



SUBNATIONAL
PUBLIC FINANCE
PROGRAMME BRIEF

Shining a Spotlight on Child and Youth Issues

Budget Transparency and Participation
in Subnational Government

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Subnational Finance Programme Briefs are short, evidence-driven notes that unpack common issues in government budgeting and financial management at the subnational level, highlight programming approaches and tools applicable to practitioners in the field, and share examples of approaches that have been employed in UNICEF programming around the world. They aim to promote awareness of promising approaches, connect UNICEF offices working on similar problems, and foster collaboration between child-rights organizations and the wider community of practice in public financial management, particularly at the subnational level. These programme briefs are written to be accessible to a broad audience with diverse technical and programme-implementation backgrounds.

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SHINING A SPOTLIGHT ON CHILD AND YOUTH ISSUES: BUDGET TRANSPARENCY AND PARTICIPATION IN SUBNATIONAL GOVERNMENT

This programme brief focuses on budget transparency and participation in subnational government as stepping stones to accountability for local service-delivery performance for children and youth, and illustrates specifically:



Budget transparency initiatives at the subnational level aim to improve the availability of financial information related to public-sector performance on local service delivery for children and youth. Transparency encompasses greater public access to subnational government budget documents and reports, and the presentation of financial information in formats that are accessible to children, adolescents and the communities in which they live. Active participation by children, adolescents, communities and civil-society organizations in the subnational budget process can help foster wider support for transparency and help steer public funds to effective and often low-cost investments in service delivery. Participation of children and young people leads to improved accountability of local government, improved service delivery and access to services that best meet their needs.

In practice, however, progress in making budget information available at the subnational level is slow and uneven between different regions and localities. Published budget information may be outdated or in formats that are not meaningful for local communities. Even where budget transparency is enshrined in constitutions and legal frameworks, children and child-rights organizations, as well as other local non-government actors, may not have the resources they need to understand how local governments are using public funds and to act on that knowledge. Targeted advocacy and capacity building at the subnational level can help foster more meaningful opportunities for children and youth and other actors to participate in the local budget process.

NAVIGATING THE POLITICS OF SUBNATIONAL BUDGET TRANSPARENCY

There is now much greater recognition and consensus about the value of budget transparency for fostering community participation, influencing government spending and investment that benefits children, and securing accountability for service-delivery performance. Through public information sharing and disclosure of budgets, rules, plans and actions, local initiatives for more open government aim to increase public awareness and channels for direct feedback to service-delivery units.

The increasing use of digital and web-based platforms by local service-delivery agencies can help accelerate this transition to more transparent budget data. For instance, most budget and financial management information systems enable subnational governments to publish updated expenditure and revenue collection information online, sometimes with features to disaggregate data down to the neighbourhood level.

Policy innovations in budget transparency and accountability often get their start at the subnational level, which can be fertile ground for testing and adapting appropriate systems for publishing budget information on public-spending decisions that affect children and youth in the communities where they live. Yet while there are cases where national governments, for instance Nepal and Mongolia, have responded with major national reforms connecting subnational budget transparency to community participation on children's issues, efforts to systematically improve the availability of subnational government budget information confront a variety of technical, social and political challenges.

Local and regional authorities can remain sceptical or resistant to presenting timely, accurate budget information to the public, even when national laws or financial management regulations mandate the release of subnational budget information to the public. If national authorities do not support subnational governments with additional financial and technical resources, subnational governments might not have sufficient resources to meet high transparency requirements and might resist calls for change.

Some of the main reasons for scepticism among government officials involve the effective representation of different groups:

Concern that budget units do not have sufficient resources to comply with reporting standards.

Concern that interest groups might overwhelm government with negative feedback.

Other reasons, including gender bias or exclusion of certain groups – such as migrants, minority groups or people with disabilities, etc. – might prevent progress in subnational government budget transparency related to spending that benefits girls and women. Relevant factors are often tied to unique characteristics of the subnational region. For instance, if budget information is released only in the official national language, places where a regional language or dialect is prevalent may be systematically disadvantaged.


Convincing local and regional governments to commit to greater budget transparency and participation around budget decisions therefore requires a multifaceted approach that includes both advocacy messages around the benefits for children, adolescents and communities, combined with capacity building and technical assistance to accelerate the institutionalization of transparency measures in budget formulation, execution and reporting for services that affect children and youth.

Advocacy for the value of budget transparency and participation can adopt a rights-based approach, in which the publication of financial information and community consultation are treated as intrinsic rights, and duty bearers in government acknowledge their obligation to take positive steps to guaranteeing the provision of budget information and to consult with communities on matters that affect rights holders.

