic levels in 2022, a year earlier than estimated in February. This is largely the result of global demand, higher commodity prices and the easing of COVID-19 lockdown restrictions.
- Household consumption has improved but has not fully recovered from the pandemic. Inflation is contained within the target band, despite upward pressure from food and energy prices. Gross fixed-capital investment remains well below pre-pandemic levels. The labour market is weak, with unemployment at 34.4 per cent.
- Government has made progress on a few key reforms. In the energy sector, private-sector power producers will be able to sell electricity directly to consumers and municipalities can generate their own power or procure electricity from independent producers. The Transnet National Ports Authority has been corporatised, which will improve incentives for efficiency and competitiveness. The eVisa system will be rolled out to 15 countries by March 2022. Operation Vulindlela continues to monitor and support the implementation of priority reforms.

A good example of a clear and concise summary is found in the first chapter of the SA Budget Review (or MTBPS) (see **Box 5**).[25] The SA Budget Review is one of the main budget documents of the SA budget proposal, accompanying the estimates of national revenue. The Budget Review provides a well-structured narrative explanation of the underlying policies that inform the budget with highlight boxes, tables, and graphs. The Budget Review includes an overview of the state of the economy, outlines the fiscal policy framework and revenue trends, sets out the tax proposals, provides a briefing on assets and liability management, social security, health care financing and outlines outcome targets the Medium-Term spending priorities. It also explains issues raised in the Division of Revenue Bill and intergovernmental transfers in more detail.

The budget documents should be professionally edited and proofread to ensure that the publications are high quality. Published errors can reduce the credibility of government's fiscal plans. Employing an external editor or editing team can help MoF develop a narrative and present the documents in accessible language, while spotting errors and eliminating jargon that may not be obvious to the drafting team. As the documents near the finalization stage, it can be helpful to engage several officials from within the MoF who have an eye for detail to serve as proofreaders. Their role is not to reinterpret information, or to improve the narrative, but to spot errors that inevitably develop in the course of drafting and editing.

[25] Source: Budget Review 2021, National Treasury Republic of South Africa. 24 February 2021, http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx

Box 5.

Highlights of the 2021 Budget Review, South Africa[26]

RSABUDGET2021 HIGHLIGHTS

ECONOMIC OUTLOOK

- Government will support the economic recovery by extending short-term economic support and undertaking reforms to lower the cost of doing business and stabilize the public finances.
- Real GDP is expected to grow at 3.3 per cent in 2021 and 2.2 per cent in 2022.
- The global economic outlook is uncertain; however, additional policy stimulus packages and successful rollout of COVID-19 vaccines will boost global growth.
- A successful rollout of COVID-19 vaccines will support the economic recovery and global trade.
- Government will take steps to promote faster growth by stabilizing electricity supply, supporting industries with high employment. potential and undertaking partnerships with the private sector.
- Operation Vulindlela is supporting the implementation of key structural reforms, but faster progress is needed to generate an economic recovery.

SPENDING PROGRAMMES

- The budget deficit has been revised to 14 per cent of GDP in 2020/21 in response to the spending and economic pressures of the COVID-19 pandemic.
- Gross debt has increased from 65.6 per cent to 80.3 per cent of GDP for the year 2020/21.
- The 2021 Budget proposes measures to narrow the main budget primary deficit from 7.5 per cent of GDP in the current year to 0.8 per cent in 2023/24.
- The proposed fiscal framework will stabilize debt at 88.9 per cent of GDP in 2025/26.
- Government will roll out a free mass COVID-19 vaccination campaign for which R9 billion has been allocated in the medium term.
- Over the medium term, debt-service costs are expected to average 20.9 per cent of gross tax revenue.

[26] Source: Budget Review 2021, National Treasury Republic of South Africa. 24 February 2021, http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx

2

AVAILABILITY OF BUDGET INFORMATION

DEFINITIONS AND RATIONALE

The availability of comprehensive, accessible, useful, and timely budget information is essential for civil society to participate effectively in the budget process. According to international standards for good transparency practices[27] comprehensive budget information includes information on expenditures, revenues, debt, macroeconomic forecasts, and non-financial performance. For information beyond these core budget data, countries only need to publish a minimal amount of information. The Open Budget Survey (OBS) presents a specific and measurable approach to defining of "public availability of budget information."[28] The OBS questionnaire is designed to help researchers identify what and how much information is publicly available during each stage of the budget process, whether it is timely and accessible, and whether there are information gaps.[29]

To be considered publicly available, budget information must meet a set of minimum transparency standards. According to internationally accepted good practice criteria for PFM[30] all countries should publish at different points in the budget process eight key budget documents: the Pre-Budget Statement (PBS), the Executive's Budget Proposal (EBP), the Enacted Budget (EB), a Citizens Budget (CB), In-Year Reports (IYRs), the Mid-Year Review (MYR), the Year-End Report (YER), and the Audit Report (AR). Each one of these documents is critical for budget transparency; collectively they provide information on government priorities and proposals, executed expenditures and actual

[27] See the IMF Fiscal Transparency Code, the OECD Best Practice for Budget Transparency, and the PEFA, among others.

[28] See the IBP's Guidelines on Public Availability of Budget Documents for more specific information on each budget document: http://www.internationalbudget.org/publications/open-budget-survey-guidelines-public-availability-budget-documents

[29] The Open Budget Survey (OBS), http://survey.internationalbudget.org

[30] OECD (2017). OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management. OECD Publishing, Paris. DOI: https://doi.org/10.1787/9789264282070-en

revenue, and a final accounting of the government's management of public resources. Budget documents must be published on the official website of the government body that produces it, be available free of charge, and should be published in time for the information they contain to be useful and relevant, both for the government itself and for the public.[31] These standards ensure that the public, including civil society, the media, and other interested individuals or groups, have open and non-discriminatory access to the original government budget.

The budget data available should be provided in open data formats, which are machine-readable and easier to use, transform, and explore for all categories of audiences. Data are considered to be "open" if anyone can freely access, use, re-use and redistribute them, for any purpose, without restrictions. The full Open Definition[32] gives precise details. Truly open data has 5 characteristics:

- Available online to accommodate the widest practical range of users and uses.
- Open-licensed so that anyone has permission to use and reuse the data.
- Machine-readable[33] so that large datasets can be analyzed efficiently.
- Available in bulk so that it can be downloaded as one dataset and easily analyzed by a machine.
- Free of charge so that anyone can access it no matter what their budget.

Open data reduces the time and money citizens need to invest to understand what government is doing. Open data helps government to make the public services more efficient; drives innovation and economic growth by revealing opportunities for businesses and startups to build new services; offers citizens insights into how central and local government works, improving public trust and boosting political engagement; and eases government and communities to keep track of local spending and performance.[34] Not all freely accessible data is open data, if the permission to reuse, share, and modify is not expressed. Some data will be closed for reasons of privacy, commerciality and security.[35]

Journalists, researchers, and civil society require budget documentation in a conveniently structured format that is accessible to search engines and computers. Many countries publish budget documents in pdf format (non-machine readable), which is a limitation, reducing usefulness for the public. The pdf reports need to be individually downloaded and are difficult to compare. Open data format is essential for development of data journalism. Journalists do not have time to waste transcribing data by hand and trying to get data out of pdfs, so learning a little bit of code, or knowing where to look for people who can help is incredibly valuable.[36]

Interactive IT and visualizations for budget presentation and analysis promote greater access and use. Visualization is the process of presenting the budget in a visual and meaningful way so that a user can better understand it. Dashboards, widgets, scatter plots, charts, tables, maps, diagrams, budget TreeMaps, both static and interactive, are common examples of information visualization. Via its depicting an overview and showing relevant connections, information visualization allows users to draw insights from abstract budget data in an efficient and effective manner. Information visualization plays an important role in making data digestible and turning raw information into actionable insights. It draws from the fields of human-computer interaction, visual design, computer science, and cognitive science, among others. Examples include world map-style representations, line graphs, and 3-D virtual building or town plan designs.

[31] For more detailed information on the content, please also consult IBP's Guide to Transparency in Government Budget Reports (https://www.internationalbudget.org/wp-content/uploads/Guide-to-Transparency-in-Government-Budget-Reports-Why-are-Budget-Reports-Important-and-What-Should-They-Include-English.pdf), which provides a comprehensive and clear description of each budget document and its contents.

[32] Open Definition. Defining Open in Open Data, Open Content and Open Knowledge. Open Knowledge Foundation. https://opendefinition.org/od/2.1/en/

[33] See more at: http://opendatahandbook.org/glossary/en/terms/machine-readable/

[34] More information on the benefits of Open Data: Guidance on Open Data Policies, http://opendatatoolkit.worldbank.org/en/starting.html

[35] More information: Open Knowledge Foundation. Open Data Handbook. https://opendatahandbook.org/guide/en/what-is-open-data/

[36] https://datajournalism.com/read/handbook/one/introduction/why-is-data-journalism-important

PRACTICAL STEPS TO ADVANCE AVAILABILITY OF BUDGET INFORMATION

STEP 3. Provide full online access to comprehensive and timely budget information free of charge, including in open data formats.

Access to timely and comprehensive information on the government's budget is the starting point for public engagement in fiscal policy.[37] Budget documents should be made available with enough time for the information to be useful and relevant, both for the government itself and for the public, to permit analysis, evaluation and engagement. This means that data needs to be provided while planning as well as during and after the implementation of policies and programs. The OBS guidelines present acceptable periods for publication of budget documents (see **Table 2**).[38]

SA makes all key budget documents available to the public. The MTBPS (PBS) is published at least four months in advance of the budget year (April 1), and one month before the EBP is introduced in the legislature.[39] The 2021 MTBPS was available on November 11, 2021, and the EBP 2021 on February 24, 2021. Citizens can find all budget documentation related to the EB two weeks or less after the budget has been enacted. In 2021 the Government Gazette published the Appropriations Act 2021 (EB) on July 9, 2021, to notify that the President had assented to the following act on July 6, 2021. All IYRs are placed on the Treasury's website at least every month, and within

Table 2.

The Open Budget Survey's guidelines on the timeliness of budget documents

Budget document	Acceptable period for publication
PBS	At least one month before the EBP is submitted to the legislature for consideration
EBP	While the legislature is still considering it and before the legislature approves (enacts) it
EB	No later than three months after it is approved by the legislature
CB	In the same timeframe as the document which the CB corresponds to (e.g., the CB of the EB must be released to the public no later than three months after the legislature approves the budget)
IYR	No later than three months after the reporting period ends
MYR	No later than three months after the reporting period ends (i.e., three months after the mid-point of the fiscal year)
YER	No later than 12 months after the end of the fiscal year to which it corresponds
AR	No later than 18 months after the end of the fiscal year to which it corresponds

[37] Consult for the minimum requirements to the key budget documents according to the OBS the IBP's Guide to Transparency in Government Budget Reports IBP's Guide to Transparency in Government Budget Reports. https://www.internationalbudget.org/wp-content/uploads/Guide-to-Transparency-in-Government-Budget-Reports-Why-are-Budget-Reports-Important-and-What-Should-They-Include-English.pdf

[38] Timeliness standards of publication of budget documents are based on accepted international good practices, and recommendations of international organizations and evaluations. i.e., the IMF, OECD, and PEFA.

[39] http://www.treasury.gov.za/documents/mtbps/2021/default.aspx

one month of the period covered. The MYR is made available six weeks or less after the midpoint (the last one on November 11, 2021). The YER and the AR fall within the framework of "no later than 12 months after the end of the fiscal year to which it corresponds."

The UK Office of Budget Responsibility (OBR) publishes all its work and underlying methodologies online.[40] The OBR is the official independent fiscal institution (IFI),[41] created in 2010 to provide independent and authoritative analysis of the UK's public finances, prepare official macroeconomic forecasts and assessing compliance with fiscal targets. The OBR is a non-departmental public body, under the Budget Responsibility and National Audit Act 2011. The act gives complete discretion to the OBR in the performance of its duties, as long as those duties are performed objectively, transparently and independently and considers the sitting government's policies and not alternative policies. IFIs are working to support legislators and the public by stepping up analysis and briefings, and leveraging their independence to publish research directly to their website, providing background to the media.

The UK HM Treasury[42] presents the budget in full on the government website together with the key tables in excel format, plus details of all other data sources. For example, the Chancellor of the Exchequer presented his 2021Autumn Budget and Spending Review to Parliament on Wednesday October 27, 2021, the same date all Budget 2021 documents and spending review with related documents were placed on the website by the HM Treasury.[43] The OBR provides spreadsheets containing the data in every table and figure in their report.[44] Each month the OBR in the UK produces a public finances database with most recent fiscal aggregates forecasts and outturn data from the Office of National Statistics, presented in Excel.[45]

The SA Government provides access to budget data and time series in Excel format. For example, for the National Budget - 2021 it included:[46]

- GDP Data from 1996/97 to 2023/24
- Main budget: Revenue, expenditure, budget balance and financing from 2001 to 2023/24.
- Main budget: Estimates of national revenue: Table 2 from 1999/00 to 2022/23 and Table 3 from 2006/07 to 2020/21.
- The main budget, presented by National Department and economic classification: 1997/98 to 2023/24.
- Consolidated national, provincial and social security funds, by economic and functional classification: Table 5 from 2000/01 to 2023/24 and Table 6 from 2005/06 to 2023/24.
- Consolidated government, by economic and functional classification: Table 7 from 2010/11 to 2023/24 and Table 8 from 2005/06 to 2023/24.
- Consolidated government revenue, expenditure and financing: operating and capital account: 2010/11 to 2023/24.
- Total debt of government: 1987/88 to 2023/24.
- Net loan debt, provisions and contingent liabilities: 2004/05 to 2023/24.
- All graphs published in the Budget Review 2021 with source data.
- Consolidated account of government in the 2020 Budget Review presented as an Excel pivot table or in flat file format.
- All Budget Review 2021 Tables and numerical annexes.
- All Excel Summary Tables of the 2021 Estimates of National Expenditure.
- Estimates of National Expenditure pivot – 7-year view and Appropriation bill view.
- Individual departmental tables.

[40] budgetresponsibility.org.uk

[41] Independent fiscal institutions (IFIs) are independent bodies which usually report to either the legislature or the executive, which analyzes fiscal policy and performance. Common examples of IFIs are parliamentary budget offices and fiscal councils. The IMF estimates that there were 39 national IFIs (or 'fiscal councils') in 37 countries.

[42] Her Majesty's Treasury (HM Treasury), sometimes referred to as the Exchequer, or more informally the Treasury, is the department of the UK Government responsible for developing and executing the government's public finance policy and economic policy

[43] https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents

[44] https://obr.uk/efo/economic-and-fiscal-outlook-october-2021/

[45] For example, Public finances databank 2021-22, https://obr.uk/public-finances-databank-2021-22/

[46] http://www.treasury.gov.za/documents/national%20budget/2021/excelFormat.aspx

STEP 4. Expand access to key budget documents for all users.

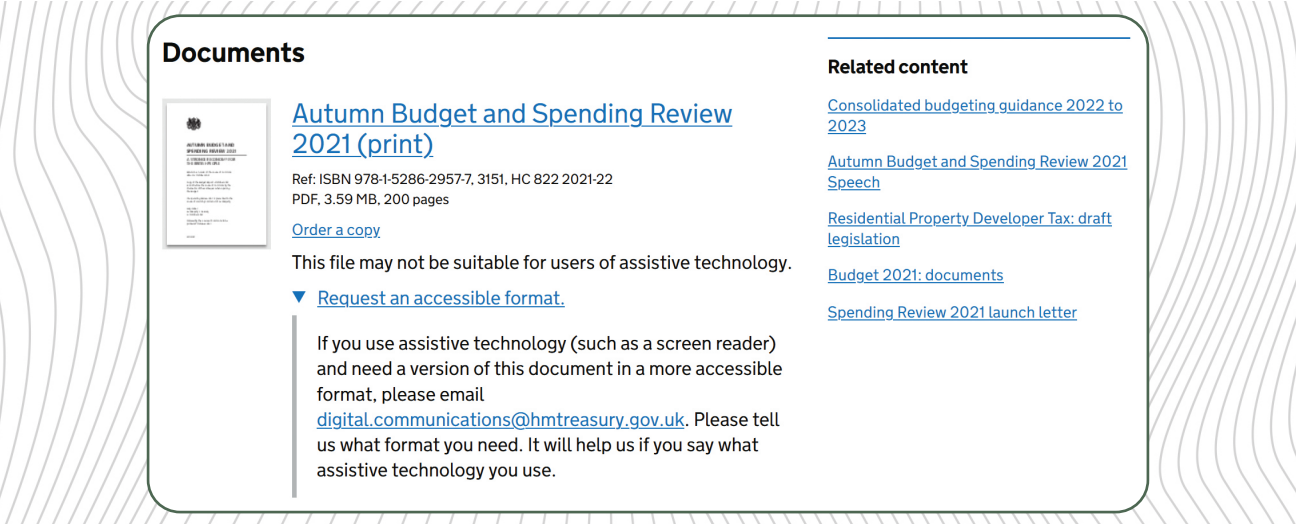
Open budget portals are often prioritized in the government's commitments for budget transparency. Open budget portals allow for publication of budget documents in a more convenient way, and online access to budget information in open formats and in real time. The portals present data from government's financial management information systems (FMIS). Visualizations, summaries, maps, and other efforts to convert open data into finished information explain budgets to citizens who do not have the technical skills and computing equipment to analyze the data.

The SA Treasury launched the Vulekamali portal[47] through extensive consultation with the public and input from journalists. They developed it in partnership with the Imali Yethu, a coalition of CSOs working to make budget information more accessible, user-friendly and empowering.[48] The portal was designed to publish easily accessible data in a user-friendly format, to enable more effective information-sharing, analysis and research. The portal houses both national and local department budgetary information and actual expenditures for programs and subprograms. The public can choose to view budgets for specific periods, find information about the budgeting process, and details of what the SA Treasury and departments are busy with at different times of the year.

A large and sophisticated Open Budget platform entailing the Citizens Budget module, an international financial institutions module, and a budget analysis tool, BOOST,[49] was established in Ukraine.[50] As presented by the Ministry of Finance of Ukraine,[51]

Figure 1.

