



INTERNATIONAL BUDGET PARTNERSHIP
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IBP Wins Honesty Oscar!

We're honored that our [Open Budget Survey 2012 infographic](#) won for best visual effects in ONE and Accountability Lab's [Honesty Oscars 2014!](#)

The Honesty Oscars 2014 is a week-long event to honor the groundbreaking creative work of activists and organizations working to make our world more transparent and hold our governments and corporations more accountable.

IBP – Kenya Leads Induction on County Budget and Economic Forum

On 7-8 February, IBP – Kenya led an induction for members of the Taita Taveta County Budget and Economic Forum (CBEF). The CBEF is a creation of the Public Finance Management Act 2012 (about which IBP has [written](#) extensively), and is designed to bring together government officials and members of the public in every county in Kenya to discuss county plans, budgets, and broader economic policies. While every county must eventually set up such a Forum, few have done so yet, a year after the advent of devolution. In Taita Taveta, the governor appointed members to the Forum soon after his election, but the Forum had not been functioning due to lack of a full understanding of its mandate and of the new budget process.

IBP was invited to offer an induction to kick start Forum activities covering the budget cycle, key budget documents and basic budget literacy, and principles of public participation. Since then, the Forum has met to discuss the County Fiscal Strategy Paper and we hope to see further meetings during the 2014/15 budget formulation process.

Get Social with IBP



Job Openings

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Updates on Citizen Participation

Brazil Let Its Citizens Make Decisions about City Budgets. Here's What Happened, by Brian Wampler, professor and chair of the Department of Political Science at Boise State University and Mike Touchton, assistant professor in the Department of Political Science at Boise State University

This article is an excerpt from a blog post on the Washington Post's Monkey Cage, available [here](#) free of charge.

Over the past 20 years, “participatory institutions” have spread around the world. These institutions delegate decision-making authority directly to citizens, often at the local government level, and have attracted widespread support. International donor organizations, such as the World Bank and USAID, promote citizen participation in the hope that it will contribute to more accountable governments, strengthen social networks, improve public services, and inform voters. Elected officials often support citizen participation because it provides them the legitimacy they need to alter spending patterns, develop new programs, mobilize citizens, or open murky policy-making processes to greater public scrutiny. Civil society organizations and citizens support participatory institutions because they get unprecedented access to policy-making venues, public budgets, and government officials.



Photo: Paolo Massa, Flickr

But do participatory institutions actually achieve any of these beneficial outcomes? In a [new study](#) of participatory institutions in Brazil, we find that they do. Specifically, we find that municipalities with participatory programs actually improve the lives of their citizens.

Brazil is a leading innovator in participatory institutions. Brazilian municipal governments can voluntarily adopt a program known as participatory budgeting (PB), which directly engages citizens in public meetings where they can decide how to allocate public funds. The funding amounts can represent up to 100 percent of that for all new capital spending projects and generally fall between five and 15 percent of the total municipal budget. This is not enough to radically change how cities spend limited resources, but it is enough to generate meaningful

change. For example, the Brazilian cities of Belo Horizonte and Porto Alegre have each spent hundreds of millions of U.S. dollars over the past two decades on projects that citizens selected. Moreover, many PB programs have an outside impact because they focus resources on areas that have lower incomes and fewer public services.

Between 1990 and 2008 over 120 of Brazil's largest 250 cities adopted PB. In order to assess whether this has had an impact, we compared the number of cities that adopted PB during each mayoral period to cities that did not adopt it, and accounted for a range of other factors that might distinguish these two groups of cities.

The results are promising. Municipal governments that adopted PB spent more on education and sanitation and saw infant mortality decrease as well. We estimate cities without PB to have infant mortality levels similar to Brazil's mean. However, infant mortality drops by almost 20 percent for municipalities that have used PB for more than eight years. The evidence strongly suggests that the investment in these programs is paying important dividends.

Participatory budgeting's influence grows stronger when the mayor is from the Workers' Party, which has governed Brazil since 2003. The party has invested heavily in promoting direct citizen participation in new

democratic venues. This is significant because it showcases how programs flourish when elected officials are committed to implementing participatory institutions.

Our results also show that PB's influence strengthens over time, which indicates that PB's increasing impact leads governments, citizens, and civil society organizations to build new institutions that produce better forms of governance. Public deliberation about spending priorities makes these city governments more transparent, which decreases corruption. Therefore, the shifts in spending patterns for new capital projects produce not just temporary improvements but real lasting change.