In addition, subnational governments might take a more instrumental perspective on financial transparency and participation. Two views that stand out in the instrumental perspective include:



Financial transparency facilitates a more efficient and reliable review of budget execution, procurement and feedback by beneficiaries at the point of service delivery.



Financial transparency enables civic engagement on issues of concern to taxpayers in households with children, paving the way for improved perceptions of government legitimacy required for higher rates of compliance on tax and fee payments for services.



Alternatively, on the side of citizens, there may be limited understanding or incentive to engage in budget processes. Good practices to strengthen participation and elevate the needs of children and youth in the process include:

Using popular cultural terms and phrases that speak to the views of children and adolescents to communicate the value and aim of subnational government budget transparency, participation and accountability can help to overcome the abstract nature of framings of budget transparency as 'good government'.

Connecting local initiatives to whole-of-government reform processes and national development visions connected to responsiveness of government means there is a greater likelihood that changes in a specific subnational region will be supported and reinforced by strategic actors with authority at the centre of government.

Budget transparency and participation initiatives are most effective when information end-users and service-providers can collaborate together to improve the availability of information and how it is formatted for public use. Getting local stakeholders inside and outside the government to work together helps ensure open dialogue on goals and objectives and common expectations around impacts and timelines for making progress.



Policy innovations in budget transparency often get their start on the ground, even in contexts where communities have no statutory entitlement to government data on service delivery. For instance, the Right to Information Act (RTI) in India was sparked by civil-society organizations in the Rajsamand district mobilizing to collect, share and verify expenditure information related to food and other commodities distributed through India's Public Distribution System. At the local level, it is easier to connect revenue and expenditure information to the quantity and quality of local services and child outcomes. Still, national reforms are needed to sustain subnational initiatives. See the work of UNICEF on social accountability [↔](#), including several country case studies on social accountability [↔](#)

INCREASING THE AVAILABILITY AND RELEVANCE OF SUBNATIONAL BUDGET INFORMATION TO THE PUBLIC

Subnational government budgets contain considerable amounts of information, which can make it difficult for advocates and communities to know what numbers are relevant to investments in children and youth. If adolescents, families and civil-society organizations cannot access budget information in a format that is easily digestible and relevant to their needs, they are less likely to be equipped with compelling advocacy messages related to service-delivery needs during opportunities to participate in the budget process. Improving the presentation of budget information is therefore a key precondition to raising awareness, interest and practical capacity to influence subnational government spending and investment decisions.

Citizens Budgets and other approaches to subnational transparency

The International Budget Partnership (IBP) highlights eight crucial topics to be included in Citizens Budgets, but also emphasizes the importance of putting the 'Citizens' in Citizens Budgets – asking them what they would like to know about the budget. See the IBP website for examples of Citizens Budgets: <https://www.internationalbudget.org/publications/examples-of-citizens-budgets/>.

In collaboration with civil-society organizations, some subnational governments have started issuing a Citizens Budget. Citizens Budgets are a simpler, less technical version of the official government budget, specifically designed to present budget information in an accessible format that reaches the widest possible audience. Citizens Budgets can be formulated at all levels of subnational government, ranging from wards and districts within cities to village, municipal and regional governments.

Whether budget information takes the form of a Citizens Budget or some other format, key factors to consider in the design of initiatives to improve the availability and relevance of budget information at the subnational level include:

Content:

Bringing together different stakeholders in civil society to agree what budget information is relevant for issues that matter to the public.

Citizens Budgets are a unique opportunity to present information about the budget process and quality of service delivery, but it is important to remember that public interest in budget issues can be diverse. If communities do not understand budget information, they are less likely to make a meaningful contribution to any discussion on allocation priorities for children and adolescents. While information from the expenditure side of the budget can help the public understand the extent to which child-related issues are prioritized, families that pay for services through taxes and fees might also be interested in the revenue side of the budget. This is particularly the case when pricing and subsidy policies for social services have recently changed.

Relevance:

Ensuring coverage of regional and place-specific issues related to service delivery is illustrated appropriately in information releases to the public.

Subnational governments, particularly those administering territories with large differences in conditions across local jurisdictions, must manage multiple initiatives to improve service delivery. Which services are relevant and influential to child outcomes can vary significantly across geographic areas. For instance, environmental health might be the most important issue for a rural region where mining and other extractive industries have operations. In an urban area, access to affordable, safe and reliable public transit systems might be the most urgent issue. Illustrating these place-specific issues can be a challenge, but are critical to fair and equitable communication of needs.