The United Kingdom Government's website provides an option to request an accessible format[52]



[47] "Vulekamali," loosely translated, means: "open money." https://vulekamali.gov.za/

[48] https://imaliyethu.org.za

[49] Analytical tool BOOST-analysis was developed based on the World Bank methodology. BOOST promotes the effective use of budget data for improved budgetary decision-making, analysis, transparency, and accountability. The program strives to make well-classified and highly disaggregated budget data available for policymakers and practitioners within government, researchers, and civil society. The program assists client governments clean, verify, organize, and disseminate their entire public spending datasets in machine-readable, an easily accessible format. The program also trains non-state actors, such as CSO representatives and journalists, on how to effectively access and use budget data to improve the policy dialogue around public expenditure. OECD (2017). OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management. OECD Publishing, Paris. P.37. DOI: https://doi.org/10.1787/9789264282070-en

[50] In 2021 Ukraine took 6th place in the EU Open Data Maturity assessment 2021, ranking in the group of fast-growing countries, after being ranked 17th in 2020, see Report: https://data.europa.eu/en/dashboard/2021.

[51] Hrubiian, O. (Deputy Finance Minister for Digital Transformation, Ministry of Finance of Ukraine). IT technologies for budget data transparency in Ukraine. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

[52] Source: https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents

the portal provides timely regular quarterly data on the use of general public funds and annual data on the use of own funds for all budget users from all government levels, as well as extra-budgetary finds, state-owned enterprises, the National Bank, and the state-owned banks. Information on payments from the Single Treasury Account is also available. Data on almost 200 million transactions are shown in the spending module, with 68 million documents (reports, contracts, etc.), and 18,000 users on a monthly level. Data can be downloaded in Excel and tracked by spending unit in real time. The Citizens Budget module (called an open budget) provides different types of information, explaining the budget process, presentation of the budget structure, and different instruments for analyzing and comparing local budgets.

The simplest way to boost accessibility and convenience is to publish budget documentation in HTML format so that it can be adapted to whatever device a reader is using. The number of people accessing websites via mobile devices has increased dramatically. PDF files can be clunky on mobile devices if users must download, zoom, and navigate a document meant for printing. Ideally, to make budget documentation fully interactive - clickable, tablet-tappable, swipeable – it must be transformed from a static pdf file to HTML using a pdf-to-HTML converter. See, for example, how the UK Budget 2021 is presented, including in HTML format.

www.gov.uk/government/publications/budget-2021-documents

It is important to ensure that people with disabilities can use the website and access budget information and communication in the manner they can comprehend and prefer. The use of assistive technologies[53] can allow people with disabilities to navigate most of the website using just a keyboard, interact with the largest part of the website using a screen reader and zoom in and change colors and contrast levels. Possibilities to report accessibility problems directly through the website or via email help to improve the budget website's accessibility.

STEP 5. Visualize budget information by using convenient formats for various users.

The process of creating budget information visualization typically starts with understanding the information needs of the target user group: how, when, and where the visualization will be used. Examples of different kinds of visualizations of budget data are presented below.

- **WIDGETS** - displaying the minimum amount of important information - getting information quickly (see **Figures 2** and **3**).
- **INFOGRAPHICS** - a graphical way of presenting information, data and knowledge. "Numbers in pictures" - clearly show the correlation of objects and facts, and help to make numerical data more digestible and understandable (see **Figures 4, 5, 6** and **7**).
- **DASHBOARDS** - a visual display of all of the data; the means to generate detailed reports with a single click. While it can be used in all kinds of different ways, its primary intention is to provide information at-a-glance. A dashboard usually sits on its own page and receives information from a linked database. In many cases it is configurable, allowing users to choose which data they want to see and whether they want to include charts or graphs to visualize the numbers (see **Figure 9**).
- **SCATTER PLOTS** - uses dots to represent values for two different numeric variables. The position of each dot on the horizontal and vertical axis indicates values for an individual data point. Scatter plots are used to observe relationships between variables (see **Figure 10**).
- **BUDGET TREEMAPS**, both static and interactive (see **Figures 11** and **12**).
- **VISUAL ELEMENTS** (e.g., maps and graphs) are created, along with appropriate labels, and visual parameters such as color, contrast, distance, and size are used to create an appropriate visual hierarchy and a visual path through the budget information (see **Figure 13**).

[53] Assistive technology is any item, piece of equipment, software program, or product system that is used to increase, maintain, or improve the functional capabilities of persons with disabilities.

Figure 2.

Widget for main parameters of the state budget[54]

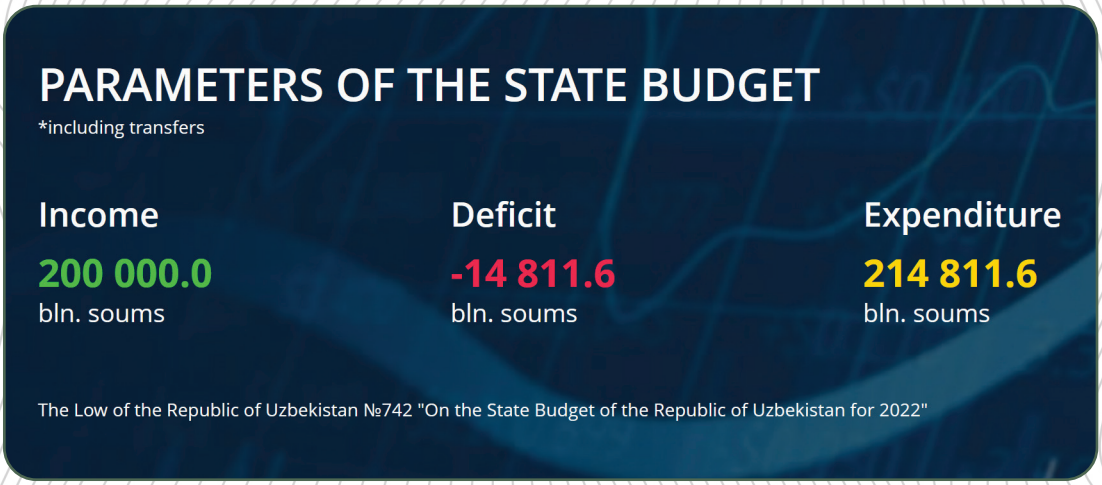
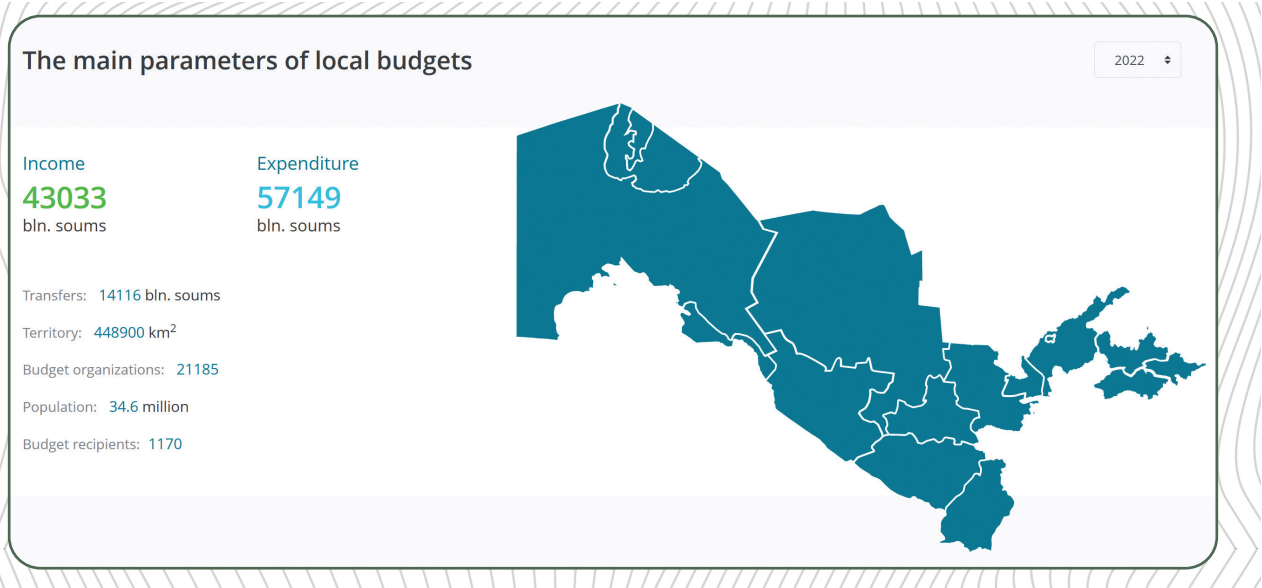


Figure 3.

Widget for the main parameters of local budgets and geographic budget map[54]



[54] Source: Open Budget Portal of Uzbekistan. https://openbudget.uz/en

Figure 4.

Pie chart for public sector spending, illustrative allocations to functions[55]

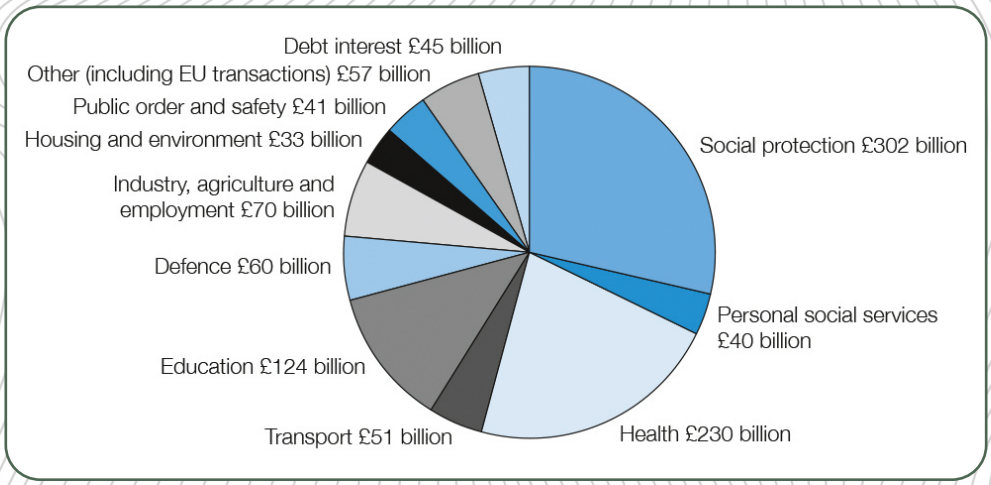
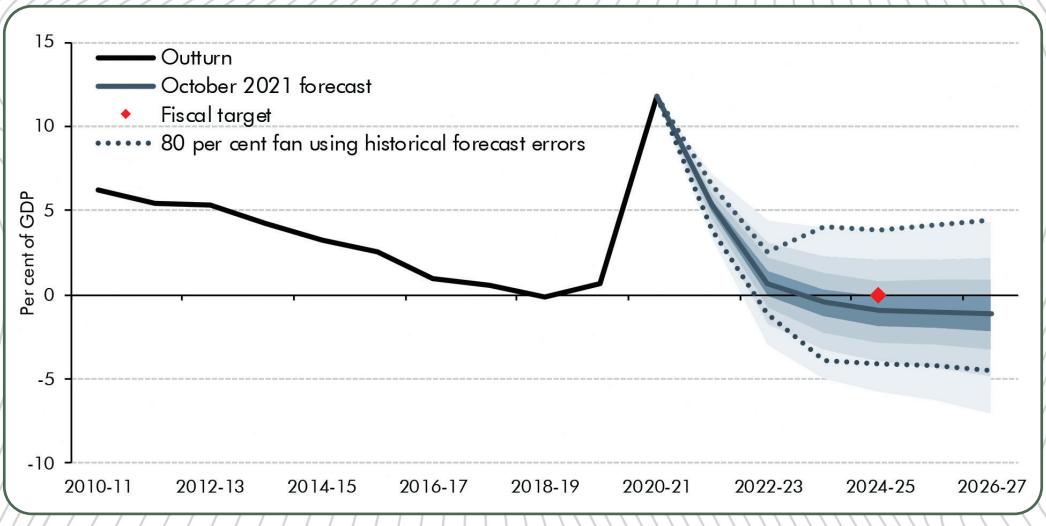


Figure 5.

Fan chart around current budget deficit in the United Kingdom[56]



[55] Source: Budget 2021 (HTML), Office of Budget Responsibility and HM Treasury Calculations, https://www.gov.uk/government/publications/budget-2021-documents/budget-2021-html

[56] Source: Office for Budget Responsibility. The UK. https://obr.uk

Figure 6.

Alluvial charts comparing budgeted revenue and expenditures[57]

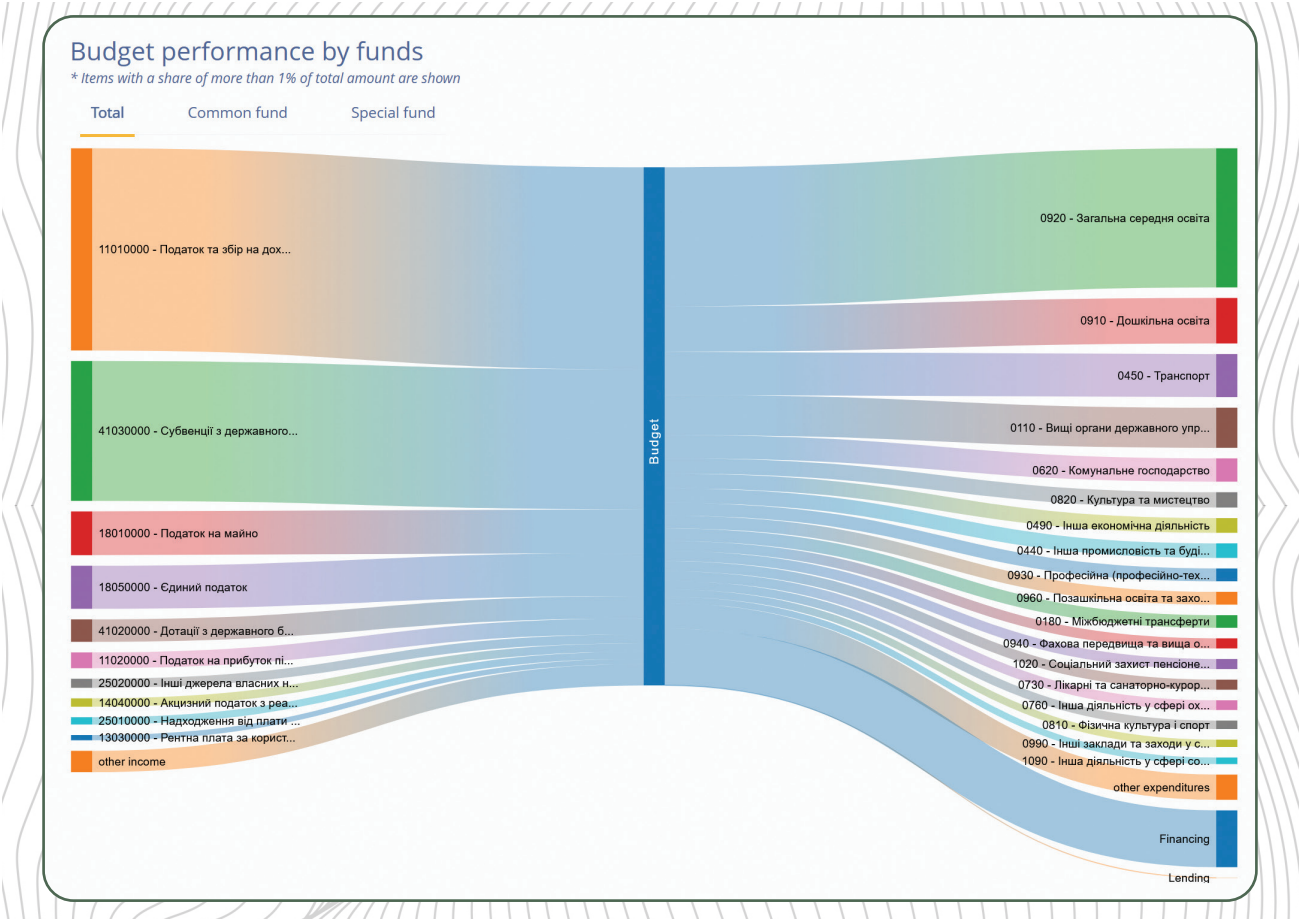
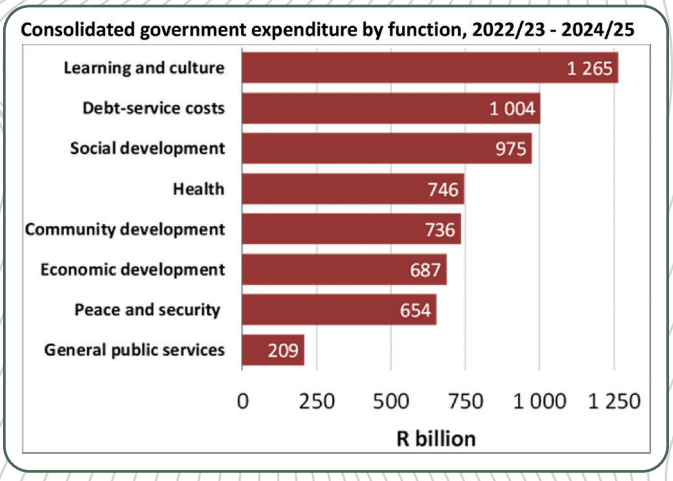


Figure 7.

Bar chart for consolidated government expenditure by function[58]



[57] Source: State Budget Web Portal for Citizens. Ministry of Finance of Ukraine. https://openbudget.gov.ua

[58] Source: 2021 SA Medium Term Budget Policy Statement. http://www.treasury.gov.za/documents/mtbps/2021/mtbps.aspx

Figure 8.

