

# Overview of the Cases

**The nine initial cases in the Guide are a very small sample of all the different types of mechanisms of public participation in fiscal policy – which as defined by GIFT spans the complete fiscal policy and budget cycles as follows:**

1. The annual budget cycle: from fiscal strategy and the preparation of the annual budget proposal by the executive, through presentation of the budget to and its adoption by the legislature, budget implementation (including tax administration and public procurement), in-year reporting on and amendment of the budget, and end of year reporting, auditing and review.
2. New policy initiatives, plans, or reviews on revenues, expenditures, financing, assets and liabilities. These are fiscal policy initiatives that may have been subject to extended public engagement over a longer period than the window for preparation of the annual budget, including medium term plans, and longer term fiscal policy reviews.
3. The design, production and delivery of public goods and services: from service delivery planning and setting of service standards, engagement during service delivery, through feedback from service recipients, independent review mechanisms, and monitoring and evaluation
4. The planning, appraisal, and implementation of public investment projects: from national and sector planning through project preparation, appraisal and selection, to project implementation, audit and review.

Table 1 maps the nine cases by stage in the policy and budget cycles, and by lead institution.

**Table 1: Public Participation Cases by stage of budget and policy cycle and lead institution**

Stage in Budget and Policy Cycle	Lead institution			
	Executive	Legislature	Supreme Audit Institution	Non-state
Budget and policy preparation and selection	Brazil Policy Councils	Canada Finance Committee Pre-Budget Consultations		
	Philippines Bottom-Up-Budgeting			
	Korea Advisory Committees			
Budget enactment		Croatia Commission on Fiscal Policy		
Budget implementation	Mexico Rural School Infrastructure			
Evaluation and audit	Korea Advisory Committees		Philippines Citizen Participatory Audit	Kenya Social Audit of Constituency Fund
				India (Andhra Pradesh) Social Audit

As can be seen from Table 1, most of the initial nine cases selected are led by the executive branch of government. One of these, Korea’s Advisory Committees span more than one stage of the budget cycle, illustrating the high-level strategic initiative in Korea, following the 1997 financial crisis, to improve government efficiency and strengthen democratic legitimacy after the political transition of the 1980s. The other cases of executive branch public engagement are specific to a single stage in the budget cycle, but there is large variation across these mechanisms. Two, Brazil and the Philippines, involve major nation-wide efforts to directly engage citizens in expressing views on priorities for the next budget – Brazil at all levels of government, the Philippines at the local level with respect to spending by national ministries. As noted in GIFT’s synthesis of the cases, these mechanisms were introduced following transitions from authoritarian rule, and it is difficult to identify similar mechanisms in any of the older democracies. The Mexican school infrastructure initiative is a recent

mechanism that empowers local communities and parents during budget implementation, both in terms of deciding on how school infrastructure funds will be spent, and monitoring implementation of the projects.

Within the executive branch, the central finance ministry plays the lead role in three of the mechanisms – the Philippines' Bottom-Up-Budgeting, Korea's Advisory Committees, and Mexico's rural school infrastructure. However, line ministries also play an important role in Korea (each ministry also establishing an Advisory Committee) and in Mexico, where the education ministry and school boards also play an important role. [In Brazil it is the President's Office that leads the overall Policy Council program, with line ministries playing an important role in the sector Councils,] while in Mexico both the education ministry and the ministry of finance play important roles in the school infrastructure program.

The two examples of public participation in legislative oversight illustrate two relatively recent trends in public financial management. The first is a two-stage budget process in which the legislature first debates overall fiscal and budget strategy before, at a later stage, considering the detailed annual budget estimates. In Canada the Finance Committee calls for public submissions at the pre-budget stage. The second important development in the last decade or so is the spread of independent fiscal policy advisory bodies, many of which are under the legislative branch. In Croatia's case the establishment of the Commission on Fiscal Policy was associated with Croatia joining the European Union.

The example of participation in the audit stage is from the Philippines. Citizen Participatory Audit (CPA) is a value-for-money audit conducted by the Commission on Audit (COA), the supreme audit institution (SAI) of the Philippines, pursuant to its mandate. During CPA, special audit teams with COA and citizen auditors are created to conduct performance audits of selected government programs. CPA differs from other forms of participatory audit (e.g., social audits) in that non-COA auditors are given more roles and responsibilities and are present in all steps of the audit. When citizen auditors are "deputized" as COA auditors, they receive the same level of access to information as any other member of the audit team, are bound by the same audit protocols and principles, and are expected to participate in the entire audit process. While other forms of citizen participation in audit see the formal audit process as a take-off point for third-party citizen monitoring—as in cases where civil society groups use audit reports as source documents for budget analysis or government performance monitoring—joint audits bring citizens from non-government groups into the formal audit process, giving COA a chance to explore complementary and additional approaches to audit (e.g., community scorecards).

