

Participatory Budgeting/Budget Monitoring/Expenditure Tracking Tools

- I. Sunshine Budgets Criteria – Albania
- II. Sunshine Budget Monitoring Tool – Albania
- III. Local Self-Government Monitoring Report Forms - Georgia

I. SUNSHINE BUDGETS CRITERIA

NDI and its partners in Albania developed these criteria for analyzing the transparency of the budget process and the representativeness of the draft and final budgets. They are meant to be used as guidelines for any budget monitoring initiatives at the local level, but could also be applied at the national level as well.

DEMOCRACY AND GOVERNANCE IN ALBANIA—CIVIC FORUM & LOCAL GOVERNMENT AND DECENTRALIZATION IN ALBANIA

Sunshine Budgets Criteria

1. Budget Process

Criterion: Before starting the budget process each year, the City Council should approve a budget calendar and narrative description that provides the complete detailed schedule for preparing, reviewing and adopting the budget. It should include all possible points of participation by the public. The City should widely disseminate this information to the community.

Rationale: Citizens must know how the budget process will work and when different activities will occur. This allows them to participate with maximum effectiveness, if they so desire. A simple and easy to read budget calendar provides good transparency for the budget process.

2. Posting local budget hearings to inform citizens during the process

Criterion: Verifiable action taken by local councils to notify the public of the date(s), time(s), and location(s) of meetings at which local budgets are discussed.

Rationale: The organic law on the Organization and Function of Local Government (Nr. 8652, date 31.7.2000) gives citizens the right to join discussions about local budget and much more. According to that law, local governments are obligated to seek citizen input three times between March and August of any budget year. In March, at the start of budget creation, local officials must speak with citizens to identified shared priorities. Around June, the local government must return to the citizens with its initial plans. And finally, toward August, the local government must go back to the citizens to present the plan it intends to send to the central government.

3. Outreach efforts made to solicit citizens' priorities for local budget

Criterion: Number and type of constituent outreach efforts to help set local budget priorities

Rationale: Do local officials limit their public engagement of citizens regarding budget priorities to local council meetings (in Criterion #1) or are other means and measures taken to generate greater participation?

4. Revenue diversity of local budget

Criterion: The variety of taxes and tariffs used by local officials from which they will generate income locally.

Rationale: Local governments have 24 taxes and tariffs available to them to generate local revenue. To what extent are local officials thinking about and incorporating these mechanisms to build greater local self-sufficiency?

5. Citizens' priorities incorporated into draft local budget (Aug)

Criterion: Correlation of ideas and priorities emerging from community outreach and citizen participation to set priorities to those items identified and funded in the draft budget.

Rationale: While some local officials may already have favored methods of communicating with citizens, dialogue does not always translate into action. Monitoring the degree to which the priorities identified by citizens are actually incorporated into the draft budget provides a clearer indication that their views and concerns are both heard and responded to.

6. Citizens' priorities incorporated into final local budget (Jan)

Criterion: Correlation of ideas and priorities emerging from community outreach and citizen participation that were reflected in draft budget that have been retained in final budget.

Rationale: This criterion measures the extent to which community priorities as expressed by citizens were defended through the budget review process sufficiently to have survived the final vetting at the national level. The criterion serves as a proxy to the degree to which local officials protect the interest of citizens' priorities.

7. Access and openness to final approval discussions

Criterion: *The manner and degree to which community citizens are notified of and included in the local council meetings during which local budgets are reviewed and approved once those budgets have been received from the national government.*

Rationale: The right to be informed of official documents is enshrined in the Constitution of the Republic of Albania, Article 23: The right of information is guaranteed. The Law on the Right for Information on Official Documents (No. 8503, date 30.6.1999) says in the second paragraph that a public official “is obligated to give every information in connection with an official document, as long as where not prohibited by other laws.”

8. Budget Content

Criterion: *The budget should provide a comprehensive look at the financial and operational aspects of the local government's finances. It should at a minimum include:*

- All sources of revenues and expenditures, including joint ventures, quasi-governmental entities in which they have an interest, secondary operations, business interests, etc.
- A summary of major revenues and expenditures and a description of underlying assumptions and significant trends
- Summary of personnel and position counts for each department and a description of any significant changes in staffing levels or reorganization of responsibilities

Rationale: This criterion seeks to ensure that a local government provides comprehensive information in order to make it possible to fully understand the financial position of the local government. Many local governments are tempted to keep certain funding sources or expenditures –not directly under the local government- off the budget. This might include the water operation, business ventures, etc. This practice diminishes transparency related to financial management and results in citizens and decisionmakers not having an accurate picture of the financial position of the local government.