Bar chart for government non-interest and interest payments as a share of total expenditure[59]

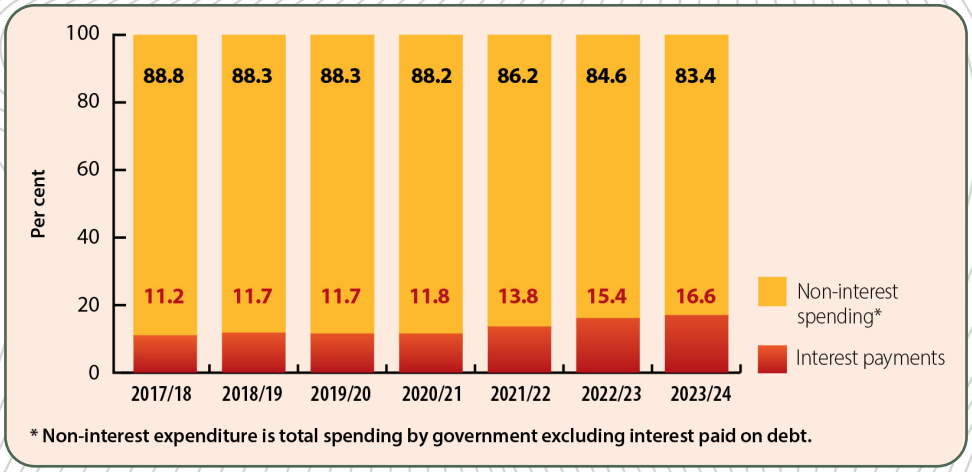
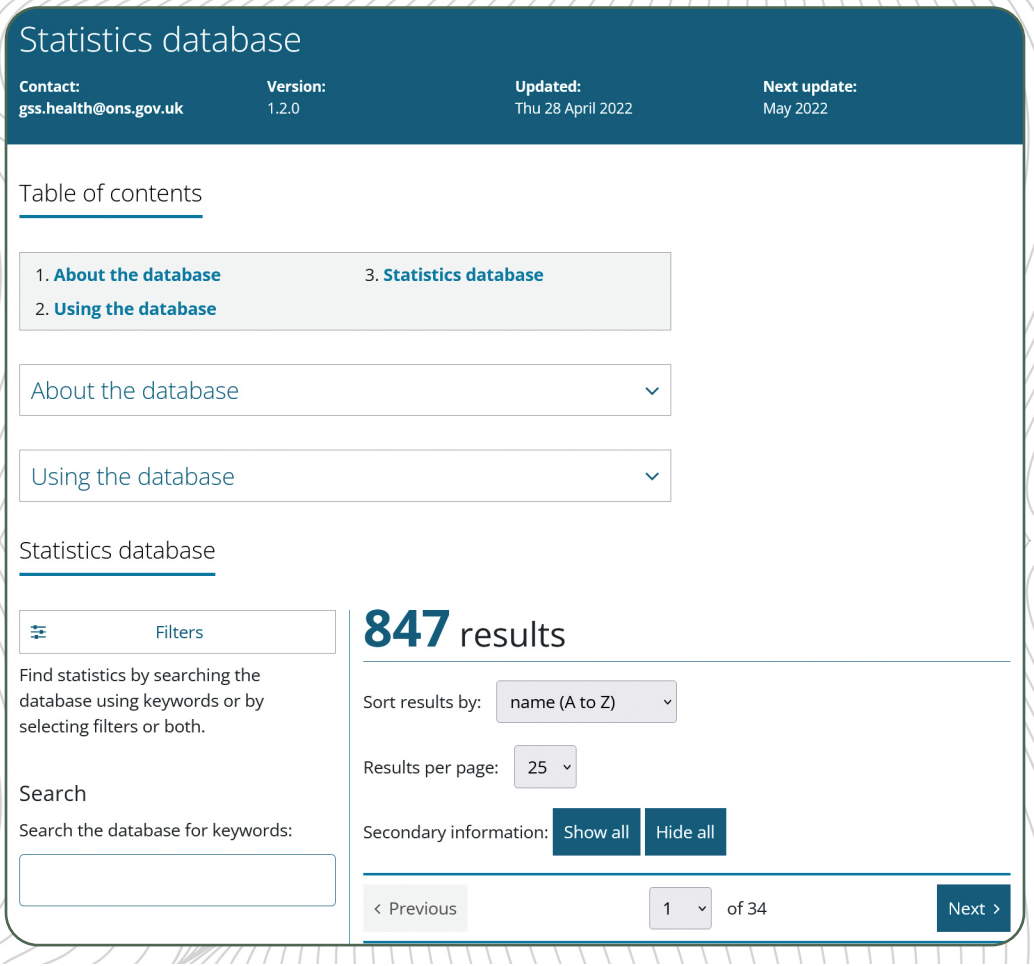


Figure 9.

Dashboard for health and care statistics for England[60]



[59] Source: People's Guide to the National Budget – 2021. http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx

[60] Source: UK Government Statistical Service, https://gss.civilservice.gov.uk/dashboard/tools/health-and-care-statistics/database.html

Figure 10.

Scatter plot for correlation between qualification level and productivity, by region[61]

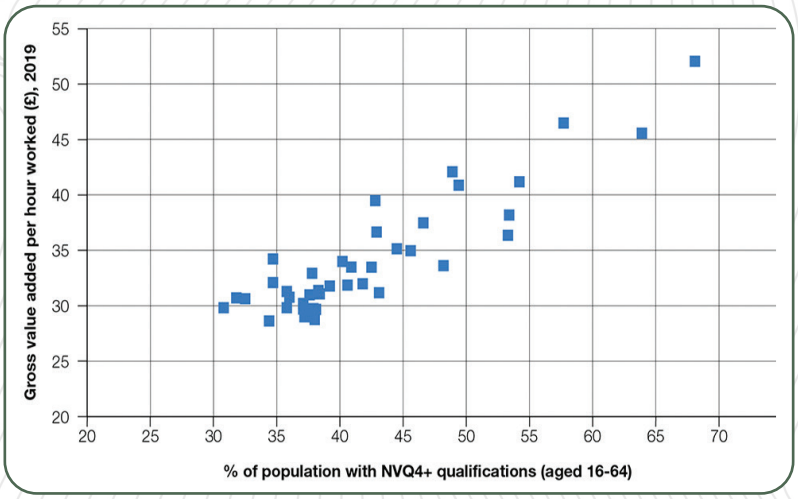
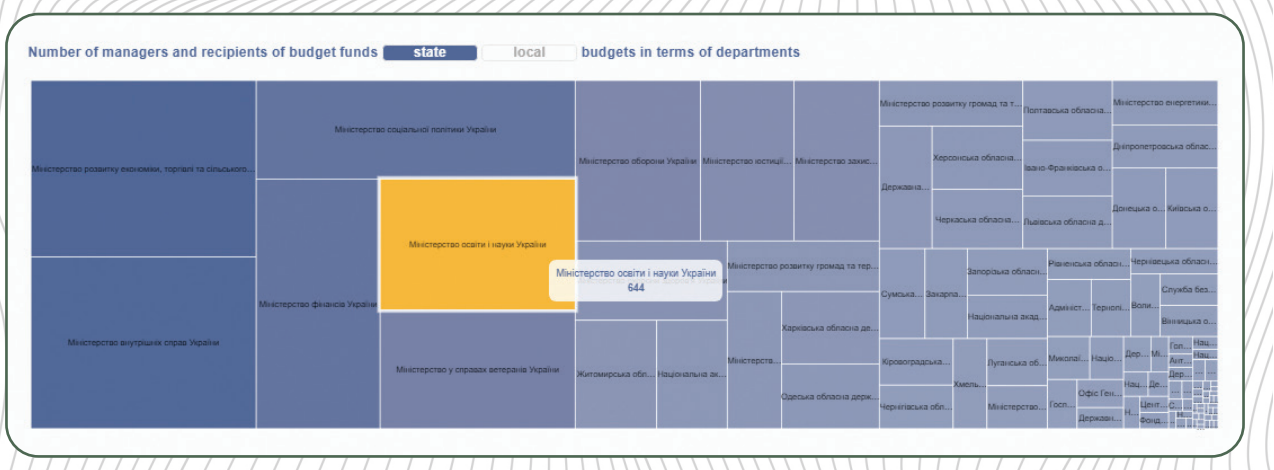


Figure 11.

Budget TreeMap for the number of managers and recipients of budget funds[62]



[61] Source: Office of National Statistics. https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents/autumn-budget-and-spending-review-2021-html/

[62] Source: State Budget Web Portal for Citizens. Ministry of Finance of Ukraine. https://openbudget.gov.ua

Figure 12.

Budget TreeMap for the consolidated budget summary[63]

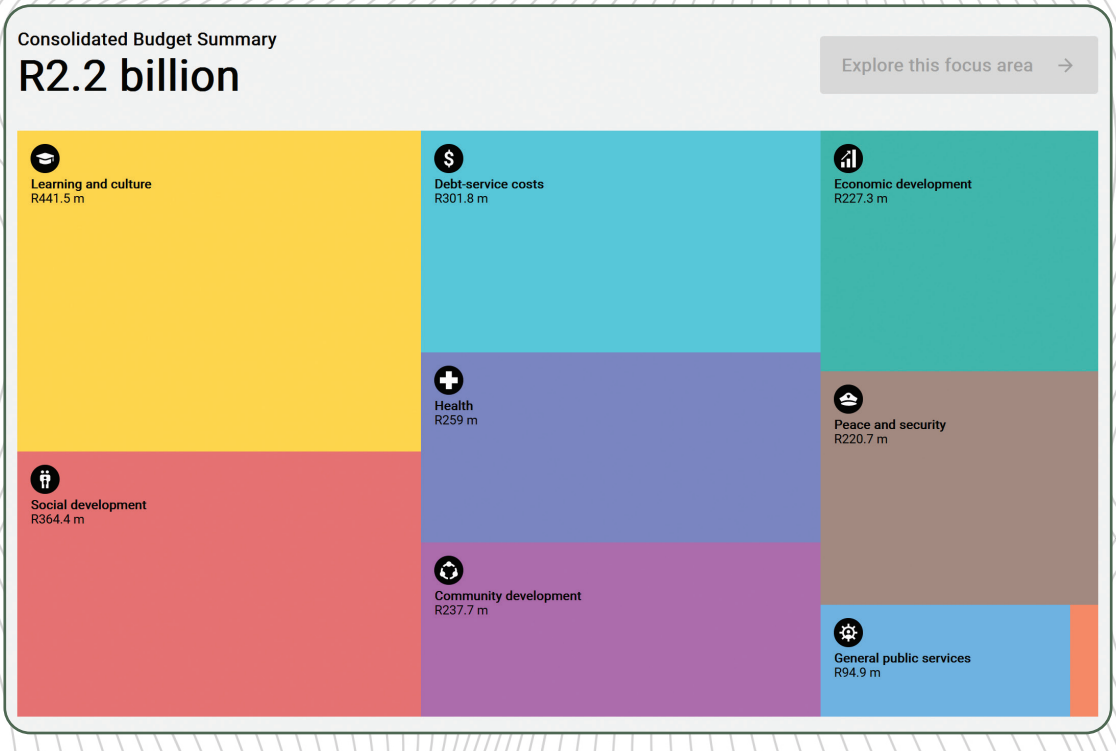
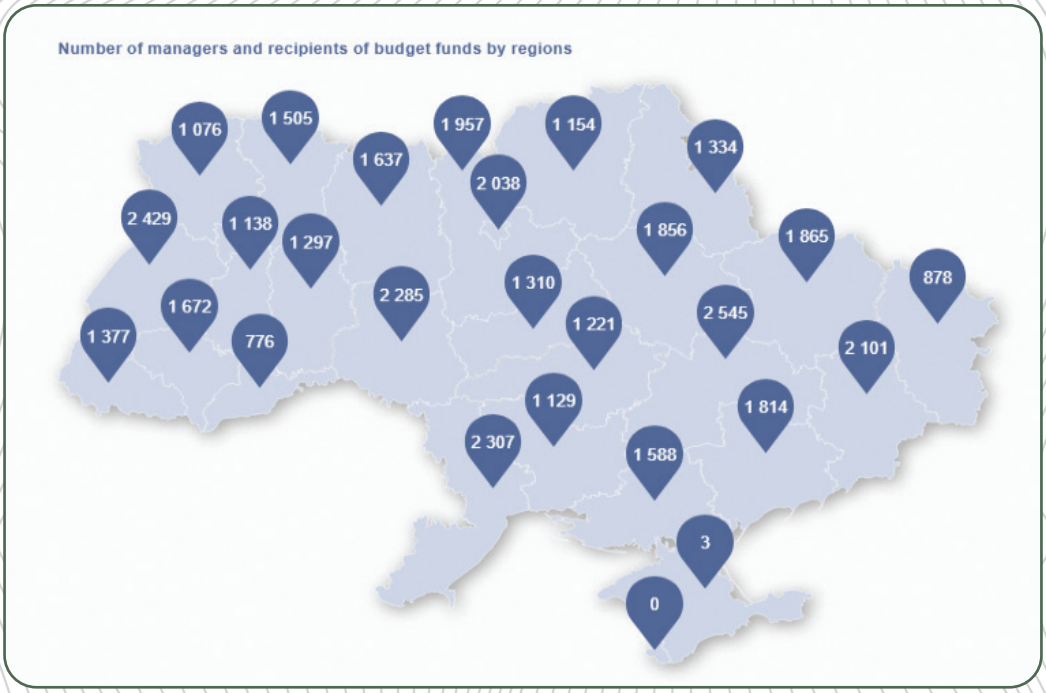


Figure 13.

Geographic budget map for number of managers and recipients of budget funds by regions[64]

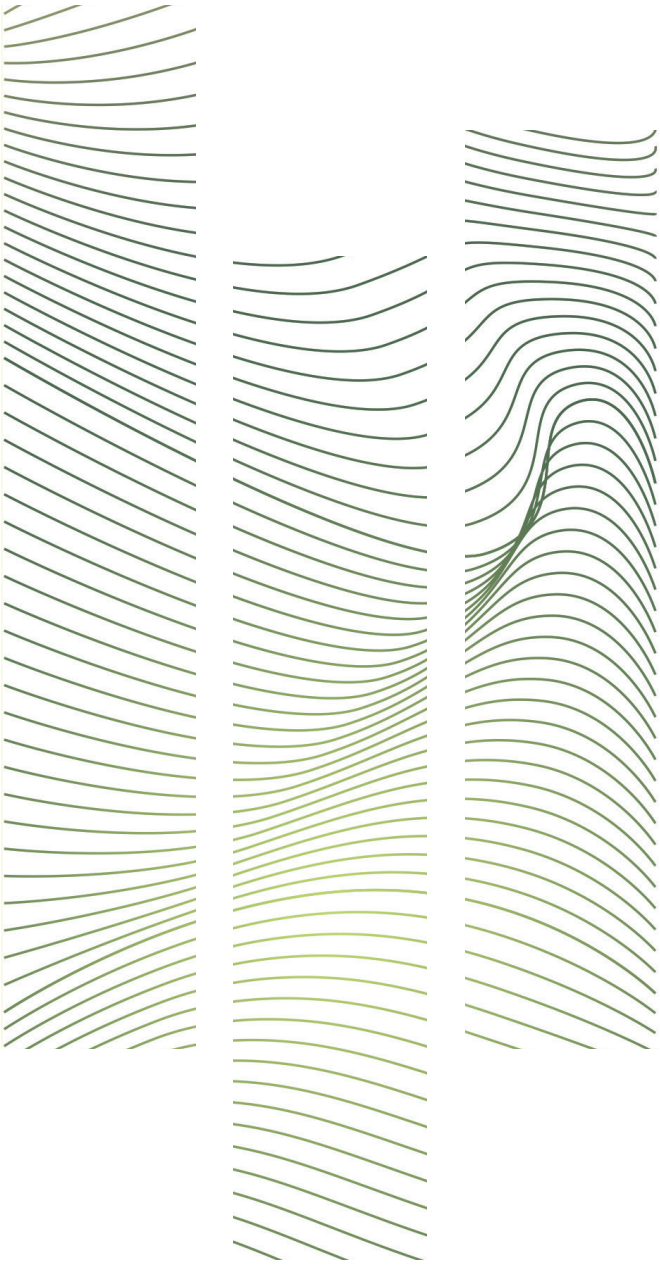


[63] Source: South African online open budget data, https://vulekamali.gov.za/

[64] Source: State Budget Web Portal for Citizens. Ministry of Finance of Ukraine. https://openbudget.gov.ua

Data visualization, analysis and open data are specialist tools and working with experts is often necessary. The quickest and easiest way to visualize information on one's own is to show data in a chart. For example, Datawrapper, Infogr.am and PiktoChart are user friendly sites for building sleek, easy-to-customize charts that can be easily embedded on websites and are responsive to all screen sizes.

With interactive IT for budget presentation and visualization the public, especially journalists, are able to view topics from different perspectives. It is helpful to illustrate the financial impact of policies on different groups of citizens, policy impacts based on gender, age, climate etc., and to analyze whether funds allocated to programs are adequate and sufficient and to ascertain whether budgets are allocated in line with policy priorities, as determined by the government.



3

BUDGET VISIBILITY AND COMMUNICATIONS

DEFINITIONS AND RATIONALE

Budget transparency requires systematic effort to create visibility. Citizens rarely browse through government websites to explore budget documents. It is necessary to communicate budget information to the public using appropriate communication tools, a well-prepared media strategy, and proper communication planning. The most important trend in recent years is the growing importance of social media, and the opportunities social media poses should be seized. Budget topics are complicated, not easy to break down, and hard to visualize; therefore, intermediary institutions, i.e., the academic researchers, NGOs, CSOs, and especially the media and journalists, should be given substantial weight to increase budget visibility.

Effective budget communication will require that MoFs release budget documentation in a more interesting way to generate greater interest from citizens. The use of budget storytelling was highlighted at the recent BCOP BLTWG VC Meeting[65] to help citizens see a clearer connection between the public services they regularly receive and the budget policies discussed. In this context budget storytelling is a process of creating a story from the findings of budget analysis that assists the audience to make sense of real-world problems. The growing importance of visual journalism, particularly in digital media, acknowledges the role of journalists and bloggers to assist in generating more interest from citizens.

[65] Rosenberg, Greg (2021). Ways to increase transparency and improve budget literacy as seen by the journalistic community. Experience of South Africa. Presentation at the BCOP BLTWG VC Meeting, October 13. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

PRACTICAL STEPS TO ADVANCE BUDGET VISIBILITY AND COMMUNICATIONS

STEP 6. Use modern mass communications channels to transmit budget information to journalists and bloggers.

Modern mass communications channels play an important role in informing the public that the budget information is available in the websites/portals. The major channels to communicate with the general public are still radio and television, and increasingly a few leading social media platforms: Facebook, Twitter, YouTube, LinkedIn, Instagram, and blogs.[66]

Depending on the country, they differ slightly, e.g., the social network VKontakte is widespread in Russia, and Odnoklassniki in Azerbaijan, Georgia, Kyrgyzstan, and Moldova. Telegram messenger dominates in Uzbekistan. The video social media platforms and formats (e.g., YouTube, Instagram Stories and Reels, Facebook Watch), the social media live streams (e.g., YouTube, Facebook Live), and the social audio platforms and formats (e.g., Clubhouse and Twitter Spaces) are also extremely popular. This is now how the majority of people access and consume news, reports, and other information.

Social media can be used as a one-way communication channel and as a platform for a dialogue, a two-way channel. For instant and positive communication MoFs would need additional resources and should consider a number of questions, including how to organize social media monitoring, how to respond to questions and arguments (so as not to be misinterpreted), how to formalize and implement suitable procedures and policies on dealing with negative posts before the situation arises.

Figure 14.

Budget speech by the Minister of Finance of South Africa Enoch Godongwana, Facebook live[67]

Figure 15.

