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Open Budget Survey Tracker: October Update

The latest update of the [Open Budget Survey Tracker](#) is now available. Of the 240 budget documents monitored by the tracker across the 30 pilot countries, a total of 150 have now been published.

[Check the update](#) to see which countries are making progress, which countries are falling behind, and what to watch out for in the month ahead.

Response to Draft PEFA Framework

IBP, Publish What You Fund, and 46 civil society organizations have [submitted a response](#) to the Public Expenditure and Financial Accountability (PEFA) program's recently published consultative draft of the revised PEFA framework. The framework provides practical recommendations on how governments can improve all aspects of public financial management.

The response offers four recommendations for strengthening the consultative draft of the revised PEFA framework:

1. The indicator on fiscal transparency can be further strengthened.
2. Public access to information should be emphasized across the framework.
3. The draft revised PEFA framework should emphasize the need for public engagement in budgeting as is done by key international fiscal transparency instruments.
4. Retain the indicators on donor practices included in the previous draft of the framework.

Get Social with IBP



Participatory Governance Around the World

Participatory Budgeting Reaches Paris, by Shannon Manley, International Budget Partnership

Paris' first female mayor Anne Hidalgo wants to "make the Paris of tomorrow" by "handing the keys of the budget to the citizens." Hidalgo has set aside five percent of the city's investment budget – amounting to €426 million (\$529 million USD) from now until 2020 – for a participatory budget. Between 24 September and 1 October 2014, the *Budget Participatif* poll gave Parisians the first-ever chance to choose from 15 citizen-proposed projects to fund with €20 million (the amount allocated for the year 2014-2015).

Hidalgo and her administration launched a social media campaign around the initiative, using the hashtag #NotreBudget (Our Budget) to tweet videos, photos, and infographics, to rally voters. During the polling week, more than 40,000 Parisians voted online and in 200 locations throughout the city. The winning projects included vegetation walls to improve biodiversity, learning gardens in schools, mobile trash collection points, co-working spaces for young entrepreneurs, and transforming abandoned public areas into screening and exhibition spaces.



The initiative has been met with mixed responses. Some residents doubted the honesty and fairness of the process. Others questioned whether the city, which in June announced a €400 million (\$497 million USD) budget deficit, could afford to support these kind of projects, much less the money spent on promoting the initiative. Still, many residents hailed it as an opportunity for people disengaged with local politics to get involved, regardless of their party affiliation.

A Brief History of Participatory Budgeting

Participatory Budgeting (PB) has its roots in Porto Alegre, Brazil, where it was developed in 1989 as a way to address the city's severe inequality. In Porto Alegre, as many as 50,000 residents participated each year to allocate up to 20 percent of the city's budget. PB slowly spread across Latin America in the 1990s and is now used in virtually every region of the world as a way for the public to be directly involved in making budgetary

decisions, most often at the local level.

Traditionally PB has been applied in developing countries to help legitimize weak political regimes (see IBP's blogs about [Kyrgyzstan](#) and [Kenya](#)) but recently it has been recognized that public participation also can and should take place where institutions are strong and management of public finances and attention to social projects is generally high.

As local governments learn more about how PB can be used in different contexts, more countries, including those from the "developed" world, are joining in. [Lisbon](#) was the first European capital to adopt a Participatory Budget process in 2008, followed by the [London](#) borough of Tower Hamlets in 2009. Earlier this year, [Boston](#) and [New York City](#) in the U.S. also enacted PB initiatives.

Where Next?

The Paris *Budget Participatif* is the first participatory budget in France and is the largest sum of money ever allocated to a participatory budget. Confident of the initiative's success, Mayor Hidalgo has promised an even bigger *Budget Participatif* for 2015 and has already launched a [website for residents to submit proposals](#).

For more information, contact IBP at info@internationalbudget.org.

