

GIFT-FOWG WORKSHOP

PUBLIC PARTICIPATION

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FISCAL TRANSPARENCY COMMITMENTS

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CONSIDERATIONS

THE RECENT REFORM OF THE AUDIT UNITY IN CONGRESS DID NOT INCLUDED NEW OR WIDER AND UPDATED REPORTS OF INCOME AND PUBLIC EXPENDITURE.

THE RESULTS OF THE AUDITING OF THE GLOBAL ASPECTS OF THE BUDGET ARE PUBLISHED 13 MONTHS LATER OF THE CONCLUSION OF THE FISCAL YEAR.

GOVERNMENT CAN MODIFY SIGNIFICANT PARTS OF THE BUDGET AND THE INCOME BILL WITHOUT DISCUSSION

AS AN EXAMPLE, ABOUT 1.5 OF THE GDP IS CLASSIFIED AS OTHERS NON TAX INCOME WITHOUT MORE DESCRIPTION. MOST OF THAT INCOME COMES FROM SOCIAL SECURITY INSTITUTIONS, STATE BANKS AND THE OIL AND ENERGY STATE FIRMS.

ABOUT 0.6% OF THE GDP WAS TRANSFERRED TO RETIREMENT FUNDS OF STATE FIRMS . THIS WAS NOT AUTHORIZED IN THE BUDGET AND IT WAS REPORTED MONTHS BEFORE.

DURING THE PROCESS DISCUSSION THE BUDGET BILL IN CONGRESS, COMMISSIONS DON'T HAVE STRONG TECHNICAL SUPPORT IN ORDER TO ANALYZE AND EVENTUALLY MODIFY THE GOVERNMENT PROPOSAL

CONSIDERATIONS

BUDGET DISCUSSION IS POOR AND CONGRESS IS UNABLE TO SERVE AS A BALANCE OF THE EXECUTIVE BRANCH

BUDGET DISCUSSION IN CONGRESS IS BASES IN A PORK BARREL PRACTICES, BECAUSE CONGRESSMEN CAN ALLOCATED SMALL AMOUNT OF MONEY TO SPECIFIC PROJECTS IN THEIR COMMUNITIES WITHOUT PLANING AND MONITORING.

BUDGET DISCUSSION IS POOR AND CONGRESS IS UNABLE TO SERVE AS A BALANCE OF THE EXECUTIVE BRANCH

PROPOSAL FOR A NEW BUDGETARY TECHNICAL BODY FROM THE LEGISLATIVE POWER IN MEXICO

- ▶ Why create a new technical body?
- ▶ Differences between Belisario Dominguez Institute, Public Financial Studies Center (CEFP) and the the new technical body
- ▶ Objectives
- ▶ IMF recommendations

PROPOSAL

- ▶ An Organization having technical and managerial autonomy.
- ▶ It should have the possibility to work with the current CEFP (Center for Public Financial Studies), alongside the Belisario Domínguez Institute, and assure a two-chamber organization.
- ▶ It should support a council board comprising 5 directors, appointed by the joint decision of the Budget and Public Account Commission and the Secretariat of Finance and Public Credit (SHCP) at the Chambers of Deputies and Senators.
- ▶ It should be possible to design the new organization's Director through the said directors (Mechanism of peer-directors, currently used by the CONEVAL).



**THE BUDGET REVIEW CONTRIBUTES TO
INCREASE THE QUALITY AND LEGITIMACY OF
THE BUDGETARY PROCESS**

**Public participation in Federal Fiscal Policy and
Budget processes in Canada – GIFT**

INITIATIVE TO REFORM THE ARTICLE 42 OF THE FEDERAL LAW FOR BUDGET AND TREASURY

We suggest the opening of formal forums at the Commissions of the Congress of the Union in order to receive proposals and feedback in the three stages of the budgetary cycle:

1. The submission of pre-judgement documents (related to the Article 42 of the Federal Law on Budget and Treasury Responsibility, Part II)
2. The presentation of the programmatic structure.
3. The discussion of the economic package.

OBJECTIVES

- ▶ To ease the receipt of evidence, research and studies on public finances.
- ▶ To ease the access of evidence and results that are documented in the topics discussed in the documents aimed at the consideration of the Congress of the Union.

- ▶ TO PROVIDE THE PROCESS OF DECISION MAKING WITH MORE ELEMENTS REGARDING THE BUDGET.
- ▶ TO OPEN A FORUM FOR THOSE WHO WISH TO TAKE PART AND ARE EXPERIENCED ON THE TOPIC.
- ▶ TO ENRICH THE BUDGETARY DECISION MAKING PROCESS WITH THE RESULTING PRODUCTS FROM THE ANALYSIS OF SEVERAL SOURCES.
- ▶ TO FAVOR THE LEGISLATIVE DEBATE WHICH SHALL ALLOW MORE CERTAINTY TO THE BUDGET.
- ▶ AN INDEPENDENT AND TECHNICALLY STRONG BUDGET OFFICE AT CONGRESS CAN HELP TO IMPROVE THE QUALITY AND UNDERSTANDING OF FISCAL INFORMATION .





OBSTACLES AND CHALLENGES FORESEEN

- Political – institutional
- Motivation system, at the time of creating budgets

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