

## Transparency and accountability in local budgeting

EFCA is working to improve local governance by promoting social accountability, transparency and citizen participation in local budgeting processes across the country. From 2011-2012, EFCA successfully implemented the World Bank-funded project “Budget literacy and access to information”, which significantly raised awareness of local authorities and civil society in preparation of budgets. Continuing work in this direction together with the World Bank, EFCA launched a new project in 2012-2013 “Transparency and Accountability in Local Budgeting - Peer-Assisted Learning (TALB-PAL project) in the Kyrgyz Republic”. EFCA implementing partners are the Institute for Public Analysis (IPA), the Ministry of Finance, and the State Agency for Local Government and inter-ethnic relations.

### Context

In Kyrgyzstan, the system for citizens to hold local self-governments (LSG) accountable remains incomplete despite the country decentralization processes of public finances in 2007. In practice, citizens rarely hold their public servants to account, because of poor understanding of how the system of local governance should work, in particular local budgeting, and a lack of access to information. Openness of information is severely limited by the lack of capacity among LSGs. A majority of them are scarcely budget literate and have concerns about making budgeting processes more transparent. Local authorities are often isolated and operate with very little external support. Even when there is local commitment to improve transparency and accountability in local financial management, there is currently no functioning support network to provide practical support and build confidence in taking action.

### Goal and main objectives

The overall goal of the project is to promote a peer-to-peer (PTP) learning approach by providing opportunity for (1) representatives of local self-governments to discuss issues that are pertinent and particularly related to local budgeting and share experiences, challenges and tested solutions, and for (2) local CSOs to learn to be more effective in engaging local government members on transparency and social accountability. The project has the following objectives:

- Raise awareness of the ‘art of the possible’: building capacity and confidence to implement changes in local self-governance (LSG), and instilling expectation of results, through exposure to the achievements of others.
- Make available practical and accessible resources through a network of practitioners, so local stakeholders can find examples of how their particular problem has been resolved in other locations, and get practical advice by talking to someone who has done it.
- Incentivize wider improvements in local budgeting. Leading practitioners know that their achievements and innovations will have wider impact through being recognized, shared and emulated outside their communities.



*When you create a network for mutual learning and exchange of experience between LSG as a model used the international program of the World Bank's Public Expenditure Management Peer Assisted Learning network (PEMPAL) - Community for joint training and exchange of experience in the management of public finances. Its members are practitioners of the Ministries of Finance of the participating countries which learn from each other, exchange their experiences and ways of solving problems.*

## Activities

In order to improve transparency and accountability of local budgeting as well as citizen participation, EFCA with its partner Institute for Public Analysis is undertaking the following activities:

- (1) Develop and pilot Peer Assisted Learning activities
- (2) Organize learning and experience sharing events including exchange workshops and pilot study tours
- (3) Launch Peer Assisted Learning network and select active membership
- (4) Establish a Secretariat for administering and coordinating peer learning network activities
- (5) Establish and maintain a dedicated PAL network website
- (6) National best practices conference

## Results and expected achievements

### Project IMTAK “Budget literacy and access to information” (2010-2012):

- Increased budget literacy of local governments and non-government stakeholders: over 1200 employees of local authorities, local councils and active citizens were trained in participatory budgeting processes;
- Budgeting reflected local needs: public budget hearings in rayons and major cities across Kyrgyzstan resulted in changes to 2012 local budgets to better meet local priorities. 189 LSG received support in the organization of budget hearings;
- Increased interaction between citizens and local government: the project served as an open platform for communication between local self governments and citizens. Citizens were engaged in budgeting processes: the project raised community residents’ awareness and understanding . Over 7000 people attended the budget hearings.

### TALB-PAL project “Transparency and Accountability in Local Budgeting - Peer-Assisted Learning” (2012-2013):

- Greater knowledge and understanding of local budgeting issues and good practices through experience sharing among local authorities.
- 11 study visits organized at the district level, which attracted about 600 representatives of local authorities;
- Improved practice of participation, transparency and accountability through connecting network of professionals, practitioners, and other stakeholders on local budgetary issues;
- A Peer-to-Peer network of local government members with related communities of practice a Secretariat and the Supervisory Board of LSG network established;
- Increased transparency and accountability in local budget process by creating opportunities to dialogue through forum.
- Seminars conducted to exchange experience at the national and provincial levels;
- A project dedicated website [www.msu.kg](http://www.msu.kg) , was launched and used as basis of information and a discussion forum on local budgets.



*“I liked the small group discussions, as compared to other activities in a small group I was able to discuss many issues related to my work. I was able to learn a lot of useful information. Since my group consisted only of the financiers, we were able to fully understand each other”.*

*Nurilya Kuluzakova, financial department of the Mayor’s Office of Toktogul Jalal-Abad province.*

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