9. Budget Readability

Criterion: *Local governments should prepare the budget in a way that citizens can clearly understand. At a minimum it should include the following elements to facilitate citizen understanding:*

- Table of Contents
- A budget message from the Mayor articulating the priorities and issues facing the local government in the budget (and how they differ from previous years).
- A description of the complete process for preparing, reviewing and adopting the budget. It should also include the procedures for amending the budget after approved.
- It should describe the activities, services and functions carried out by all organizational units receiving funding, as well as the goals and objectives for each in the budget year.
- It should use charts and graphs to more simply convey information.

Rationale: The intent of this criterion is to encourage budget documents that allow citizens to quickly grasp the major budgetary issues, trends and choices addressed in the budget. The criterion further encourages creative and innovative efforts to communicate effectively with citizens about how the local government intends to raise revenue and spend that money, and what are their service priorities and planned accomplishments. By combining numbers, tables and narrative the budget document becomes a easily readable comprehensive document for citizens and decisionmakers.

10. Correspondence disbursements to approved budget

Criterion: *The degree to which budget allocations and expenditures are consistent with the sums and allocations of the final and approved budget.*

Rationale: This criterion requires tracking and assessment throughout the budget process as well as requiring publicizing the results of that monitoring and analysis. This criterion then demands a high degree of reflection as well as greater openness and access to information by the public.

11. Public review of and outreach efforts during budget disbursement

Criterion: *Correlating to Criterion #8, the manner and the degree to which budget tracking and analysis is made public, to whom, when, etc.*

Rationale: In addition to linking with Criterion #8, this criterion will serve as a counterpoint to Criterion #2 above that relates to constituent outreach efforts during the process of budget formulation.

12. Perception of conflict of interest during the budget process

Criterion: *Frequency and documentation of budget planning, allocation, or disbursement that is said to be based on political party affiliation, personal association, or other relationship in violation with the Law on Conflict of Interest.*

Rationale: Resource allocation often comes with claims of preferential treatment based on a relationship or for one political party over another. This is as true at the local level as at the national level.

Principles and laws tested through these criteria:

- Implementation of Organic Law 8652 (On the Organization and Functions of Local Government)
- Implementation of Law 9367 (On the Conflict of Interests)
- Implementation of Law 8503 (On the Right of Information about Official Documents)
- Knowledge of budget formula
- Knowledge and use of taxes and tariffs
- Distinguishing partisan actors from civil servants
- Balance of local executive and legislative branches of government
- Local authorities' communication systems
- Responsiveness of local government

II. SUNSHINE BUDGET MONITORING TOOL

This form was developed by NDI and its partner in Albania based on the budget monitoring criteria in order to give citizens a tool for monitoring their local budget processes. It captures both quantitative and qualitative information on the transparency of the budget process, the local council's accountability to citizens throughout the different stages of the process, corruption during the process, the final budget's representativeness of citizen priorities and responses to the final budget. This tool is meant to be used by citizens when observing budget meetings, but also to capture their own perspectives on the budget and budget process.

1. The Budget Process

Criterion: Before starting the budget process each year, the City Council should approve a budget calendar and narrative description that provides the complete detailed schedule for preparing, reviewing and adopting the budget. It should include all possible points of participation by the public. The City should widely disseminate this information to the community.

Rationale: Citizens must know how the budget process will work and when different activities will occur. This allows them to participate with maximum effectiveness, if they so desire. A simple and easy to read budget calendar provides good transparency for the budget process.

Has the budget calendar been approved before starting the draft budget process?

Yes No In Part Don't know

If yes, how has the budget been presented to you?

The Meetings of the council of the Municipality /Commune In Media
 With Leaflets Meeting with local officials
 Publication of Calendar Other way

How had you been informed about the other decisions taken by the Municipality/Commune?

With your participations in the meetings of the Council of the Municipality /Commune
 From Media Relatives and friends
 In Bar/Cafe From publication of decisions (publications)
 Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments: _____

2. Posting local budget hearings to inform citizens during the process

Criterion: Verifiable action taken by local councils to notify the public of the date(s), time(s), and location(s) of meetings at which local budgets are discussed.

Rationale: The organic law on the Organization and Function of Local Government (Nr. 8652, date 31.7.2000) gives citizens the right to join discussions about local budget and much more. According to that law, local governments are obligated to seek citizen input three times between March and August of any budget year. In March, at the start of budget creation, local officials must speak with citizens to identified shared priorities. Around June, the local government must return to the citizens with its initial plans. And finally, toward August, the local government must go back to the citizens to present the plan it intends to send to the central government.

Have the notifications been announced for informing on public sessions during the budget process (Month March)?