The final column in Table 1 incorporates a range of activities involving interactions between state and non-state actors (e.g. CSOs, activists, academics, journalists, business organizations). These interactions may represent either *invited* participation, or *invented* participation. Invited participation refers to public engagements initiated by a state actor, in which non-state actors are invited to take part. Invented participation refers to interactions between non-state and state actors that are initiated by non-state actors. The engagements may involve state actors but be led by non-state actors, or there may be no active involvement of state actors. The Kenya case study illustrates invented participation, but with different degrees of official engagement. One of the initiatives was supported officially by the provision of the detailed information required for effective monitoring, while another initiative illustrates reluctant official toleration of social monitoring that was initiated and led by non-state actors.

**The nine case studies vary considerably in the extent to which they illustrate the ten GIFT principles of public participation in fiscal policy:**

- i. The two major nation-wide public engagement exercises (Brazil, the Philippines) illustrate most of the ten GIFT participation principles in action. This reflects in part the explicit and resource-intensive efforts made to reach a wide spectrum of society, and to institutionalize the new processes. Similarly, the Mexican case, while confined to a specific expenditure program, also illustrates, through its design, most of the GIFT participation principles in practice.
- ii. In comparison, the Korea case reflects a narrower range of the GIFT participation principles, reflecting its distinctive nature as ‘expert-based participation’ rather than broad-based public or CSO-based participation (see below).
- iii. The Philippines participatory auditing represents most of the GIFT participation principles in action, reflecting the depth of this form of engagement and the way the COA has institutionalized and supported the initiative.
- iv. The three remaining cases illustrate a narrower range of the participation principles in action, but for different reasons. The two legislative mechanisms (Canada, Croatia) illustrate well the complementarity principle by potentially strengthening the legislature’s ability to hold the executive to account for its stewardship of public resources. However, while both mechanisms operate in the public arena, there are limited attempts made to obtain a wide diversity of public inputs (Canada) or to directly engage the public at all (Croatia). The Kenya case, on the other hand, illustrates the difficulty civil society actors often have in fighting for access to the space to conduct social monitoring.

The level of complexity of the mechanisms in these seven initial case also varies considerably. The public consultation conducted by the Canadian Parliamentary Committee is a long-established mechanism in older democracies, and operates according to well-established rules and relatively simple procedures. Social audits, especially when confined to a single program as in Kenya, are also relatively straight forward (although they may face other challenges relating to access to information and officials). At the other end of the spectrum are the large nation-wide exercises in public engagement and deliberation in national and sector planning and in bottom-up-budgeting in Brazil and the Philippines respectively. These involve a very large number of actors, and complex coordination arrangements across levels of government and government ministries. To a lesser extent, the Mexican school infrastructure project is also complex given the requirement for new on-going institutional structures in many communities across the country – although the investment in the new structures perhaps creates the possibility of further engaging parents and local communities in other aspects of school governance and monitoring. Finally, the formal involvement of CSOs and citizens on audit teams lead by the Supreme Audit Institution in the Philippines requires carefully designed instruments, such as *Operational Guidelines for the Citizen Participatory Audit Project* issued by the COA, and formal agreements between the COA and the CSOs and citizen auditors setting out respective roles and responsibilities in order to retain clear accountability of COA for the audits while providing a systematic mechanism for incorporating public inputs.

In terms of the depth of public participation, it is interesting to consider where the cases lie on the IAP2 spectrum of the depth of public participation. The IAP2 spectrum has five points: inform; consult; involve; collaborate; and empower.

- The Canada Finance Committee Pre-Budget Consultations appears to be an example of ‘consult’.
- It is difficult to categorize the Kenyan social audits, as the different mechanisms have somewhat different features, but there are elements of ‘involve’ although some of the mechanisms are more in the nature of autonomous social monitoring than facilitated public participation.
- There are perhaps four cases that can be categorised as collaboration, involving institutionalised interactions between non-state actors and public officials. These are the Croatia Commission on Fiscal Policy, the Korean Advisory Committees, Brazil’s Policy Councils, and participatory audits in the Philippines.
- Two of the cases entail a degree of empowerment of non-state actors in taking part in actual decision-making on public resource allocation or implementation. In Mexico

the School Boards and the Committees of Social Accountability decide on how infrastructure funding will be spent by their local school, and monitor project implementation respectively. In the Philippines Bottom-Up-Budgeting gives local communities direct input into decisions on expenditure of a portion of the national budget of central government ministries in their localities. Such 'participatory budgeting' is better known at the level of sub-national governments, but the Philippines may be unique in introducing it at the national level.<sup>1</sup>

Finally, GIFT's synthesis of the initial case studies identified three broad typologies of public participation in fiscal policies: [link to synthesis]

- i. Centrally directed mass-based participation across all levels of government – Brazil.
- ii. Mass-based participation from the bottom up – the Philippines.
- iii. Expert and elite based participation – Korea.