International Advocacy

How Will Governments Manage Budgets to Address Climate Change? And, How Can Civil Society Help? by Delaine McCullough, International Budget Partnership

More and more information is coming out about the potentially disastrous effects of global climate change. Frequent extreme weather events, like hurricanes and typhoons, rising sea levels, flooding, and droughts can lead to loss of life, the spread of disease, reduced food security, and destruction of homes and other infrastructure.

Moreover, climate change is expected to hit developing countries the hardest, countries with weaker infrastructure, fewer public resources, and inadequate systems for providing the critical services needed to respond. This has the potential to wreak havoc on economies and devastate livelihoods, particularly those of the poor.

To address the climate change crisis, the international community (i.e., governments, the private sector, international institutions, and civil society) will need to pursue two outcomes:

1. Mitigation – Reducing greenhouse gas emissions by changing how we produce and consume energy and other goods; and enhance carbon “sinks” (i.e., things like forests that absorb carbon and gases from the atmosphere).
2. Adaptation – Helping vulnerable sectors, communities, and people adapt to its impacts.

What will it cost?

Estimates for the amount of new funds that will need to be mobilized for an adequate response to climate change amount to hundreds of billions of dollars per year. This is a massive flow of funds into countries to use to address specific climate impacts and invest in sustainable and resilient futures. It’s an unprecedented opportunity — but only if these funds are managed properly.

While funds are expected to flow from both private and public sources, much of these will be managed by national and subnational governments. Unfortunately, IBP’s [Open Budget Survey](#) shows that many of the countries that will receive large shares of these funds are among the least transparent and accountable when it comes to managing public resources.

So, what can we do to ensure an effective budget response to climate change?

In early November, two gatherings took up the question of how to ensure accountability in managing climate change funds. “Climate Change Adaptation Finance: Building Policies and Practices to Increase Transparency and Accountability” (3-4 November) was convened by the [Adaptation Finance Accountability Initiative \(AFAI\)](#), a joint project by the World Resources Institute, Oxfam, and the Overseas Development Institute.

This workshop brought together CSOs, INGOs, and government officials from Bangladesh, Cambodia, India, Nepal, and the Philippines. Participants shared findings from their efforts to track adaptation finance flows to the local level, discussed ways to improve transparency and accountability, explored opportunities for joint capacity building and advocacy, and learned the basics of tracking of adaptation funds.



Photo credit: Governance of Climate Change Finance for Asia-Pacific [website](#).

The “Regional Technical Workshop on Climate Responsive Budgeting” (5-7 November) followed the AFAI workshop, organized by IBP, the United Nations Development Programme, UKaid, and the Swedish International Development Agency. Though the primary focus was on helping governments to think about how to best integrate climate change mitigation and adaptation funds into their budget systems, INGOs and CSOs from participating countries were also present.

A common set of challenges to managing climate finance was raised at both gatherings. These included the:

- lack of transparency around the use of climate funds;
- trend toward managing climate funds “off budget” rather than integrating them into the overall development planning and budgeting process (often referred to as “mainstreaming”);
- limited spaces for public participation in planning, budgeting, and monitoring spending; and
- poor utilization of funds due to a lack of planning, weak institutional capacity, mismanagement, weak oversight, and a lack of ownership of donor-driven projects.



Photo credit: Governance of Climate Change Finance for Asia-Pacific [website](#).

While improvements in budget processes (“technical fixes”) will be needed to improve the flow and identify specific climate flow funds, there is a lot of experience and knowledge from other sectors and other efforts to improve public finance management to draw from to resolve such issues. The real challenge to transparent and accountable climate finance systems is political. For real accountability, governments must be willing to provide complete information on how they will use resources, open spaces for the public and civil society to engage in decisions and oversight, and ensure strong and independent accountability institutions. Governments, and the international community, must also have the political will to dedicate the necessary resources to address climate change. To participate effectively in this process, climate researchers and activists need to understand the political

economy of public budgeting, and how to influence the budget process and decision making.

What role can civil society play?

