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**PRESENTATION ON THE PREPARATION OF THE AFRICA REGIONAL
SEMINAR ON PARTICIPATORY BUDGETING
DURBAN, SOUTH AFRICA, MARCH 10-14, 2008**

by

George Matovu, MDP-ESA



INTRODUCTION

This paper is intended to share with participants the preparation of the Regional Seminar on Participatory Budgeting which is being organized by MDP-ESA, the World Bank, UN-HABITAT and Ethekewini (Durban) Municipality, South Africa under the theme: “Strengthening Budget Transparency, Participation, and Independent Oversight”. The Seminar will take place from 10 to 14 March 2008 at Royal Hotel in Durban and will be attended by about 120 local government practitioners and policy makers from Africa and other parts of the world.

BACKGROUND

As democratization and decentralization reforms advance around the globe, State and non-State actors are creating new channels of dialogue in local governance. Under this context, Participatory Budgeting (PB) is rapidly gaining attention from governments, civil society, and international development agencies as an effective platform for strengthening transparency, voice, and accountability in revenue generation, expenditure planning, and delivery of public services and infrastructure. From an experimental innovation in Brazil, PB initiatives have been growing exponentially in many countries in Latin America, Europe, and Asia, and more recently in Africa. Lessons from these experiences have shown that PB is an effective mechanism to increase transparency, voice, and accountability in local governance. PB, thus, opens real opportunities in Africa towards enhancing trust between state and non-state actors in public resource management, with the potential to improve tax compliance, fight corruption, reduce poverty, and promote economic growth.

Participatory budgeting can offer also a comprehensive approach for implementing the principles of good governance. Considered key in addressing the Millennium Development Goals at local level The “Roadmap towards the Implementation of the United Nations Millennium Declaration” commits the UN to assist governments in “strengthening their legal frameworks, policies, mechanisms and institutions for democratic governance”, and “strengthening local government and civil society participation in decision-making processes”. Structuring governments to promote the participation of citizens in decision-making processes, and in development activities, is increasingly recognized as an important tenet of “good governance”. Indeed, devolution of power and authority to sub-national governments, (i.e. decentralization), is being undertaken in a growing number of countries, including in Africa.

This process is being reinforced by new commitments to good governance on the continent, for example the New Partnership for African Development (NEPAD) “African Peer Review Mechanism” (APRM). Through the APRM, NEPAD members are subject to undergo evaluations by their peers on standards of democratic governance, transparency and accountability. The aim is to reform their political and economic systems and achieve development effectiveness, among other things through decentralization and empowerment of civil society.

The Pan African Conference of Ministers of Local Government organized in August 2006 by MDP-ESA, UNDESA, and UNCDF, under the patronage of the Ministry of Local Government in the Kingdom of Lesotho, acknowledged the important role of participatory budgeting in supporting decentralization reforms in Africa. According to the conference proceedings, “decentralized governance provides structural arrangements, avenues and opportunities for the citizens to effectively participate in planning, budgeting for, and implementing the delivery of services at local level”. Moreover, “participation of the citizens in problem analysis, priority setting, planning, and decisions concerning allocation and utilization of resources including funds



(budgeting) constitutes a critical pillar for successful decentralized governance for poverty reduction”.

The Maseru Conference followed previous ministerial conferences, seminars, and meetings aimed at strengthening local governance in Africa. It made an important progress acknowledging that “the demand for democracy in Africa is moving beyond the vote to embrace issues of citizens’ participation in development planning, service delivery, public accounting and budgetary management. This focus on citizen participation responds to the priorities of Poverty Reduction Strategies (PRSs) right across Africa, and could, if fully implemented, add value to the monitoring and implementation of those strategies. These trends also clearly resonate with much of the World Bank’s Africa Region portfolio: CDD, decentralization, local government, urban and municipal development and key sector operations. Moreover, they also echo the Bank’s Social Development Strategy, which advocates the importance (to sustainable development) of accountable and inclusive institutions, and cohesive societies.