Participatory budgeting has not only gained traction and produced positive results in Brazil it has also taken hold in other parts of the world. [Recent posts](#) on the International Budget Partnership's (IBP) [Open Budgets Blog](#) have reported on PB initiatives in Peru that have improved civic optimism, with projects approved in the PB process moving toward the implementation phase; and a civil society [pilot project](#) in Kenya is improving upon an earlier government plan to increase citizen participation in service delivery monitoring and implementation. And, an [article](#) in a previous issue of the IBP newsletter focused on PB around the world, demonstrating that the increasingly popular process can be used successfully in a variety of country contexts.

The efforts of political parties, social movements, and international organizations to promote direct citizen participation in policy-making venues are justifiable. Participatory programs will not necessarily produce fundamental change in the short term, but they are a vital part of building better institutions and improving citizens' quality of life.

“The Budget Is Your Money, Knowing Is Your Responsibility:” A Campaign for Budget Transparency and Participation in Nicaragua, by Claudia García Rocha, program coordinator, Institute of Strategic Studies and Public Policy

The IBP's Open Budget Survey (OBS) is a biennial assessment of budget transparency and accountability in countries around the world. IBP uses a subset of Survey questions that assess the amount of budget information that the government makes available to the public to construct the Open Budget Index (OBI), which gives each country assessed a score between 0 and 100. The results of the OBS 2012 show that Nicaragua improved its OBI score, jumping five points from 2010 to earn a score of 42 in 2012. While this score indicates that Nicaragua has made improvements, budget advocacy is still in its infancy in the country, and there are challenges to achieving fiscal transparency, including those related to:

- engaging citizens on the use of public resources;
- garnering public attention and interest in budget matters; and
- demonstrating why the budget is important and how it affects everyone's life.

In response to these challenges and in a challenging political environment, in November 2013 [The Institute of Strategic Studies and Public Policy](#), a Nicaraguan civil society group dedicated to improving and supporting citizen participation in public affairs, launched “The Budget Is Your Money, Knowing Is Your Responsibility.” The campaign seeks to raise the public's awareness and understanding of the national budget. The slogan is a reminder to citizens that it is their money going into the budget and calls on them to take responsibility for knowing how public resources are being spent, especially on critical basic needs like health care, education, public safety, water, and road infrastructure. The campaign's message has been advertised on public transportation, television, radio, and online platforms.



To support the campaign, the Institute launched the website [Our Budget](#), which is an online portal dedicated to giving citizens budget information. The site, built using an open data format and supported

by the Open Knowledge Foundation, provides budget information by function for 2010-2014, along with information on public procurement by type (e.g., goods, public works, and consulting services).

Leading up to the launch of Our Budget, a series of workshops for the media and members of civil society organizations was held to discuss and clarify the definition of fiscal transparency and its implications. Topics covered included a discussion of international standards, the eight key budget documents that governments should publish and make publicly accessible, and the results of the OBS 2012. (Watch interviews, in Spanish, with the participants [here](#)). IBP assisted with the design and delivery of the first of these workshops.

These efforts are part of the Fiscal Transparency Project sponsored by USAID through Global Communities, a nonprofit organization working to bring about sustainable changes that improve the lives of the vulnerable. The first phase of the project seeks to improve Nicaraguan civil society's understanding of good governance and to increase citizen participation in monitoring the spending of public resources. These activities will be expanded and consolidated during 2014-2015 and will be in line with the work of lawmakers who have shown interest in introducing a bill to reform Law 550 (the Financial Administration Act and Budgetary System). The reforms include the mandatory publishing of the Citizens Budget and Mid-Term Report, two of the eight key budget documents.

Technology Brings Budget Data to the People

Using Technology to Close the Budget Information Gap in Moldova, by Victoria Vlad, economist, Public Sector: Economy, Management and Finance, Expert-Grup

In 2011 the Moldovan government opened up millions of rows of government expenditure data to the public, but the information remained inaccessible to most citizens because they do not know how to interpret large amounts of data. Raw data is used mostly by experts and policymakers in their research, while most members of the public often don't see the direct benefits of open data and how it affects their daily lives. Expert-Grup, an independent think tank based in Chisinau, decided to initiate a project that would make the data more accessible and increase citizens' understanding of the budget and budget process.