Banner to advertise the 2020 Medium Term Budget Policy Statements, South Africa, in the social media[68]

[66] Blogs are personal internet journals of short, frequently updated postings that provide commentary on a particular subject, arranged chronologically, much like a series of diary entries. Blogs allow the writer or "blogger" to easily share views and thoughts, receive comments, and provide links to useful websites.

[67] Source: https://www.facebook.com/National-Treasury-RSA-2101719296798729

[68] Source: https://twitter.com/vulekamali

Figure 16.

The United Kingdom HM Treasury presents information on socially important topics[69]

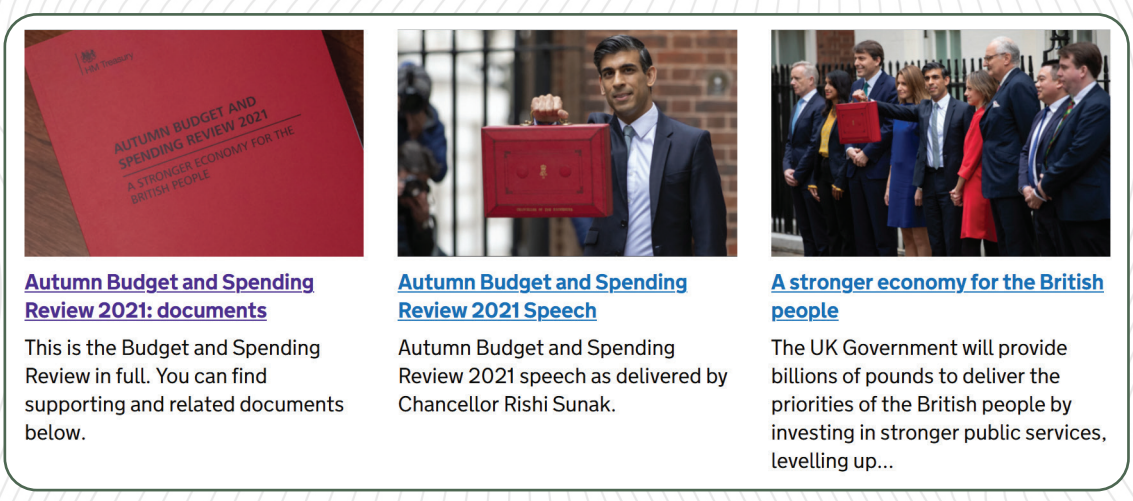
More traditional tools to reach the audience include email alerts, newsletters, articles in press or scientific publications, and presentations at conferences and events. Along with the obvious benefit that such communication better reaches target audiences, a disadvantage is that the message is "fixed;" there is little flexibility for change once launched. The pictures can be used to attract public attention: they identify the subject, can help concretize and visualize acute problems, identify who is affected, and provide context.

In SA, the presentation of the 2021 MTBPS was widely advertised to attract public attention through official websites, the media, and social networks (see **Figure 16**). The public was invited to provide their inputs on (a) What improvements can be made to the budget to address the challenge of long-term fiscal sustainability? (b) In light of limited resources, how should SA finance key priorities? The visibility of budget documentation increases when their presentation echoes the socially important topics, like healthcare or employment. Internet surveys that investigate public opinion may help reveal what is essential for the public.

The Fiscal Analysis Unit (FAU) within the SA National Treasury produces the Citizens Budget since 2010 and also coordinates dissemination activities. The production process entails consultations with departments and offices within the Treasury and SA Revenue Service. The Citizens Budget (see **Figure 25**), which provides aggregated figures and amounts with regard to the total expenditure, revenue and debt, is focused on the budget policy priorities and actions that the government intends to take. The FAU provides the translation of the Citizens Budget into five of the 11 official languages. The very same day that the national budget is submitted to Parliament, the

Figure 17.

The United Kingdom HM Treasury's efforts to attract public attention to the budget data[70]



[69] Source: https://twitter.com/hmtreasury

[70] Source: https://www.gov.uk/government/topical-events/autumn-budget-and-spending-review-2021

Treasury conducts a press conference with the media and financial experts to present the main aspects of the national budget. On the following day, a free copy of the Citizens Budget is included in every newspaper in the country. For the following months, the Treasury implements its "Budget Outreach Program," to distribute the Citizens Budget and raise awareness of the importance of the budget and its main projects for the coming fiscal year.[71]

Journalists play a critical role in creating awareness and informing and educating the public on budget data and policies. For now, the public will not wait for the evening news or the next day's newspaper, but receives them via the digital press and social media, blogs, or instant messaging, right away. This means that the way in which the budget documentation is explained and interpreted will vary across different media channels. The majority of journalists have embraced the opportunities that new media afford them as different and more diverse ways of getting their stories across to a wider group of people. Good communications are needed to MoFs to enable better media coverage, including by briefing journalists on the latest budget information and context, helping them to better understand the budget issues, and report more accurately.

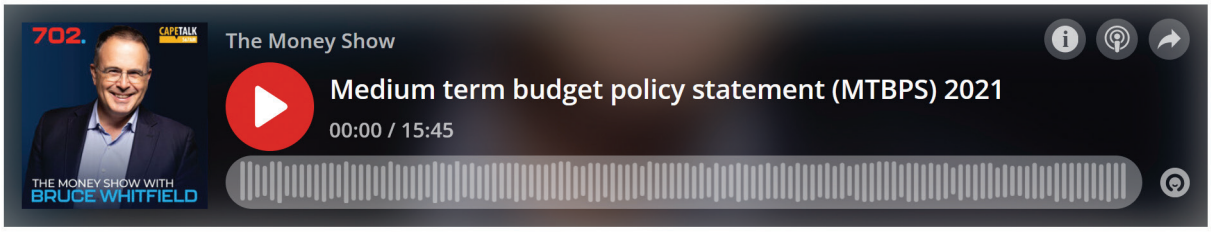
The traditional work of the MoF with the media and journalists (including "citizen journalists")[72] is changing. When UK Government departments place news stories, they repeat them in Twitter and tag specific topics that journalists may want to search. Some governments consider bloggers and other influencers in their communication strategies along with journalists. For example, the President of Uzbekistan holds meetings with influential bloggers, as do some Ministries of Uzbekistan.[73]

The Communications unit of the SA National Treasury manages the media and external communications by ensuring that the Treasury has a presence in the national discourse on public finances and their management. This is done by strategically and proactively creating a range of media and public speaking platforms for the National Treasury executives and senior officials, with the department's principals (the Minister, the Deputy Minister and the Director-General) and members of Executive Committee taking part in a number of radio, television, newspaper and online interviews (see **Figure 18**), publishing media statements on the National Treasury website communicating key policy issues to the public and conducting media workshops on topical issues. The unit uses content from the National Treasury's divisions

Figure 18.

The Money Show interviews National Treasury Director General Dondo Mogajane and analysts after the presentation of the 'mini-budget'[74]

Listen to wide-ranging reaction to the MTBPS (scroll to 3:50 for the interview with Treasury DG Mogajane):



[71] A review of Citizens Budgets in ten African countries. The Collaborative Africa Budget Reform Initiative (CABRI). www.cabri-sbo.org

[72] Citizen journalism - the gathering and sharing of news and information by public citizens, particularly via mobile and social media, sometimes via traditional media. Source: Pavlik, J.V. (2017). Converging Media: A New Introduction to Mass Communication. Fifth edition. Published by Oxford University Press. P.84

[73] 2019: The President of the Republic of Uzbekistan held a meeting with influential bloggers: https://www.gazeta.uz/ru/2019/08/27/bloggers; 2020: The Minister of Investments and Foreign Trade of the Republic of Uzbekistan met bloggers in 2020: https://sng.today/tashkent/18342-glava-mivt-uzbekistana-provel-otkrytuju-vstrechu-s-blogerami-i-nezavisimymi-smi.html?utm_source=yxnews&utm_medium=desktop

[74] Source: https://www.702.co.za/articles/432074/treasury-must-act-responsibly-so-future-generations-not-burdened-by-sa-s-debt?ref=tid:24

Figure 19.

Banner to present in the social media the information on GDP[75]

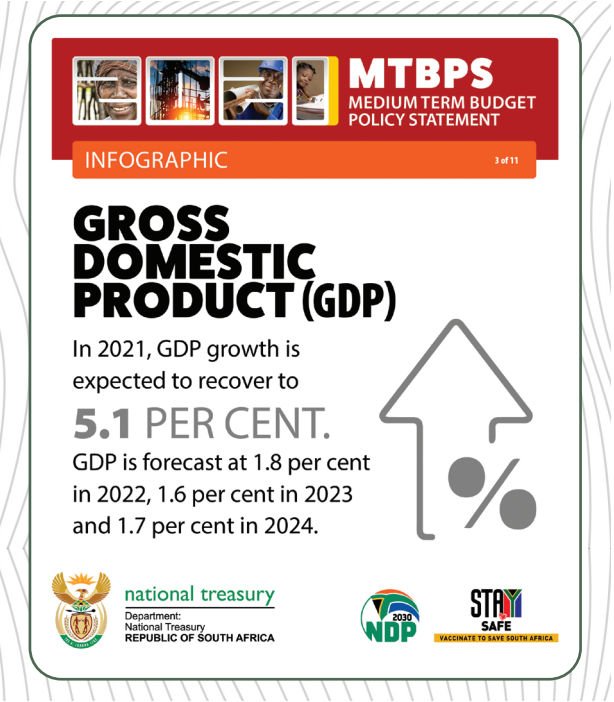


Figure 20.

Banner to advertise in the social media the National Treasury Brief on the 2020/21 Annual Report[76]

to create concise social media banners (see **Figures 19** and **20**) to keep the public updated and informed about policy developments in the department. Continuous media content development, monitoring, and analysis ensures effective and efficient media and communication management on all platforms. The unit also disseminates communication messages internally that reinforce a positive departmental image.

STEP 7. Supply citizens, journalists and other users with the budget information they need.

How the public wants budget documentation to be published and what the public wants to know about the budget might differ from the way the MoFs presents it. MoFs' audiences include the Parliament, the executive, civil society, political parties, research organizations, academia, the media, international organizations and others. Openness implies that budget information is intended for the broad public. It is important to seek feedback from the public about the types of information it prefers.

The SA National Treasury established a tip line that can help identify the public's needs for budget information. The Treasury's website includes a form that allows users to provide budget tips to the Minister of Finance's office (see **Figure 21**). The website gathers over 500 tips per year. Treasury communications staff shortlist about 10 tips to the Treasury executive team. The Minister considers those that are closest to government priorities and refers to them in the budget speech.

[75] Source: https://twitter.com/TreasuryRSA

[76] Source: https://twitter.com/TreasuryRSA

Figure 21.

'Budget Tips' for the Minister of Finance, South Africa[77]

Other opportunities to learn what the public needs are available through social media. The SA National Treasury has Twitter, Instagram, and Facebook accounts (see **Figure 22**). The Treasury's communications are not limited to these opportunities; the feedback opportunities are available throughout the budget cycle. The Treasury conducts meetings and activities with CSOs and other relevant stakeholders on a regular basis; on all of these activities the public is encouraged to provide feedback.

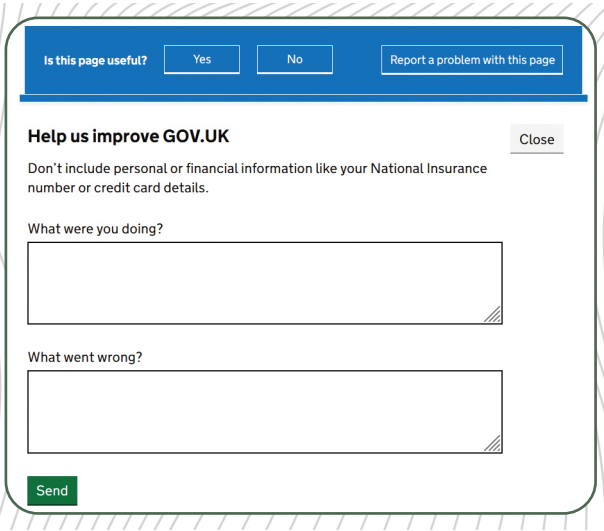
The UK Government's website provides the user with an opportunity to report a problem on each page (see **Figure 23**). Providing a place for the public to request additional information if something is missing is valuable and helps government to learn more about public demand. It is important to ensure that the request is appropriately considered; the user gets a message that the request was received; the request is answered within a certain time; and that the answer include contact details about the officer who will provide more information about the case.

Figure 22.

Twitter of the National Treasury, South Africa[78]

Figure 23.

Reporting a Problem at the United Kingdom Government's website[79]



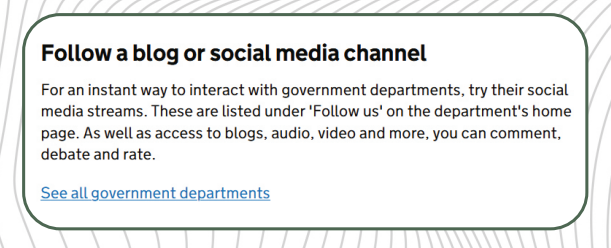
[77] Source: The National Treasury of South Africa. https://web.treasury.gov.za/public/Tips

[78] Source: https://twitter.com/TreasuryRSA

[79] Source: https://www.gov.uk

Figure 24.

Invitation from the United Kingdom Government to follow a blog or social media channel of the Government departments[80]



STEP 8. Make efficient use of MoF staff to disseminate budget information to the public.

Social media gives a new perspective to the question of who communicates. Usually MoFs have communication/information/press departments with specialists schooled in communications or journalism. Only a limited number of people can access the Ministry's social media account, and social media feeds are carefully planned. Sometimes MoFs can keep up if more staff can comment on the budget information on their private social media accounts, write to a blog, or place news. The SA Government admits that "the potential benefits of using selected social media tools far outweigh any risks, and these benefits will continue to grow as more and more South Africans bridge the digital divide… Public servants have a unique opportunity to step out and be part of the digital revolution, joining a historical transition that allows conversations with the public, rather than simply communicating to them."

Social media is a powerful communication platform that has a significant impact on institutional and professional reputations. Public servants have some additional obligations when it comes to sustaining, building, and defending the reputation of government through social media. The SA Department of Government Communication and Information System established the Policy Guidelines for government employees using social media for official government communication purposes and personal use of social media by government employees, when the employee's government affiliation is identified, known, or presumed.[81] They serve to provide standards of professional practice and conduct when using social media as with other standards applied to any other area within the public service.

The UK Government published in 2019 (updated in 2021) the Communication Functional Standard to ensure that the public has broad trust in official statements and other government communications. It includes the principles at the heart of all government communications,[82] and the guidance on social media, that explains how to use them.[83] The Government Communications Service offers various related training opportunities for those who are dealing with government communications and are interested in learning more about using social media in their work.[84]

MoFs should write guidelines on how to communicate with NGOs, the media, journalists and other users of fiscal information. These guidelines can establish principles for government communications environment, in order to improve government transparency, participation, and interaction with the public. They should include the good practice use of budget communications, and the potential benefits and risks.

MoFs should issue guidance on how to use social media. The purpose is to create awareness of some of the opportunities that social media presents for government, as well as making government agencies and staff aware of how to manage the risks associated with this kind of technology. This guidance can provide an overview of the social media tools that are most likely to be relevant in a specific country environment and guidance on how government employees use social media for official government communication, and for personal use.

[80] Source: https://www.gov.uk/government/get-involved

[81] Department of Government Communication and Information System, South Africa. Social Media Policy Guidelines, April 2011. https://www.gcis.gov.za/sites/default/files/docs/resourcecentre/guidelines/social_media_guidelines_final_20_april2011.pdf

[82] https://gcs.civilservice.gov.uk/publications/government-communication-functional-standard/

[83] https://www.gov.uk/guidance/social-media-playbook

[84] For example, the Government's Digital Skills Transformation Programme "Accelerate." https://gcs.civilservice.gov.uk/curriculum/#Our-digital-skills-transformation-programme-Accelerate

4

BUDGET LITERACY

DEFINITIONS AND RATIONALE

Budget literacy is defined as the ability to read, decipher, and understand public budgets to enable and enhance meaningful citizen participation in the budget process.[85] To provide constructive feedback, citizens must be able not only to read budget documentation, but understand the budget policy and intended results, analyze, and discuss. Most of budget documents, even when written clearly, are financial in nature and require a certain degree of competence on the part of readers. Thus, "the goal of improving budget literacy is to make a considerable segment of public take a responsible civic stance through understanding functions and objectives of the state budget and their rights and responsibilities in reference to the budget."[86] The role of the MoFs should be not only to share budget data in a clear and understandable way, but also to expand budget literacy by training the public and journalists, and thus create a culture of openness through the education system.

Increasing the budget literacy of the public is becoming a global trend. As the World Bank's review of global trends in this area showed,[87] elements of budget literacy have already been included in school curricula in at least 34 countries (mainly in the OECD and BRICS countries). Budget literacy has long been on the agenda of BCOP PEMPAL, and countries have taken a number of steps, including learning from international experiences. Countries reported that lack of public understanding of budget concepts is the major challenge in preventing accessibility of budget

[85] World Bank (2017). International Practices to Promote Budget Literacy. Key Findings and Lessons Learned. By Harika Masud, Helene Pfeil, Sanjay Agarwal, and Alfredo Gonzalez Briseno. https://openknowledge.worldbank.org/handle/10986/26956

[86] Romanov, S.V., Ministry of Finance, Russia. Budget Literacy in the Context of Improving Budget Openness in the Russian Federation. Presentation at the World Bank Conference and BCOP PEMPAL Working Group Meeting on Budget Literacy and Transparency, June 22-23, 2017. https://www.pempal.org/events/budget-literacy-and-transparency-working-group

[87] World Bank (2017). International Practices to Promote Budget Literacy.

documentation. The top challenges in improving budget literacy come from misunderstanding of economic and technical concepts and confusion from too much information being presented.[88]

Education about public budgets is concentrated at the secondary-school level and scattered throughout a number of subjects: economics, social sciences, citizenship, life skills and contemporary issues, mathematical literacy and essential mathematics, business studies, and fiscal education programs.[89] Budget literacy education may have different objectives including better knowledge of public budgets, practical skills for daily living, economic competence, civic awareness, improved competency in analytical and numerical skills, and development of values and attitudes (such as thinking proactively about participating in the discussion of economic issues and decision-making).

PRACTICAL STEPS TO ADVANCE BUDGET LITERACY

STEP 9. Raise the level of budget literacy of citizens, non-state actors, journalists, and bloggers who want to participate in the budget process.