This paradigm shift in Africa has created a strong need for institutional capacity development, and the promotion of knowledge skills, networks, and institutional arrangements capable of supporting and sustaining transparency, participation, and independent oversight in public expenditure management at local level. Hence, building on these developments, different international and regional institutions have aligned their programs to support participatory budgeting in Africa. Important decentralization policy reforms and experimental initiatives have been taking place in many African countries, such as Benin, Cameroon, Ethiopia, Ghana, Kenya, Liberia, Mali, Mozambique, Rwanda, Senegal, South Africa, Sierra Leone, Tanzania, Uganda, Zambia, and Zimbabwe, among other African countries

THE SEMINAR

It is against the above background that the Municipal Development Partnership of Eastern and Southern Africa (MDPESA) and its senior partners, the World Bank, World Bank Institute and UNHABITAT with support from the Swiss Development Cooperation, the New York University Wagner Graduate School of Public Service, ANSA African Affiliated Network on Social Accountability, the Senegal based ENDA-Ecopop, have also aligned their programs to support participatory budgeting in the continent and to organize a continent wide seminar on participatory budgeting.

The event intends to bring together key representatives from African institutions which are committed to participatory budgeting in the continent, offering an opportunity to share experience, strengthen dialogue, and build lasting peer-to-peer collaboration efforts. It will be complemented by international best practices that can assist in deepening and expanding the expertise of African policy makers and practitioners.

More specifically, the event has the following objectives:

- a) **To enhance knowledge and promote exchange of experience among key national policy-makers in Africa on how to strengthen the enabling environment for social accountability in local governance.** It will give particular attention on national policy reforms to increase transparency, voice, and accountability in public resource management including expenditure and revenue planning, and delivery of public infrastructure and service;



- b) **To give the participants the opportunity to deepen their knowledge and share innovations on how to operationalize Participatory Budgeting in African countries.** By means of reviewing practical lessons, the event will focus on three key operational areas of PB: (i) Transparency and demystification of fiscal policies and public budgets; (ii) citizens' voice in budget planning; and (iii), citizens' and civil society oversight of budget execution.

- c) **To catalyze and facilitate peer-to-peer learning among African PB practitioners.** During the event, a peer-to-peer learning activity will be launched to initiate and support direct cooperation among African governmental and non-governmental organizations in the field of participatory budgeting, and possible partners in Latin America.

Approach

The Seminar will be the first of an initial series of two events. The first event will target mainly Anglophone Africa, and the second Francophone. It will be organized around three main components:

- (i) A one-day high level conference, which will set the policy and enabling environment underlying participatory budgeting,
- (ii) A four days workshop, focusing on key aspects of operationalizing PB.; and,
- (iii) A peer-to-peer learning program which will be launched during the event, offering the participants the opportunity to continue the learning process through joint capacity building initiatives.

Audience

The one day high level conference will target key staff of African national institutions (national and sub national government, CSOs, think-tanks), in the Region, engaged in policy reforms to support decentralization and public participation in local government. The conference will take stock of the current institutional reforms to promote decentralization and citizens' participation in local budgeting in Africa. This will be compared with the policy context of other regions, where national reforms have been implemented in different countries to promote citizens engagement in local government planning and budgeting processes. The conference will also feature international and African best practice cases.

The second part of the event will be structured as a 3 day workshop targeting primarily practitioners. It will aim at bringing together local government and institutions interested to share their experience, learn from peers, and engage in direct peer-to-peer learning.

The third part of the event will include field visits in Durban, and surrounding municipalities. It will cover the key aspects in operationalizing participatory budgeting at local level: (i) budget transparency and demystification; (ii) citizen's voice in budget planning; and, (iii) civil society oversight of budget execution, delivery of services and infrastructure.

A total of 120 participants have been selected to attend the workshop period.

Key Speakers

Key speakers will include, amongst others, Honourable Aenes Comiche, Mayor of Maputo and Vice President of United Cities and Local Government in Africa (UCLGA); Honourable Protais



Musoni, Minister of Local Administration, Good Governance, Community Development and Social Affairs from Rwanda; and Mr. Alioune Badiane, Director, Regional Office for Africa and Arab States (ROAS), UN-HABITAT, and World Bank officials. In addition, the Seminar will also benefit from distinguished professionals who will give their expert advice on many issues related to implementation of participatory budgeting. These will include among others: Ms. Sophie Kalimba, Chief Executive of Blantyre City Assembly, Malawi, Mr. Zerubabel Ojoo, Local Government Expert from Uganda; Ms. Thandiwe Mlobane, Municipal Finance Expert, Zimbabwe; Mr. Rogers Salhuana, representative from the Ministry of Finance of Peru, Mr. Auki Tituana Males, Mayor of Cotacachi (Ecuador), Mr. Julio Pires, Secretary of Planning of Belo Horizonte (Brazil), Mrs. Nilza Oliveira, Coordinator of Participatory Budgeting of Santo Andre (Brazil), Professor Paul Smoke, Head of International Programs at New York University Robert Wagner Graduate School of Public Service; and Dr. Jaime Vasconess, the Executive Director of the International Centre for Urban Management in Ecuador.

