



Budget Work

Budget Literacy



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In this presentation, we will cover budget literacy exercises, which build the capacity of civil society to understand and analyze the public budget. We will also briefly discuss additional budget review tools that civil society organizations that have similar goals of enhancing citizen participation in the budget process and improving budget outcomes.

What is Budget Literacy?



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Budget literacy, or the building of budget-specific technical skills and capacity, is often a necessary first step in laying the groundwork for effective CSO participation in independent budget review and analysis. Broadly speaking, budget literacy refers to a range of techniques that have the common goal of helping participants acquire and build the skills and competencies to analyze budgets for advocacy purposes. It is only through the acquisition of these necessary skills that CSOs will be maximally effective in using budget analysis for this type of work.



Why is Budget Literacy Necessary?



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Budgets can often be difficult to decipher and thus need to be “demystified” for civil society actors and the clients they serve, especially those who have never before worked with budgets. Often, ordinary citizens lack the level of understanding of the budget that is necessary to participate in debates and understand budget choices and information offered by the government. Moreover, beyond the immediate benefit of allowing civil society to participate more meaningfully in the budget process, the acquisition of such skills is empowering and can also be beneficial for CSO actors in terms of transferrable skills that are highly marketable and that may allow them to manage their own organizational budgets more effectively.

Budget Literacy Activities



Budget literacy initiatives

- Budget guides
- Budget training



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The two major activities involved in budget literacy initiatives are developing budget guides and budget training. Both tools empower ordinary citizens to better understand the budget process and to better analyze information on the budget that they receive from media, government, and other sources.

Budget Guides

- Budget structure and cycle
- Key budget issues
- Decision-making process
- Budget/finance glossary
- Revenue/expenditure explanations
- Tools for budget analysis



Revenue and expenditure

Revenue

Income – or revenue – determines how much is available to spend on the implementation of policies. Governments gather revenue primarily through taxes and levies, such as income tax, company tax, sales tax, and import and export duties.



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Budget guides generally include the following elements: an introduction to the general structure and cycle of the budget, a discussion of key budget issues, and a presentation of the budget decision-making process. They may also include tools such as a budget and finance glossary, a detailed breakdown of the revenue and expenditure sides of the budget, and other country-specific instructions that will allow users to better make use of available data. Finally, most budget guides include an overview of the tools used by civil society organizations for budget review and analysis. As the public budget cycle and available data vary greatly in different country contexts, it goes without saying that budget guides must be adapted and tailored to fit both the needs of the target training audience and the unique country-specific situation.

Budget Guides: Example



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For example, the National Democratic Institute (NDI) partnered with the Namibia Chamber of Commerce and Industry to produce a guide entitled “Understanding the National Budget of Namibia.” The information contained in the easy-to-read 50-page document included information as basic as “what is a budget” as well as more complicated subjects such as the budget cycle and how to determine government priorities through expenditure analysis. The guide also featured a budget timetable, examples from previous national budgets, and a glossary at the end.

Budget Training



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Budget training goes beyond the simple production of a guide to a more interactive approach involving face-to-face or virtual trainings on budgetary analysis skills. Trainings may aim at improving understanding of the budget process, specific sectors, geographic administrative entities, or other relevant sub-sections of the budget. The audience may include civil society actors, journalists, and should include ongoing support, networking, and peer learning activities. Such trainings can even include members of the government in order to encourage cooperation, dispel myths and assuage fears about such an exercise, and to make government aware of the mutual benefit of improved transparency in public budgeting.