With the support of the Soros Foundation Moldova and Open Society Foundations, the Expert-Grup team launched [BudgetStories.md](#) in February 2013 to present visualizations of several of the largest government spending sectors, including education, health, agriculture, and public administration. The project aims to increase understanding of how the budget process works and facilitate the participation of interested stakeholders at various entry points in the budget cycle. After conducting a pilot project using the methodology of the International Budget Partnership's Open Budget Index (a system that ranks countries based on comparative transparency scores derived from questions on the amount of budget information that government makes publicly available drawn from the Open Budget Survey, a biennial assessment of budget transparency, participation, and accountability in countries around the world) to create Moldova's own Index for Budget Transparency, the team used the resulting mapped documents to create an interactive module called the [Budget Calendar](#). The Calendar illustrates the entire budget process and allows users to navigate through the budget cycle and check whether documents were published in a timely manner.

One of the most popular infographics on the website presents public spending in the education sector. Eighty percent of Moldovans think that the country has a good education system; however, the latest round of the Program for International Student Assessment (an international assessment that measures 15-year-old students' reading, mathematics, and science literacy) places the country at the lower end of the international rankings. Moreover, between 2005 and 2012, the number of enrolled students decreased by 29.2 percent while 157 schools closed down, a 10.2 percent reduction. The government had initiated a school optimization process (which seeks to close schools with few students and high running costs) in 2008, when schools were being closed at an average rate of 19 schools a year. In 2012 63 schools were closed, the most of any year since the reform process began. The measure has been hugely unpopular since parents and other education stakeholders were not properly informed about it.

To try to close this information gap, the Expert-Grup team created a three-series infographic that highlighted how public money is spent in the education sector, and what results have been achieved. Expert-Grup’s infographic, “We’re Paying for Empty Schools,” demonstrates that while the number of students continues to decrease, expenditures continue to grow. It also shows that despite spending around eight percent of its annual gross domestic product on the education sector, Moldova’s performance does not stack up to other countries. This information enables parents and other citizens to pressure the government to take steps to improve these outcomes.



To expand on this work, Expert-Grup will begin a joint project with the World Bank to improve the flow of information from the government to citizens. The goal is to create an environment where citizens have the information they need to hold the government accountable for its actions, and where the government can use citizen input in policy creation.

Expert-Grup will continue its work to bring clarity to how public money is spent in different sectors of the economy, creating demand for better data and more efficient spending. There are also plans to make the website and the infographics more interactive. Ensuring that taxpayers’ money is spent efficiently is what is at

stake. Through this type of work, accountability of policymakers can be increased and at the same time citizens can be motivated to participate more actively in consultations on how budgetary resources are allocated.

Online Forum Seeks to “Strike Poverty”

Open Budgets 2.0: The Battle for Accountability and Participation, by Jay Colburn, International Budget Partnership

Striking Poverty, an online discussion platform hosted by the World Bank, recently facilitated a [conversation](#) about innovative ways to use open budget data to improve government accountability and service delivery for the poor. A number of experts and individuals involved and interested in open budgets participated in the discussion.

The exchange began with a basic question: what criteria can be used to determine whether a country has an open budget? Suggestions included:

- coverage (how many budget documents a government regularly publishes);
- comprehensiveness (the level of detailed information in budget documents);
- timeliness (ensuring an adequate period for discussion, debate, and input from various actors);
- access (the means through which budget information is available);
- usefulness (user-friendly and understandable format); and
- participation (mechanisms for collecting citizen input and incorporating them into budget proposals and implementation).

Many participants said how crucial public engagement in government budget planning and spending is to open and accountable budgets. Public engagement can take many forms, from participatory budgeting to public hearings in the legislature. Individual and civil society engagement can provide government with valuable information on the infrastructure and services most needed, as well as play a role in oversight via audit mechanisms. In addition, an engaged, informed, and capable media can play an important role in simplifying complex budget information for broader consumption. A number of [case studies](#) and

[examples](#) were shared that demonstrate how civil society campaigns have mobilized communities and used budget monitoring and analysis to pressure governments for more equitable outcomes.

Evidence was also shared from [a set of new case studies](#) released by the Global Initiative for Fiscal Transparency (a multi-stakeholder network working to advance global norms on fiscal transparency that IBP is deeply involved in) that focus on innovative practices in fiscal participation, transparency, and accountability. Political support, state capacity, and strong civil society were found to be key factors that shape the enabling environment for public participation. Partnerships among citizens, civil society, the media, and even government officials can also strengthen otherwise uncoordinated efforts to promote budget accountability and participation. One example of such a partnership is [Code for Africa](#), which supports projects throughout Africa by partnering with other organizations to help make data accessible for citizens.