Yes No In Part Don't know

Have the notifications been announced for informing on public sessions during the budget process (Month June)?

Yes No In Part Don't know

Have the notifications been announced for informing on public sessions during the budget process (Month August)?

Yes No In Part Don't know

Have the deadlines been respected in the budget calendar?

Yes No In Part Don't know

How have you been informed about the other decisions taken by the Municipality/Commune?

With your participations in the meetings of the Council of the Municipality /Commune

From Media

Relatives and friends

In Bar/Cafe

From publication of decisions (publications)

Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

3. Outreach efforts made to solicit citizens' priorities for local budget

Criterion: Number and type of constituent outreach efforts to help set local budget priorities

Rationale: Do local officials limit their public engagement of citizens regarding budget priorities to local council meetings (in Criterion #1) or are other means and measures taken to generate greater participation?

Has your opinion been taken in consideration for the priorities that Municipality/Commune wants to include in the upcoming budget (May-July)?

Yes No In Part Don't know

If yes, how has your opinion been taken?

From the council of the Municipality/Commune From meetings with administrators From questionnaires
Meetings door to door From meetings with Citizen Commissions Other way

How often has your opinion been taken?

Every 1 month Every 3 month Every 6 month Every 12 month

How have you been informed about the decisions taken by the Municipality/Commune?

With your participations in the meetings of the Council of the Municipality /Commune
 From Media Relatives and friends
 In Bar/Cafe From publication of decisions (publications)
 Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments: _____

4. Revenue diversity of local budget

Criterion: The variety of taxes and tariffs used by local officials from which they will generate income locally.

Rationale: Local governments have 24 taxes and tariffs available to them to generate local revenue. To what extent are local officials thinking about and incorporating these mechanisms to build greater local self-sufficiency?

Which are the taxes and tariffs that municipality/commune collects? (List them)

How have you been informed about the decisions taken by the Municipality/Commune?

- With your participations in the meetings of the Council of the Municipality /Commune
- From Media Relatives and friends
- In Bar/Cafe From publication of decisions (publications)
- Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments: _____

5. Citizens' priorities incorporated into *draft* local budget (Aug)

Criterion: Correlation of ideas and priorities emerging from community outreach and citizen participation to set priorities to those items identified and funded in the draft budget.

Rationale: While some local officials may already have favored methods of communicating with citizens, dialogue does not always translate into action. Monitoring the degree to which the priorities identified by citizens are actually incorporated into the draft budget provides a clearer indication that their views and concerns are both heard and responded to.

Have your priorities been included into budget plan? (August)

- Yes No In Part Don't know

If yes, list the priorities that have been included?

If some of your community priorities are not included into budget plan, what have been the reasons that the priorities were excluded?

How have you been informed about the inclusion or not of the priorities into the budget?

- With your participations in the meetings of the Council of the Municipality /Commune
- From Media Relatives and friends
- In Bar/Cafe From publication of decisions (publications)
- Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

6. Citizens' priorities incorporated into final local budget (Jan)

Criterion: Correlation of ideas and priorities emerging from community outreach and citizen participation that were reflected in draft budget that have been retained in final budget.

Rationale: This criterion measures the extent to which community priorities as expressed by citizens were defended through the budget review process sufficiently to have survived the final vetting at the national level. The criterion serves as a proxy to the degree to which local officials protect the interest of citizens' priorities.

Have your priorities been included in the final local budget? (January)

- Yes No In Part Don't know

If yes, list the priorities that are included in the budget? (January)

If not, what have been the reasons that the priorities were excluded? (January)

How have you been informed about the decisions taken by the Municipality/Commune?

- With your participations in the meetings of the Council of the Municipality /Commune
- From Media Relatives and friends
- In Bar/Cafe From publication of decisions (publications)
- Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

7. Access and openness to final approval discussions

Criterion: The manner and degree to which community citizens are notified of and included in the local council meetings during which local budgets are reviewed and approved once those budgets have been received from the national government.

Rationale: The right to be informed of official documents is enshrined in the Constitution of the Republic of Albania, Article 23: The right of information is guaranteed. The Law on the Right for Information on Official Documents (No. 8503, date 30.6.1999) says in the second paragraph that a public official “is obligated to give all information in connection with any official document, as long as where not prohibited by other laws.”

Have you participated in final approval of the budget?

Yes No In Part Don't know

Have you been informed about final approval of the budget?

Yes No In Part Don't know

How have you been informed about the budget taken from the council of the Municipality/Commune?

