

# KENYA DEVOLUTION

## WORKING PAPER 6

DECEMBER 2014

### Practical Approaches for County Governments to Facilitate Public Participation in the Planning and Budget Process

*OBJECTIVE: This working paper proposes practical approaches for Kenyan counties to implement public participation in their systems that encourage meaningful public engagement.*

#### 1. Introduction

Kenya's new Constitution and supportive legal framework contain multiple provisions requiring both national government and counties to make information publicly available and consult with citizens in planning and budgeting. The devolution laws require that there be participation in integrated development planning and throughout the four stages of the budget cycle: formulation, approval, implementation and oversight. The County Government Act 2012, Public Finance Management Act 2012 and Urban Areas and Cities Act 2011 all provide strong social accountability provisions that counties are mandated to implement.<sup>1</sup>

**Citizen participation affords county governments an opportunity to empower citizens on their operations and to deliberate, debate and influence the allocation of public resources.** If done correctly, participation can greatly improve county government performance since it strengthens social equity outcomes for disadvantaged groups, helps reduce government inefficiencies and makes it more responsive to citizens' needs and preferences.

#### BOX 1: BENEFITS OF QUALITY PARTICIPATION

- Helps citizens to understand the roles and jurisdiction of county governments, services they are responsible for, and to channel issues to the appropriate level of government; understand the political and administrative environments and challenges facing the counties;
- Can result in additional revenue for local development;
- Can break down barriers between citizens and counties, improving mutual understanding, communication and trust in county government programs and projects;
- Makes infrastructure and services more relevant to the citizens;
- Creates opportunities for engaging, educating and empowering citizens to participate meaningfully in resource utilization;
- A cost-effective way of planning for scarce resources, and can unlock resource potential;
- Promotes transparency and helps the county to reduce corruption and bureaucratic inefficiencies;
- Enhances business community cooperation—by promoting transparency, reducing corruption and increasing efficiency, participation increases investor confidence;
- Provides opportunity for marginalized groups to be heard; and
- Provides a platform for ownership of projects thus ensuring sustainability.

Counties are required by law to put in place legislation on public participation to give full effect to the County Government Act (CGA 92). A Public Participation Framework provides a roadmap for implementing participation at devolved level, subsequently improving its quality. Quality participation can eliminate or minimize risks often associated with devolution.

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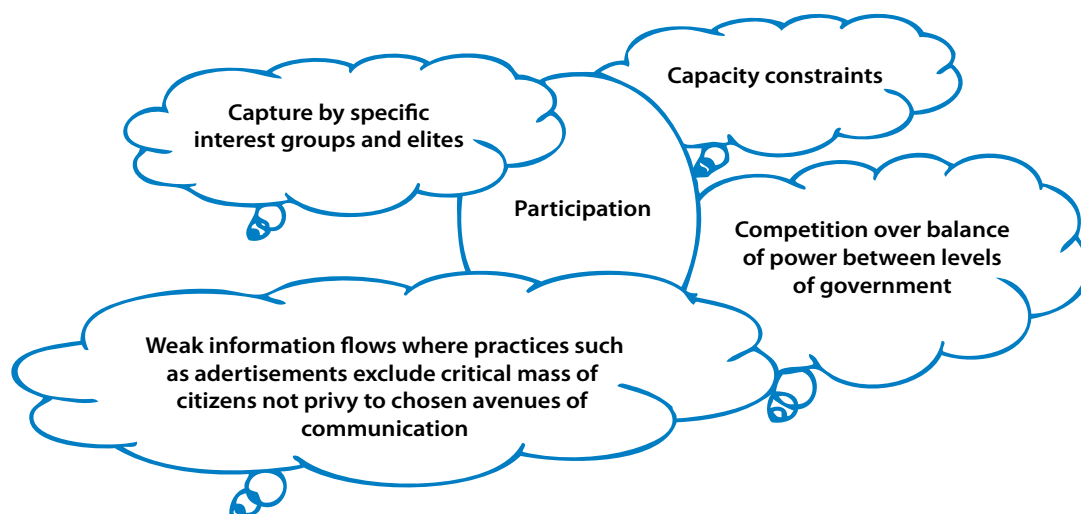
Ministry of Planning  
and Development



Kenya School of Government

<sup>1</sup> For more on the legislative framework, see working paper: *What are the basic requirements for Social Accountability in Kenya's Legal Framework.* [2014]

FIGURE 1: RISKS ASSOCIATED WITH DEVOLUTION



Source: Adapted from World Bank, - East Asia Decentralizes, 2005

Other common risks include growth of social economic enclaves and deepened inequalities.

There are two major processes that require citizen engagement: integrated development planning and the budget process.

## 2. Participation in developing the County Integrated Development Plan (CIDP)

**T**he County Integrated Development Plan (CIDP) provides an overall coordinated framework for development. As provided for in the legislative framework, each county is expected to provide a platform for unifying planning, budgeting, financing programs, implementation and performance review. Section 104 of the CGA stipulates that no public funds shall be appropriated without a planning framework developed by the County Executive Committee and approved by the County Assembly. The County Executive thus prepares the five-year CIDP which outlines the broad development priorities and programs, and integrates economic, physical, social, environmental and spatial planning. The CIDP is reviewed every year to come up with Annual Development Plans (ADP). The ADP should form the basis for preparing the Annual Budget. The CIDP has to be drawn up in consultation with key stakeholders. Each county is to set up a planning unit (CPU) that oversees the formulation of the CIDP.

