

# P R I N C I P L E S

## of Public Participation in Fiscal Policy

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### Accessibility



Facilitate public participation in general by disseminating complete fiscal information and all other relevant data, in formats and using mechanisms that are easy for all to access, understand, and to use, re-use and transform, namely in open data formats.

### Openness



Provide full information on and be responsive with respect to the purpose of each engagement, its scope, constraints, intended outcomes, process and timelines, as well as the expected and actual results of public participation.

### Inclusiveness



Pro-actively use multiple mechanisms to reach out to engage citizens and non-state actors, including traditionally excluded and vulnerable groups and individuals, and voices that are seldom heard, without discrimination on any basis including nationality, race, ethnicity, religion, gender, sexual orientation, disability, age or caste; and consider public inputs on an objective basis irrespective of their source.

### Respect for self-expression



Allow and support individuals and communities, including those directly affected, to articulate their interests in their own ways, and to choose means of engagement that they prefer, while recognizing that there may be groups that have standing to speak on behalf of others.

### Timeliness



Allow sufficient time in the budget and policy cycles for the public to provide inputs in each phase; engage early while a range of options is still open; and, where desirable, allow for more than one round of engagement.

### Depth



Support each public engagement by providing all relevant information, highlighting and informing key policy objectives, options, choices and trade-offs, identifying potential social, economic, and environmental impacts, and incorporating a diversity of perspectives; provide timely and specific feedback on public inputs and how they have been incorporated or not in official policy or advice.

### Proportionality



Use a mix of engagement mechanisms proportionate to the scale and impact of the issue or policy concerned.

### Sustainability



All state and non-state entities conduct on-going and regular engagement to increase knowledge sharing and mutual trust over time; institutionalize public participation where appropriate and effective, ensuring that feedback provided leads to review of fiscal policy decisions; and regularly review and evaluate experience to improve future engagement.

### Complementarity



Ensure mechanisms for public participation and citizen engagement complement and increase the effectiveness of existing governance and accountability systems.

### Reciprocity



All state and non-state entities taking part in public engagement activities should be open about their mission, the interests they seek to advance, and who they represent; should commit to and observe all agreed rules for engagement; and should cooperate to achieve the objectives of the engagement.

**GIFT**

**PRINCIPLES OF PUBLIC PARTICIPATION IN FISCAL POLICY**  
As approved by the GIFT General Stewards Meeting (December 1-2, 2015)  
March 13, 2016

## Introduction

Public participation refers to the variety of ways in which citizens and the general public, including civil society organizations and other non-state actors, interact directly with public authorities with respect to the design, implementation and review of public policies by any form of communication. Participation ranges from one-off consultations to on-going and institutionalized relationships that leave records subject to access to information.<sup>i</sup>

Direct public participation in government fiscal policy and budget making has been established as a right in the [High Level Principles of Fiscal Transparency, Participation and Accountability](#), promulgated by the Global Initiative for Fiscal Transparency (GIFT).<sup>ii</sup> Principle 10 establishes: 'Citizens and non-state actors should have the right and effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies.'

The GIFT High Level Principles were endorsed by the United Nations General Assembly in 2012 (UNGA Resolution 67/218), which encouraged member states to "intensify efforts to enhance transparency, participation and accountability in fiscal policies, including through the consideration of the principles set out by GIFT;" and encouraged discussions, cooperation and information sharing between all stakeholders to assist Member States to build capacity and exchange experiences.<sup>iii</sup>

Open and inclusive public participation processes stand in contrast to private lobbying of public officials. Open processes can give greater voice in a more transparent manner to a broader range of individual members of the public and civil society organizations that have a stake in, are affected by, or are intended to benefit from fiscal policies. However, there is a risk that public participation exercises can perpetuate the influence of well-placed groups that traditionally have had significant access to government. There is, therefore, a need for particular care in designing public engagements to ensure that participation is broad-based and attracts inputs from a diverse range of balanced interests.

Innovations in information and communications technology have made public participation more feasible and easier by dramatically lowering the costs and time requirements of such interaction and dialogue. They have also enabled the creation of new virtual spaces which governments, citizens, and non-state actors are increasingly dialoguing on social, environmental, and economic challenges and opportunities. While public participation involves costs both for official entities and for civil society, and needs to be tailored appropriately in each case, direct public participation as a policy tool is an increasingly cost-effective means of developing and implementing public policies.