As identified earlier in the BCOP KP on Citizens Budgets,[90] preparing a Citizens Budget is of itself a key component to improving budget literacy, as it puts the information in a simplified and engaging format. According to the International Budget Partnership (IBP), a Citizens Budget is defined as a simpler, less technical version of a government's budget specifically designed to present key information to the public. Citizens Budgets explain basic budget information in an accessible format using simple and clear language. Ideally, they should be available in all languages commonly used in the country. The initiative for the elaboration of a Citizens Budget lies with government but should be done in consultation with the public and civil society. Citizens Budgets are typically created at central government level but may also be produced for subnational governments.

The IBP published a guide for authorities to develop Citizens Budgets that provides step-by step guidance, from strategy development to dissemination and evaluation.[91] Good practice and revised OBS methodology suggests that a citizens' version of key budget documents should be produced during each of the four phases of the budget cycle.This would serve to inform citizens of the state of public financial management (PFM) throughout the entire budget cycle.[92] The SA People's Guide to the Budget, published since 2010, is a good practice example of an attractive and concise 4-page brochure which gives people a quick picture of the main characteristics of the budget (see **Figure 25**).

Guides for the public that provide a general introduction to budget are a good tool. For example, the UK Office for Budget Responsibility developed and published a brief guide to the UK public finances.[93] This guide provides information and explains: (i) how much money the public sector will raise from taxes and other sources of revenue; (ii) how much it will spend on things like public services, state pensions and debt interest; and (iii) how much will be added to – or paid off of – the national debt in each year. Another example comes from SA, where the National Treasury issued the short, handy video guide explaining how to read a budget document. The video is placed on the official National Treasury's YouTube channel,[94] and advertised on Twitter.

[88] PEMPAL BCOP Executive Committee travel to Warsaw, Poland, for the 11th OECD CESEE SBO meeting and Budget Literacy Workshop – May 19-22, 2015. Event Report. https://www.pempal.org/sites/pempal/files/event/attachments/warsaw-2015-report_eng_final.pdf

[89] World Bank (2017). International Practices to Promote Budget Literacy.

[90] BCOP PEMPAL (2017). Breaking Challenges in Constructing Citizens Budgets for PEMPAL Countries. BLTWG KP. June 2017. https://www.pempal.org/knowledge-product/breaking-challenges-constructing-citizens-budgets-pempal-countries

[91] IBP (2012). The Power of Making It Simple: A Government Guide to Developing Citizens Budgets. https://internationalbudget.org/publications/the-power-of-making-it-simple-a-government-guide-to-developing-citizens-budgets/

[92] For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

[93] https://obr.uk/docs/dlm_uploads/BriefGuide-B21.pdf

[94] https://www.youtube.com/watch?v=nN2TufhEx98&t=2s; https://twitter.com/vulekamali/status/1365244111175958529

Figure 25.

The South African Citizens Budget 2021[95]

ENGLISH

People's Guide

#RSABUDGET2021

ISSUED BY national treasury

www.treasury.gov.za | RSA Budget | #RSABudget2021 | A joint publication between National Treasury and South African Revenue Service | Tel: (012) 315 5757 www.treasury.gov.za

INFO

WHAT IS THE BUDGET

In February of each year, the finance Minister tables the national budget, whereby he announces government's spending, tax and borrowing plans for the next three years. The national budget divides money between national departments, provinces and municipalities.

HOW IS THE BUDGET PUT TOGETHER?

1. Departmental guidelines is issued indicating budget information required
2. Departments prioritise their programmes, compile spending plans and service delivery commitments
3. Budget proposals are submitted to treasury and deliberated on
4. Allocation proposals are considered by interdepartmental committees of Directors-General
5. Budget recommendations are made to Ministers' Committee
6. Medium Term Budget Policy Statement signals the upcoming Budget
7. Finally allocations are decided in Cabinet
8. Budget documents are prepared
9. Main Budget is tabled
10. Parliament deliberates and adopts a Budget
11. Sent to the President for signing into Law

RESTARTING THE ENGINES OF SUSTAINABLE GROWTH

The 2021 Budget ensures that South Africa can manage the short-lived economic challenges including the impact of COVID-19 while addressing the long-lasting structural challenges that face the country.

In the short-run, government is committed to rolling out the COVID vaccine free of charge, in line with the need and the Department of Health's phased rollout schedule. In 2020/21, government responded to the pandemic by allocating approximately R20 billion in additional funding to the health sector for increasing prevention, screening and testing capacity. An allocation of R9 billion is provided for the vaccine over the next 2 years, with an additional R7 billion being allocated to the contingency reserve to accommodate any additional funding pressures. A successful vaccination campaign will save many lives and make possible a noticeable economic recovery.

While real GDP is estimated to have contracted by 7.2 per cent in 2020, it is expected to reach 3.3 per cent growth in 2021, before moderating to 1.6 per cent growth in 2023. The fiscal position, which was already weak before the current crisis, has deteriorated dramatically, requiring urgent steps to avoid high and uncontrollable debt levels.

Government's balanced and prudent fiscal strategy supports public health and growth, and is designed to stabilise the public finances. Capital spending is the fastest-growing component of non-interest spending. The main budget primary deficit narrows from 7.5 per cent of GDP in 2020/21 to 0.8 per cent of GDP in 2023/24, and gross government debt stabilises at 88.9 per cent of GDP in 2025/26. At the same time, the 2021 Budget reduces the tax burden, withdrawing previously announced tax increases of R40 billion. South Africa's fiscal challenge is to balance the immediate need for support to the economy during the pandemic with ongoing efforts to close an unsustainable and pre-existing budget deficit. Government's fiscal policy is balancing these two considerations.

> Funding for the vaccine rollout will play a crucial role in controlling the pandemic, while supporting greater economic activity

Funding for the vaccine rollout will play a crucial role in controlling the pandemic, while supporting greater economic activity. The social relief of distress grant, initiated to provide short-term support for low-income households in 2020, will be extended until the end of April 2021. At the same time, fiscal policy must remain focused on stabilising the public finances over the longer term, thereby contributing to economic stability and sustainable growth.

MESSAGE FROM THE MINISTER

It's been almost a year since the first case of COVID-19 was detected in South Africa. The pandemic ushered in a significant wave of uncertainty the world over.

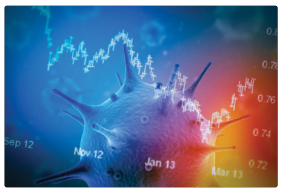
Many people lost their lives and others their jobs. The uncharted territory required us to forget how we usually do things and adapt to ensure that the wheels continued to turn. A major task to curbing the spread of the virus lay ahead for the government. It was no longer business as usual. The country went into lockdown and the second wave of the virus brought a lot of hardship.

Budget priorities needed to be shifted to ensure that we cushion the economy from the negative impact of the virus. Despite the uncertainty, the virus has not deterred us from our goal of achieving higher economic growth and employment levels. Economic activity has now begun to pick up, improving our growth prospects.

In the 2021 Budget, our fiscal policy strategy is to provide continued support to the economy and public health services in the short-term, without adding to long-term spending pressures. We aim to improve the composition of spending by reducing growth in compensation while protecting capital investment; narrow the deficit and stabilise the debt-to-GDP ratio. We continue to work towards reining in wasteful spending and improving the lives of our people. The vaccine has given us a sense of hope that this deadly virus can be beaten. However, we cannot let our guard down.

I urge South Africans to continue to adhere to the COVID-19 protocols, wash hands regularly and wear a mask to stem the spread of the virus.

GOVERNMENT WORKING TO ALLEVIATE THE IMPACT OF COVID-19 ON THE ECONOMY



The combination of low growth, high levels of debt and growing unemployment meant that South Africa was already on an unsustainable economic path before the COVID-19 pandemic.

Institutional weakness, political and policy uncertainty made worse the low economic growth environment the country finds itself on. The pandemic has further confirmed existing inequalities and highlighted inadequate public services for a large portion of the population. While much depends on how quickly and effectively the COVID-19 vaccines will be rolled out in the short to medium term, broader structural reforms are required to create an enabling environment for the country to grow.

In the short term, the government is working to reduce the impact of the pandemic and associated lockdowns. This includes supporting businesses through the Unemployment Insurance Fund, tax system and loan guarantee scheme, and providing income support to low-income households. Over the longer term, the government is implementing key structural reforms through its Economic Reconstruction and Recovery Plan. The plan involves a comprehensive health response to save lives and stop the spread of the pandemic; interventions to restore the economy while controlling the health risks; and reforms to support a sustainable, resilient and inclusive economy.

GOVERNMENT IS COMMITTED TO INFRASTRUCTURE DEVELOPMENT FOR GROWTH

To grow the economy and reduce unemployment and poverty by half by 2030, capital investment by both the public and private sectors need 30 per cent of GDP.

Despite the challenges posed by the COVID-19 pandemic, government still prioritises infrastructure spending to stimulate economic growth and reduce unemployment and poverty. Over the next three years, government will spend approximately R791.2 billion on infrastructure.

Government is creating an enabling environment for effective partnerships with the private sector to leverage their skills and expertise and increase the pool of resources available to fund infrastructure.

BUDGET REFORMS FOR GREATER EFFICIENCY

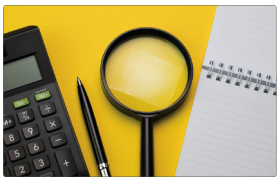
Waste and inefficiency reduce the impact of government programmes, more especially in the context of limited state resources.

To improve the efficiency of spending, government has initiated a series of public spending reviews and adopting zero-based budgeting principles. The department of Public Enterprises and the National Treasury will be the first departments to pilot a new methodology.

GOVERNMENT PRIORITISES SOCIAL SPENDING TO REDUCE POVERTY AND INEQUALITY

Consolidated government expenditure over the medium-term is projected to be R6.16 trillion, a decrease of R20 billion from the previous year's consolidated budget of R6.14 trillion.

This is mainly because of the proposed reductions of more than R303 billion in compensation spending from 2020/21 to 2023/24. However, the consolidated budget continues to prioritise social objectives to reduce poverty and inequality, with 56.6 per cent of allocations to the learning and culture, health, and social development functions over the medium term. Spending on economic development, community development and peace and security remain important for socio-economic transformation and safety and security.



VULEKAMALI UPDATE - GOING BEYOND TRANSPARENCY

Vulekamali is an award-winning data portal containing user-friendly information on government's finances, which was launched in 2018.

IMALI YETHU (a coalition of civil society organisations), in partnership with the National Treasury, will continue to empower the public with new information in the second phase starting in 2021. So far, the data available on Vulekamali has been used by academic institutions, journalists and civil society organisations. We are looking forward to promoting more partnerships. The Vulekamali supports all those who want to understand or participate in the budget process. To access multilingual educational videos and guides, visit **www.vulekamali.gov.za/learning-resources**

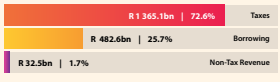
SOCIAL GRANTS CONTINUE TO BENEFIT POOR SOUTH AFRICANS

The total number of social grant recipients is expected to increase by approximately 300 000 people over the period. Most grant values will increase by less than inflation.

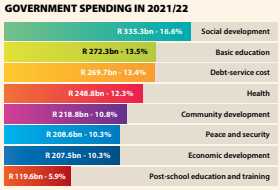
SOCIAL GRANTS	2020/21	2021/22
STATE OLD AGE GRANT	R1 860	R1 890
STATE OLD AGE GRANT, OVER 75	R1 880	R1 910
WAR VETERANS GRANT	R1 880	R1 910
DISABILITY GRANT	R1 860	R1 890
FOSTER CARE GRANT	R1 040	R1 050
CARE DEPENDENCY GRANT	R1 860	R1 890
CHILD SUPPORT GRANT	R445	R460

WHERE THE MONEY COMES FROM AND HOW WILL IT BE SPENT IN 2021/22

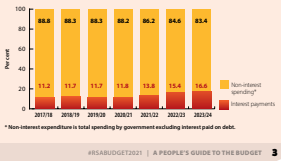
GOVERNMENT SOURCES OF INCOME IN 2021/22



GOVERNMENT SPENDING IN 2021/22



GOVERNMENT NON-INTEREST AND INTEREST PAYMENTS AS A SHARE OF TOTAL EXPENDITURE



* Non-interest expenditure is total spending by government excluding interest paid on debt.

2021 TAX PROPOSALS

SARS At Your Service

Personal Income Tax

HOW DO THE PERSONAL INCOME TAX CHANGES AFFECT YOU?

The 2021 Budget provides tax relief by announcing an above inflation increase of 5 per cent in personal income tax brackets and rebates. The amount an individual can earn before being required to pay tax is adjusted as follows for the tax year from 1 March 2021 to 28 February 2022.

TAX THRESHOLDS	TAX YEAR: 2020/21	TAX YEAR: 2021/22
Below age 65	R83 100	R87 300
Age 65 to 74	R128 650	R135 150
Age 75 and over	R143 850	R151 100

The new tax rebates for individual taxpayers are as follows:

TAX REBATES	TAX YEAR: 2020/21	TAX YEAR: 2021/22
Primary (age below 65)	R14 958	R15 714
Secondary (age 65 and over)	R8 199	R8 613
Tertiary (age 75 and over)	R2 736	R2 871

Sin Taxes

INCREASES IN ALCOHOL AND TOBACCO DUTIES

Specific excise duties on alcoholic beverages and tobacco products will increase by 8 per cent.

	INCREASES BY:
Malt beer	14c per 340ml can
Unfortified wine	26c per 750ml bottle
Fortified wine	44c per 750ml bottle
Sparkling wine	86c per 750ml bottle
Ciders and alcoholic fruit beverages	14c per 340ml can
Spirits	R5.50 per 750ml bottle
Cigarettes	R1.39 per packet of 20
Cigarette tobacco	R1.57 per 50g
Pipe tobacco	47c per 25g
Cigars	R7.71 per 23g

Tax Rates

INCOME TAX: INDIVIDUALS AND TRUSTS

Tax payable by individuals for the tax year ending between **1 March 2021** and **28 February 2022**

Taxable Income (R)	Rate of Tax (R)
0 to 216 200	18% of taxable income
216 201 to 337 800	38 916 + 26% of taxable income above 216 200
337 801 to 467 500	70 532 + 31% of taxable income above 337 800
467 501 to 613 600	110 739 + 36% of taxable income above 467 500
613 601 to 782 200	163 335 + 39% of taxable income above 613 600
782 201 to 1 656 600	229 089 + 41% of taxable income above 782 200
1 656 601 and above	587 593 + 45% of taxable income above 1 656 600
Trusts other than special trusts	Rate of tax 45%

INCOME TAX: COMPANIES

Years of assessment ending on any date between **1 April 2021** and **31 March 2022**

Type	Rate of Tax (R)
Companies	28% of taxable income

INCOME TAX: SMALL BUSINESS CORPORATIONS

Years of assessment ending on any date between **1 April 2021** and **31 March 2022**

Taxable Income (R)	Rate of Tax (R)
0 to 87 300	0% of taxable income
87 301 to 365 000	7% of taxable income above 87 300
365 001 to 550 000	19 439 + 21% of taxable income above 365 000
550 001 and above	58 289 + 28% of the amount above 550 000

TURNOVER TAX FOR MICRO BUSINESS

Financial years ending on any date between **1 March 2021** and **28 February 2022**

Taxable Turnover (R)	Rate of Tax (R)
0 to 335 000	0% of taxable turnover
335 001 to 500 000	1% of taxable turnover above 335 000
500 001 to 750 000	1 650 + 2% of taxable turnover above 500 000
750 001 and above	6 650 + 3% of taxable turnover above 750 000

Fuel Levies

INCREASES IN FUEL LEVIES

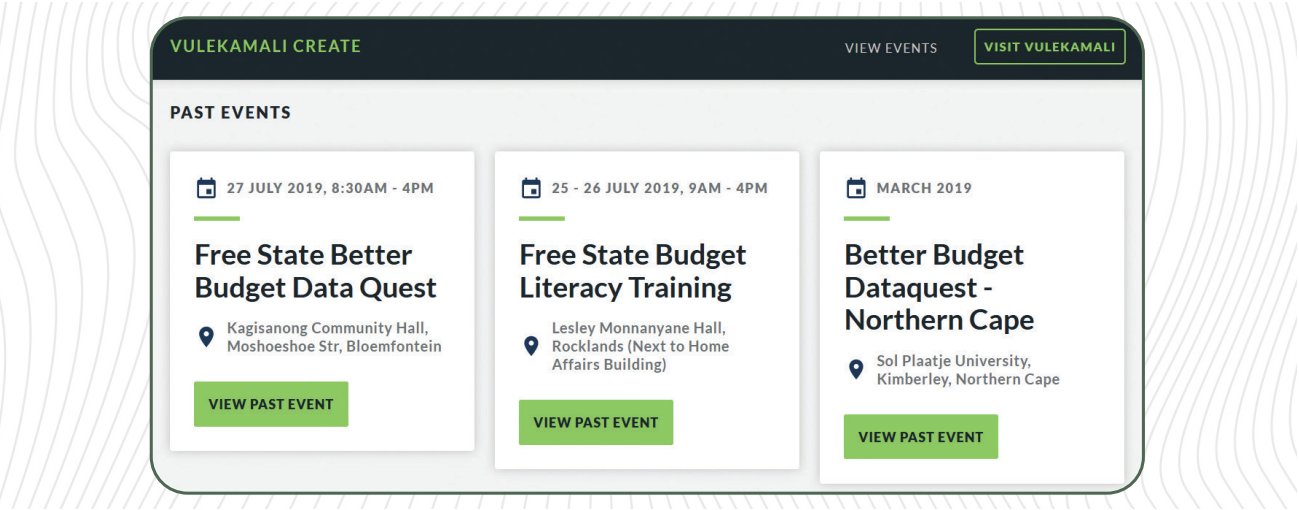
The general fuel levy will increase by 15 cents per litre and the road accident fund levy will increase by 11 cents with effect from 7 April 2021. This will increase:

- the general fuel levy to R3.85 per litre of petrol and to R3.70 per litre of diesel
- the road accident fund levy to R2.18 per litre for both petrol and diesel

[95] Source: http://www.treasury.gov.za

Figure 26.

Learning resources on the budget process at the Vulekamali portal, South Africa[96]



The Budget Office of the National Treasury made a notable input to the People's Guide to The Adjusted Budget of South Africa 2021/22.[97] It was developed by the Public Service Accountability Monitor, which forms part of the School of Journalism and Media Studies at Rhodes University, Grahamstown, SA. In SA, the Minister of Finance tables the MTBPS together with an adjusted budget in the middle of each financial year (usually around October), which provides an opportunity to make permissible revisions to the budget. This guide explains how and why the adjustments are made, and what the adjusted budget may allocate. It presents in a clear way a summary of adjustments per category, declared unspent funds, the ten biggest changes in the adjusted budget (visually illustrated), important changes in key social/service delivery departments, and includes a glossary of key terms.

