

Public Financial Management (PFM): Citizen Engagement Tools

Citizen and public engagement in government and fiscal policy and budget processes refers to the variety of ways in which citizens, civil society organizations (CSOs), businesses and other state actors interact directly with public authorities on issues relating to spending and management of public assets and liabilities, resource allocation, government taxation, and revenue collection. Although citizen participation can take many forms, the following outlines some key innovations:

CITIZEN-CENTERED INNOVATIONS IN BUDGET PLANNING AND PREPARATION

Participatory Budgeting

- Participatory budgeting is a decision-making process through which citizens deliberate and negotiate over the distribution of public resources. It allows citizens to play a direct role in deciding how and where resources should be spent.
- This type of budgeting opens obscure budgetary procedures to ordinary citizens and helps create a broader public forum to engage, educate, and empower citizens. It gives low-income and traditionally excluded stakeholders the opportunity to be involved in policy decisions.
- The practice was first pioneered in Brazil in the 1990s. By some estimates, it is now common practice in more than 2,000 municipalities in Latin America alone.
- Participatory budgeting is generally found at the sub-national level. It can be difficult to fully implement and is dependent on discretionary funding being available.

Legislative Budget Hearings

- Legislative and parliamentary bodies are important actors in public accountability. A particularly powerful tool that allows for citizen engagement are hearings held by legislative and ministerial bodies at the beginning of the budget process to solicit feedback from line ministry stakeholders and the public on ministry funding priorities.
- These hearings allow citizens and CSOs, including non-profits and industry groups, to request funding for specific ministry programs and projects and/or to provide feedback on the prioritization of funding for government programs and projects. Frequently, this feedback is used to develop legislative budget proposals.

CITIZEN-CENTERED INNOVATIONS IN BUDGET EXECUTION

Legislative Oversight Hearings

- Some legislative and parliamentary bodies hold public oversight hearings in which agencies and line ministries are called to testify on the implementation of their various programs and projects, primarily focused on results. Often, performance metrics are used in these hearings as a means to illustrate results.
- Legislatures can also call public oversight hearings to investigate misuse of government funds or similar issues as a tool to hold ministries more accountable.

Simplified Citizens' Budgets

- A citizen budget is a simpler, less technical version of the Executive's Budget designed to convey key information to the public. According to the International Budget Partnership (IBP), a Citizen Budget:
 - Is produced by the government in consultation with citizens
 - Enables public understanding and ownership of the budget by providing significant information
 - Focuses on the budget planning documents and is published at or around the same time as the budget

- Is disseminated widely, preferably in multiple formats accessible to the population.
- Citizen Budgets not only increase citizen awareness and participation, but also benefit states in several ways. When public knowledge about the budget is improved, governments can:
 - Explain the reasoning behind tradeoffs and choices made in putting the budget together
 - Signal government commitment to accountability and credibility
 - Enhance government legitimacy from the perspective of citizens
- By opening a channel of communication between states and citizens on a technical issue and, by having citizens understand and provide feedback on the budget, presumably the budget can become a stronger reflection of citizen expectations.
- Examples of good citizen budgets include:
 - **National** level: Dominican Republic ([link](#)); Kenya ([link](#)); South Africa ([link](#))
 - **State** level: Washington State ([link](#))
 - **City** level: Nashville ([link](#))

Social Audits

- Social audits are a tool for community members to monitor the implementation of government projects and programs in their community and measure their effectiveness. Whereas a government audit is done by professional auditors, a social audit is done by a community with the help of an NGO or CSO and sometimes with assistance from the government as well.
- The scope of the audit focuses on a specific community project/program. The emphasis of the audit is on outcomes (not outputs), this tool leverages local knowledge and understanding and provides public verification of either the achievement or failure of the project/program.
- Social audits allow ordinary citizens to access information, voice their needs, evaluate performance, and demand greater accountability and transparency. These audits can enhance the ability of citizens to move beyond mere protest or apathy, toward a process that helps to engage with bureaucrats and decision-makers in a more informed, organized, constructive and systematic manner—increasing the chances of effecting positive change.

Community Score Cards

- Community Score Cards are simple, powerful tools to provide public agencies with feedback from users of public services. They are a participatory tool for the assessment, planning, and monitoring and evaluation of services.
- Community Score Cards brings together the demand side (“service user”) and the supply side (“service provider”) of a particular service or program to jointly analyze issues underlying service delivery problems and find a common and shared way of addressing those issues.
- The Community Score Card process includes: an input tracking score card; a community generated performance score card; a provider self-evaluation score card; and an interface meeting between the community and the service provider/public institution to discuss performance. This process:
 - Empowers citizen groups to play a watchdog role in monitoring public service agencies and local government; and
 - Builds social capital by bringing communities together around issues of shared experience and concern.

eGovernment

- Many governments have turned to e-Government platforms to make budget data, state procurement information, wage payments, and programming more transparent. Many countries have introduced transparency portals.

- The Dominican Republic's *Portal de Transparencia*, Canada's GC [InfoBase](#) and Mexico's [Transparencia Presupuestaria](#) are examples of governments using infographics, informational videos, and user-friendly platforms to improve citizen engagement.
- The Republic of Georgia and the government of Honduras have also developed whole-of-government electronic Government Procurement (e-GP) systems, replacing highly inefficient, bureaucratic, and opaque procurement processes with streamlined, online, user-friendly, transparent systems.