### 2.1 The CIDP Process Plan

Before starting the planning process, counties should draw up the process plan to facilitate proper management of the planning process. The plan should outline the time schedule for the planning process and how the public can participate in the development of the CIDP. Under the current budget cycle, citizen engagement takes place in July, where social mapping is undertaken to identify citizen needs. This ultimately feeds into the budget process.

### 2.2 Different phases of planning in the CIDP

#### Phase 1: Needs Identification

During this phase, the County Executive through the Planning Unit will organize community meetings and stakeholder forums to contribute to establishing the types of problems facing the county and the causes of the problems (social mapping). A priority is to ensure that all key stakeholders that are affected and should benefit from the planning are identified and mobilized. The Planning Directorate under the Ministry of Devolution and Planning has proposed a stakeholder map and working process for engaging

with the different stakeholder groups.<sup>2</sup> The stakeholders, with guidance from the Planning team, identify and assess problems for priority attention. Problems can be identified by critically analyzing the county's history and trends or patterns, such as recurrent drought or floods that can be classified as prevalent problems. The meetings may be held in sub-group sessions dealing with specific development issues affecting groups or regions and plenary sessions. Decisions should be minuted and records kept by the County Planning Unit.

### **Phase 2: Situation Analysis**

The Planning unit will further engage communities to find solutions to the problems identified in Phase 1. This phase involves more data collection and analysis. Participatory information gathering and analysis contributes to a shared understanding of issues. The engagement can be through public debates on what can work best in solving a problem or more specifically tailored towards meetings with affected groups, communities, or experts to provide input to development solutions. Primary data may be obtained through a variety of processes, including Focus Group Discussions, deliberative meetings, or Participatory Rural Appraisal (PRA), which involves largely visual techniques for communities to study a problem affecting them, evaluate options for solving the problem, and come up with an action plan. Meetings with NGOs may be very helpful in addressing thematic issues in their area of specialization, such as health, water and sanitation. Information gathered from the consultative processes should be collated and combined with secondary data from formal baseline studies, opinion polls and other statistics into a formal development report that constitutes the first two chapters of the CIDP—on *County Background Information and Socio-economic Development Challenges and Strategies*.

### **Phase 3: Strategy Setting**

During this phase the county proposes its vision, defines development objectives in clear statements to deal with problems identified and strategies to achieve the objectives. This may be conducted during a one day forum, bringing together experts, citizen representatives, NGOs, professional associations and other key stakeholders. This phase leads to the identification of specific projects to achieve the objectives. Counties may also consider encouraging institutions or community based groups to present project or program proposals which can be included in the CIDP through prioritization process.

### **Phase 4: Projects**

The county will work on the design and content of projects identified in Phase 3. Project sub-committees or working groups are established and citizen representatives can sit in these. It would be ideal that the working groups be aligned to sectors. Clear details are worked out in terms of who will benefit from projects, the cost of the project, how it will be funded, project duration, mode of execution and overall management of the project.

### **Phase 5: Integration**

Once all projects have been identified, the County Executive will verify that they contribute to meeting the objectives outlined in Phase 3. The projects will provide an overall picture of the development plan. The Executive will also ensure that the plan is in harmony with overall national level and sector plans.

### **Phase 6: Approval**

The CIDP is presented to the County Assembly, which adopts a draft CIDP for public comment before approving a finalized CIDP.

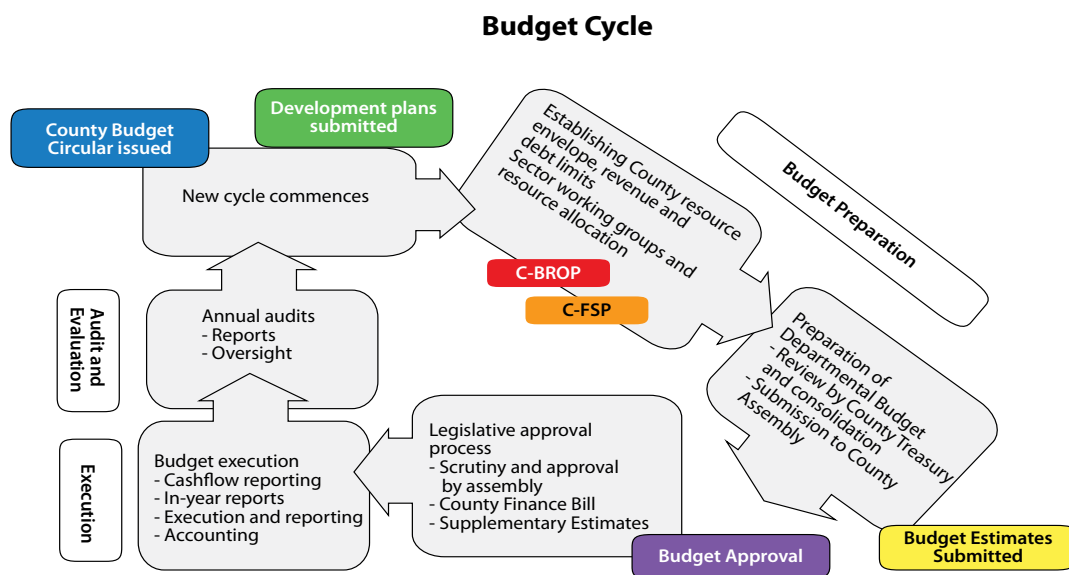
<sup>2</sup> *County Integrated Monitoring and Evaluation Guidelines for County Integrated Development Plan Implementation (Draft)*, Ministry of Devolution and Planning. Unpublished.