A guidebook called the Budget Analysis Manual was developed by the Research Unit in the Finance and Public Accounts Cluster of the Parliament of the Republic of South Africa.[98] This manual targets the members of Parliament but resides in the public domain and can be used by anyone. It includes a definition of terms, describes the post-1994 budget reforms, and explains the SA budgeting process. It also describes the structure of the government budget, how to analyze departmental budgets (including the outcome performance system), and what a structure of budget analysis report is.

Open budget portals contain budget information and also teach citizens how to best use the data. The Vulekamali portal in SA provides valuable learning resources on the budget process and holds Civic Information Drives to explain how to use the Vulekamali portal. For example, the Limpopo Civic Information Drive to learn about national and provincial government budgets, which consisted of a 2-day CSO budget literacy training. The training was a combination of theoretical and hands-on practical work. It provided participants with the opportunity to gain basic knowledge about national and provincial government budgets and basic budget data analysis skills.[99]

Involvement in participatory budgeting is a proven approach to better understanding of budget information. In the UK significant focus was placed on training and raising awareness and mobilizing interest among citizens to engage in participatory budgeting.[100] They did so through e-bulletins, meetings, debates (face to face and online), radio, television, and print

[96] Source: https://create.vulekamali.gov.za/#upcoming-events

[97] http://psam.org.za/wp-content/uploads/2021/11/Peoples-Guide-to-the-Adjusted-Budget-2021.pdf

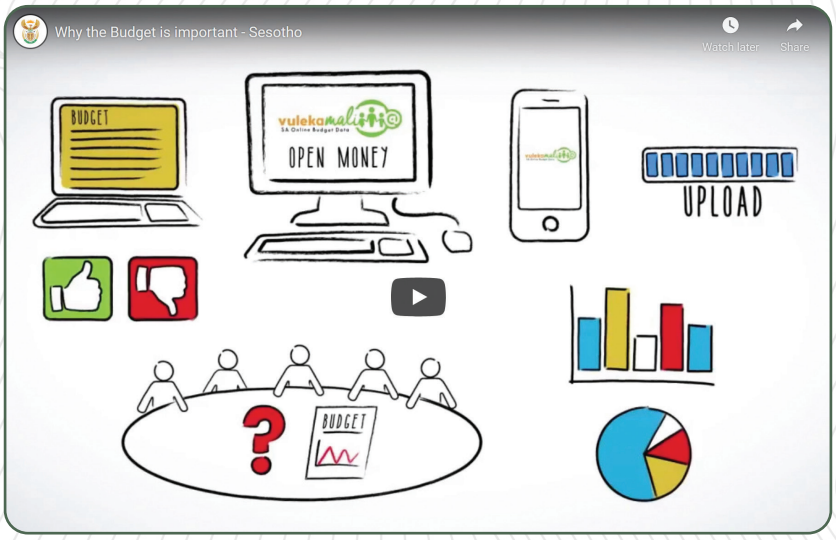
[98] Information Services Section, Research Unit, Parliament of the Republic of South Africa. 2011. Budget Analysis Manual. https://www.parliament.gov.za/storage/app/media/BusinessPubs/BudgetAnalysisManual.pdf

[99] https://create.vulekamali.gov.za/event/civic-information-drive-limpopo

[100] See more at PB Partners: https://pbnetwork.org.uk

Figure 27.

Educational video, on budget basics. Developed by the South Africa's National Treasury[101]



media (including posters and flyers) and by networking via Twitter, YouTube,[102] Facebook, and networking groups on LinkedIn.

The SA Treasury developed and placed a set of educational videos on the Vulekamali website and the official YouTube Channel. Videos were translated into five languages, explain why the budget is important, the entire budget process (including where it originates), who is involved, at what stage people provide input (see **Figure 27**), and how to use the Online Budget portal.

The major tools used to raise the general level of budget literacy of journalists and bloggers include providing training, educational materials, and explanations of the budget documentation. As part of educating journalists on topical issues the SA National Treasury hosts media workshops. For instance, a virtual media workshop was held in June 2021 on the recently published Zero Based Budgeting Framework document.[103] It provided more details on the objectives of the framework and offered the media a chance to ask in-depth questions. The SA CSOs coalition Imali Yethu, in partnership with the Provincial Treasuries, conducted budget literacy trainings for civil society representatives and journalists. The trainings were on the budget process within government and the Vulekamali portal. They strived to call the attention of journalists to stimulate thinking on budget data-driven solutions to some of the problems experienced by local communities.

The SA National Editors' Forum (SANEF) assists journalists with online training and reporting resources, including creating awareness of municipal financial data in SA among the journalists and bloggers. SANEF's members are editors, senior journalists and journalism trainers and academics from all areas of the SA media. One module of the recent set of webinars, for example, focused on understanding municipal finances and accountable local government, how to tell local government stories with financial data, using the SANEF local government data dashboard for municipal finance stories, and discussing practical reporting examples. The expanded SANEF's 2021 portal features newsroom manuals and training materials for a series of local government and election coverage webinars which include municipal finances.[104]

The budget documentation placed on official websites has become a tremendous resource for journalists and media, and open budget portals are becoming a normal source for them. As discussed in the previous chapters, budget data visualizations and budget analysis help transmit budget information to the general public, and

[101] Source: www.youtube.com/channel/UCIMGXm6WBRndkz_UNanOb2A

[102] https://www.youtube.com/user/ukpbunit

[103] https://sanef.org.za

[104] https://elections.sanef.org.za/2021/06/25/module-5-municipal-finance/

offer context and solicit questions to improve depth of coverage of budget stories. Skills and capacities around data analysis and visualizing budgets ensure better quality of budget stories. Along with opening budget data to allow the public and journalists to access and reuse it, the capacity to process data in machine-readable formats still depends on a specific set of technical skills. With an increasing amount of data available, it is important now more than ever that journalists are equipped with data journalism techniques. "This should be a tool in the toolkit of any journalist: whether learning how to work with data directly or collaborating with someone who can."[105] Therefore training journalists and bloggers on basic skills in budget data analysis is a skill that MoFs can provide.

STEP 10. Introduce training programs to increase awareness of the budget process and create a culture of openness through the education system.

Opportunities to increase budget literacy in general education were discussed during the previous BCOP PEMPAL events.[106] They can be integrated under compulsory subjects, optional and elective subjects, additional education, extracurricular activities, and socialization program. The pilot budget literacy training curriculum for senior secondary school students was developed and tested in three pilot regions within the joint project of the World Bank, the MoFs of Russia, and the Ministry of Education and Science of Russia.[107] The curriculum includes training materials: a student textbook and workbook, teacher's and parent's guides. They cover all budget system levels but discusses the things close to the student's understanding and experience: delivery of public and municipal services at their level. The program is based on a wide use of interactive methods to advance budget literacy, enhance the social science and economics knowledge, and develops general competences, e.g., ability to reach consensus, to work in a team, assert one's own opinion, and respect another point of view.

The UK HM Revenue and Customs launched Tax Facts program which supports teachers in helping their students learn and understand the facts about tax.[108] Tax Facts is a comprehensive teachers' pack, designed to simplify the teaching of how public money is raised and spent and to provide an introduction to the tax system for 14- to 17-year-olds studying citizenship, business enterprise, personal finance, and other aspects of the curriculum that prepare them for life beyond school. The program provides teachers with detailed lesson plans and guidance. They are available on the Times Educational Supplement website (search for TES Tax Facts). Tax Facts is an accessible and free resource. In addition, a number of short, animated videos was produced by HM Revenue and Customs and placed on the official YouTube Channel of the agency to inform students about some of the key tax issues they will face as they begin their working lives.[109]

Youth and school participatory budgeting[110] serves as practice-oriented education for young people to improve budget literacy and promote the development of their "flexible" skills. It helps young people in acquisition of meaningful civic experience for their potential development as journalists, bloggers, and opinion-makers. By taking part in youth participatory budgeting, young people work together on project proposals that simulate real life experiences and can develop their critical career and life skills. Examples of such skills include leadership skills, ability to work collaboratively, research, interviewing, surveying, problem-solving, critical thinking, public speaking, financial literacy, project management, and marketing. Youth participatory budgeting is also an excellent civic education tool that encourages young people to become active citizens.[111]

[105] European Journalism Centre foundation. https://datajournalism.com/read/handbook/one/introduction/what-is-data-journalism

[106] Chernyshova, D. Studying Budget Literacy Opportunities in the General Education System. Presentation at the World Bank Conference and BCOP PEMPAL Working Group Meeting on Budget Literacy and Transparency. June 22-23, 2017. Moscow, Russian Federation. https://www.pempal.org/events/budget-literacy-and-transparency-working-group

[107] Romanov., S.V. Budget Literacy in the Context of Improving Budget Openness in the Russian Federation. Presentation at the World Bank Conference and BCOP PEMPAL Working Group Meeting on Budget Literacy and Transparency. June 22-23, 2017. Moscow, Russian Federation. https://www.pempal.org/events/budget-literacy-and-transparency-working-group

[108] https://www.mynewsdesk.com/uk/hm-revenue-customs-hmrc/pressreleases/hmrc-helps-teenagers-prepare-for-world-of-work-2598871

[109] Tax Facts: Tax education for schools. https://www.youtube.com/playlist?list=PL8EcnheDt1zjoRLU0I8WEKqqNzdR3w2xl

[110] See more in BCOP PEMPAL (2021). Participatory Budgeting for Youth. BLTWG KP. May 2021. https://www.pempal.org/knowledge-product/participatory-budgeting-youth

[111] See more at: BCOP PEMPAL (2021). Participatory Budgeting for Youth. BCOP PEMPAL Knowledge Product. May 2021. https://www.pempal.org/knowledge-product/participatory-budgeting-youth

5

PUBLIC ENGAGEMENT

DEFINITIONS AND RATIONALE

Budget transparency is not only the disclosure of clear and accessible budget documentation and ensuring its visibility, but also the fostering of meaningful public engagement using budget data. The previous BCOP KPs[112] extensively examined international norms, standards, and practice of public engagement[113] in the budget process and concentrated information on:

- Global definitions of public participation in the budget process.
- Benefits of public participation that could be used as justification for investments.
- International frameworks and assessment tools to identify best practice globally.
- Types of mechanisms of public participation available on the demand and supply sides.
- Lessons learned from international experiences, including risks.
- Definition of participatory budgeting, its relationships to other forms of public participation in the budget process, models, success criteria and risks.
- Methods for MoFs to introduce and scale up participatory budgeting.
- Youth participatory budgeting, main models, criteria for success, principles, values, risks, implementation, impacts and benefits.

[112] BCOP PEMPAL (2020). Public Participation in Fiscal Policy and the Budget Process. BLTWG KP. https://www.pempal.org/knowledge-product/public-participation-fiscal-policy-and-budget-process-%E2%80%93establishing-andor. Mechanisms for the National Ministries of Finance of the PEMPAL Countries to Design Participatory Budgeting Initiatives at National Level and Facilitate Participatory Budgeting at Subnational Level. BCOP PEMPAL KP. 2020: https://www.pempal.org/knowledge-product/mechanisms-national-ministries-finance-pempal-countries-design-participatory. Participatory Budgeting for Youth. BCOP PEMPAL KP. 2021: https://www.pempal.org/knowledge-product/participatory-budgeting-youth

[113] Both public engagement and public participation might seem similar, but they have differing views of the role that public should play. The difference is that public engagement requires an active, intentional dialogue between public and policy makers while public participation can come from public only.

The Global Initiative for Fiscal Transparency (GIFT) principles on public participation[114] now serve as the basis for widely accepted norms on public participation in national budget processes. According to GIFT, public participation in fiscal policy refers to the multitude of ways in which citizens and the general public (including CSOs and non-state actors) directly interact with public authorities with respect to the design, implementation and review of public policies. This can range from one-off consultations to on-going and institutionalized relationships. Direct public participation in fiscal policy and budget making has been established as a basic right in the "High Level Principles of Fiscal Transparency, Participation and Accountability" publicized by GIFT. It consists of ten principles, including "citizens and non-state actors [having] the right and effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies" (Principle 10).[115]

Participatory budgeting is "a mechanism or a process through which people make decisions on the destination of all or part of the available public resources."[116] Participatory budgeting differs from other forms of public participation in the budget process in the following respects: the object of participatory budgeting is only a small part of the public budget, deliberation is a part of the process; the decision is made by citizens and implemented by governments; and the process is repeated over years. Participatory budgeting is a good innovative tool in public governance that leads to a greater budget transparency, however it applies only to a small piece of budget. To connect people to a broader spending policy multiple participation mechanisms, e.g., public consultations, pre-budget submissions, e-consultations, advisory councils, and social audits should be offered to the public.

BCOP PEMPAL members consider as good practices opportunities that are provided by governments according to the GIFT Principles and/or OECD. OECD suggests that the design of a participation process should aim to demonstrate its usefulness and relevance for budget policymaking, thus helping to sustain the approach across policy cycles and different administrations.[117] Technological change has made it possible for more citizens to participate in formulating public policies and is fundamentally altering the mechanism of public engagement. Especially in recent memory when the COVID 19 pandemic spurred increasing digitalization of the public sphere, implementation of digital interactive tools for online engagement, participatory budgeting programs can be rapidly developed.

Design of a participation process includes as starting points:

- Publish clear objectives, scope and process of public engagement in budgeting.
- Tailor methods of engagement that are best suited to the various participants.
- Use a mix of mechanisms, proportionate to the nature of the issue concerned.
- Allow enough time for the results from participation to impact on budget policy.
- Follow up and give citizens timely feedback about progress and results.
- Make sure that the most vulnerable parts of the population are included.

[114] GIFT Principles of Public Participation in Fiscal Policies. https://www.fiscaltransparency.net/public-participation-principles-and-guide/

[115] The principles were endorsed by the United Nations General Assembly in 2012.

[116] UN-Habitat (2004). 72 Frequently Asked Questions about Participatory Budgeting. Urban Governance Toolkit Series. P.20, https://unhabitat.org/72-frequently-asked-questions-about-participatory-budgeting

[117] OECD (2017). OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management. OECD Publishing, Paris. P. 85. DOI: https://doi.org/10.1787/9789264282070-en.

PRACTICAL STEPS TO ADVANCE PUBLIC ENGAGEMENT

STEP 11. Develop effective opportunities for public participation in the budget process.

The OBS includes since 2013 a new section on participation in the budget processes, introducing new standards for what governments can do to involve their citizens in fiscal decision-making processes. In addition to the formal opportunities available to citizens to directly engage with their country's governments during the budget process, the OBS looks at the participation mechanisms:[118]

- Can everyone's voice be heard, including vulnerable and underrepresented groups?
- Can people find out about the purpose, scope, and intended outcomes for public engagement?
- Does the government share the feedback they received and how has it been used?
- Is participation embedded in the budget process to provide regular input into decision-making?

According to the OBS 2019,[119] meaningful public participation in the budget process remains scarce, with a global average score of 14 out of 100 for the 117 countries assessed. Only two countries provide adequate (score more 61 out of 100) opportunities for participation throughout the budget cycle: South Korea and the UK. However, emerging and innovative practices in some countries – among them, PEMPAL members – demonstrate how governments can initiate and strengthen public engagement mechanisms.[120] The public participation scores of the assessed PEMPAL members are presented in **Figure 28**.[121]

In cases where individual citizens are not in a position to participate effectively, intermediary institutions, e.g., advocacy groups, academia, NGOs, CSOs, media, and journalists should be given serious consideration. In the UK, for instance, members of the public and advocacy groups can submit budget representations,[122] defined as a written representation from an interest group, individual, or representative body to HM Treasury with the intent of commenting on government policy and suggesting new policy ideas for inclusion in the next budget. HM Treasury welcomes representations as part of the policy-making process. Budget representations are submitted through the portal by filling out the HM Treasury's short survey. Similar process is launched to get comments for the Spending Review. HM Treasury welcomes comments on existing policy, or suggestions for new policy, and especially the priorities set out by the government for the Spending Review.[123]

Comprehensive prior information on the process of the engagement is needed (purpose, scope, process and timeline, constraints, intended outcomes) so that the public can participate in an informed manner. HM Treasury posts all draft legislation on its website, including finance bills and tax proposals by for each consultation.[124] For example, HM Treasury opened a new consultation on the new alcohol duty system on October 27, 2021.[125] This consultation closed at 11:45pm on January 30, 2022. The announcement includes a description of the consultation, ways to respond, consultation questions, response template, guidance for respondents, and links to related content. The UK government has published a set of government consultation principles. These principles give clear guidance to government departments on conducting consultations (see **Box 6)**.

[118] https://www.internationalbudget.org/open-budget-survey/about

[119] The KP is prepared late in 2021. The results of the OBS 2021 will be launched in April 2022.

[120] Kreko, Alex. Open Budget Survey 2019: Developments in Public Participation and Paths Forward. Presentation at the BCOP BLTWG VC meeting, May 13, 2020. https://www.pempal.org/events/budget-literacy-and-transparency-working-group-0

[121] Armenia, Belarus, Kosovo, Montenegro and Uzbekistan were not assessed in 2019.