PREPARATIONS FOR THE SEMINAR

Besides technical papers that are being prepared for the seminar, MDP-ESA Regional Participatory Budgeting Learning and Action Support Facility for Africa launched various activities that are intended to serve as building blocks in the run-up to the event. These activities are intended to, amongst others, to (a) review policy scenario regarding participatory budgeting; (b) highlight challenges and constraints influencing the promotion of participatory budgeting in Africa; (c) share innovative practices in promoting participatory budgeting; and examine the role of political leadership, civic organizations, and private sector in promoting participatory budgeting. The activities initiated include:

- (a) Launching of the Participatory Budget Forum
- (b) Commissioning of a research project on Participatory Budgeting and Revenue Generation in Local Government: The Case of Uganda
- (c) Introducing a Participatory Budgeting Newsletter, and
- (d) Launching a Local Governance and Development Journal, and a research Project

PARTICIPATORY BUDGET FORUM

Topic 1: The Future of Participatory Budgeting in Africa: A Synopsis of Responses from the PB Forum November to December 2007

As part of the mobilization of knowledge and information for the Seminar, MDP-ESA launched a Forum for exchange of ideas and experiences on participatory budgeting in Africa. The following is a summary of responses were highlighted on the subject '**The Future of Participatory Budgeting in Africa**'. Responses were varied depending primarily on the conditions of the locale of the respondent and on the type of organization one works for. The discussion was guided by the following questions.

What do you foresee as the future of Participatory Budgeting in Africa?

Key Messages

In response to this question, a number of perspectives emerged from the forum. These can be grouped into optimistic, cautionary, pessimistic and prescriptive views:

a) Optimistic views of PB in Africa



- Just after the MDG, in most parts of Africa there is a chance of the good practice of Participatory Budgeting at sub-national levels in shape;
- The use of participatory budgeting will strongly influence the adoption of sustainable development interventions in the continent;
- Africa has a bright future of Participatory Budgeting in Africa in the sense that the birth of Democracy (especially liberal democracy) and globalization have informed the ordinary African even in rural settings to be mindful of his or her rights and responsibility of leaders towards the ordinary citizen of any state;
- In ten years more African governments will allow more participation in their business and this will create a lot more of transparency and accountability. Most importantly more women will get to the understanding of the processes of budgeting and will participate fully in budget planning and implementation.
- PB will promote the proper utilization of human and natural resources abundant on the continent and will help mould responsible leaders that will lead Africa into a better future.

b) Pessimistic views of PB in Africa

- The introduction of PB in Africa is going to be full of challenges. This is mainly due to lack of good governance and political will.
- Government officials will abuse PB by covering up their corrupt deeds as the peoples' representatives in the budget committees hence accepting kick-backs.

c) Cautionary views of PB in Africa

- PB has got a future because it brings in good governance hence improved livelihoods for local citizens. However there is a need for governments to invest in capacity building. Local citizens should be able to understand what role they have to play as regards to the budgeting process, this will enable monitor and evaluate public expenditure.
- PB for Africa is good provided it is not abused by the elite and hijacked for own private gain hence rampancy in corruption.

d) Prescriptive Views of PB in Africa

- Participatory Budgeting is promising but has to be built on a strong foundation of government goodwill, information and sensitization of the masses- of their rights, their role, benefits of participation and enlighten them on how it can improve accountability.

Summary Observations

PB in Africa is seen differently by different players and stakeholders. Although, there is general faith in it as a tool to enhancing service delivery by institutions and organizations, there is some general feeling that of the need to think carefully on the application of the tool. PB is a sharp tool and should therefore be used with due care lest some elements abuse the good tool.

What are the challenges associated with introducing PB at sub-national level?

Key Messages



The following emerged as key challenges to the implementation of PB at the local government level:

- Lack of democracy and the lethargy of bureaucracy in the public services system,
- Lack of skilled manpower accompanied by improper implementation of decentralization at the local level in most African states,
- Lack of political trust to sub-national levels and general apathy among the citizenry,
- Infrastructure problems, for instance the general lack of or low infrastructural investment, i.e. roads, ICT, information and community centers, etc,
- High illiteracy level which leads to lack of capacity. For instance, local citizens not knowing what their role is in monitoring public expenditures.
- Gender inequality, general sidelining of children and youth in various activities. This is the belief that women and children are not rational enough to be involved in decision making.
- Little participation of civil organization, and the private sector, given the general lack of good policy to support the practice of PB.
- Lack of political will to involve local citizens in decision making e.g. the unwillingness of leaders to release the power they have traditionally held to the citizenry

