



FOA Learning Activity:

International Experiences on Mainstreaming Public Participation through Pre-Budget Consultations

June 11, 2021 | 1:30 PM – 3:30 PM (Pretoria time)

Event Objective:

The event aimed to:

1. Discuss and present relevant international experiences on mainstreaming public participation in pre-budget consultations; and
2. Facilitate international benchmarking and exchange on lessons, challenges and practical areas/ entry points to mainstream public participation in the Pre-Budget Consultations/Workshops in South Africa

Highlights of the Meeting

| Activity | Notes/Inputs |
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| Welcome Remarks and introductions around the table | <p>The meeting was facilitated by Raquel Ferreira of the GIFT Coordination Team.</p> <p>The welcoming remarks by Sheila Thipe of the National Treasury highlighted how South Africa is a champion on fiscal transparency, and also not a stranger at all to public participation mechanisms. Sheila also informed the participants on the following objectives of the meeting:</p> <ol style="list-style-type: none">1. Discuss and present relevant international experiences on mainstreaming public participation in pre-budget consultations; and2. Facilitate international benchmarking and exchange on lessons, challenges and practical areas/ entry points to mainstream public participation in the Pre-Budget Consultations/Workshops in South Africa <p>FOA advisory group members from the following organizations were also represented during the meeting:</p> <ul style="list-style-type: none">• City of Johannesburg• PSAM• SPII |



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| | <p>Representatives from other divisions of the National Treasury such as Public Finance, Economic Policy, and Fiscal Policy also attended the learning event.</p> |
| <p>Presentation on the International Experience of Public Consultations on Fiscal Policy (GIFT/IBP)</p> | <p>The Philippine Experience on Public Consultations on Fiscal Policy</p> <p>Marianne Fabian from the GIFT Coordination team gave the presentation on the experience of the Philippines on implementing pre-budget consultations. To provide context, she highlighted that there is an existing vibrant community of organized civil society organizations advocating to have a voice and vote in public policy. The pre-budget consultations were led by by the Open Government Partnership (OGP) Unit of the Department of Budget and Management (DBM). The Philippines is one of the founding countries of the OGP.</p> <p>There were two types of pre-budget consultations introduced:</p> <ul style="list-style-type: none"> • Open Government Regional Consultations/Townhall Meetings on selected government priorities led by the Department of Budget and Management • Pre-Budget Consultations through Regional Development Councils (RDC) to Identify Local and Regional Priorities <p><u>Open Government Regional Consultations/Townhall Meetings</u></p> <p>The Department of Budget and Management leads this initiatives that features presentation and consultation on on-going and planned budget reforms and policies, among other good governance initiatives.</p> <p>The Philippines leverages social media such as Facebook to livestream consultation, collect and respond to questions of stakeholders.</p> <p>It was also highlighted how the consultations were done to get inputs on high-level policy proposals such as the Budget Reform Bill, Tax Reform Bill and others. In terms of impact, the consultation documents feedback and responses and publishes such outputs. Citizen and civil society inputs also influenced the framing and implementation of public policies. One example of this is the way that CSOs pushed for the passage of the Tax Reform Bill and provided inputs to the Comprehensive Tax Reform Package (CTRP) spearheaded by the executive. More specifically, CSO inputs helped introduce new sections on substantial increases in taxes were to significantly expand health coverage under the CTRP.</p> |



The presentation highlighted that one of the enabling factors towards successfully implementing such consultations is the close coordination between line ministries and civil society at the national and local level on agenda-setting and actual conduct of the consultations. Most of the consultations were done face-to-face, but have been re-designed to be done online during the pandemic.

Pre-Budget Consultations through Regional Development Councils (RDC)

The main objective of Pre-Budget consultations through RDCs is to strengthen coordination between and among national and local governments and ensure that the national priorities are responsive to regional and local needs.

The RDC is created by virtue of the 1987 Philippine Constitution and succeeding executive issuances. Each council is composed of representatives from national and local government, civil society and private sector.

The process and timeline for provision of inputs to the national budget process through RDCs is provided for under the annual Budget Call (Pre-Budget Statement) issued by the DBM. After the issuance of the Budget Call, the RDC meets to conduct technical budget review where line ministry representatives at the regional level presents their proposed budget for review and inputs of council members. Inputs of the RDC are documented and forwarded to the concerned line ministry and the feedback of line ministry on these recommendations are documented and submitted to DBM through a Budget Preparation form.

RDC meetings are traditionally held in-person, but during the pandemic, it has shifted to virtual meetings.

The following are notable results and impact of RDC inputs to the proposed budget of concerned line ministries:

- Increase/decrease of funding for agency programs
- Expansion of program coverage
- Re-prioritization of project locations and allocation for infrastructure & agricultural, education, health (etc) initiatives, and other social welfare programs

International Experience from Canadá: Pre-budget hearings held by the Finance Committee



Suad Hasan from the International Budget Partnership provided a presentation the pre-budget hearings in Canada is a reform introduced in 1994, as a Standard Order and part of parliamentary proceedings.