[122] Guidance for submitting your Budget representation. Updated 15 January 2021. https://www.gov.uk/government/publications/budget-representations-guidance/guidance-for-submitting-your-budget-or-autumn-statement-representation

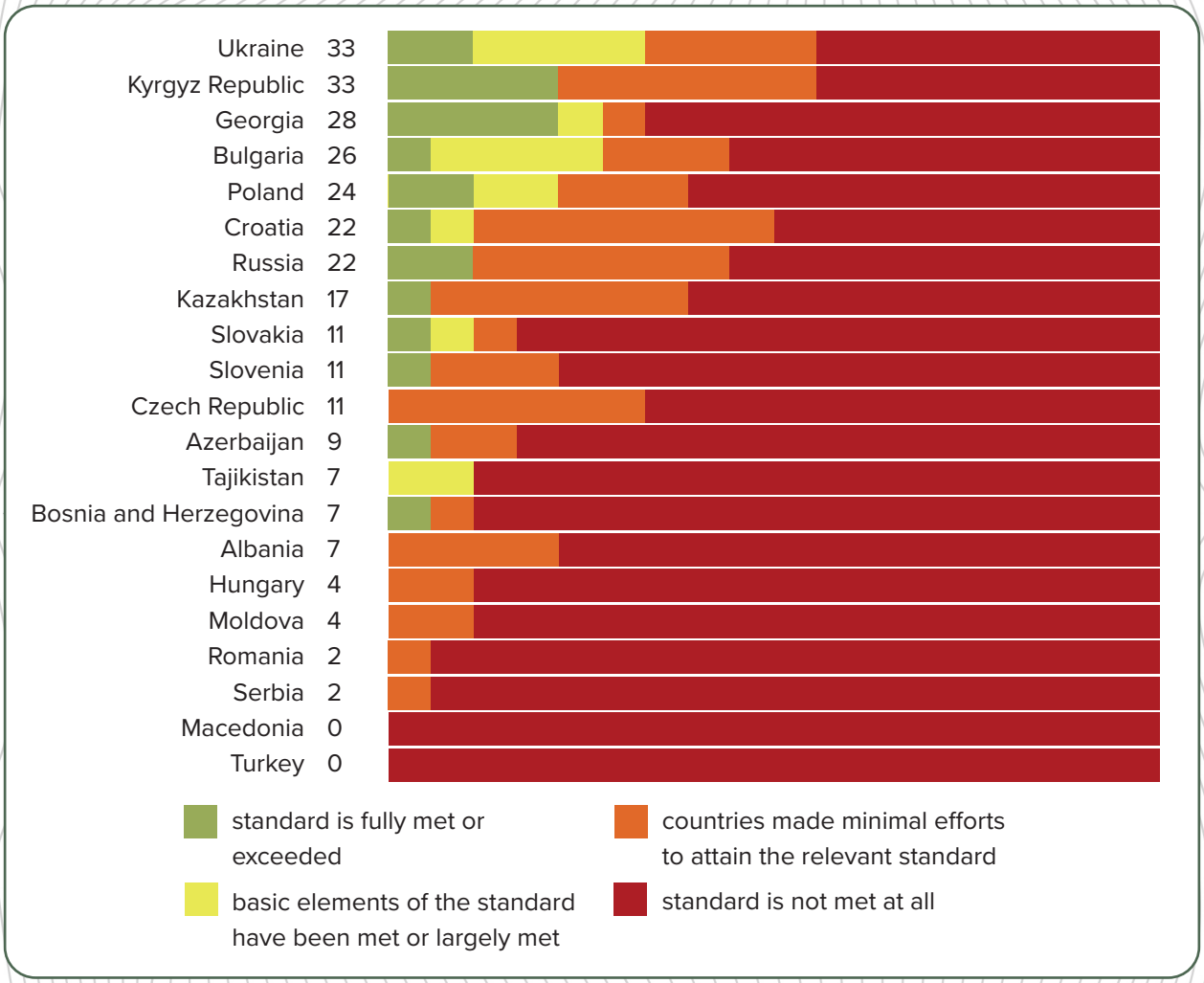
[123] The UK HM Treasury's invitation to submit a representation to Autumn Budget or Spending Review 2021. https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-representations/guidance-for-submitting-your-budget-or-spending-review-representation

[124] The UK governments publishes all draft bills in an online portal for public input at: www.gov.uk/search/ policy-papers-and-consultations.

[125] Consultations opened on October 27, 2021. https://www.gov.uk/government/consultations/the-new-alcohol-duty-system-consultation

Figure 28.

Open Budget Index 2019 score for the assessed countries of Eastern Europe and Central Asia[126]



Box 6.

Consultation Principles, the United Kingdom Cabinet Office[127]

A. Consultations should be clear and concise

Use plain English and avoid acronyms. Be clear what questions you are asking and limit the number of questions to those that are necessary. Make them easy to understand and easy to answer. Avoid lengthy documents when possible and consider merging those on related topics.

B. Consultations should have a purpose

Do not consult for the sake of it. Ask departmental lawyers whether you have a legal duty to consult. Take consultation responses into account when taking policy forward. Consult about policies or implementation plans when the development of the policies or plans is at a formative stage. Do not ask questions about issues on which you already have a final view.

[126] Source: https://www.internationalbudget.org/open-budget-survey/rankings

[127] Source: https://www.gov.uk/government/publications/consultation-principles-guidance

C. Consultations should be informative

Give enough information to ensure that those consulted understand the issues and can give informed responses. Include validated impact assessments of the costs and benefits of the options being considered when possible; this might be required where proposals have an impact on business or the voluntary sector.

D. Consultations are only part of a process of engagement

Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process.

E. Consultations should last for a proportionate amount of time

Judge the length of the consultation on the basis of legal advice and considering the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses.

F. Consultations should be targeted

Consider the full range of people, business and voluntary bodies affected by the policy, and whether representative groups exist. Consider targeting specific groups if appropriate. Ensure they are aware of the consultation and can access it. Consider how to tailor consultation to the needs and preferences of particular groups, such as older people, younger people or people with disabilities that may not respond to traditional consultation methods.

G. Consultations should take account of the groups being consulted

Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action, such as prior discussion with key interested parties or extension of the consultation deadline beyond the holiday period.

H. Consultations should be agreed before publication

Seek collective agreement before publishing a written consultation, particularly when consulting on new policy proposals. Consultations should be published on gov.uk.

I. Consultation should facilitate scrutiny

Publish any response on the same page on gov.uk as the original consultation, and ensure it is clear when the government has responded to the consultation. Explain the responses that have been received from consultees and how these have informed the policy. State how many responses have been received.

J. Government responses to consultations should be published in a timely fashion

Publish responses within 12 weeks of the consultation or provide an explanation why this is not possible. Where consultation concerns a statutory instrument publish responses before or at the same time as the instrument is laid, except in very exceptional circumstances (and even then, publish responses as soon as possible). Allow appropriate time between closing the consultation and implementing policy or legislation.

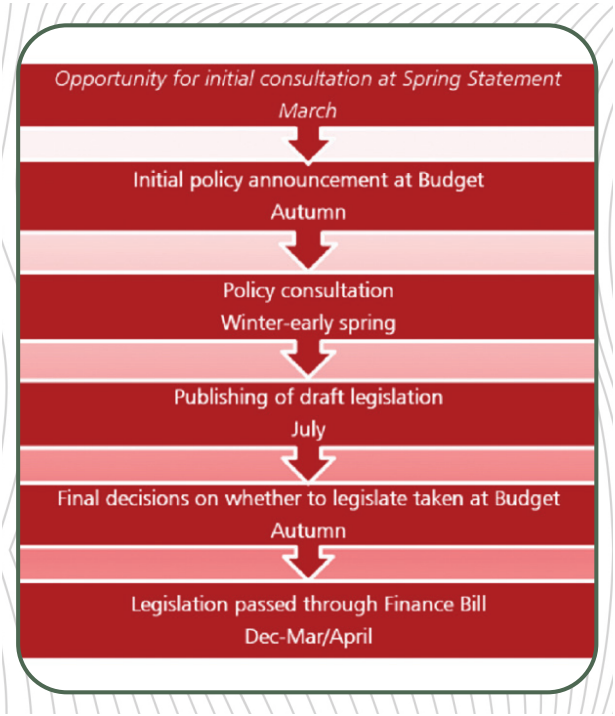
K. Consultation exercises should not be launched during local or national election periods.

If exceptional circumstances make a consultation absolutely essential (for example, for safeguarding public health), departments should seek advice from the Propriety and Ethics team in the Cabinet Office. This document does not have legal force and is subject to statutory and other legal requirements.

The public should be provided with a clear and concise budget calendar/timetable for budget planning with participation mechanisms incorporated into the timetable. They should know when they can provide input, and this is linked to the administrative processes that are used in the budget planning. "Timeliness" principle[128] refers to the specific dates on which the process takes place, and clear start and end dates for the overall engagement. The UK HM Treasury allows eight weeks for the public to review and comment on draft proposals and submit evidence (see **Figure 29**).

Figure 29.

The new Budget timetable and the tax policy making process, United Kingdom[129]



In SA a detailed budget timetable is published around nine months before the beginning of the fiscal year in the Medium-Term Expenditure Framework Guidelines.[130] Despite the fact that it does not have mechanisms for formal public participation, the National Treasury and the Finance Ministry have an informal tool called "Budget Tips." It is available on the home page of their website under the heading Tips (see **Figure 21**). Tips can be also sent via email, telephone or the official Finance Ministry Twitter account. The objective of this service is to get feedback from citizens, and crowd-source ideas for the budget. It enables the public to engage with them during the formulation phase of the budgeting process.

STEP 12. Design interactive open budget portals for public engagement in the budget process and to provide feedback to citizens and other users of budget information.

Online engagement can occur in different shapes and forms, with purpose-built platforms and social media platforms among the most popular. While social media platforms such as Facebook and Twitter have their benefits, many governments prefer to develop purpose-built open budget platforms[131] to receive more relevant responses and feedback. They are used as a communication tool with citizens and as a door to interact with the government on budget policy decisions. Social media does not allow the mediation of comments, if required, and does not prevent the engagement being overtaken by off-topic, nonconstructive, or even abusive comments. A purpose-built engagement platform feels more official, users know their comments are going to be heard and considered, they can devote more time to provide inputs and tend to stick to the subject. In social media users may interact spontaneously and do not necessarily give as much thought to their comments. A purpose-built open budget platform enables and the setting of rules to control the process. Open budget platforms can be equipped with a set of metrics provided through dashboards and reporting that can be useful to understand the information that was gathered.

[128] GIFT (2018). The High-Level Principles on Fiscal Transparency, Participation & Accountability. Expanded Version. https://fiscaltransparency.net/documents/GIFT-EHLP-9Feb18.pdf

[129] Source: https://www.gov.uk/government/publications/the-new-budget-timetable-and-the-tax-policy-making-process

[130] The 2021 Medium-Term Expenditure Framework Technical Guidelines. National Treasury. Republic of South Africa. http://www.treasury.gov.za/publications/guidelines/2021%20MTEF%20guidelines.pdf

[131] See more at: https://www.socialpinpoint.com/participatory-budgeting/

Figure 30.

Information booklet on Vulekamali portal[132]

The SA Vulekamali portal was intended to be interactive, and to encourage the public to participate in the budget process. The portal has consequently evolved from its start in 2017. One of Vulekamali's biggest successes has been its ability to reach thousands of citizens via the portal itself and also via in-person events (invitations sent through Vulekamali). Hackathons, DataQuests, and Civic Information Drives events have been held in all nine provinces over the past two years, and the team has engaged directly with more than 2,000 South Africans.[133] The Vulekamali team consists of government officials, members of civil society, academics, and the project implementing agent.

Due to its complexity, the Vulekalami portal was developed in stages, guided by the scope of data and functionalities like opportunities for public to engage. Vulekamali encourages active user involvement, encourage feedback and suggestions, and ensures that the data and portal's functionality respond to user needs. One of most common requests was to show infrastructure project information at a granular level. With information on over 17,000 capital projects, communities can now track the progress of a project against the amount of budget spent. In turn, this means that the average person can evaluate the quality of a project within their area and determine whether it truly provided value for money. A Data Viz Competition, encouraging users to provide their own analysis of government in-year spending, was held to receive more than a dozen entries, touching on issues related to health, education, agriculture and service delivery outcomes in relation to spending.[134]

Spatial knowledge is important for engagement, as it can determine whether the citizens' proposals can be accommodated in budget priorities. The Vulekamali development was also focused on making spatial data available. Using a tool called Wazimap (see **Figure 31**), it is possible to look at how the national and provincial budgets were allocated on a map. With this feature, citizens can explore the facilities available in their municipality (e.g., education, health and transport), population demographics of that area and in doing so, understand how budget was allocated by the various government departments, give feedback and propose improvements.

While Vulekamali focuses on the national budget, another platform looks at encouraging broader engagement with the budget at local level. The Municipal Money22 portal was created in 2016. In line with Vulekamali's aims at national and provincial levels, it looks at engaging users with municipal budgets, regardless of their experience or education. The users can compare municipal spending year-on-year, revenue streams, and capital projects. Another feature allows users to compare their municipality with others. The portal is also seeded with instructional videos and terminology explanations.

The participatory budgeting mechanism, introduced in the Republic of Uzbekistan, is collecting public opinion through the Open Budget Portal (openbudget.uz). As was learned at the presentation of the Ministry of Finance of Uzbekistan at the recent BCOP PEMPAL meeting,[135] the Open Budget Portal was recently

[132] Source: www.facebook.com/vulekamali

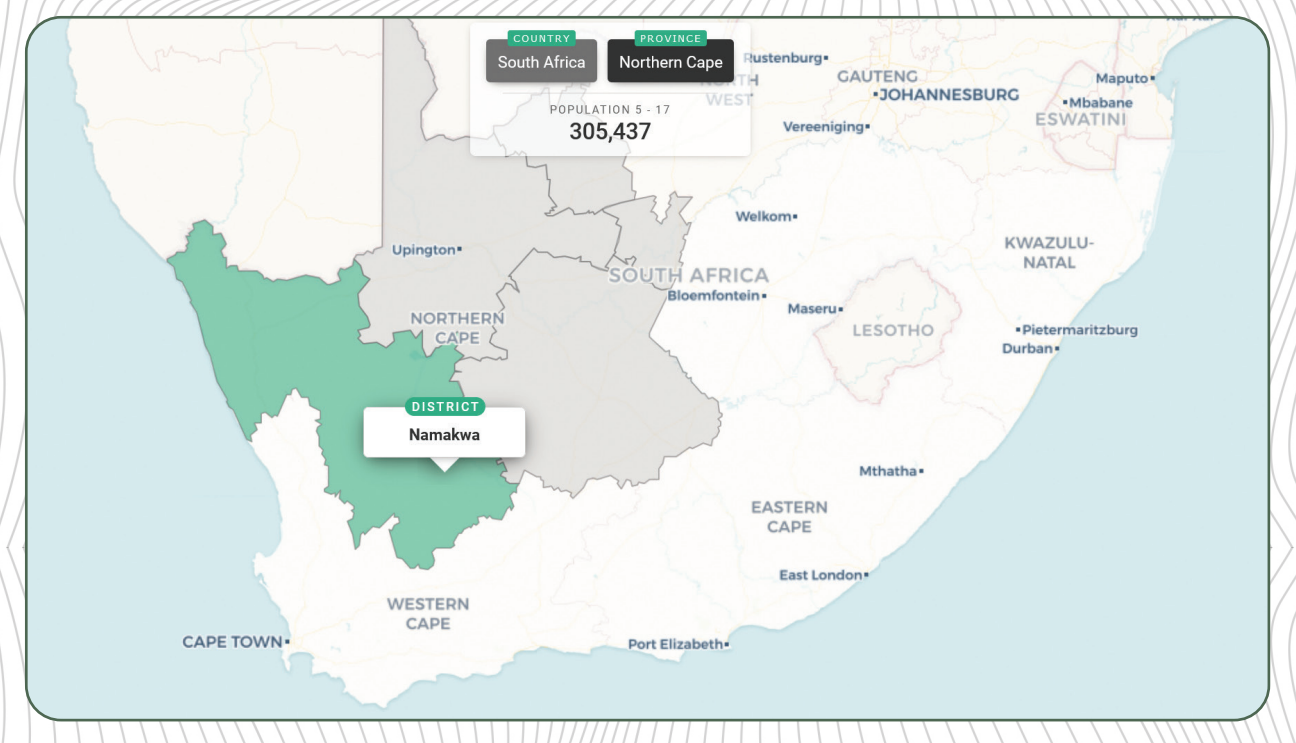
[133] Kearns, Adrian (2020). #Vulekamali: Encouraging South Africans to get involved in the budget. https://openup.org.za/blog/public-participation

[134] The winning entry can be found here: In-year government spend infographic. https://my.visme.co/projects/vdj3wwp3-in-year-government-spend-infographic-data-innovator-2020

[135] Ministry of Finance of the Republic of Uzbekistan. Increasing Budget Openness in the Republic of Uzbekistan. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

Figure 31.

Wazimap tool at the Vulekalami portal[136]



updated with more budget data published, and a section for participatory budgeting has been created. Citizens can participate in the distribution of part of the local budget by proposing projects to improve infrastructure, build alleys, playgrounds or sports grounds, internal roads, repair and equip schools, and more. Spending proposals are submitted by citizens using the Open Budget Portal but can also be submitted offline. Since 2019, at least 10 percent of additional budget revenues have been allocated to finance events formed on the basis of public opinion. From July 2021, it is planned to increase by 30 percent the volume of additional funds from the budgets of districts (cities) for these purposes.

In order to involve citizens more actively in the budget process, a new procedure is being gradually introduced for allocating 5% of the approved total expenditures of the budgets of districts and cities in Uzbekistan to finance activities formed on the basis of public opinion. Now this procedure is in effect in one district or city of each region of Uzbekistan (14 in total), and from January 1, 2022, it will extend to all districts and cities of the country. The khokimiyats (local governments) of districts and cities should report quarterly on the official websites and the Open Budget Portal on the financing of events formed on the basis of public opinion. Starting in 2022, 50 percent of the funds allocated for the local internal roads reconstruction within the budgets of districts and cities will be directed to the repair of roads determined on the basis of public opinion through the Open Budget Portal.[137]

Once public input has been gathered, it needs to be analyzed and synthesized: similar ideas grouped together, trends distinguished, etc. Digital platforms, such as examined above, can make possible more direct public engagement and an increase of citizen participation in budget process, such as participatory budgeting projects. Input from mass participation processes can become too large in scope and complex in content[138] for governments to process citizen suggestions effectively if doing this manually. Technology can help with the analysis of what topics

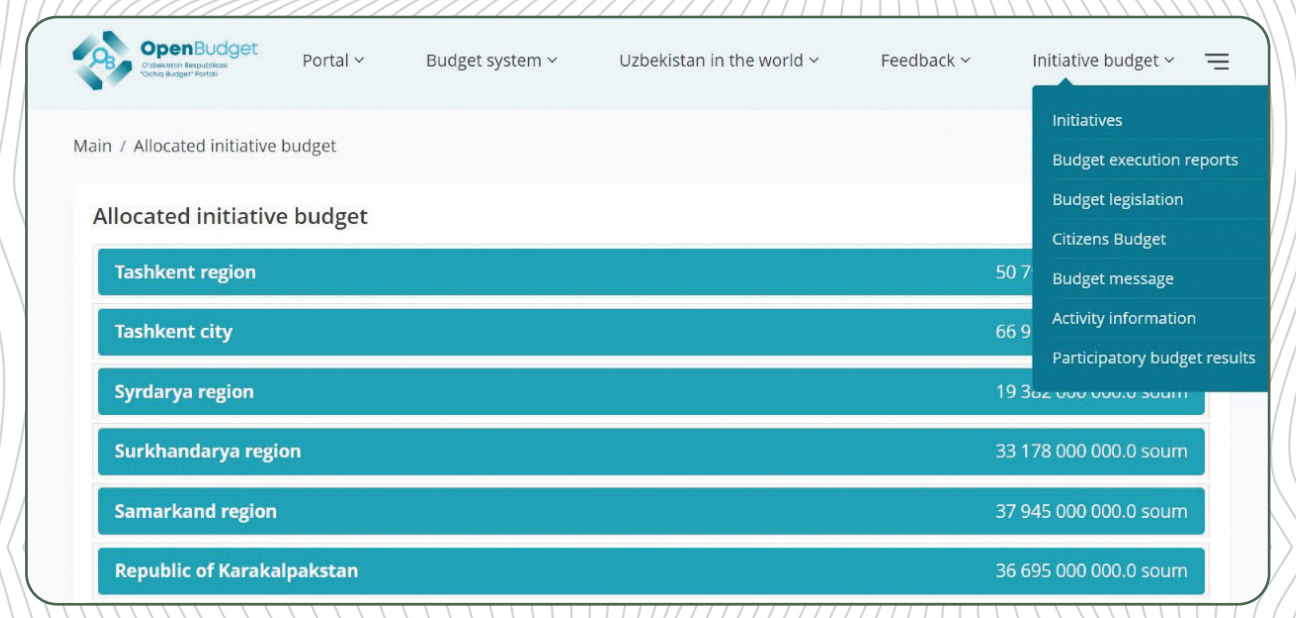
[136] Source: https://geo.vulekamali.gov.za

[137] This is provided for by the decree of the President of Uzbekistan dated September 22, 2021, on expanding the financing of events through the portal.

