

# Strengthening Accountability through Fiscal Transparency Practices

## Public Participation in Fiscal Policies

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#FiscalTransparency

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# The Global Initiative for Fiscal Transparency

A **global network** that facilitates dialogue between governments, civil society organizations, international financial and specialized institutions, private sector and other stakeholders **to find and share solutions** to challenges in fiscal transparency, participation and accountability.

It works through coordination on **global norms, peer-learning and technical assistance, research, and use of IT**.

**GIFT** coordinates the Fiscal Openness Working Group at the Open Government Partnership

# Why a new set of principles in public participation?

- 2008: Global Financial Crisis, **PFM Governance**, disclosure of information alone is not sufficient for accountability
- Government data at reach: **big data, open data & information technologies**
- Participation is key for **Sustainable Development Goals: 5**, gender equality, **10**, reduce inequality, **16**, peace, justice & inclusive institutions
- Public Participation as a the core of **Open Government Partnership**

# But, how exactly should governments engage citizens in public spending?

A starting point for **GIFT** was to address the gaps in norms, as well as the lack of guidance on how governments should engage the public

# SCOPE of PUBLIC PARTICIPATION in fiscal policy

- Invited & autonomous participation
- Covers all fiscal policy and budget making activities:
  - The annual budget cycle (8 documents)
  - Fiscal policy reviews and new policy initiatives outside the annual budget cycle (revenues, expenditures, financing, assets and liabilities)
  - The design and delivery of public services
  - The planning, appraisal & implementation of public investment projects

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## of Public Participation in Fiscal Policy

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### Accessibility

Disseminate complete fiscal information and all other relevant data, easy for all to access, understand, and to use, re-use and transform, namely in open data formats.



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### Openness

Provide full information on and be responsive with respect to the purpose, scope, constraints, intended outcomes, process and timelines, as well as the expected and actual results of public participation.



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### Inclusiveness

Proactively engage citizens and non-state actors, including excluded & vulnerable groups & individuals, & voices that are seldom heard, without discrimination & consider public inputs on an objective basis irrespective of their source.





## Respect for self-expression

Allow articulate their interests in their own ways, and to choose means of engagement that they prefer. There may be groups that have standing to speak on behalf of others.



## Timeliness

Sufficient time in the budget and policy cycles for inputs in each phase; while a range of options is still open; and, where desirable, allow for more than one round of engagement.



## Depth

Provide information about key policy objectives, options, choices and trade-offs, potential impacts, and incorporate a diversity of perspectives; provide feedback on public inputs and how they have been incorporated.



## Proportionality

Use a mix of engagement mechanisms proportionate to the scale and impact of the issue or policy concerned.



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### **Sustainability**

On-going and regular engagement to increase knowledge sharing and mutual trust over time; institutionalize public participation; feedback provided leads to revision of the fiscal policy decisions; and regularly review and evaluate experience to improve future engagement.



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### **Complementarity**

Ensure mechanisms for public participation and citizen engagement complement and increase the effectiveness of existing governance and accountability systems.



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### **Reciprocity**

All state and non-state entities should be open about their mission, the interests they seek to advance, and who they represent; respect all agreed; cooperate to achieve objectives



# 1. Examples of Public Participation in Budget Process

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Stage in budget and policy cycles	Participation mechanisms	Selected country examples
<b>Executive budget preparation</b>	<ul style="list-style-type: none"> <li>-Participatory National Planning</li> <li>-Pre-budget consultations</li> <li>-External expert review of macro/fiscal forecasts</li> <li>-Independent setting of key macro assumptions</li> <li>-Independent fiscal policy advisory body or council</li> <li>-Participatory budgeting</li> </ul>	<ul style="list-style-type: none"> <li>-Brazil</li> <li>-Canada, Kenya, Ireland</li> <li>-Korea</li> <li>-Chile, Colombia</li> <li>-Ireland, Croatia</li> <li>-Numerous countries (Portugal)</li> </ul>
<b>Legislative consideration &amp; enactment</b>	<ul style="list-style-type: none"> <li>-Budget Strategy Statement, with public submissions</li> <li>-Main budget with public submissions</li> <li>-Public submissions to legislature on money bills</li> <li>-Parliamentary Budget Office</li> </ul>	<ul style="list-style-type: none"> <li>-Canada</li> <li>-Numerous countries</li> <li>-Numerous countries</li> <li>-Australia, Croatia, Italy, USA</li> </ul>