Format and dissemination:

Ensuring appropriate visual presentation and increasing the variety of channels for disseminating budget information.

Citizens Budgets are intended to reach the widest possible audience, which means measures should be taken to ensure information is released in all regional/local languages and is presented in accessible ways to enable participation of all children, including children living with disabilities. Posting the Citizens Budget online is a good place to start, but this may not reach the poorest and most vulnerable population groups (people living in remote rural areas, hard-to-reach communities, indigenous peoples, ethnic minorities, people with disabilities). Government offices and service-delivery sites like schools, health clinics and community centres typically have announcement boards for posting government notifications. Social media, mobile phones and even traditional radio and newspapers can still reach a varied and diverse public. It is important to make sure that specific devices are used that would allow access to the information for all community members. Information should also be provided in different local languages to ensure reach to all minority groups.





Sri Lanka

Provincial Citizens Budget as a stepping stone to improved investments in children and youth

CONTEXT

Decentralization has been a major component of the peace strategy in response to the worst consequences of ethnic violence and civil war in Sri Lanka. Provincial councils were created by a constitutional amendment, which gave them partial administrative decision-making authority and financial functions. They have some budget autonomy in the areas of health, education, infrastructure, environmental management and other local services. Increasing budget transparency at the subnational level is seen as a major opportunity to reverse the consistent trend of limited access to budget information among the public and few meaningful opportunities to participate in the budget-preparation process, as well as a means towards advocacy for greater investment to smooth large geographical disparities in outcomes for children. Citizens contribute to the Government's finances (taxes, fees) and thus have the right to know how their money is spent. In 2017, Sri Lanka ranked 44 out of 100 countries on the International Budget Partnership's Open Budget Index.

PROGRAMME ACTIVITIES

UNICEF Sri Lanka supported subnational government officials in the Eastern Province government to produce the country's first Citizens Budget. Preparatory meetings were held with provincial chief secretaries and key planning and budgeting officials to discuss the approach, key audience, suggested content and timeframe of this work. Three consultation workshops were held with civil-society organizations in three districts of the Eastern Province to determine the data and the information needs of the general public. UNICEF supported the provincial government to take the lead in producing the document.

RESULTS AND NEXT STEPS

The first Citizen Budget of the Eastern Province in Sri Lanka was launched at the end of 2019. It contains key information about the sources of revenue and how the budget gets allocated to different sectors that matter for children. The Citizens Budget has been developed exclusively for the public and is a vital tool for public accountability and increased civic participation. The information is presented in a simple less technical format, strengthening budget literacy and enabling citizens to gain a better understanding of how public finances are managed and used.

CONNECTING BUDGET TRANSPARENCY AND PARTICIPATION WITH SERVICE DELIVERY AT THE SUBNATIONAL LEVEL

Increasing opportunities to participate in subnational budget decisions is a primary objective of decentralization and essential to greater accountability for local service-delivery outcomes. Children, adolescents and civil-society organizations working on the ground in poor and vulnerable communities often have detailed knowledge of service-delivery conditions and investment needs. This type of hyper-local knowledge held by the actual users of services is highly relevant to addressing children's needs and issues. Local knowledge of service delivery, however, is rarely captured in published budgets, plan disclosures and wider government transparency platforms.

This means that in practice there are often significant gaps between local knowledge of conditions on the ground and technical information on investment needs and priorities aggregated at a high level in budget documents. For instance, subnational governments might claim a major barrier to improved service delivery is inadequate transfers from the central government, while residents and civil-society organizations representing children's interests on the ground know the more immediate problem is that resources are used inefficiently and ineffectively. These gaps limit the potential for more effective transparency and oversight of subnational government operations.

Technical knowledge is powerful, but real numbers that 'connect the dots' between budget performance and service-delivery outcomes might be difficult to come by for advocates on the ground. Beyond sharing information with residents in more relevant and accessible formats, what other mechanisms are available to bring local knowledge into subnational budget decisions and financial management performance?

Participatory audits of local governments

Participatory audits are increasingly seen as a compelling mechanism for giving adolescents and young people a voice in local governance and shining a spotlight on budget execution and the performance of service-delivery units on the ground. Participatory audits take different forms depending on local context. In general, participatory audits aim to provide adolescents, youth and communities with the opportunity to combine local knowledge of conditions and needs, based on their personal and collective experiences, with transparency initiatives in local service-delivery systems.

Where a children's representative mechanism (e.g. children's parliament) already exists in subnational government and serves as the official voice of children at the community or subnational level, it may be useful for civil-society organizations to collaborate and sensitize them with age-appropriate public financial management literacy. An effective children's parliament often depends on a balanced representation, of boys and girls, or of children living with disability or orphaned children, for example.