## Background to the development of the participation principles

With the endorsement of GIFT High Level Principles, it was apparent that, with respect to Principle 10, there was a lack of guidance on *how* public entities should engage directly with the public in managing public resources. To help fill that gap, in 2012 GIFT embarked on a substantial multi-year work program to generate greater knowledge about country practices and recent innovations in citizen engagement. The work program included:

- A series of workshops on public participation in fiscal policy and national budget processes.<sup>iv</sup> The workshops involved central government finance ministry officials, officials in line ministries, local authorities, members of the legislature as well as legislative support bodies, officials from audit institutions and a wide range of civil society representatives (civil society organizations, academics, and researchers). Some of the workshops were held under the auspices of the GIFT-Open Government Partnership *Fiscal Openness Working Group*.<sup>v</sup>
- Completion of [eight country case- studies of public participation in fiscal policy](#) – Brazil, Canada, Croatia, Kenya, Mexico, the Philippines, South Africa and South Korea.<sup>vi</sup>
- A review of existing literature in this field.<sup>vii</sup>
- A web-based public consultation on a set of draft ‘Principles of Public Participation in Fiscal Policy’ from August to October 2015.<sup>viii</sup>

GIFT also produced a [primer](#), designed as an entry point for anyone seeking additional information about how to incorporate public participation into national-level fiscal and budgetary policy cycles and why they should do so.

This work program provided a rich source of information on current practices and recent innovations in public participation in a diverse range of countries around the world, which was drawn on in developing, debating, and progressively refining the GIFT participation principles.

In order to strengthen the role of these principles on public participation in enabling change of actual practice in countries, GIFT is also developing a *guide on the principles paired with practices that have advanced fiscal participation in public policy in various countries*, and building on the extensive experience of the network members and on the peer-learning and technical assistance activities. The final goal of this guide is to encourage governments to adopt practices that move them towards fiscal transparency and public participation within the OGP framework, while providing clear, practical tools and guidance to all governments and to civil society organizations and other actors on direct public participation mechanisms.

## The scope of public participation in fiscal policy

There are four main domains in which direct public participation should be sought in the design and implementation of fiscal policy:

- I. **In the annual budget cycle:** from fiscal strategy and the preparation of the annual budget proposal by the executive, through presentation of the budget and its adoption by the legislature, to budget implementation, in-year reporting on and amendment of the budget, and end-of-year reporting, auditing and review.
- II. **In new policy initiatives, plans, or reviews on revenues, expenditures, financing, assets and liabilities:** these are fiscal policy initiatives that may have been subject to public engagement outside of the annual budget cycle or over a longer period than the window for preparation of the annual budget.
- III. **In the design, production and delivery of public goods and services:** from service delivery planning and the setting of service standards, engagement during service delivery, through feedback from service recipients, independent review mechanisms, and monitoring and evaluation.

- IV. **In the planning, appraisal, and implementation of public investment projects:** from national and sector planning through project preparation, appraisal and selection, to project implementation, audit and review.

The principles of public participation in fiscal policy are intended to apply to all public authorities, i.e. to executive entities in all levels of government as well as more generally to legislatures and supreme audit institutions. They are a set of interdependent codes intended to be applicable to all country contexts, although the specific institutions, processes and programs for public participation reflect diverse country circumstances. The approach aims to ensure that official authorities encourage and facilitate the open, responsible and constructive engagement of non-state actors, civil society organizations, business organizations, citizens, individuals and the general public in government fiscal policy and budget-making.

## **THE GIFT PRINCIPLES OF PUBLIC PARTICIPATION IN FISCAL POLICY**

### **PREAMBLE**

The Parties to these Principles,

-Establishing that public participation refers to the variety of ways in which the general public, including civil society organizations and other non-state actors, are invited or have generated space to interact directly with public authorities by means of face-to-face communication, deliberation or decision-making, or by written forms of communication using electronic or paper media.

-Recognizing that public participation is an essential element of open government, strong governance, and a crucial element of a fiscal accountability ecosystem.

-Recognizing that the world has witnessed an increase in awareness of the value of public participation over the last twenty-five years, accepting that the public, including both private citizens and civil society organizations, are important agents of good governance and sustainable development alongside the state and market.