IBP and Oxfam hosted a session for participating CSOs on how they might best ensure that mitigation and adaptation funds are managed effectively in their country. A number of ideas emerged on how CSOs can play a catalytic role in improving the management of climate finance. These include:

- influencing and engaging in the planning and policy process by informing decision makers about the needs of people and communities vulnerable to climate changes and making evidence-based recommendations to improve the use of funds;
- being an ally to governments and oversight institutions by connecting them with what is happening on the ground and providing analytical support;
- monitoring implementation and feeding evidence on what is and isn’t working back to policy makers; and
- raising awareness and building the capacity of communities and organizations to participate in planning, implementation, and oversight processes.

To play this role CSOs need:

- willingness on the part of government and oversight institutions to engage CSOs in a multistakeholder approach to managing climate funds;

- comprehensive, accessible, timely, and useful information on climate change finance (on and off budget);
- spaces to meaningfully participate in the process;
- cross-sector civil society collaboration; and
- capacity building support (i.e., tools, guidelines, exchanges, and other learning opportunities).

IBP, Oxfam, World Resources Institute, and the CSOs that participated in this week of learning, sharing, and exploring are now processing the ideas and identifying those that we can begin to move forward on.

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A New Post-2015 Report, but What About Transparency, Participation, and Accountability? by Ryan Flynn, International Budget Partnership

With the [Synthesis Report of the Secretary-General on the Post-2015 Agenda](#) hot off the press, the world is one step closer to agreeing to a set of goals for tackling the most pressing issues facing humanity. IBP welcomes the report, along with its core commitment of ending poverty by 2030. There is still, however, much to play for in how this is to be achieved.

IBP, together with our partners, has been [campaigning for transparency, accountability, and participation](#) to be at the heart of post-2015 development agenda. We have called on the UN to adopt three interrelated recommendations:

- Include a target guaranteeing full transparency on government revenues, aid, and spending targeted to each of the development goals. This includes governments committing to publishing a minimum of five key budget documents.
- Establish government commitments to increase space for public participation. This includes legislatures committing to holding public hearings on the budget.
- Monitor government spending towards each of the post-2015 goals. This includes the UN establishing a global finance tracker to keep tabs on government spending toward development goals.



While there is much positive language in this latest report, we are still waiting to see some firm commitments from governments on the table.

What's on the Agenda?

Navigating the post-2015 agenda can be a challenge. This latest report adds a new layer of [“six essential elements”](#) – dignity, prosperity, justice, partnership, planet, and people – to the [17 Sustainable Development Goals \(SDGs\)](#), which are in turn made up of 169 targets. (A set of indicators will be developed for each target, but the process remains fairly nascent.)

Goal 16, which falls under the “justice” element, focuses on national level governance. A number of targets under goal 16 specifically relate to transparency, accountability, and participation. Goal 17 articulates the “means for implementation” – a grab bag of strategies to achieve the SDGs, including how they should be monitored. Improving availability, timeliness, and quality of data is one of the targets of goal 17.

Why Transparency, Accountability, and Participation need to be Strengthened

IBP recently presented at a UN session on [development and domestic public finance](#). The presentation highlighted a [brief by IBP, Development Finance International, and Oxfam](#) which found that countries with more transparent budgets tended to produce better information on millennium development goal (MDG) progress. The brief was based on a recent [IBP paper](#) which concluded that “increased budget transparency globally should be expected to improve our ability to track spending on development goals.”

But higher development spending and better outcomes depend on a complex web of factors: transparency is insufficient without accountability; and accountability depends on participation in governance from a broad range of stakeholders. Without information on how money is being spent, many can be left unable to meaningfully participate. Thus, a virtuous circle consisting of these three elements is needed.

It's not just civil society organizations and those working on transparency and accountability that emphasize the need for better governance. The UN's [My World global survey](#) – which has polled millions of people all around the globe – consistently ranks an “honest and responsive government” as being among people's primary aspirations for the post-2015 agenda. In countries that score low on the Human Development Index, it ranks as the third most important concern.