TABLE 1: PROPOSED METHODS OF PARTICIPATION IN CIDP	
Planning Phase	Methods of Participation
Needs Identification	<ul style="list-style-type: none"> <li>• Mobilization— diverse methods can be used, as not all forms are equally accessible to all stakeholders, including: notice boards, internet, radio, newspapers, churches, mosques, etc.</li> <li>• Community meetings, stakeholder meetings.</li> </ul>
Analysis	<ul style="list-style-type: none"> <li>• Focus Group Discussions, PRA, polls, opinion surveys, public debates, representative forums/technical focused groups</li> <li>• Meetings with affected communities and stakeholders</li> </ul>
Strategies	<ul style="list-style-type: none"> <li>• Deliberative representative forum.</li> </ul>
Projects	<ul style="list-style-type: none"> <li>• Representation of stakeholders on project subcommittees</li> </ul>
Approval	<ul style="list-style-type: none"> <li>• Public consultation with communities and stakeholders.</li> </ul>

### 3. Citizen Engagement in the Budget Process

It is important for all stakeholders—including counties, civil society organizations, citizens, the media and other non-state actors—to understand the budget cycle and calendar of events to ensure timely entry and strategic interventions for meaningful citizen engagement. The budget cycle broadly consists of four phases: budget preparation or formulation; budget approval; budget execution; and, audit and evaluation. The cycle is a continuous process with interlinked phases that do not occur in the same budget year. Rather, the actual timing of a particular stage may occur prior to or after the budget year. Since counties are required to approve their budgets prior to the commencement of the fiscal year, the preparation phase takes place prior to the fiscal year. Stakeholder engagement should be factored in throughout the four phases.

FIGURE 2: THE COUNTY BUDGET CYCLE



Source: PFM module (Treasury & KSG)

It is equally important to define which office within the executive or assembly is responsible for specific roles under the four stages of the budget process, and with specific regard to public participation. Clear delineation of roles helps define the process of participation and anchor responsibility and accountability for delivery of functions to specific offices.

Some counties have already passed public participation bills that further give effect to the public participation framework stipulated under the CGA, PFMA and Urban Areas and Cities Act. Laikipia County, for instance, establishes: a Public Participation Office under the County Assembly with overall responsibility for providing advice on the participation process; and, a Department of Public Participation under the County Executive to coordinate public participation by other departments or agencies.

TABLE 2: SUMMARY OF ROLES AND RESPONSIBILITIES	
Institution	Role
County Treasury	<ul style="list-style-type: none"> <li>Headed by County Executive Committee Member of Finance.</li> <li>Overall responsibility for resource mobilization; budget preparation, coordination and review; budget implementation; capacity building and reporting</li> </ul>
County Executive Committee	<ul style="list-style-type: none"> <li>Headed by the Governor, reviews and approves budget prior to submission to County Assembly</li> </ul>
County Assembly	<ul style="list-style-type: none"> <li>Guided by Budget and Appropriations Committee, approves budgets, expenditure and loans and maintains oversight with respect to public finances</li> </ul>
County Budget and Economic Forum (CBEF)	<ul style="list-style-type: none"> <li>Headed by the Governor, the CBEF comprises members of the County Executive, representatives of organizations nominated from professionals, business, labour issues, women, persons with disabilities, the elderly and faith-based groups.</li> </ul>

Source: PFM Module, National Treasury and KSG

#### BOX 2 : LAIKIPIA COUNTY PUBLIC PARTICIPATION BILL

**Article 9.** There is established a department to be known as the Department of Public Participation which shall be an office in the county public service.

**Article 10.** The functions of the Department shall be to:

- (a) Coordinate public participation by other departments and agencies;
- (b) Facilitate capacity building and provide support to other county government departments on public participation processes;
- (c) Mobilize and organize the public, stakeholders and local communities to participate in county governance and decision making processes;
- (d) Facilitate the realization of the purpose of the Act as well as integration of the principles stipulated under section 7 in public participation processes;
- (e) Monitor and evaluate public participation processes undertaken by each department or agency;
- (f) Sensitize the public on county structures and opportunities for public participation;
- (g) Coordinate implementation of decisions and recommendations of the advisory committee;
- (h) Receive public complaints on issues emerging from public participation processes and liaising with respective departments for redress;
- (i) Prepare an annual report on public participation in accordance with CGA; and
- (j) Advise the Executive Member generally on the appropriate policies, plans and strategies for enhancing public participation in the County.

### 3.1 Phase 1: The Budget Formulation Process

**The Budget Cycle begins with the release of the Budget Circular and Calendar.** The Budget Circular usually includes: a budget planning calendar, instructions for preparing budget plans, indication of available funds, overall priority directions from executive leadership, and procedures for inviting public input to the process. Table 3 outlines a typical budget calendar highlighting the requirements for public participation as per the PFM module on Budget Preparation developed by the National Treasury and the KSG.