-Recognizing that direct public participation in government fiscal policy and budget making has been established as a civil right in the [High Level Principles of Fiscal Transparency, Participation and Accountability](#) promulgated by the Global Initiative for Fiscal Transparency.

-Believing that public participation in fiscal policy can strengthen and improve fiscal performance and outcomes by increasing:

- Efficiency,
- Equity,
- Effectiveness,
- Predictability,
- Legitimacy and
- Sustainability of fiscal management.

-Recognizing that the public has the right to effective opportunities to participate in the design and implementation of fiscal policies.

-Recognizing also the critical contribution that public participation can play in the pursuit of poverty reduction, equitable economic growth, and stewardship of the environment and the global commons.

-Recognizing the important role of public participation in major fiscal openness standards and norms, such as the 2014 International Monetary Fund's [Fiscal Transparency Code](#), the Organization for Economic Cooperation and Development's 2014 [Principles of Budgetary Governance](#), and the International Budget Partnership's [Open Budget Survey](#).

-Acknowledging that while the consensus is growing, there is a gap both in norms and practical guidance in public participation in fiscal policies and budget making.

-Acknowledging that public participation in the conduct of public affairs is a citizen's right established in international law and in the constitutions/legal systems of many states.

-Recalling declarations made by international organizations, such as the United Nations Conference on Environment and Development, which issued the "[Rio Declaration on Environment and Development](#)" in 1992, stating in Principle 10 that, "Environmental issues are best handled with participation of all concerned citizens, at the relevant level;" and the core principles of the [Aarhus Convention](#) of the United Nations Economic Commission for Europe, which came into force in 2001, which includes "the right to participate in environmental decision-making", and "the right to review procedures to challenge public decisions."

-Recalling that [Goal 16 of the UN Sustainable Development Goals](#), adopted by the international community in September 2015, focuses on promoting peaceful and inclusive societies and building effective, accountable and inclusive institutions.

-Recalling the [Open Government Partnership](#) (OGP), a recent global effort to put public participation into practice, encouraging increased access to information, participation and accountability in government, with more than sixty participating countries, most of whom have made fiscal openness commitments in their OGP Action Plans, including a number of specific commitments to strengthen public participation in fiscal policy.<sup>ix</sup>

-Affirming the reciprocal relationship between citizens and government, in which citizens provide resources to and entrust governments with stewardship over public resources, and, in turn, expect to receive information on public finances and fiscal policies and to have opportunities to participate in fiscal policy-making.

-Recognizing that developments in information and communication technologies have greatly lowered the costs of compiling and disseminating information, and facilitate new forms of citizen – government interactions.

-Recognizing that these Principles are interdependent and will need to be implemented in a manner that is consistent with diverse country circumstances while promoting progress in all countries towards the common goal of transparent, participatory and accountable management of fiscal policies.

-Acknowledging that fiscal policy deliberation should not just be construed as one-time exercise before the budget is finalized but should be treated as a continuous process where the public provides feedback on implementation which leads to revision of the original fiscal policy decisions.

-Recognizing the need for cooperation and information sharing between all stakeholders to assist states in building capacity and learning how to manage fiscal policies in a transparent, participatory and accountable manner.

-Inviting all states and non-state actors, including individuals, civil society groups, non-governmental organizations, community-based organizations, professional associations and the private sector to work together to promote the progressive achievement of these Principles.

-Recognizing also the desirability of public participation in all branches of government and inviting legislative and judicial bodies to implement these Principles in their proceedings:

**Declare that the following set of Principles should guide fiscal policy makers and other stakeholders in their efforts to improve government performance and public trust:**

Public authorities should endeavor to ensure that citizens and other non-state actors have effective opportunities to participate directly in public debate and discussion with respect to the design, implementation and review of fiscal policies, observing the following interdependent principles:

**1. Accessibility** - facilitate public participation in general by disseminating complete fiscal information and all other relevant data, in formats and using mechanisms that are easy for all to access, understand, and to use, re-use and transform, namely in open data formats.

**2. Openness:** provide full information on and be responsive with respect to the purpose of each engagement, its scope, constraints, intended outcomes, process and timelines, as well as the expected and actual results of public participation.

