



Partnership for Social Accountability Network - Mongolia

Social Accountability Learning-in-Action Program



# BUDGET MONITORING AS A TOOL FOR SOCIAL ACCOUNTABILITY

20 October 2010



- Mongolian Experiences in Budget Reform
  - Citizen budget monitoring (**Open Budget Index**)
  - Citizen-government partnership on budget monitoring
- The Budget Cycle
  - Generic
  - Budget Cycle in Mongolia
- Budget Transparency, Accountability and Openness Indicators
- Tool: Applied Budget Work
- Experience: DISHA-India
- Lessons Learned



# Government Budgeting

- is the process of planning for and allocating revenues, borrowed funds and other receipts (including grants or aid) to attain the economic and social goals of the country.
- GOALS
  - Millennium Development Goals
  - Growth of the country's economy



# Budgeting Concepts and Principles

- Plan and Budget Linkage
- Balancing the Budget and Deficit
- Public Expenditure Management
- Medium Term Expenditure Framework
- Appropriation, Obligation and Disbursement



# Public Expenditure Management

- a key instrument of government policy
- ensures the use of government resources to be consistent with country's development goals by addressing the following objectives:
  - Fiscal discipline (Expenditure control)
  - Resource allocation (“Strategic” allocation)
  - Good operational management



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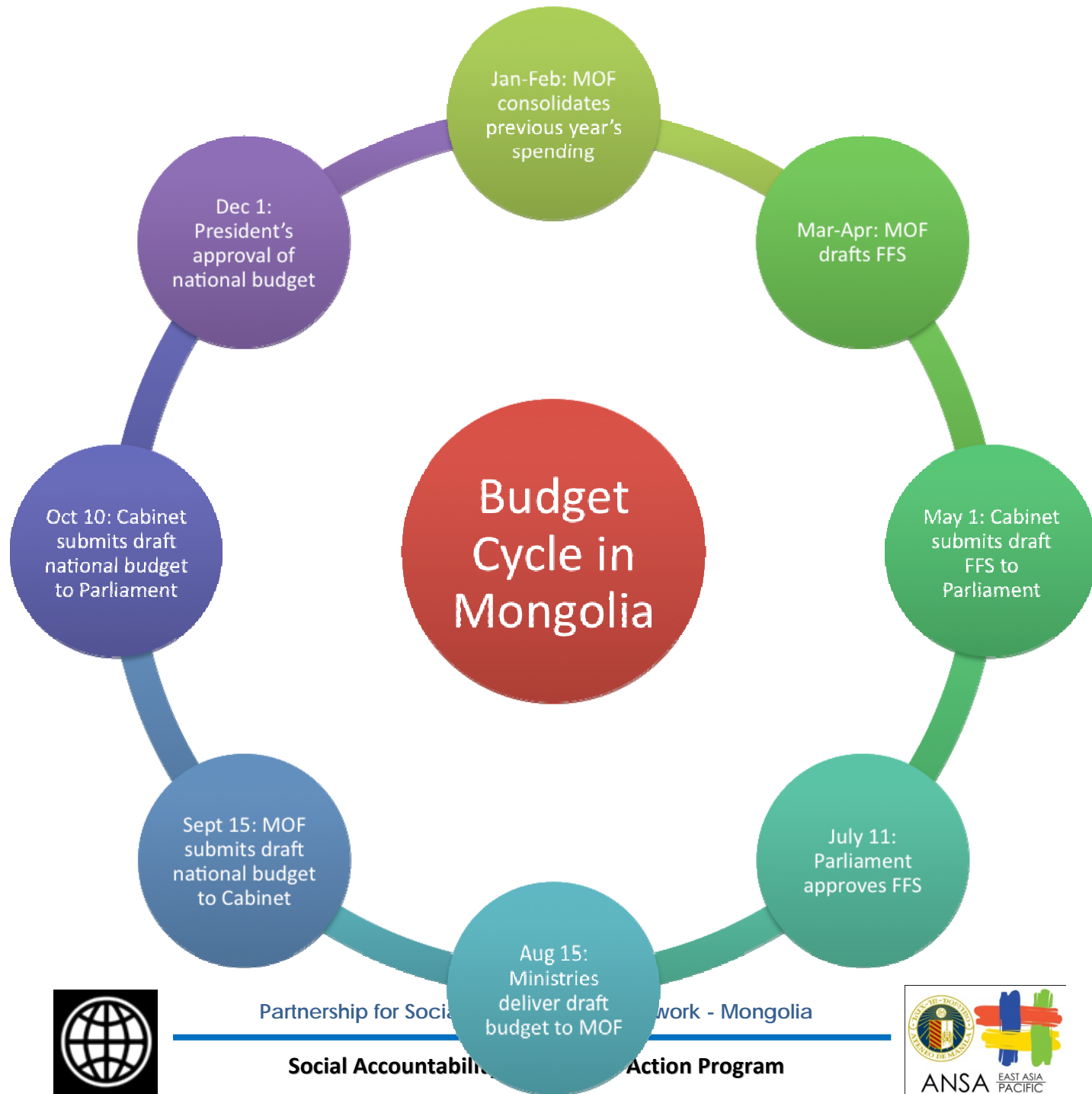
# Generic Budget Cycle



