

# TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Capacity Development and Governance

<b>TA No. and Name</b> TA 6170-REG: Technical Assistance for Pilot Project on Institutionalizing Civil Society Participation to Create Local Pro-Poor Budgets			<b>Amount Approved:</b> USD400,000		
			<b>Revised Amount:</b>		
<b>Executing Agency:</b> Asian Development Bank		<b>Source of Funding:</b> PRF	<b>TA Amount Undisbursed</b> USD19,792	<b>TA Amount Utilized</b> USD380,208	
<b>TA Approval Date</b>	<b>TA Signing Date</b>	<b>Fielding of First Consultant(s)</b>	<b>TA Completion Date</b>		
06 Apr 2004	N.A.	12 Oct 2005	<b>Original</b> 31 Mar 2005	<b>Actual</b> 15 May 2007	
			<b>Account Closing Date</b>		
			<b>Original</b> 31 Mar 2005	<b>Actual</b> 31 Dec 2007	

## **Description**

Government budgets are central to planning and managing the country's economic activities and are important policy tools with profound implications for poverty reduction and social equity. International experience suggests that civic engagement can contribute to government accountability and leads to integration of a pro-poor perspective into the budget. The captioned regional technical assistance (RETA) was designed to create the enabling environment for participatory budgeting in local government by building on global best practices of civil society work. Participatory budgeting provides citizens with the opportunity to influence and help make budget decisions. The RETA was implemented to increase civil society participation in local budgeting practices in Indonesia, the Republic of the Marshall Islands (RMI), and Pakistan. The TA project began in October 2005 and was completed in June 2006. The RETA piloted applied budgeting in different contexts and shared lessons learned for other organizations and stakeholders seeking to increase participation and transparency in budgeting. The countries were selected because of their varying degrees and experience with decentralization.

## **Expected Impact, Outcome and Outputs**

The goal of the RETA was to achieve "Improvement of quality of public service delivery" in selected sites and the purpose was "to enhance civil society's awareness of resource allocation and the budgeting process and their actual involvement in the budget decision making process. Through civic, informed and constructive engagement, public service delivery will be more responsive to the poor." Noting the limited access to public service delivery as a key problem identified in poverty assessments, the outputs of the TA, included: (i) agreed participatory budgeting strategies; (ii) training materials on budget literacy and practical budget work; (iii) conducting twelve regional capacity development workshops; (iv) organizing local budget forums to develop the principles and practices of budget work in local governments; (v) action plans for the pilot local governments on how to replicate participatory budgeting approaches.

## **Delivery of Inputs and Conduct of Activities**

A total of 33 person-months of international and domestic expert services were utilized, of which 32 person-months were provided by an international consulting firm. The contract negotiations for the RETA were protracted due to difficulties in finding a suitable international nongovernmental organization (NGO) as required by RETA design. Fielding of consultants was also delayed due to the transfer of project officer; and the time it took to designate the new project officer.

The original TOR included Sri Lanka, which was later replaced by the RMI as Sri Lanka launched a number of similar projects in the time between the fact-finding mission and award of the contract. The number of pilots was rationalized in both Pakistan and Indonesia to maximize the use of limited inputs in light of the budget and where RETA ownership was clearly demonstrated. Some of the innovations and refinements made during the implementation process:

- a) The program was modified to disseminate the FY06 budget. Given the varying budget cycles in the respective countries, the RETA adopted a flexible approach. In Indonesia, the fiscal year runs January–December, which meant that the draft FY07 budget was not yet available. In RMI and Pakistan, the draft budget should have already been presented to the Cabinet/local council, but preparation was behind schedule in both countries.
- b) The trainings highlighted a number of important issues that led to the refinement of the TA outputs and capacity development approaches. For instance, the capacity assessment of civil society organizations (CSOs) led to simplified budget trainings.
- c) A broad definition of CSOs was used, including not only (NGOs) but also grassroots organizations, such as, churches and parent-teacher associations, as well as private sector associations and journalists.
- d) During the budget forums, budget based discussions were considered to be less effective than presentations of the budget by sector. This allowed for more in-depth discussion of line items as well as the link between budget outputs and resource inputs.

Given that the pilots were selected on the basis of relative ownership, the implementing local governments were forthcoming and provided maximum support in terms of staff time, logistical resources and participation in policy dialogue. The consultants' performance was also satisfactory and the team leader was an appropriate choice given her skills and prior experience in South and Southeast Asia.

## **Evaluation of Outputs and Achievement of Outcome**

Reports generated included the inception report, two progress reports, and a final report. In addition, a number of knowledge products were produced including budget training manuals for each of the countries, and a publication documenting the experiences and lessons learned in the three countries. Key outputs included:

**Development of Budget Training Manuals.** These manuals were used in a series of training workshops to transfer knowledge of the budget process and analysis and advocacy techniques to members of the public in each country. In addition, training was extended to members of the local parliaments in Indonesia and Pakistan.

**Capacity Building Workshops.** (a) Civil Society Organization Training – A total of 5 CSO trainings were held in the RMI, 2 in Indonesia, and 2 in Pakistan; (b) Local Parliamentarian Training – One training session for the local parliament of Kebumen, Central Java, was held with a total of 22 local legislators and seven members of the Local Parliament Secretariat participating. The training was modified to emphasize the role of the legislature in budgetary oversight.