**Participation in budgetary processes involves a variety of mechanisms to enhance citizens' involvement.** Foremost are efforts to improve citizens' and civil society's understanding of the budget process, and to increase budget literacy through training and dissemination of information. However, effort must also be made to mobilize communities and provide an entry point for them to participate within the budget process. A successful consultative process therefore begins with adequate preparation, as this will determine issue-based deliberation and clear rules of engagement.

TABLE 3: COUNTY BUDGET CALENDAR		
Target Date (annually)	Activity	Relevant Legislation
30 August	<p style="text-align: center;"><b>County Budget Circular Issued</b></p> <ul style="list-style-type: none"> <li>Issued by CEC-MF from each county.</li> <li>Budget Circular must also outline procedures for inviting the public to participate in the process.</li> </ul>	PFMA (2012) Section 128 (2)
1 September	<p style="text-align: center;"><b>County Integrated Development Plan Submitted</b></p> <ul style="list-style-type: none"> <li>The CEC-MP submits the Development Plan to the County Assembly (CA) for approval.</li> <li>Copy of the plan to CRA and National Treasury (NT).</li> <li>! Within 7 days of submission to the CA, the CEC-MP must publish and publicize the plan.</li> </ul>	PFMA (2012) Section 126 (3)
30 September	<p style="text-align: center;"><b>C-BROP Submitted</b></p> <ul style="list-style-type: none"> <li>The County Treasury (CT) prepares and submits the C-Budget Review and Outlook Paper (C-BROP) to the CEC.</li> <li>CEC must review and approve within 14 days of submission.</li> <li>! Within 7 days of approval by the CEC, the CT will arrange for the paper to be laid before the CA and subsequently publish and publicize the paper.</li> </ul>	PFMA (2012) Section 118 (1), (2) (a) (b) (c) (d), (3), (4)
31 December	<ul style="list-style-type: none"> <li>CRA makes recommendations on revenue sharing (vertical and horizontal).</li> </ul>	PFMA (2012) Section 190
28 February	<p style="text-align: center;"><b>C-FSP Submitted</b></p> <ul style="list-style-type: none"> <li>The CT prepares and submits the County Fiscal Strategy Paper (C-FSP) to the CEC, allowing enough time for review and approval before submission to the CA by 28 February.</li> <li>The C-FSP is submitted to the CA for approval by 28 February.</li> <li>CA must review and adopt within 14 days of submission.</li> <li>! Within 7 days of submission to the CA, the County Treasury publishes and publicizes the C-FSP.</li> </ul>	PFMA (2012) Section 117 (1), (6), (8)
28 February	<ul style="list-style-type: none"> <li>CT submits Debt Management Strategy of the county to the CA.</li> <li>! As soon as practicable after the statement has been submitted to the CA, the CEC-MF publishes and publicizes the statement and submits copies to the CRA and IBEC.</li> </ul>	PFMA (2012) Section 123 (1), (3)
30 April	<p style="text-align: center;"><b>Budget Estimates Submitted</b></p> <ul style="list-style-type: none"> <li>CEC-MF submits the Budget Estimates to the CEC for approval, prior to submitting to the CA by 30 April.</li> <li>Budget Estimates must be submitted with all supporting documents and draft bills.</li> <li>The CEC-MF prepares and presents his/her comments on the budget estimates (by 15 May).</li> <li>! As soon as practicable after the budget estimates and other document have been submitted to the CA, the CEC-MF publishes and publicizes the documents.</li> </ul>	PFMA (2012) Section 129, (1), (2), (3), (4)
15 June	<ul style="list-style-type: none"> <li>CG to prepare and submit annual cash flow projections for the county to the CoB with copies to IBEC and NT.</li> </ul>	PFMA (2012) Section 127 (1)
30 June	<p style="text-align: center;"><b>Budget Estimates Approval</b></p> <ul style="list-style-type: none"> <li>CA considers budget estimates and approves with or without amendments, in time for relevant appropriation law or laws required to implement the budget – to be passed by 30 June.</li> </ul>	PFMA (2012) Section 131 (1)
30 June	<ul style="list-style-type: none"> <li>CA approves budget estimates and passes the Appropriation Bill.</li> <li>After approval of the budget, the CEC-MF is expected to consolidate, publish and publicize the budget within 21 days.</li> </ul>	PFM 2012, 131(5)
Within 90 days of approval of Appropri'n Bill	<ul style="list-style-type: none"> <li>The CEC-MF with approval from the CEC, submits the County Finance Bill to the CA, which sets out the revenue raising measures for the county government, together with a policy statement expounding on those measures.</li> </ul>	PFMA (2012) Section 133

Source: PFM Module, National Treasury and KSG

### 3.1.1 Preparatory activities for citizen engagement in budget formulation

**Sharing of the Budget Circular and Calendar:** When the County Budget Circular is issued by the Chief Executive Committee (CEC) Member of Finance, it should be disseminated to all those within the county government that will be involved in the planning and budget process, as well as non-state actors.