## **A broader map of the range of mechanisms of public participation in fiscal policy**

As noted, the nine initial cases in the Guide are a very small sample of all the different types of public participation in fiscal policy.

Table 2 below sketches out further examples of the full range of public participation in fiscal policy design and implementation, including participation with respect to public service delivery and public investment projects.

**Text in blue** in the table is linked to GIFT case studies that include discussion of the mechanism. The original full case studies contained discussion of a wider range of participation mechanisms than is written up in the outlines in the Guide.

**Text in black** refers to mechanisms where GIFT would like to develop or receive details of examples of participation that have been documented in some way e.g. case studies, short briefs, articles, videos, interviews, or blogs on country examples. The aim is to progressively populate the Guide over time with the full range of participation mechanisms. [link here to call for people to submit short briefs for inclusion in the Guide.

**Text in red** is where we have a link to some other institution's write up of a participation mechanism.

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<sup>1</sup> The new administration in the Philippines of President Duterte has suspended implementation of Bottom-Up-Budgeting.

**Table 2: Public Participation mechanisms by stage of budget and policy cycle and lead institution**

	Executive	Legislature	Supreme Audit Institution	Non-state
Budget and policy preparation	<p>Participatory national and sector planning and policy development – <a href="#">Brazil</a></p> <p>MOF pre-budget consultations - <a href="#">Kenya</a>, <a href="#">Canada</a>, <a href="#">Korea</a></p> <p>Public consultation on new tax or expenditure policies – <a href="#">Canada</a></p> <p>Line ministry public consultations - <a href="#">Philippines</a></p> <p>Public consultation on needs for public services or on service quality</p> <p>Public consultation on the merits of new major public infrastructure projects.</p> <p>Public consultation with local communities affected by proposed infrastructure projects</p> <p>Participatory public expenditure reviews</p> <p>Consultation on revenue strategy, or asset ownership</p>	<p>Consultation on pre-budget statement – <a href="#">Canada</a></p>		<p>Assessment of transparency and public participation in budget preparation – Open Budget Survey</p> <p><a href="#">South Africa Global Integrity</a></p>
Budget enactment	<p>Independent external expert review of macroeconomic and fiscal forecasts (executive agency)</p>	<p>Independent external expert review of macroeconomic and fiscal forecasts (legislative body) – <a href="#">Croatia</a></p> <p>Budget Consultations – <a href="#">Kenya</a></p> <p>Public submissions on fiscal policy Bills – <a href="#">Canada</a></p>		<p>Assessment of transparency and public participation in budget enactment – Open Budget Survey</p>

		External Members of Parliamentary Committees – <a href="#">Croatia</a>  <a href="#">Parliamentary Budget Office</a> (Philippines, Kenya, Uganda, Dominican Republic etc.)		<a href="#">South Africa Global Integrity</a>
Budget implementation	Tax administration review tribunals Public procurement complaints mechanisms Public investment project complaints mechanism – <a href="#">Mexico school infrastructure</a> Engaging service recipients in the governance or monitoring of service delivery units - <a href="#">Mexico school infrastructure</a>			Assessment of transparency and public participation in budget implementation – Open Budget Survey  <a href="#">South Africa Global Integrity</a>  <a href="#">PAISA Case study (CSO Initiated)</a>
Ex post evaluation and audit	<a href="#">Program evaluation - Canada</a> Regular surveys of satisfaction with public services.	Public submissions to Public Accounts Committee budget review Public submissions to Select Committee reviews of line ministries and agencies	Engagement with program recipients during performance audits Citizen Audit Request - <a href="#">Korea</a> Participatory Audits - <a href="#">Philippines</a>	Social monitoring – <a href="#">Kenya</a> , <a href="#">South Africa Global Integrity</a> Social audits Assessment of transparency and public participation in audit – e.g. Open Budget Survey Multi-stakeholder social monitoring e.g. Extractive Industries Transparency Initiative