Summary Observations

Unless a multi-stakeholder participatory learning process is adopted, PB in Africa will be constrained by a number of factors explained by infrastructure deficiencies, gender and age issues, non-involvement of the civic society associations, high levels of illiteracy, political apathy, lack of effective democratic practices and general bureaucratic tendencies among local governments. Most of these factors should be viewed in light of the subject of governance. There is therefore a serious need of promoting good governance and practices of subsidiarity if each player – private organizations, non-governmental levels, households and individuals are to seriously consider PB as a tool to the promotion of, participation by and sustainability of concerns by them. Redressing the challenges and constraints raised here implies sustainability of development at local level.

What are the benefits of PB in Africa?

Key Messages

The benefits of PB in Africa include but not limited to the following;

- Co-monitoring of projects by all stakeholders and beneficiary communities
- Right development projects implemented for the right people at the right place and at the right time
- Greater ownership of community projects by local citizens. This means that infrastructure built using public funds will be taken care of by the local citizens.
- Greater participation by local citizens in decision making as regards to community projects that have a direct impact on their life.
- Improved governance: government(s) will be accountable and transparent to local citizens on how it uses public funds.
- Increased satisfaction of basic needs through a higher degree of citizen engagement



- Power sharing by sub-nationals, hence the relief of the burden by the federal/ central government,
- Politicians learn which problems need to be tackled first and get new ideas for solution(s).
- Skills or knowledge transfer, and creation of job opportunities for locals,
- Improves community cohesion.
- Involved citizens understand that trade-offs have to be made.
- Politicians make better decisions because they know the preferences of citizens
- The building up of Accountability and transparency in practice,
- Innovative participatory mechanisms
- Sustainable development interventions.
- Increased accountability of those entrusted with public resources to stakeholders.
- Increased trust and relations between public office bearers and stakeholders especially tax and ratepayers.
- Improved resources mobilization as ratepayers have increased knowledge and influence on the use of their resources.
- Relevance of service by sub-nationals, as they will have a chance to allocate budgeted resources and services to their needy communities in the right time and place.

Summary Observations

The practice of PB at any level of governance is rich with gainful fruits. These can be summarized by a realization of six basic assets – the political, social, economic, financial, natural and physical capital (according the sustainable livelihood frameworks). In short, PB is what is required if sustainable development in any locale or organization is to be a reality.

What should be the role of political leadership, civil society organization, and the private sector, in promoting participatory budgeting?

Key Messages:

Roles in PB can be classified by the role-player as:

a) Political leadership

It should:

- assist and guide sub-national levels through capacity building, trainings and assigning skilled manpower etc.
- make sure that citizens and other stakeholders become involved in implementing the proposals
- give legal backing in promoting PB
- live by its words by letting beneficiary communities and citizenry decide on what are actually their needs

b) Civil society organizations

These should:

- Be organizing, facilitating training, capacity building of sub-nationals and some times lobbying political leaders for PB best practice.
- fashion out ways and medium to sensitize government as well as individuals on the need for Participatory Budgeting.



- Have close audience with international organizations like the World Bank, African Union, European Union etc, who will serve as facilitators to bring together governments and private sector to agree and support the spread of participatory budgeting.
- Make Public meetings user-friendly

c) The private sector

It should:

- engage and drive the practice. To site one example, the private sector can help sub-nationals or even the federal government as an independent evaluation and monitoring process agent.

d) All

All should:

- Be involved in stakeholder education, awareness and training.
- Resource the stakeholder education, awareness and training processes.
- Support research and development of the approach.
- Role model of the approaches in their organizational activities.
- Be transparent in all resource allocation and documentation of projects and policies

Summary Observations

If each player stands ‘faithfully’ on his/her position, PB will bring forth the outcomes as highlighted in the foregoing paragraphs. There is general need of respect of efforts by each player, co-operation and mutuality of purpose. This is buttressed by a multi-stakeholder learning process and approach.

Conclusion

The discussion has garnered a wealth of ideas on what the future holds for Africa if PB is to be implemented. The benefits indicated in the discussion outweigh the costs. It is a multi-stakeholder approach to development hence requires consensus, mutuality and respect of individual efforts by the players involved. Normatively shown is the idea that Africa still has a lot of hurdles to overcome: cultural, political, and personal. The continent enjoys abundance of resources (human and natural). Overcoming the barriers and effective practice of PB will better place the continent especially through the building blocks of local government, the civic sector and the private sector with the federal or national government giving a supportive and enabling role. Indeed by that throughput Africa, will never be the same; transformed for the better!