**Forming a Technical Team:** The County Executive could form a Technical Team to lead the consultative process. The Team should include technical officials from the Finance Office, Planning Department, and the relevant office in charge of citizen engagement—which could be the Department of Public Participation or Office of Public Affairs. This team should work closely with the County Budget and Economic Forum (CBEF) and, ideally, already be part of the CBEF. The team should coordinate consultative activities, and assign roles and responsibilities to ensure sustainability, efficiency and effectiveness during the budgetary process. This would involve identifying members from the executive team who should serve in sector working groups, liaise with ward and village administrative representatives, and brief them on what they need to do prior to the forums. The team should also ensure that the budget set aside for dissemination of information and consultative forums is adequate.

**Public disclosure and information sharing:** A Public Notice inviting members of the public to attend and provide input to the County Budget should be issued and broadly disseminated through all available channels in a timely manner to ensure meaningful citizen engagement. The Department of Public Participation should coordinate this activity. Under the previous local government system, notices inviting members to attend public forums on the Local Authority Service Delivery Action Plan (LASDAP) were issued two weeks in advance of the meeting. Counties could adopt the same period for maximum effectiveness. However, notices should go out at least 7 days prior to the scheduled date of the first forum. A sample public notice is provided in Table 4. The notice should ideally include the following information:

Table 4: Sample Public Notice				
COUNTY GOVERNMENT OF XXXX PUBLIC NOTICE INVITATION TO PUBLIC SECTOR CONSULTATIVE FORUMS FOR PREPARATION OF BUDGET FY .....				
Pursuant to the provision of section 201(a) of the Constitution of Kenya 2010 and the Public Financial Management Act section 125 (2), the County Government invites members of the public, civil society organizations, special interest groups, Community Based organizations and private sector representatives to citizens consultative forums on the proposed budget.				
ITEM	Amount	% of total revenue/expenditure		
<b>County revenue</b>				
National transfers				
Own source revenue				
Other grants from government and donors				
Total revenues				
<b>Estimated expenditures</b>				
Estimated cost of salaries and wages				
Estimated cost of operations and maintenance				
Amount set aside for debt resolution				
Other				
<b>Total recurrent</b>				
<b>Capital development</b>				
If you have views about what programs should be included in this budget, or how these resources should be used in order to improve Service Delivery to citizens of this county, Please submit them in writing by ..... (date) to .....				
The schedule of the consultative forums is as follows:				
Sub-county	Wards	Venue	Date	Time
1	Ward A,A 1	X Nursery School	17/2/2014	10.00 am – 1 pm
2	Ward B1 B2	Y Primary School	18/2/2014	10.00 am – 1 pm
3	Ward C	Social Hall	19/2/2014	10.00 am – 1 pm
4	Ward D	Town Hall	21/2/2014	10.00 am – 1 pm
5	Ward E	North Market Sq	21/2/2014	2.00 pm – 4 pm

Source: Adapted from LASDAP Guidelines

- Consultation timetable per sub-county or ward and specific venues
- Brief information on the budget: the national transfer allocated to the county, estimated county own revenues, and estimated amount for expenditures (recurrent and development).
- Statement requesting public input, including provision for those not able to attend to send written submissions to the county through email or letters.

To meet the constitutional threshold for inclusive participation, the public notice should be circulated as widely as possible by the office responsible for coordinating public participation and may be produced in English and Swahili or local language where relevant. Public areas for dissemination may include market places, bus stops, health centers, churches, mosques, temples, the Chief's office and educational institutions. In making a decision on how to publicize meetings, the County should assess cost effectiveness and select the mode with the widest possible reach. The County may further certify that the public notices have been posted in public places by developing a form to be filled by the relevant officer, say ward representative (see Table 5 for a sample of the form). The County may retain the forms for proof of having shared the notices widely, should it be required to do so by either a court of law or other government authority.

TABLE 5: CERTIFICATION OF POSTING OF PUBLIC NOTICES FOR CONSULTATIVE FORUMS ON THE BUDGET/FINANCE BILL	
County	Day/mm/Year
This is to certify that the attached notice was posted in the following public places/venues	
1.	
2.	
3.	
4.	

Source: LASDAP Guidelines

#### BOX 3: SOME FACTORS TO CONSIDER WHEN SELECTING PUBLIC FORUM DATES, TIME AND VENUES

- Will the forum be held on a working date or during the weekend? Who are the target groups and will they be available on the specific date? What provisions have been made for working class citizens to participate?
- Accessibility of the venue (Is it in a central location, what are the transport costs for the participants? Can it be accessed by persons with disability?)
- Approximate length of the meeting. Will refreshments be provided and what is the average budget for this?
- Approximate number of participants targeted to attend the meeting.
- Adequate space to handle all participants in plenary and break-away sessions.
- Has good security and provides a quiet working environment.

**Improving capacity of county officials and citizens to engage in the budget process:** Capacity building should be prioritized in preparing for the budgeting process as it determines the extent to which citizens and county officials effectively engage. The county government should start with building the capacity of officials with key roles in the planning and budgeting process. There are several donor-funded programs that support capacity of county officials, and counties should also liaise with national government on civic education.<sup>3</sup> To improve citizen capacity to engage, the county in partnership with civil society may undertake the following actions:

- (a) *Conduct an information campaign to:* educate citizens about budgets and the key documents that require their input, including the budget calendar; and, provide them with basic information on what participation hopes to achieve, what is at stake, and citizen roles in the decision making process. Citizens primarily need to understand that they have an important role in the entire budget cycle. Specifically:

<sup>3</sup> There are several programs that support capacity building including KSG Technical Assistance Facility supported by the World Bank; USAID's AHADI program, the Drivers of Accountability Initiative funded by DFID amongst others.