- With your participations in the meetings of the Council of the Municipality /Commune
- From Media Relatives and friends
- In Bar/Cafe From publication of decisions (publications)
- Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

8. Budget Content

Criterion: The budget should provide a comprehensive look at the financial and operational aspects of the local government's finances. It should at a minimum include:

- All sources of revenues and expenditures, including joint ventures, quasi-governmental entities in which they have an interest, secondary operations, business interests, etc.
- A summary of major revenues and expenditures and a description of underlying assumptions and significant trends
- Summary of personnel and position counts for each department and a description of any significant changes in staffing levels or reorganization of responsibilities

Rationale: This criterion seeks to ensure that a local government provides comprehensive information in order to make it possible to fully understand the financial position of the local government. Many local governments are tempted to keep certain funding sources or expenditures –not directly under the local government- off the budget. This might include the water operation, business ventures, etc. This practice diminishes transparency related to financial management and results in citizens and decisionmakers not having an accurate picture of the financial position of the local government.

Does the budget contain a general over view of financial aspects of the local government?

- Yes No In Part Don't know

Which is the total sum of the revenues?

Which is the total sum of the expenditures?

How have you been introduced with the content of the budget of the Municipality/Commune?

____ With your participations in the meetings of the Council of the Municipality /Commune

____ From Media

____ Relatives and friends

____ In Bar/Cafe

____ From publication of decisions (publications)

____ Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments: _____

9. Readability of the Budget

Criterion: Local governments should prepare the budget in a way that citizens can clearly understand. At a minimum it should include the following elements to facilitate citizen understanding:

- Table of Contents
- A budget message from the Mayor articulating the priorities and issues facing the local government in the budget (and how they differ from previous years)
- A description of the complete process for preparing, reviewing and adopting the budget. It should also include the procedures for amending the budget after approved.
- It should describe the activities, services and functions carried out by all organizational units receiving funding, as well as the goals and objectives for each in the budget year.
- It should use charts and graphs to more simply convey information

Rationale: The intent of this criterion is to encourage budget documents that allow citizens to quickly grasp the major budgetary issues, trends and choices addressed in the budget. The criterion further encourages creative and innovative efforts to communicate effectively with citizens about how the local government intends to raise revenue and spend that money, and what are their service priorities and planned accomplishments. By combining numbers, tables and narrative the budget document becomes a easily readable comprehensive document for citizens and decisionmakers.

Is the budget understandable for you?

Yes No In Part Don't know

Does the budget include the table of content?

Yes No In Part Don't know

Have the activities, services and functions taken on by all the units that have received funds been described?

Yes No In Part Don't know

How have you been informed about the decisions taken by the Municipality/Commune?

With your participations in the meetings of the Council of the Municipality /Commune

From Media Relatives and friends

In Bar/Cafe From publication of decisions (publications)

Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

10. Correspondence of disbursements to approved budget

Criterion: The degree to which budget allocations and expenditures are consistent with the sums and allocations of the final and approved budget.

Rationale: This criterion requires tracking and assessment throughout the budget process as well as requiring publicizing the results of that monitoring and analysis. This criterion then demands a high degree of reflection as well as greater openness and access to information by the public.

Has the money been spend as described in the budget?

- Yes
 No
 In Part
 Don't know

If not, which are the projects that don't correspond with the money spend? The sum is bigger or smaller?

Have you been informed on financial decisions or other actions?

- Yes
 No
 In Part
 Don't know

If you have been informed, how did you receive the information?

- From Media
 With the publication of the decisions
 With special meetings
 Orally from friends, relatives, etc

How did you manage to compare the budget with the expenditures?

- With your participations in the meetings of the Council of the Municipality /Commune
 From Media
 Relatives and friends
 In Bar/Cafe
 From publication of decisions (publications)
 Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

11. Public review of and outreach efforts during budget disbursement

Criterion: Correlating to Criterion #8, the manner and the degree to which budget tracking and analysis is made public, to whom, when, etc.

Rationale: In addition to linking with Criterion #8, this criterion will serve as a counterpoint to Criterion #2 above that relates to constituent outreach efforts during the process of budget formulation.

Have you been informed with the decisions for the implementation of the projects of the municipality/commune?

Yes No In Part Don't know

If yes, which are the issues or problems that you have discussed? (list them)?

How have you been introduced for the implementation of the projects of the municipalities/communes?

With your participations in the meetings of the Council of the Municipality /Commune

From Media

Relatives and friends

In Bar/Cafe

From publication of decisions (publications)

Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments:

12. Perception of conflict of interest during the budget process

Criterion: Frequency and documentation of budget planning, allocation, or disbursement that is said to be based on political party affiliation, personal association, or other relationship in violation with the Law on Conflict of Interest.