Budget Training: Example



Centro de Investigación
y Docencia Económicas

www.cide.edu



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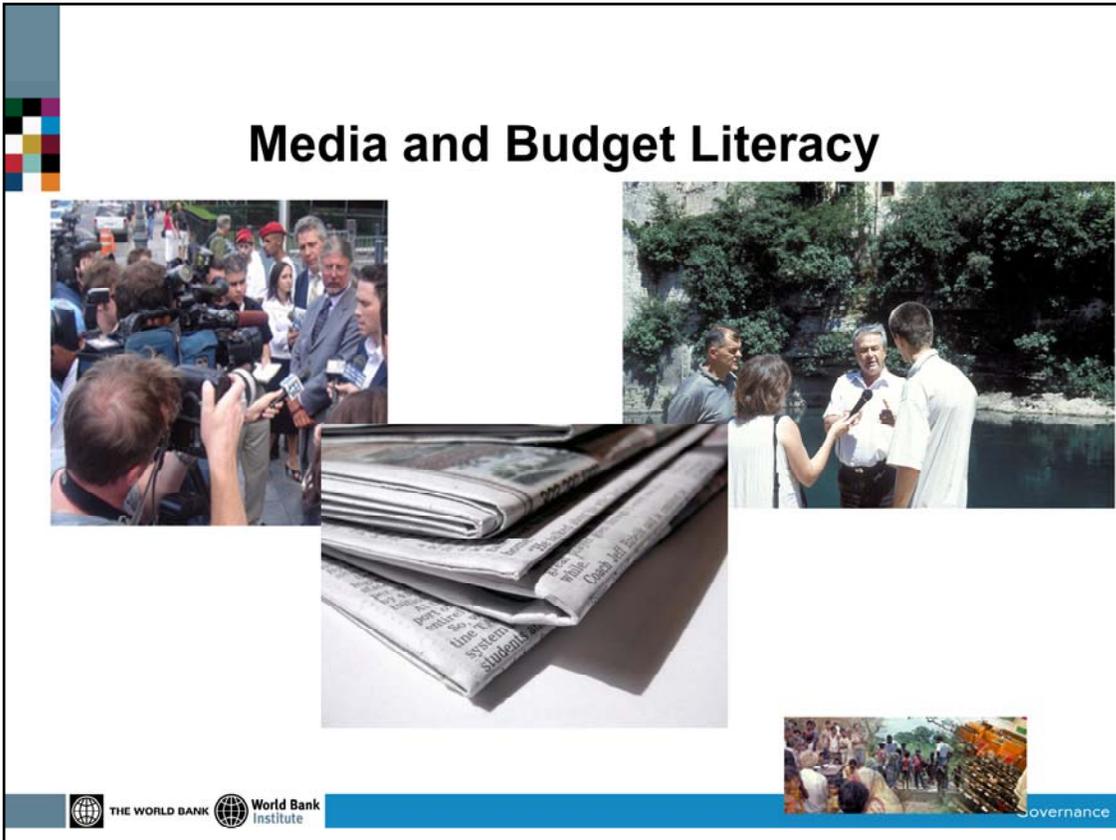


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CIDE (Centro de Investigación y Docencia Económicas) led a three-day intensive training course in Mexico with the objective of teaching participants how to conduct an analytic review of Mexico's budget. As described above, the course had a wide-ranging target audience and included parliamentarians, legislative staff, journalists specializing in budget coverage, and members of NGOs interested in pursuing budget work. Specifically, the course focused on describing the political and legal context in which the budget is negotiated, reviewing the operational framework of the budget, providing tools for analyzing the macroeconomic and socioeconomic implications of the budget, and offering tools for assessing the effectiveness of current budget policies.

Media and Budget Literacy



The media is an important actor in budget literacy initiatives. On one level, journalists can be participants in targeted budget guides and training, learning about how to better report on budget issues and how to effectively convey to their audiences the issues of importance with respect to the budget. On a second level, journalists can be important agents of change in budget literacy by distilling often-confusing public budgets and crafting them into more narrative and understandable opinion pieces.

Review



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This presentation focused on additional tools used by civil society to better engage in the budget process. We covered the capacity-building exercises of budget literacy – namely, budget guides and budget trainings. Both play an important role in helping citizens to better understand and participate in the budget cycle.