- To participate in public hearings on the CIDP, C-BROP, Sector Reports and Budget Estimates.
- In identifying community needs and priorities, through the country development plans planning process.
- In providing oversight and feedback on programs and projects, particularly on the use of public resources.
- There are several complex documents that citizens are required to engage with and provide input to. Counties could provide simple explanations and user friendly versions of these documents to the citizens as follows:

TABLE6: KEY DOCUMENTS IN THE BUDGET PROCESS		
Key document	Description	Who produces it
County Integrated Development Plan (CIDP)  Annual Review and Annual Development plans are part of the budget process.	CIDP is an important document for identifying: • the main priorities of the county and their objectives • the performance indicators, programs and activities that are needed to meet the objectives • the costs of the prioritized activities	• Prepared by CEC Member for Planning, with input from the County Budget and Economic Forum (C-BEF) and departments.
County Budget Review and Outlook Paper (C-BROP)	The C-BROP compares previous year's revenue and spending against what was planned in the budget. It outlines: •Actual fiscal performance in the previous year •Updated economic and financial forecasts (showing any changes from the forecasts in the C-FSP from the previous year) •Identification of broad policy priorities •Indicative available resources to fund CG priorities.	•Prepared by the County Treasury (Macro Working Group).
County Fiscal Strategy paper CFSP	The CFSP guides the formation of the budget for the coming financial year. It looks at projected revenue and expenditure and what proportion of the county's budget will be allocated to each sector.	•Prepared by County Treasury (Macro Working Group).Prepared in time for review and approval by the CEC.

Source: PFM Module, National Treasury and KSG

- (b) *Develop and disseminate Financial Transparency Tools:* This will include the design of highly simplified budget and expenditure formats which convey the essence of planned and actual expenditures, usually by sector. The templates would primarily use pictorial icons, keeping text and numbers to an absolute minimum, so that even minimally literate citizens can understand the proposed budgetary allocations and expenditures. Service Facility Templates—simplified templates which show resource allocations received by individual schools, clinics, agricultural extension offices, etc.—are also useful tools that can convey simple messages to citizens. County governments can work jointly with civil society in developing these tools; county government engagement in the design and implementation of these tools is integral in ensuring uniformity of design and widespread utilization. In Nakuru County, the Executive worked jointly with CSOs to develop popular versions of the 2014/15 budget and CIDP.
- (c) *Direct capacity building efforts toward a broader view of community priorities:* Citizens should be encouraged to look at the county as a whole rather than focusing on the problems specific to their locality or neighborhood. This is part of the larger empowerment or citizenship school component of the participatory budgeting process where citizens are encouraged to envision and work for broader social change. Whereas such change encourages equity, it should not overlook small projects with significant impact. For example, a footbridge to improve road access for children going to school, or link agricultural products to markets. Special attention should be focused on empowering marginalized and disadvantaged groups, such as the youth, women or the elderly, to participate in budgeting processes. The case study of Illala Municipal Council in Dar es Salaam, Tanzania, is outlined here as an example of how to undertake training of citizens and government officials.

**BOX 4: CAPACITY BUILDING OF WARD REPRESENTATIVES AT ILLALA MUNICIPAL COUNCIL (IMC), DAR ES SALAAM, TANZANIA**

Having embraced the need for participatory budgeting as an obligation under government policy to involve people in decision making and ensure sustainability, the IMC prepared sub-ward leaders for their new task.

IMC developed a training program on participatory planning and budgeting in collaboration with the Institute of Regional Development Planning and Development. Residential and field training sessions were conducted to council extension staff, ward executive officers and representatives of NGOs and CBOs from each ward using Participatory Poverty Assessment and other techniques. The council management team was exposed to three days of training while all councilors were exposed to a day's training on planning, budgeting, advocacy skills and role assignment to all groups of stakeholders. Furthermore IMC established twenty two community level planning and budgeting support teams, one in each ward with ten members to empower communities with requisite skills.

An alternative to capacity building is for NGOs to provide technical analysis of county budgets and plans and help citizens understand them.

### 3.2 Citizen engagement in Budgeting forums

#### 3.2.1 Mobilization

**The CBEF and the county executive technical team should play a key role in mobilizing citizens to attend the forums.** Good practice is to partner with Civil Society Organizations (CSOs), local community networks and leaders who have links to the community and who can also take up part of the costs of mobilization. The CBEF needs to determine how many meetings will be held that will ensure broad representation of citizens in the budget deliberations. Participation needs to go deeper than just ward level, preferably to the village administrative level in order to be representative and capture the voices of people from remote areas, who do not usually have access to town hall meetings. There are different strategies that counties could employ to ensure representation:

- Holding village level forums coordinated by village administrators, or ward level public hearings, to be coordinated by the ward administrators. After these forums are held, the community will select regional budget delegates to the sub-county forums to identify spending priorities and vote on which priorities should be implemented in the budget. The delegates should be representative of males, females, youth and marginalized.
- Organize for local referenda on budget priorities or opinion polls.