**3. Inclusiveness:** pro-actively use multiple mechanisms to reach out to engage citizens and non-state actors, including traditionally excluded and vulnerable groups and individuals, and voices that are seldom heard, without discrimination on any basis including nationality, race, ethnicity, religion, gender, sexual orientation, disability, age or caste; and consider public inputs on an objective basis irrespective of their source.

**4. Respect for self-expression:** allow and support individuals and communities, including those directly affected, to articulate their interests in their own ways, and to choose means of engagement that they prefer, while recognizing that there may be groups that have standing to speak on behalf of others.

**5. Timeliness:** allow sufficient time in the budget and policy cycles for the public to provide inputs in each phase; engage early while a range of options is still open; and, where desirable, allow for more than one round of engagement.

**6. Depth:** support each public engagement by providing all relevant information, highlighting and informing key policy objectives, options, choices and trade-offs, identifying potential social, economic, and environmental impacts, and incorporating a diversity of perspectives; provide timely and specific feedback on public inputs and how they have been incorporated or not in official policy or advice.

**7. Proportionality:** use a mix of engagement mechanisms proportionate to the scale and impact of the issue or policy concerned.

**8. Sustainability:** all state and non-state entities conduct on-going and regular engagement to

increase knowledge sharing and mutual trust over time; institutionalize public participation where appropriate and effective, ensuring that feedback provided leads to review of fiscal policy decisions; and regularly review and evaluate experience to improve future engagement.

**9. Complementarity:** ensure mechanisms for public participation and citizen engagement complement and increase the effectiveness of existing governance and accountability systems.

**10. Reciprocity:** all state and non-state entities taking part in public engagement activities should be open about their mission, the interests they seek to advance, and who they represent; should commit to and observe all agreed rules for engagement; and should cooperate to achieve the objectives of the engagement.

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<sup>i</sup> The participation principles are not intended to apply to the autonomous or independent activities of civil society in monitoring, commenting, campaigning on, or protesting against fiscal policies.

<sup>ii</sup> The GIFT High Level Principles are available at

<http://www.fiscaltransparency.net/eng/principles.php#more>

<sup>iii</sup> UNGA Resolution 67/218 is available at

[http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/67/218](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/67/218)

<sup>iv</sup> Workshops were held in 2014 and 2015 in Washington DC, San José Costa Rica, Jakarta, Cape Town, Manila, and Mexico City. There were five workshops in Washington, two at the International Budget Partnership (one in 2014 and two in 2015), and two at the World Bank (one each in 2014 and 2015).

<sup>v</sup> Materials on the activities of the Fiscal Openness Working Group are available at

<http://www.fiscaltransparency.net/fowg/>

<sup>vi</sup> Mechanisms of Public Participation: [www.fiscaltransparency.net/mechanisms/](http://www.fiscaltransparency.net/mechanisms/)

<sup>vii</sup> Sources drawn on in the literature review include the Aarhus Convention, the Open Budget Survey 2015, the ‘Principles of DBM-CSO Engagement’ in the Philippines, the Open Government Partnership Guidelines for Public Consultation on Country Commitments, the World Commission on Dams, a note by Vivek Ramkumar on principles of public engagement, the GRI Sustainability Reporting Guidelines, ‘Human Rights, Health and Poverty Reduction Strategies’ published by the Office of the High Commissioner for Human Rights and the WHO in 2008, the 2001 OECD Guideline on Information, Consultation and Public Participation in Policy-Making, the National Coalition for Dialogue & Deliberation Core Principles for Public Engagement, the International Association for Public Participation, the National League of Cities Planning for Stronger Local Democracy, the UK Government Consultation Principles, the Council of Europe Conference of INGOs: Code of good practice for civil participation in decision making processes, and the European Union Directorate-General for Health and Consumers: Code of good practice for consultation of stakeholders.

<sup>viii</sup> “This is how your input helped us improve our new Public Participation Principles!” by Murray Petrie:

[http://www.fiscaltransparency.net/blog\\_open\\_public.php?IdToOpen=3665](http://www.fiscaltransparency.net/blog_open_public.php?IdToOpen=3665)

<sup>ix</sup> Fiscal Transparency in Open Government Partnership Countries, and the Implementation of OGP Commitments: An Analysis.

[http://www.fiscaltransparency.net/eng/resource\\_open\\_public.php?IdToOpen=20151028136](http://www.fiscaltransparency.net/eng/resource_open_public.php?IdToOpen=20151028136)