Rationale: Resource allocation often comes with claims of preferential treatment based on a relationship or for one political party over another. This is as true at the local level as at the national level.

Have you noticed any conflict of interest during the process of budget?

Yes No In Part Don't know

If yes, when did it happen?

During council meetings During budget planning
 During budget approval During budget implementation

What type of conflict of interest did you notice?

And who made the claims for conflict of interest?

How have you been informed about the decisions taken by the Municipality/Commune?

With your participations in the meetings of the Council of the Municipality /Commune
 From Media Relatives and friends
 In Bar/Cafe From publication of decisions (publications)
 Meetings with the personnel of the Municipality/Commune

Other (describe):

Your Comments: _____

III. LOCAL SELF-GOVERNMENT MONITORING REPORT FORMS

The “Local Self-Government Monitoring Report Forms” were developed by the International Society for Fair Elections and Democracy (ISFED) and the Georgian Young Lawyer’s Association (GYLA) so that citizens would have tools for monitoring their municipality’s budget processes. They aim to capture information about the budget formation and revision process, citizen participation mechanisms during budget sessions and access to public information.

**INTERNATIONAL SOCIETY FOR FAIR ELECTIONS AND DEMOCRACY (ISFED)
GEORGIAN YOUNG LAWYER'S ASSOCIATION (GYLA)
LOCAL SELF-GOVERNMENT MONITORING REPORTING FORM**

Municipality: _____

Name and Last name of the Monitor: _____

Time and Location of the Monitored event: _____

Does the formation of the budget and amendments in legislature happen according to the law?

- a) Yes b) No

In case of negative answer, please, explain why: _____

Are the priorities of population and the local budget matching?

- a) Completely b) Partly c) Not in accordance

Were the promises made during advocacy campaign by the local self-government representatives implemented?

- a) Yes b) Partly c) No

Please explain: _____

Were the activities planned under 2009 budget implemented?

- a) Yes b) No

In case of negative answer, please, indicate the activities, which were foreseen under the 2009 budget and were not implemented:

Additional comments: _____

BUDGET FORMATION AND THE REVISION PROCESS
INTERNATIONAL SOCIETY FOR FAIR ELECTIONS AND DEMOCRACY (ISFED)
GEORGIAN YOUNG LAWYER'S ASSOCIATION (GYLA)
LOCAL SELF-GOVERNMENT MONITORING REPORTING FORM

Municipality: _____

Name and Last name of the Monitor: _____

Time and Location of the Monitored event: _____

What were issues discussed during the "Sakrebulo" (local council) session: _____

Participants of Sakrebulo session (please indicate which local government structures and who from these structures were present, as well as representatives from non-governmental organizations and media): _____

Were there any issues posed by representatives of the civil society, if yes what were the issues: _____

Please briefly list the opinions/positions expressed at the meeting:

1. _____

2. _____

3. _____

4. _____

5. _____

Were the opinions expressed at the session take into consideration while taking the decision?

a) Yes b) No

In case of both negative and positive answer, please, describe the fact in details: _____

Please briefly describe how the 'Sakrebulo' session went:

Additional comments: _____

**CITIZEN PARTICIPATION MECHANISMS- SESSIONS
INTERNATIONAL SOCIETY FOR FAIR ELECTIONS AND DEMOCRACY (ISFED)
GEORGIAN YOUNG LAWYER'S ASSOCIATION (GYLA)
LOCAL SELF-GOVERNMENT MONITORING REPORTING FORM
PART I**

Municipality: _____

Name and Last name of the Monitor: _____

Time and Location of the Monitored event: _____

Was population informed about the planned sessions?

- a) Yes b) No

What were the tools used in order to inform the population?

- a) TV b) Radio c) Press d) Posters e) Other _____

Was the society informed according to the timeline set by the law?

- a) Yes b) No

In case of negative answer, please, describe the fact in details: _____

In your opinion, how complete was the process of informing the society?

- a) Complete
b) Satisfactory
c) Incomplete
d) Was not implemented at all

Propose us your ideas and considerations, about the means and ways how the process of informing population about upcoming sessions can be improved:

**ACCESS TO PUBLIC INFORMATION
INTERNATIONAL SOCIETY FOR FAIR ELECTIONS AND DEMOCRACY (ISFED)
GEORGIAN YOUNG LAWYER'S ASSOCIATION (GYLA)
PART II**

Did you receive the public information you have requested within the timeline set by the law?

a) Yes b) No

In case of negative answer, please, give the reason: _____

Do you have information about the fact when a citizen was denied the right of access to public information in violation of the law or received the information later than it is prescribed by the law?

a) Yes b) No

In case of positive answer, please describe the fact in details: _____

Additional comments