#### 3.2.2 Structuring forums for meaningful dialogue

**There is no precise model to budget forums. However, there are similar tenets and mechanisms that could be applied.** These have to be tailored to factor in the local political, social and economic context and conditions. The quality of participation will depend a great deal on how participation is organized, how citizens are asked to express their views, and how they are presented with information about resource limits and trade-offs. A typical forum can be organized through a structured set of procedures or steps allowing for multi-stakeholder engagement:

#### **Step 1: Informative Plenary Sessions**

The county kick starts the meeting by presenting information on:

- The previous year's audited results;
- Budget performance for the half year and projected performance;
- Capital projects implementation status and projections to the year end;
- The priorities identified in the County Integrated Development Plan; and
- Budget estimates.

Using this information the county explains to citizens the financial situation for the current year, the financial performance of previous year, the basis of revenues and expenditures, how resources were spent, what was realized and the potential and constraints for the next fiscal year. It is important to present the forecasts in revenues and expenditures so that the participants become acquainted with potential budget limitations. The session should aim at managing unrealistic expectations such as unemployment disappearing, and immediate reduction of poverty and inequality. The county should provide an overview of its current policies and spending priorities. As discussed earlier, this information should be shared in simple formats.

During this session, the county will also explain to citizens what is required of them. This is important given the fact that the complexity of the budget issues requires that citizens and their representatives have substantial technical and analytical understanding to weigh the relevance of different arguments. The session should close with a Question and Answer session where the county addresses any concerns and clarifications raised by citizens.

### **Step 2: Situation and problem analysis meetings by ward, zone or stakeholder groups (Break – away session)**

This session is intended to assist the public with identifying their problems and needs. Citizens must be in a position to identify the real issues affecting the development of their county. A neutral facilitator selected from amongst the group, preferably in the civil society, can chair these sessions. The specific activities include:

- The citizens, civil society representatives, and community leaders identify the problems and needs in their specific areas of concern and assisted by county officials assess the technical and financial feasibility of possible solutions;
- The county staff such as ward representatives and technical teams also assists the citizens in defining their demands and priorities. At this stage therefore, citizens will be required to identify and list down those activities that should be done to provide solutions to the identified problems and needs. Citizens then evaluate spending priorities and vote on which ones should be implemented under the new budget; and
- Citizen representatives should finally be chosen to make the group's presentation and for any follow up engagement such as monitoring and evaluation or involvement in social audit reporting.

### **Step 3: Decision Making Plenary Session**

A number of problems and priorities will have been identified in Step 2, but it is not often possible to solve all these problems at once hence the need to prioritize which problems will be addressed first. In this stage, the CBEF may lead the citizens in coming up with:

- A prioritization criteria and matrix;
- Decision making mechanisms for priorities.

**The representatives from the various zones make presentations, and this is followed by negotiations on thematic priorities among the participants in order to ensure final decisions are broadly representative of county needs.** The CBEF should encourage citizens to think about their interests broadly, to make tradeoffs, recognize limits on resources and avoid exclusion of some groups. Again, citizen representatives may be chosen to attend the budget approval forums and ensure that the priorities agreed during the formulation process will be reflected in the proposed budget estimates presented to the County Assembly.

**BOX 5: PRECONDITIONS AND DESIGN FEATURES TO CONSIDER IN ORGANIZING PARTICIPATORY PUBLIC FORUMS**

- Use civil society to aid the process of citizen involvement.
- Determine the documents will citizens discuss, when these will be availed to the citizens and how will they discuss them?
- Determine who will chair and facilitate the forums. Is it a representative from the CBEF?
- Make arrangements to record the proceedings in minutes that should be made publicly available e.g. on the county website
- County Governments should bring their expertise to the forum and citizens the policy preferences.
- County Governments can argue the merits of a spending priority they support but should be careful not to coerce citizens
- Citizens should be made to realize that they cannot demand spending far beyond the capacity of the county government.
- CSOs can conduct budget analyses, dialogue with policy makers and educate the public. CSOs could examine overall estimated revenue, and expenditures across departments, sectors and programs and those with expertise in various field should guide citizens during the break out debates.

**3.2.3 Some barriers to effective participation**

- Time and financial costs of attending meetings, including transport costs, income lost whilst participating in the meetings;
- Inadequate political will to mobilize;
- Lack of awareness of budgeting process, and citizen apathy;
- Lack of communication and information flow;
- Perceptions of partisanship, and budgets left to few selected people;
- Counties that follow through on spending decisions send clear signals to citizens that they value the choices made in the public forums and this is an incentive for greater participation. The converse is true for counties that do not follow through on citizens decisions; and
- Political uncertainty (County governments elected after five-year cycle).

**BOX 6: EXAMPLES OF PARTICIPATORY PROCESSES****Russia**

Holds public hearings that are organized by special committees composed of representatives of groups and organizations. The committees are responsible for all preparatory work and for appointing a moderator for the hearing. If hearings are concluded with a vote by all those present and a final recommendation given to Local Authorities. Summaries of the hearings are published and placed on file in public libraries.