Topic 2: Making the Poor/ Disadvantaged Groups heard through Participatory Budgeting in Africa

Introductory Note

The topic we are going to focus on the next four weeks is a sequel to the contributions raised in Forum One on the ‘Future of Participatory Budgeting in Africa’. One of the challenges raised in this previous discussion was that of marginalized groups like women and youth being excluded from the whole process of PB perhaps due to embedded cultural and religious beliefs. Their exclusion may also be due to the literacy level, their geographical setting in that it is remote and without the required supportive infrastructure. Daunted by such constraints the poor will



increasingly find themselves alien to real development and enjoying the benefits that accrue to it. In light of this background, this discussion forum focuses on the following questions:

Specific Questions

- a) Who are the poor/disadvantaged or marginalized groups in Africa?
- b) How are they identified and by who?
- c) How can their voices be heard through participatory budgeting?
- d) What role has the political leadership, the civic society and private sector in making the poor heard and how are these (political leadership, the civic society and private sector) to effectively deliver with respect to the roles you cited?

NB: Specific examples and case studies are welcome in responding to the above questions.

RESEARCH ON PARTICIPATORY BUDGETING AND REVENUE GENERATION IN UGANDA

The second activity that has been undertaken in preparation for the Durban Seminar in the research on Participatory Budgeting and Revenue Generation In Uganda. The objectives of the research were

- To examine the foundation for participatory budgeting in Uganda
- To understand expenditure assignment and revenue generation
- To explore the potential for revenue generation at the local level
- To discover critical new directions for participatory budgeting

The research is being undertaken jointly by Graduate Students of Public Administration at Makerere University Department of Political Science and Public Administration and New York University Robert Wagener Graduate School of Public Service under the supervision of MDP-ESA.

The research covered three dimensions:

What should be happening in terms of:

- Legal
- Political and
- Institutional frameworks

What is happening in terms of:

- Process
- Capacity
- Participation
- Service Delivery
- Sources of Revenue
 - Intergovernmental Fiscal Transfers
 - Local Sources of Revenue
 - * Abolishment of the Graduated Tax
- Recentralization
- Shifting Decentralization Framework
- Constraints



What could be happening in terms of:

- Mobilization and Sensitization
- Training
- Literacy
- Flexibility of Conditional Grants
- Accountability & Transparency
- Public/Private Partnerships
- Political Coordination
- Champions
- Culture of Participation & Contribution

The findings are being tabulated in preparation for the Durban Seminar.

PARTICIPATORY BUDGETING QUARTERLY NEWSLETTER

MDP-ESA introduced an electronic news bulletin to complement the Local Government Perspectives Newsletter which has been in existence since 1991. Both the e-Bulletin and the Newsletter have proved to be an effective tool for sharing news and innovations in participatory governance and decentralisation in general. Both newsletters provide information on emerging practices of participatory budgeting and social accountability. In some of the countries, these two documents represent the only source of news and recurrent information on local governance. The bulletin can be downloaded via <http://www.asaaf.org.zw/e-bulletin.html> Hard copies can be accessed at the MDP-ESA Resource Centre.

THE LOCAL GOVERNANCE AND DEVELOPMENT JOURNAL

MDP-ESA launched the Local Governance and Development Journal to serve as forum for exchange of ideas, opinions, and research findings on, amongst other, participatory mechanisms and social accountability. Volume 1, Number one came out at the end of June 2007 and contains articles from Ethiopia, Ghana, Kenya, and Zimbabwe on issues related to partnerships in services delivery and HIV/AIDS as well as a book review and recent publications in the field of public administration. The journal is intended to be produced bi-monthly in June and December. It can also be accessed via http://www.asaaf.org.zw/AFRICAN_LOCAL_GOVERNANCE_2007.pdf

WEBSITE

Two MDP-ESA websites – www.mdpafrica.org.zw and www.asaaf.org.zw are operational and provide emerging trends in participatory budgeting.

CONCLUSION

MDP-ESA wishes to thank all the partners for the support they are providing in preparing for the Seminar. It is our sincere hope that this is the beginning of yet another collaborative effort in our bid to strengthen the capacity of local government in Africa. It is hoped that the outcome of the Seminar will directly feed into the current ALGAF to continue to sharing knowledge and expertise on the issues that will emerge.