Regions or localities with a youth parliament or some other institutionalised platform for youth participation are the best places to pilot a participatory audit of local government budgets. The entity organizing the participatory audit might consider focusing on a particular neighborhood or sector projects within a neighborhood, instead of the whole budget. The goal with a pilot is to learn and replicate, meaning it is important to invite youth representative organizations from other localities to participate and jointly experience the audit.



Other key considerations around child- and youth-focused participatory audit exercises might include:

Relevance	Defining sector projects and programmes that are relevant to poor and vulnerable children and youth to point local advocates in the right direction for collecting information.
Leadership	Creating or supporting an existing representative group of children and adolescents to serve as the official voice filling local knowledge gaps and soliciting feedback on projects or programmes being audited.
Safeguards	Creating minimum standards and safeguards for evidence collection by child and youth participants in a way that protects them while also making involvement meaningful.
Feedback	Outlining roles and responsibilities for government stakeholders to respond to the recommendations of participatory audits, including developing and funding action plans in response to the recommendations of the participatory audit exercise.
Guidelines	Regional and national guidelines on participatory auditing can help guide civil-society organizations working on the ground.





Philippines

Improving local participation through increased budget literacy in civil society

CONTEXT

The Philippines has a strong tradition of decentralization to the local level, with the Local Government Code of 1991 granting powers to local government units encompassing revenue generation and expenditure responsibilities ranging from child and youth welfare, nutrition and family planning to primary health care, maternal care and solid waste disposal. Recently, the national government introduced a major reform programme, Bottom-Up Budgeting, which further strengthened the existing legal framework for civil society and community participation in municipal planning and budgeting through consultations during budget preparation and citizen participatory audits.

PROGRAMME ACTIVITIES

UNICEF Philippines partnered with the Department of Interior and Local Government, Council for the Welfare of Children, and the Galin Pook Foundation to increase the availability of resources and guidelines for strengthening civil-society participation in municipal budget planning and auditing. UNICEF Philippines provided technical review and supported consultations to revise indicators used in the Child Friendly Local Governance Audit, which is carried out by all municipal governments to evaluate their performance improving child outcomes. UNICEF Philippines also helped develop national guidelines for Citizen Participatory Audits of local government units to enhance public financial management literacy and strengthen civil-society participation. Finally, in collaboration with the National Anti-Poverty Commission, UNICEF Philippines funded capacity-building orientations for local civil-society organizations in priority regions on the toolkit and guidelines.

RESULTS AND NEXT STEPS

Civil-society organizations using the guidelines increased their literacy on financial management issues, including greater awareness of public financial management-related bottlenecks to service delivery and how to raise concerns over municipal government performance through key budget participation mechanisms.

GETTING CHILDREN AND ADOLESCENTS MEANINGFULLY INVOLVED IN PARTICIPATORY BUDGETING

Despite changes around the world in national decentralization frameworks that improve opportunities to participate in budget decisions at the subnational level, many local governments struggle to design and hold consultations for constituents to exercise meaningful influence over resource allocation. Efforts to get children and adolescents more directly involved in the budget process are no exception.

While planning and budget officers in the local governments of large metropolitan cities might have access to training on tools and safeguards for soliciting feedback from children during budget preparation, their counterparts in rural local governments probably do not have the same opportunities.

Creating structures and procedures for children and youth to participate in resource-allocation decisions

Given the limited familiarity some subnational governments might have around involving children and youth in budget planning, national governments can help by introducing formal administrative structures and systems. These structures do not necessarily have to be codified in laws but can be built through budget guidance delivered to subnational governments from the ministry of finance or sector-spending ministries. There are a variety of channels to introduce administrative procedures over time. Initiatives to promote adolescent participation in resource-allocation decisions need not overwhelm subnational government capacity with legal requirements they cannot meet.

In addition to administrative rules and by-laws around participation in local governance, child and youth participation can be linked to the intergovernmental funding flows that help to finance service delivery by subnational governments. For instance, national ministries making intergovernmental transfers to subnational authorities that help fund community-development projects might stipulate that vulnerable youth must be consulted during project selection and preparation. Some local governments may not be able to immediately meet stringent standards. With proper monitoring and technical support, requirements around adolescent participation can be increased incrementally over time.

Combatting bias against children and adolescent viewpoints

Local governments that have limited or no experience with engaging children and young people in participatory budgeting can be biased against directly soliciting their perspectives for resource-allocation decisions. Such biases go a long way to explaining the limited opportunities youth and the community organizations that represent children's interests typically have to directly shape budget preparation and execution decisions that affect them. Local governments that have not received training may not understand the unique needs of adolescent girls or children living with disabilities. As a result, their viewpoints may not be respected.