It is done nine (9) months in advance, three (3) months into the budget year, in preparation for the next fiscal year.

Each year, the Finance Committee establishes specific questions or themes, and rolls out the consultation through a two-stage process

1. Publication of Online Call for Submission (with template guidance)
2. Review and publication of submissions and invitation of selected testimonials

The Finance Committee then submits a report, with recommendations, to the full parliament and to Canada's Finance Department.

Themes of Pre-Budget hearings

- 2018: federal measures to help Canadians to be more productive, and for businesses to be more productive and competitive
- 2020: Climate Emergency: Transition to Low Carbon Economy
- 2021: Priorities for the next Federal Budget: to restart the Canadian economy, as it recovers from the COVID-19 pandemic

The following are concrete outputs from the pre-budget consultations in Canada:

- 800 submissions received
- 50 witness testimonials
- Written report with 145 recommendations

All submissions and minutes of meeting are published online, and assist parliamentarians in the approval of the process

Based on the review of the initiative, the following are reflections shared by the GIFT/IBP team:

- It is interesting to note that submissions come from thematic, non-PFM specific groups civil society organizations, like trade and workers' unions (e.g. nurses), climate change activists, etc. The initiative allows for the broadening of the participation base.



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| | <ul style="list-style-type: none">● It is a good example of a holistic practice in reviewing the budget, as it includes many stakeholders. However, the template is very strict in format and can limit participation. Most proposals were submitted by well-established organizations and academics who can understand and fill out the template.● The formal budget proceedings allow ideas to be presented in a public format and avoid opaque lobbying practices.● The mechanism also allows parliamentarians to get two sides of the story (e.g. Green NGOs perspective vis-a-vis auto industry recommendations).● One downside seen is that the initiative is unable to linearly connect policy recommendations from the pre-budget consultations to changes in budgets or policy adoption |
| Open Discussion | <p>The following points summarize the inputs and exchanges during the Open Discussion:</p> <ul style="list-style-type: none">● It was highlighted that in designing consultations, it is important to know who you are talking to, as well as the difficulty to make sure you are getting down to the people and not to specific groups and their agendas.● In the Canada example, it was also noted that while the initiative is open to recommendations from different types of civil society organisations, it is just those that present themselves to Parliament, like the trade unions, who go out of their way to ensure broader community representation.● Addressing the comment on inclusion and ensuring that the right audience is reached, Suad Hasan highlighted the importance of visits on the ground from representatives throughout the territory. She also asked the Treasury if they are able to connect to local government finance departments and if local departments regularly get back to the treasury on public participation. <p>On the other hand, Marianne Fabian also shared that dedicating sessions on budget literacy as part of the design of the consultations can help educate more stakeholders on budget issues. Having communication materials in different languages, as well as, using easy formats such as infographics in presentations is also important.</p> <ul style="list-style-type: none">● Another important point raised is about ensuring to close the feedback loop during or after the consultation. It is important to document all the comments, the status of the response, and then what happened after the forum. |



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| | <ul style="list-style-type: none"> • Zukiswa Kota of PSAM highlighted how to bring in new voices and not just “the usual suspects” to the table and asked how other initiatives like the OGP can be leveraged in the rollout of such public participation mechanisms. Related to this, Marianne Fabian emphasized the importance of partnering with local and regional government offices and civil society organizations at the local level. Aura Martinez, also highlighted the importance of knowing your target audiences and leveraging on appropriate media and channels to reach them. On leveraging OGP, Marianne Fabian shared that in the Philippines, OGP has been in existence since 2011. Having surpassed challenges in political transition, OGP has eventually become a neutral and trusted space for government and civil society to have a dialogue, with little or no political interference. National government and non-government organizations attending meetings under the OGP umbrella come in with a more open mind, and find it easier to establish trust and better relationships with each other when they meet within the OGP platform. |
| <p>Closing Remarks and Next Steps</p> | <p>Participants shared positive feedback and appreciation on the rich exchange throughout the session and hoped that learnings from the event will contribute to the framing of the pilot public participation mechanism in South Africa. Zukiswa Kota also expressed that it is an exciting time for civil society to be part of the FOA project.</p> <p>The following are the next steps shared at the end of the meeting:</p> <ul style="list-style-type: none"> • The National Treasury shall communicate with stakeholders with regard to the start of the pilot project in the budget process; • On co-designing the FOA pilot mechanism, an Action Plan Workshop is scheduled to be held in July 2021; and • The GIFT/IBP team and the National Treasury is closely coordinating on the hiring of the local assistant and public participation expert to support the SA-FOA initiative. |