[138] Kaiping, Ch., Aitamurto, T. (2019). Barriers for Crowd's Impact in Crowdsourced Policymaking: Civic Data Overload and Filter Hierarchy. International Public Management Journal, 22:1, 99-126. DOI: https://doi.org/10.1080/10967494.2018.1488780

Figure 32.

Allocated budget for initiatives proposed and voted by citizens through the Open Budget Portal, Uzbekistan[139]



and ideas are dominating and cluster similar inputs, segment the participants of the consultations and discussions, and determine how many citizens are engaged.

Tools for data and social media analysis can be used. Among them are Twitter analytics, a free online tool that can help understand Twitter reach and impact, Brandwatch, Coosto, Pulsar Trak, Crimson Hexagon, Ripjar, Radian6, and Traackr. The application of Natural Language Processing and machine learning can improve citizens' experience of digital citizen participation platforms.[140] The Natural Language Processing in the UK government is used to interpret unstructured text data, such as free-text notes or survey feedback. It can help to look for similarities and uncover patterns in what people have written, which is a difficult task because of nuances in sentence structure and meaning.[141]

Digital technology causes certain risks such as the proliferation of fake news and cyberattacks, the growing risk to privacy and personal data security, and the large-scale production of electronic waste. The benefits from the digital technology use can be restricted by limits on connectivity (access, use and speed), social inequalities, and bounded access to data and information management. Automation, artificial intelligence technologies, and use of bots in engagement can reduce certain kinds of citizen feedback and distort the meaning of messages in communication.[142]

For meaningful engagement governments should inform the public that their ideas were received, and report back to the public on how input has been used. This practice reinforces to the public that their input matters and encourages continued engagement, both of which help build trust. The UK's Policy

[139] Source: https://openbudget.uz/en/regions_budgets

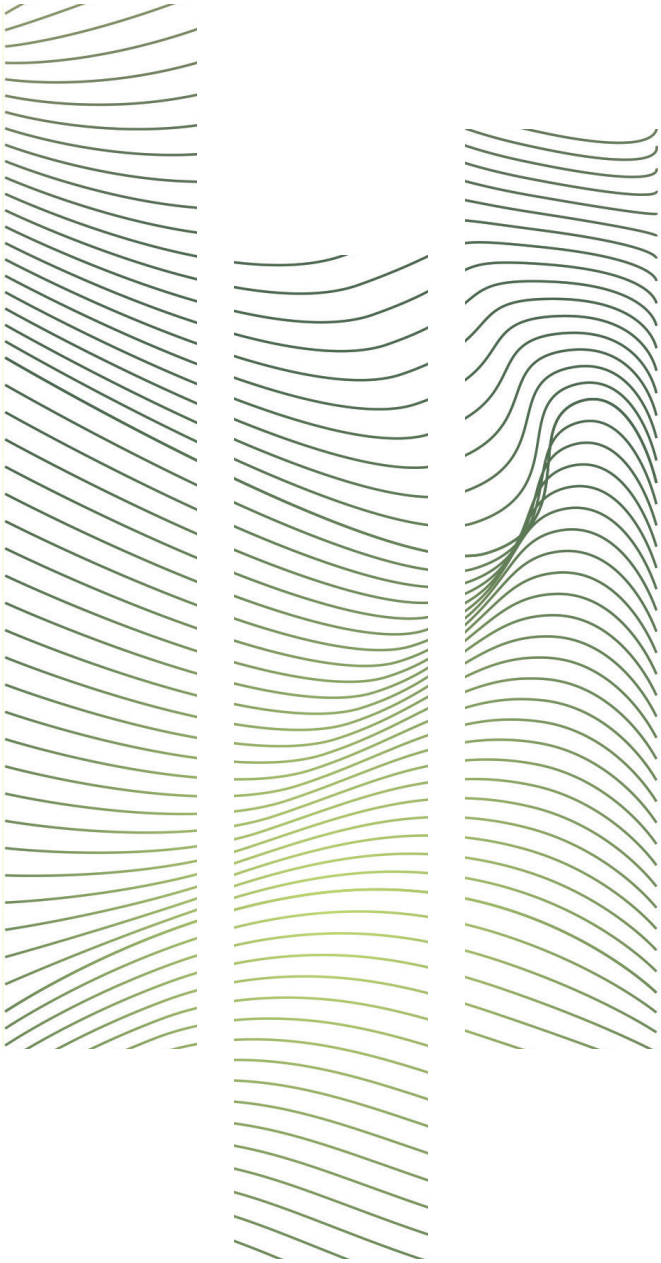
[140] Arana-Catania, M., Van Lier, F., Procter, R., Tkachenko, N., He, Y., Zubiaga, A., Liakata, M. (2021). Citizen Participation and Machine Learning for a Better Democracy. Digital Government: Research and Practice Lournal, Volume 2, Issue 3. DOI: https://doi.org/10.1145/3452118

[141] See more about the Natural Language Processing at: https://dataingovernment.blog.gov.uk/2019/06/14/natural-language-processing-in-government/

[142] Peixoto, T., Steinberg, T. (2019). Citizen Engagement: Emerging Digital Technologies Create New Risks and Value. World Bank, Washington, DC. World Bank. https://openknowledge.worldbank.org/handle/10986/32495

Consultations is an example of a constructive response to feedback: the government posts a complete list of responses received during each consultation, along with a response from the government. At Autumn Budget 2021, the UK government announced that R&D tax relief would be reformed to support modern research methods by expanding qualifying expenditure to include data and cloud costs; to capture more effectively the benefits of R&D funded by the relief, through refocusing support towards innovation in the UK; and to target abuse and improve compliance. After this consultation process has concluded, detail of the outcome is placed on the HM Treasury's website.[143] The summary of responses received to this consultation has been published as an annex to the R&D Tax Reliefs Report.[144]

MoFs should write guides on how to use their open budget portals. It should direct the MoFs staff to develop and implement practices that allow MoFs to proactively release all budget documentation and minimize limitations on the disclosure of budget information while appropriately safeguarding protected and sensitive information.



[143] Consultation outcome. R&D Tax Reliefs: consultation. https://www.gov.uk/government/consultations/rd-tax-reliefs-consultation

[144] Policy paper: R&D Tax Reliefs Report. https://www.gov.uk/government/publications/rd-tax-reliefs-report

IMPLEMENTATION

The roadmap for improving budget clarity and accessibility lays out the overall direction to adopt and implement meaningful budget transparency and openness. The roadmap outlines five key action areas: budget clarity, availability of budget information, budget visibility and communications, budget literacy, and public engagement, all of which highlight the essential features of complete and well-rounded budget transparency and openness for which clear and accessible budget documentation is needed. The leadership and ownership from the top of the MoF with the support of top-level public officials are key prerequisites of the implementation of a whole-of-government national policy of clear and transparent budgeting.

A medium- to long-term strategy to implement the policy should be developed and approved by MoFs. The strategy should reflect the 12 steps of the roadmap, and include a detailed action plan, implementation of which would be monitored by the Secretariat. Implementation of the policy should take place over a period of at least 3-5 years, ideally linked to the electoral cycle. Reforms in this area take a considerable time to establish and mature, as the case of South Africa demonstrates. Specific activities for each calendar year should be determined, with the definition of priorities to be implemented first, including within the framework of other adopted plans and programs. The implementation of plan activities can be organized by the project method. The policy should include specific dates for the delivery of key outputs, e.g., a slimmed down and transparent version of the budget appropriations document, a fiscal strategy document, etc.

To supervise the development and implementation of this policy the MoF could consider establishing a high-level Steering Committee with representatives of the Presidency and other ministries, chaired by the Minister of Finance. Progress in this effort will benefit from including the representatives of the Parliament, the media, and selected NGOs in the Steering Committee. The MoF should provide a Secretariat to support the work of the Steering Committee.

The MoF should assign an internal team to draft the budget documents that could be led by the head of the budget office or fiscal policy. A group of authors could be formed to draft the various chapters (economic outlook, fiscal outlook, tax policy, debt, etc.), according with the new policy. The main chapter authors may be assisted by 1-2 others with a specialist focus. This is the core drafting team, and they work closely with the editor. A consultant with expertise in budget communications should be hired to provide technical support on implementing the strategy, the drafting of documents, etc. The other contributors, including representatives of other ministries and organizations, NGOs, media and journalists, academia, and other stakeholders could be drawn into the process through a workshop, or series of workshops, where they hear about the MoF's plans and provide input to the process. They could then be brought in for a follow up review once the documents are published.

The policy of clear and transparent budgeting should be linked to government policies on information, information technologies, information protection, and personnel data. IT infrastructure capacity must be significantly increased, and cyber security technology to safeguard against data loss should be considered. MoFs should optimize and automate their processes, deploy converged communication technologies, improve FMIS, and make budget classification consistent. The progress in clear and transparent budgeting must go hand-in-hand with wide scale change in digital capability across government departments, benefiting the public and other users of government services.

REFERENCES

Arana-Catania, M., Van Lier, F., Procter, R., Tkachenko, N., He, Y., Zubiaga, A., Liakata, M. (2021). Citizen Participation and Machine Learning for a Better Democracy. Digital Government: Research and Practice Journal, Volume 2, Issue 3. DOI: https://doi.org/10.1145/3452118

BCOP PEMPAL (2017). Breaking Challenges in Constructing Citizens Budgets for PEMPAL Countries. BLTWG Knowledge Product. June 2017. https://www.pempal.org/knowledge-product/breaking-challenges-constructing-citizens-budgets-pempal-countries

BCOP PEMPAL (2020a). Public Participation in Fiscal Policy and the Budget Process. BLTWG Knowledge Product. May 2020. https://www.pempal.org/knowledge-product/public-participation-fiscal-policy-and-budget-process-%E2%80%93establishing-andor

BCOP PEMPAL (2020b). Mechanisms for the National Ministries of Finance of the PEMPAL Countries to Design Participatory Budgeting Initiatives at National Level and Facilitate Participatory Budgeting at Subnational Level. BLTWG Knowledge Product. December 2020. https://www.pempal.org/knowledge-product/mechanisms-national-ministries-finance-pempal-countries-design-participatory

BCOP PEMPAL (2021). Participatory Budgeting for Youth. BCOP PEMPAL Knowledge Product. May 2021. https://www.pempal.org/knowledge-product/participatory-budgeting-youth

Chernyshova, D. Studying Budget Literacy Opportunities in the General Education System. Presentation at the World Bank Conference and BCOP PEMPAL Working Group Meeting on Budget Literacy and Transparency. June 22-23, 2017. Moscow, Russian Federation.
https://www.pempal.org/events/budget-literacy-and-transparency-working-group

Federal Plain Language Guidelines of the United States government.
http://www.plainlanguage.gov/howto/guidelines/bigdoc/TOC.cfm

Fight the Fog Campaign Booklet for writers of English at the European Commission. http://www.eurosfaire.prd.fr/bibliotheque/pdf/Write_EN_Fight-the-fog.pdf

GIFT (2018). The High-Level Principles on Fiscal Transparency, Participation & Accountability. Expanded Version. January 2018. https://fiscaltransparency.net/documents/GIFT-EHLP-9Feb18.pdf

Hrubiian, O. IT technologies for budget data transparency in Ukraine. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

IBP (2012). The Power of Making It Simple: A Government Guide to Developing Citizens Budgets.
https://internationalbudget.org/publications/the-power-of-making-it-simple-a-government-guide-to-developing-citizens-budgets/

IBP (2019). Open Budget Survey 2019. Global Report.
https://www.internationalbudget.org/open-budget-survey/reports

IBP's Guidelines on Public Availability of Budget Documents. http://www.internationalbudget.org/publications/open-budget-survey-guidelines-public-availability-budget-documents

Information Services Section, Research Unit, Parliament of the Republic of South Africa. 2011. Budget Analysis Manual. https://www.parliament.gov.za/storage/app/media/BusinessPubs/BudgetAnalysisManual.pdf

Kaiping, Ch., Aitamurto, T. (2019). Barriers for Crowd's Impact in Crowdsourced Policymaking: Civic Data Overload and Filter Hierarchy. International Public Management Journal, 22:1, 99-126. DOI: https://doi.org/10.1080/10967494.2018.1488780

Kearns, Adrian (2020). #Vulekamali: Encouraging South Africans to get involved in the budget. https://openup.org.za/blog/public-participation

Kreko, Alex. Open Budget Survey 2019: Developments in Public Participation and Paths Forward. Presentation at the BCOP BLTWG VC meeting, May 13, 2020. https://www.pempal.org/events/budget-literacy-and-transparency-working-group-0

Ministry of Finance of the Republic of Uzbekistan. Increasing Budget Openness in the Republic of Uzbekistan. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

OECD (2017). OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management. OECD Publishing, Paris. DOI: https://doi.org/10.1787/9789264282070-en

OECD (2019). Budgeting and Public Expenditures in OECD Countries 2019. OECD Publishing, Paris. DOI: https://doi.org/10.1787/9789264307957-en

Pavlik, J.V. (2017). Converging Media: A New Introduction to Mass Communication. Fifth edition. Published by Oxford University Press.

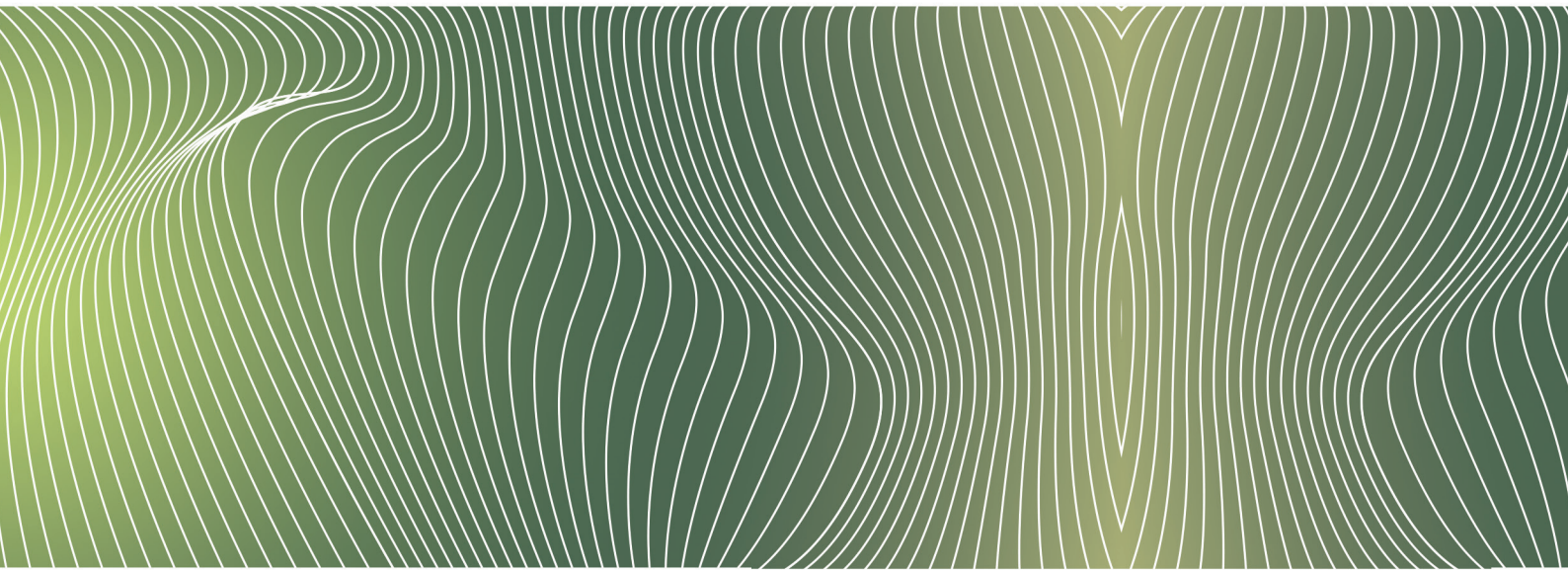
Peixoto, T., Steinberg, T. (2019). Citizen Engagement: Emerging Digital Technologies Create New Risks and Value. World Bank, Washington, DC. World Bank. https://openknowledge.worldbank.org/handle/10986/32495

Romanov., S.V. Ministry of Finance, Russia. Budget Literacy in the Context of Improving Budget Openness in the Russian Federation. Presentation at the World Bank Conference and BCOP PEMPAL Working Group Meeting on Budget Literacy and Transparency. June 22-23, 2017. Moscow, Russian Federation. https://www.pempal.org/events/budget-literacy-and-transparency-working-group

Rosenberg, G. Ways to increase transparency and improve budget literacy as seen by the journalistic community. Experience of South Africa. Presentation at the BCOP BLTWG VC Meeting, October 13, 2021. https://www.pempal.org/events/ways-ministries-finance-improve-transparency-and-budget-literacyunderstanding-within-budget

Strunk, O. (1979). The Elements of Style (4th edition). http://www.jlakes.org/ch/web/The-elements-of-style.pdf

Taleb, N. N. (2007), The Black Swan: The Impact of the Highly Improbable. Random House

UN-Habitat (2004). 72 Frequently Asked Questions about Participatory Budgeting. Urban Governance Toolkit Series. https://unhabitat.org/72-frequently-asked-questions-about-participatory-budgeting

World Bank (2017). International Practices to Promote Budget Literacy. Key Findings and Lessons Learned. By Harika Masud, Helene Pfeil, Sanjay Agarwal, and Alfredo Gonzalez Briseno. https://openknowledge.worldbank.org/handle/10986/26956