How can these barriers to soliciting the perspectives of adolescents and child-rights advocates in local budget planning be overcome? Training and advocacy approaches must be 'fit-for-context', but the key insight is focusing on communicating a compelling insight – the benefits of participation exceed the costs in most subnational governments. Budget participation is an opportunity for local governments to tap into an array of resources that can improve their performance and make spending more effective and efficient.



Mongolia

Advancing child priorities through transparency and participation in local resource-allocation decisions

CONTEXT

Mongolia is a highly centralised unitary state with subnational government divided between 21 provinces (aimags) and Ulaanbaatar. Provinces are further divided into lower administrative units, including soums and baghs. Ulaanbaatar is divided into nine districts (duuregs) and 152 wards (khoroots). Provincial parliaments have limited budget autonomy and fund their delegated responsibilities from the central government in the areas of health and education through intergovernmental transfers. Local infrastructure and waste-management responsibilities are controlled by local governments and funded through their budgets. The Government of Mongolia provides assistance to local governments through the Local Development Fund transfers introduced in 2016, which can be used to improve living standards at the local level.

PROGRAMME ACTIVITIES

UNICEF Mongolia facilitated training workshops for local authorities, children and their families to provide information on legal procedures related to planning and using the Local Development Fund, including strategies to influence project selection and fund allocation decisions based on child-deprivation data. UNICEF Mongolia facilitated meetings between the governor's office and provincial child council (mini-parliament) to provide opportunities for young people to speak in front of governors and provincial councils.

RESULTS AND NEXT STEPS

As a result of UNICEF advocacy and technical support to community organizations, the percentage of budget investment for children made from the Local Development Fund in two geographic focus areas increased from 8.8 per cent in 2013 to 32.5 per cent in 2016. At the national level, UNICEF advocacy and technical support resulted in institutionalization of child-sensitive budgeting and planning indicators in the annual performance contracts of all 21 provincial and nine district governors of Mongolia. Key indicators include mandatory 10 per cent allocation of the Local Development Fund for children's needs and participation of children in local development plans and budgets.



How does child and adolescent participation in budget preparation and execution benefit local governments?

Children, youth and the community-based organizations that represent their interests tend to advance practical ideas and solutions to service-delivery challenges.

When asked about how services could be improved to meet their needs, children and youth provide practical ideas and solutions to service-delivery challenges. For instance, children living with disabilities can identify service-access points that are not easily accessible, such as dangerous roads blocking school entrances or bus stops. Young girls can identify streets and neighbourhoods where poor street lighting put them at risk while commuting at night. Children and youth can point out where storm-water drains do not properly function, exposing them to flooding hazards and waterborne diseases.

Because child and youth perspectives on service delivery tend to be practical and rooted in their immediate experience with services, they point to low-cost solutions easily incorporated into local development plans.

Because their ideas and needs are rooted in their day-to-day experience, their solutions to service-delivery gaps are often low-cost options that are easier to implement and scale up over time. Allowing children and youth to advance their needs through participatory budgeting leads to a variety of co-benefits from subnational public expenditures, which can lead to reductions in the lifetime costs of infrastructure and services. For instance, increasing public parks and open greenspaces for children to play are also a cost-effective way to limit disaster risks from flooding, reduce exposure to the harmful effects of heatwaves, lower energy use and mitigate greenhouse gas emissions.

CONCLUSION

Key takeaways

This programme brief has covered a variety of dimensions of budget transparency and participation in subnational governments.

Key takeaways include the following:

- Increasing subnational budget transparency, backed by routine evaluation of the effects of local spending and service-delivery performance on child outcomes, is an important stepping stone on the journey to bolster investments in children and adolescents through evidence-based advocacy.
- Local knowledge is highly relevant to addressing children's needs and issues; however it is rarely captured in published budgets, plan disclosures and wider government transparency platforms, which leaves significant gaps between local knowledge of conditions on the ground and technical information on investment needs and priorities aggregated at a high level in budget documents.
- Even where local and regional government budgets are transparent and planning processes open to participation, community and civil-society organizations, including child-rights advocates and youth organizations, might face a variety of barriers to exercising meaningful control over local resources.
- Combining policy reforms, backed by regional and national guidelines, with targeted capacity-building support to local governments and civil-society organizations can help foster meaningful collaboration on budget priorities that affect vulnerable children and youth.

Sources and further reading

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