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# Indicators: Fiscal TAO

- Clarity of Roles and Responsibilities
  - specifying the structure, functions and responsibilities of government, and relations between government and the rest of the economy.
- Availability of Information
  - comprehensive fiscal information at clearly specified times.
- Open Budget Preparation, Execution and Reporting
  - type of information made available
- Integrity Assurance
  - Quality of data
  - Independent scrutiny of fiscal information



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# SAc Tools: Budget Monitoring

| Activity  | Information required  | Outputs   |
|---|---|---|
| <ul style="list-style-type: none"><li>• Evaluate plans and budget allocations</li></ul> | <ul style="list-style-type: none"><li>• Budget documents</li><li>• Strategic plans</li><li>• Program plans</li><li>• Contracts &amp; agreements</li><li>• Maintenance plans</li></ul> | <ul style="list-style-type: none"><li>• Budget Analysis</li><li>• Strategic Plan Evaluation</li></ul> |



# Tool: Applied Budget Work

- WHO: citizen groups
  - academic community, business community and civil society organizations
- WHAT
  - Knowledge of key economic issues
  - Knowledge of the budget process and the elements of a good budget
  - Media and dissemination
  - Accurate, accessible and timely products
  - Working with policymakers
  - Open and transparent government financial information system



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# Tool: Applied Budget Work

- TYPES

- Budget Literacy Enhancement

- Budget Guides
    - Budget Training

- Assessment of the Budget Process and Budget Systems

- Budget process and system studies
    - Transparency and participation reports
    - Participatory budgeting



# Generic Budget Cycle



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# Openings: Citizen Participation in Applied Budget Work

| Budget Cycle       | Potential  | Current Philippine Experience  |
|--------------------|--|--|
| Budget Preparation | <p>Analysis of pre-budget statement (i.e., Budget Call)</p> <p>Sector analysis for priority setting</p> <p>Project analysis</p> <p>Consultations with govt entities</p> <p>Project analysis</p> <p>Analysis of budget proposal</p> <ul style="list-style-type: none"> <li>- fiscal policy</li> <li>- macro assumptions</li> <li>- new initiatives</li> </ul> <p>Budget brief notes</p> | <p>Basic sectors representatives sitting in government agencies (NAPC, PARC, etc.) get to participate in budget making</p> <p>Regional Development Councils consultation</p> <p>Agency consultations</p> |

# Openings: Citizen Participation in Applied Budget Work

| Budget Cycle         | Potential  | Current Philippine Experience  |
|----------------------|--|--|
| Budget Authorization | <p>General analysis of budget proposal</p> <p>Sector budget analysis</p> <p>Department budget analysis</p> <p>Project analysis</p> <p>Budget performance analysis using the OPIF targets and indicators</p> <p>Review of previous year's audit reports</p> <p>Preparation of a citizen's budget</p> <p>Analysis of approved budget</p> | <p>Alternative budget initiative by a CSO coalition to advocate for higher social services budget</p> <p>Agency program review for the benefit of individual legislators</p> <p>Ad-hoc budget papers</p> |

# Openings: Citizen Participation in Applied Budget Work

| Budget Cycle              | Potential  | Current Philippine Experience   |
|---------------------------|--|---|
| Budget Execution/ Control | <p>Analysis of control policies</p> <p>Tracking of mandated activities (e.g., issuance of guidelines or IRRs)</p> <p>Expenditure/budget tracking</p> <p>Impact analysis</p> <p>Analysis of reports (or reporting of NO reports)</p> <p>Extensive use of complaints desk (COA, agencies, etc)</p> | <p>Social watch</p> <p>Pork barrel watch</p> <p>Procurement watch</p> <p>Road watch</p> <p>ODA watch</p> <p>Expenditure tracking</p> <p>Participation in public consultations</p> |

# Openings: Citizen Participation in Applied Budget Work

| <b>Budget Cycle</b>   | <b>Potential</b>   | <b>Current Philippine Experience</b>  |
|-----------------------|--|---|
| Budget Accountability | <p>Analysis of agency annual reports</p> <p>Analysis of agency audit reports</p> <p>Budget performance analysis – overall, sector, agency, program, project</p> <p>Budget performance analysis vs. OPIF</p> <p>Compilation and analysis of external reports (ODAs, etc)</p> <p>Public reporting of non-government representatives in government agencies</p> | <p>Special investigative reports</p> <p>Ad-hoc budget papers</p> <p>CCAGG initiative at citizen's audit</p> |



# Experience: Budget Monitoring in the Philippines



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# Lessons in CSO Budget Work

- Knowledge → Credibility
- Accuracy
- Policymakers
- Media → Audience attention
- Public
- Timeliness of Reports
- Non-academic, but generally understandable language
- Regular distribution to audience, including public presentations



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