**La Paz, Bolivia**

In 1985, the first municipal elections were held, creating 315 urban-rural municipalities. In 1994, the Popular Participatory Law was enacted to institutionalize greater citizen participation in municipal management. Initial stages of participation were characterized by citizens making demands, but later participation became more organized as citizens learned to discuss their priorities using a hierarchy of needs. Further developments were that in 2012, the Regional Municipal Act No. 025 of Participation and Social Control was enacted. The law introduced structured forms of participation through functional groups (seniors, youth, women) and sector actors (professionals, academics, guilds etc). The Municipal council of La Paz achieved better levels of Governance.

**3.3 Budget Analysis and Approval Stage****3.3.1 Budget Analysis**

**The County Executive submits the Budget Proposal to the Assembly, which then convenes public hearings that could be similar in format to the formulation process, but focus this time is on the evaluation of budget priorities and allocation of resources.** At this stage, budget representatives from the sub-county or ward level should be present to determine whether programs and activities that map onto priority needs as identified by citizens are given priority funding in the final budget. Table 7

presents some key questions developed by civil society organizations on the kind of questions the County Assembly and citizens need to ask.<sup>4</sup> The County Assembly should ensure feedback from the forums is fed back into the budget.

TABLE 7: KEY QUESTIONS TO AID BUDGET ANALYSIS	
1. Are there reasons given for choices my leaders made in the budget	11. Does my budget have a deficit and how will it be paid for?
2. Does the budget contain a summary table allowing easy comparison of total proposed spending for all ministries/departments?	12. How much money does my county say it will raise from its own taxes and fees that is reasonable?
3. What are the priority areas in the budget?	13. Did my county table a cash flow projection with the budget showing how much it expects to take in by month, and how much it expects to spend by month?
4. Does the budget have programs, sub-programs and further disaggregation of government spending below the sub-program level?	14. How much money does my county expect to get from national government?
5. Are there indicators and targets for all programs/sub-programs?	15. Does my budget spend money on things that counties are responsible for rather than things the national government is responsible for and are there any areas that counties are responsible for that are missing from the budget?
6. Does the budget contain detailed information about staff costs, including the salaries and benefits of workers by ministry, and ideally, by job class, group or individual positions?	16. Does my budget have an emergency fund in case of any disaster?
7. Does the budget have the same priorities as my CIDP?	17. Does the budget properly distinguish between recurrent and development expenditure?
8. Is there enough money to maintain the current level of basic services like health?	18. Does the budget contain unit costs for various purchases (such as vehicles, generators and other assets) and are these consistent across departments
9. Does my budget tell me in which ward or sub-county development projects will be located?	19. Are the budget lines sufficiently clear to know what each of them refers to, and are they consistent across departments
10. Does it contain any funds for civic education or to facilitate public participation in county decision making?	20. Does the budget contain estimates for the coming three years or only for this year?

Source: IBP, 2014.

### 3.3.2 Final approved budget documents

**The final budget document should be publicly disseminated seven (7) days after approval by the County Assembly.** The County Executive Technical team together with CBEF and CSOs may consider developing and disseminating a citizen's budget, which should also provide feedback to the citizens on how their inputs were considered.

<sup>4</sup> See IBPs 20 key questions about your county budget: A citizens' tool for reading and understanding county budgets available on <http://internationalbudget.org/wp-content/uploads/20-Questions-FINAL-HI-RES.pdf>

### 3.4 Budget Execution:

#### 3.4.1 Monitoring

The most important aspect of this stage is that the County Executive finance department in collaboration with the Office of Public Participation supplies detailed information on a regular basis to citizens about the way the budget is being implemented. The reports should state the project implementation status and problems encountered in simple formats. These reports can be availed on the county website and/or available in hard copy at a fee. CSOs can also use some of the tools below to monitor and evaluate project implementation and service delivery performance, with aim of preventing waste, fraud and corruption:

- Public Expenditure tracking and Social Audits;
- Participatory site inspection and supervision (this focuses on project implementation linked to the planning process); and
- Use of citizen report cards or Service delivery surveys—involves the use of questionnaires and represents an assessment of the public services of the city from the perspective of its citizens e.g. whether services meet their needs or have improved. (also linked to the planning process).

#### 3.4.2 Reporting Requirements

Each county government is required to produce several reports:

- (a) Budget execution reports, comparing budgeted amounts to actual expenditure for each quarter.
- (b) Financial reports in year, including Debt stock report, Revenue statement, consolidated quarterly reports and other additional reports.
- (c) Annual reports, required at year's end and showing financial statements that satisfy requirements of the PFM Act.
  - A published report is considered ready for public dissemination if can satisfy the following criteria: Information is factual, accurate, specific and relevant;
  - Information is presented in a simple and user-friendly way—e.g. a logical flow of information; and
  - Understandable—financial statements are kept simple.

#### BOX 7: COSTS OF PARTICIPATION THAT SHOULD BE FACTORED IN THE COUNTY BUDGET

Effective and quality participation will entail certain costs that should be budgeted for earlier on to avoid tokenistic forms of participation. The costs will include:

- Time and effort in coordinating – staff costs
- Cost of participatory forums (transport, refreshments, venue)
- Cost of adverts and informing citizens about participation opportunities
- Cost of publishing documents
- Cost of educating citizens

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