What's Next?

The next major event in the post-2015 calendar will take place in July of next year in Addis Ababa, Ethiopia. This will see the highest levels of government – heads of state, finance ministers, and the good and great from development institutions – come together to hammer out the final decisions that will define development work for a generation.

In the lead up to this final outcome, it will be crucial to convince national governments of what is needed. IBP will be working with partners around the world to push leaders to make concrete commitments on strengthening transparency, accountability, and public participation.

While we are approaching the end game, and much has already been achieved, there is still plenty to play for in the post-2015 agenda.

For more information, contact the author at rflynn@internationalbudget.org.

Training

GIFT Webinar

Juan Pablo Guerrero, the network director of the Global Initiative for Fiscal Transparency (GIFT), and Sanjeev Khagram, the founder/architect of GIFT, will be discussing global progress toward fiscal transparency in an upcoming webinar. Co-hosted by the Open Government Partnership and the World Bank, the webinar will take place on 9 December 2014. [Sign-up to join](#).



From the Open Budgets Blog

[Public Finance Management in a Post-2015 World: Time to Care About Service Delivery?](#)

As we motor on toward a post-2015 development agenda it may also be time to build a new era for public finance management (PFM) – one which considers service delivery far more closely.

[Budgeting for Human Rights: Progressive Realization](#)

While budgets today have a global profile like never before, the lingo connecting public budgets to people's lives has a clear precedent in the International Covenant on Economic, Social and Cultural Rights (ICESCR). In a series of blogs, IBP's Helena Hofbauer explores what the covenant means for government budgets. This second post examines what the obligation of "progressive realization" means for government budgets.

Publications

IBP Publications

[Transparency for Development: Examining the Relationship Between Budget Transparency, MDG Expenditure, and Results](#)

Using new datasets on public expenditure and budget transparency, this paper examines the relationship between budget transparency, budget allocations, and outcomes towards achieving the Millennium Development Goals (MDGs).

[County Budget and Economic Forums \(CBEFs\) and Public Participation in Kenya](#)

Drawing on primary research into five counties in Kenya, this paper looks at how CBEFs are working and how they can be improved.

Further Reading from the Field – Relevant coverage of budget issues and civil society's engagement in public budgeting from academia and professional journals

The latest issue of the [International Journal on Government Financial Management](#) discusses matters that can affect the reliability or trustworthiness of public activities. All of the articles offer approaches for consideration that might improve accountability with the goals of providing better information about public assets and improving the lives of ordinary citizens.

In the article "[It Isn't Just About Greece: Domestic Politics, Transparency, and Fiscal Gimmickry in Europe](#)," published in the *British Journal of Political Science*, authors James Alt, David Dreyer Lassen, and Joachim Wehner analyze the political origins of differences in adherence to the fiscal framework of the European Union. It shows how incentives to use fiscal policy for electoral purposes and limited budget transparency at the national level, combined with the need to respond to fiscal rules at the supranational level, interact to systematically undermine the Economic and Monetary Union through the employment of fiscal gimmicks or creative accounting.

Job Opening

GIFT Network Program Assistant

The Global Initiative for Fiscal Transparency (GIFT) is seeking a [Program Assistant](#) to provide administrative and logistical support to the GIFT Network.

Publish What You Pay Newsletter

Get the Latest on the PWYP Campaign

Citizens around the world are simply not benefiting from their natural resources - a lack of openness and accountability around the extractive sector means that too often, revenues are siphoned off or misspent and are not wisely invested. Publish What You Pay is a global coalition that campaigns for a transparent and accountable extractive sector so that natural resources can become a blessing, rather than a curse. With more than 800 organizations in 40 countries, there are a lot of ongoing campaigns. [Sign up to the newsletter](#) to get the latest on good governance and extractives around the world!