## 2. Examples of Public Participation in Budget Process

Stage in budget and policy cycles	Participation mechanisms	Selected country examples
<b>Budget implementation</b>	<ul style="list-style-type: none"> <li>-Independent administrative review (tax, procurement)</li> <li>-Multi-stakeholder monitoring of revenue collection</li> <li>-Multi-stakeholder monitoring of public contracting</li> <li>-Community engagement in public investment projects</li> <li>-Participatory/external expert program evaluations</li> <li>-Participatory budgeting</li> </ul>	<ul style="list-style-type: none"> <li>-Numerous countries</li> <li>-EITI member countries</li> <li>-Open contracting partners</li> <li>-Mexico, Philippines</li> <li>-Korea</li> <li>-Numerous countries</li> </ul>
<b>Legislative review</b>	<ul style="list-style-type: none"> <li>-Committee reviews of agencies, public submissions</li> </ul>	<ul style="list-style-type: none"> <li>-USA</li> </ul>
<b>Supreme Audit oversight/social audit</b>	<ul style="list-style-type: none"> <li>-Citizen audit request body</li> <li>-Participatory performance auditing</li> <li>-Social audit</li> </ul>	<ul style="list-style-type: none"> <li>-Korea</li> <li>-Philippines</li> <li>-India</li> </ul>

### 3. Examples of Public Participation in Fiscal Policies

Stage in budget and policy cycles	Participation mechanisms	Selected country examples
<b>Major new fiscal policy proposals</b>	<ul style="list-style-type: none"> <li>-Consultation by executive on new revenue policies</li> <li>-Consultation by executive on new expenditure policies</li> <li>-Participatory public expenditure review</li> </ul>	<ul style="list-style-type: none"> <li>-Numerous countries</li> <li>-Canada and others</li> <li>-UK</li> </ul>
<b>Public service delivery</b>	<ul style="list-style-type: none"> <li>-Complaints mechanisms</li> <li>-Social audit</li> <li>-Regular published surveys of service users</li> <li>-Citizen involvement in delivery/co-production</li> </ul>	<ul style="list-style-type: none"> <li>-Numerous countries</li> <li>-Uganda and others</li> <li>-Some OECD countries</li> <li>-South Africa</li> </ul>
<b>Public investment projects</b>	<ul style="list-style-type: none"> <li>-Consultation on social and environmental impacts</li> <li>-Geo-tagging and social monitoring</li> </ul>	<ul style="list-style-type: none"> <li>-Numerous countries</li> <li>-Philippines</li> </ul>

## Possible Objections to Increased Public Participation in Fiscal Policies

- Costly
- Undermines existing democratic institutions
- Fiscal issues: too complicated for general public
- Undermines decision making (& secrecy)
- Slows the policy process
- Influential and well-organized groups tend to dominate the process

## Response to objections to increased public participation in fiscal policies

- ~~Costly~~: not so much anymore thanks to IT
- ~~Undermines institutions~~: complementarity
- ~~Too complicated~~: Experts engage too
- ~~Undermines decision making~~: classification prevails when justified & openness helps policy effectiveness and efficiency
- ~~Slows process~~: but it improves quality & saves costs
- ~~Influential groups domination~~: inclusion & dissemination efforts needed

## Access to information and public participation: What difference does it make?

- Better resource allocation & provision of public services
- Improved response to the preferences of beneficiaries of services & constituencies
- Opportunity for marginalized groups to exert some influence in decisions that affect them
- Greater impact of actions that affect communities in social policies: health sector, community level public works, education, in a word, well-being
- **Increases trust and citizen compliance (rules & taxes)**

# Guide on Principles and Mechanisms of **Public Participation** in **Fiscal Policy**

[guide.fiscaltransparency.net](http://guide.fiscaltransparency.net)



**GIFT**



**Working Document**  
**Toolkit: Citizen Participation in the**  
**Legislative Process**

# THANK YOU!

Engage with us

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