Amid the rich discussions about budget transparency, participation, and accountability, there seemed to be general agreement that the ideological battle on the need for budget transparency has already been won. But there is still much work to be done around budget data quality and accessibility and participation in the budget process. Discussants expressed the need for a second generation of open budgets, one in which budget information is available where and when it is needed and in forms that make it useful. As part of the next generation of open budgets, there also needs to be mainstream acceptance of principles and good practices related to accountability and participation within global discussions on public financial management. Such a revolution in thinking will require a major cultural shift for governments and others to see the value in public participation and social oversight as a key input to policy making. It was made clear throughout the forum, however, that civil society and other stakeholders have already begun this task of opening budgets to improve accountability and participation to alleviate poverty.

New Forum for Budget Discussions

Coming Soon! IBP to Begin Webinar Series

IBP is pleased to announce that it will start running webinars to provide a space for live discussions on budget-related issues. The webinars will complement and highlight content from the IBP e-Newsletter, IBP publications, the Open Budgets Blog, and much more. The webinars will also aim to promote horizontal learning and strengthen the community of researchers and activists dedicated to monitoring public budgets.

Topics and dates of the webinars will be announced on our [website](#) along with instructions on how to register. Watch this space for more information!



From the Open Budgets Blog

[Tunisia's Citizens Budget: One More Step toward the "Open Budget:"](#) In December 2013 the Tunisian government published its first Citizens Budget. This important milestone marked a significant step in promoting budget transparency and highlighted the positive direction that the Ministry of Finance is taking toward budget transparency.

[Constituency Development Funds Are a Massive Misunderstanding:](#) Constituency Development Funds (CDFs) are funding arrangements that channel money from central government directly to legislators for local infrastructure projects and are often criticized by budget monitoring CSOs. But perhaps CDFs are based on a misunderstanding?

[Lessons Learned from Water and Sanitation Budgets Analysis in Pakistan:](#) To better understand allocations and spending on water and sanitation, two CSOs conducted a budget analysis in the Khyber Pakhtunkhwa province of Pakistan. Find out what they learned.

Publications

IBP Publications

IBP has added new publications to the online [library!](#)

- [Are New PFM Reforms in the WAEMU and the CEMAC Working? Lessons from the Open Budget Survey](#)
- [Turning Children's Rights Into Children's Realities](#)

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

In the article, "[Informal Institutions and Horizontal Accountability: Protocols in the Chilean Budgetary Process](#)," Ignacio Arana Araya argues that agreement protocols on budget issues signed annually between the legislative and executive branches of the Chilean government act as an informal institution

that regulates the Chilean budget process. These protocols have allowed the Chilean Congress a much greater role in budgeting than is technically allowed for in the 1980 Constitution.

The Organisation for Economic Co-Operation and Development (OECD) launched an initial consultation on its "[Draft Principles of Budgetary Governance](#)" in November 2013. The draft principles draw on insights from over a decade of work by the OECD Senior Budget Officials Working Party and the international budgeting community. The draft provides an overview of best practices in budgetary governance with a specific focus on the challenges posed by global financial crises. The OECD's goal is to give practical guidance for the design, implementation, and improvement of budget systems.

Michelle Anna Ruesch and Mandy Wagner highlight the distinctive features of participatory budgeting (PB) in Germany in their chapter, "[Participatory Budgeting in Germany: Citizens as Consultants](#)," in the book *Esperanca Democrática*. Ruesch and Wagner discuss how 15 years of PB practices in Germany represent a distinct divergence from the more famous Brazilian model of PB originated in Porto Alegre. They argue that in Germany the PB process takes a consultative approach, in which the public plays an advisory role, compared to other country models where the public makes actual decisions on the budget.

In "[Improving Social Well-Being Through New Democratic Institutions](#)," Michael Touchton and Brian Wampler draw on data from Brazil's largest cities over the past two decades to determine if the adoption of PB has an influence on social well-being. Their analysis finds that long-term PB programs are strongly associated with increased spending on health care and sanitation and a reduction in infant mortality rates. They also argue that PB processes create incentives for greater public participation, which leads to the creation of more civil society groups.

Job Openings

Two IBP Positions Available

- [Program Officer \(South Africa\) – Catalyst Program](#): IBP is seeking a Program Officer for South Africa to join the Catalyst Program team. The Program Officer will represent IBP and manage the Catalyst initiative in South Africa.
- [Accounts Payable and Payroll Specialist](#): IBP is seeking an Accounts Payable and Payroll Specialist to take on the responsibility for processing cash disbursements as well as payroll preparation and management.