

**Conference on County Budget and Economic Forums: Which Way Forward?
5 November 2014
Nairobi, Kenya**

This note captures some of the key issues arising from the discussions about County Budget and Economic Forums (CBEFs) at an event held on 5 November at the Laico Hotel in Nairobi. It is not a meeting report nor is it a transcription, but a review/analysis of the most important issues, many of them unresolved.

- 1. There is considerable disagreement about the role of County Budget and Economic Forums.** While some see the CBEF as a minor forum among others for public participation, others see it as a core forum which should anchor other participatory forums in the county. The law indicates that the forum should fit into the scheme of participation laid out in the County Governments Act (CGA), but at the same time, a forum focused on planning and budgeting must be a particularly important one. While some see the forum as primarily a place for views to be aired about county priorities, others see it as a more vigorous platform to facilitate information movement from government to citizens and back through the pillars that are represented in the forum (women, youth, business, etc.). The links between CBEF and other participation forums are not clear in the law or in fact. There is also disagreement about whether the role of the forum is mainly at the formulation stage or whether it should be involved in oversight. Although the law is clear that the forum is to serve as a “means to consultation” on budget issues, the mandate is broad enough to imply a role in implementation, if not “oversight” per se. For example, consultation on the Budget Review and Outlook Paper provided in the law implies that the forum was intended to engage in discussions about budget implementation. Are audit reports and other oversight materials off limits to the forum? It isn’t clear exactly where implementation ends and oversight begins, though it is equally clear that the forum is not an oversight body, consisting as it does of executive members that cannot oversee their own work.
- 2. While reference was made to the County Governments Act to put CBEF in its proper context, the reality is that the CGA does not provide any guidance on how CBEF should relate to any other form of participation.** For example, the CGA lays out principles that should guide any type of participation, and these would include CBEF (which is stated clearly in the PFM Act). However, these broad principles, such as

“reasonable balance in the roles and obligations of county governments and non-state actors in decision-making processes to promote shared responsibility and partnership, and to provide complementary authority and oversight”

confirm the legitimacy of structures like CBEFs (that bring together government and nonstate actors), but provide no guidance on how CBEFs should function. Moreover, the CGA also mentions specific types of public platforms, including “budget preparation and validation fora,” but does not mention CBEFs. Is CBEF an example

of this? Or is it supposed to help organize these forums? It is not clear. In any case, the truth is that there is no other type of forum whose membership and mandate are spelled out in as much detail as the CBEF (even though there is not much detail provided in the PFM Act). It is therefore reasonable to conclude that CBEF is a key forum compared to the other forums mentioned in the CGA (all of which sound more like ad hoc or temporary forums, not permanent bodies like CBEFs).

3. **The overwhelming view of participants was that CBEF has not realized its potential due to county government failure to provide information in a timely fashion or to structure debate in a meaningful way where people can impact decisions.** There were only a few examples cited of cases where discussions in CBEF or related forums actually had an impact on final decisions. There was also overwhelming agreement that government has not done enough to provide feedback on the inputs it receives from the public.
4. **While the government has not done enough to facilitate engagement, or, in the language of the Kiambu Finance Act case, to “exhort constituents to participate,” it is also the case that citizens themselves are not organized to take advantage of the opportunities available.** In most cases, the members of CBEF who sit there to represent women, business, and so on are not actively engaging with their own constituents on forum business and their constituents are not demanding anything from them. From the discussions, it is clear that there is no obvious mechanism for mobilizing people to participate in public forums more broadly. Across counties mobilization is done in some cases by MCAs, or by chiefs, but there is relatively little “self-mobilization.” The implications of relying on these types of leaders for mobilization are ambiguous, but there have been complaints of politicization.
5. **Among the various approaches mentioned, two forms of engagement stood out.** One was the Taita Taveta County model, which has tried to build around the pillars of CBEF (women, business, etc.) to create a more robust and independent social structure through training and advocacy that can then engage with CBEF. On the other side is the Homa Bay County model, which has involved a partnership between government and civil society to co-chair sector meetings and organize residents by their sectors of interest (health, education, etc.). Homa Bay has not done this through CBEF but it has used its unique structure to engage citizens on planning and budgeting to a larger extent than most counties with CBEF. It is not clear which of these two models is going to be more effective. The Homa Bay model is based on organizing people into sectors that link directly to the budget process, but it relies on civil society organizations more than social/interest groups with roots at village level. The Taita Taveta model attempts to organize around existing organizational structures and is rooted in interest groups with closer links to the village, rather than budget sectors. It is less obvious how to link it with the budget process, however. It may be that both approaches will eventually adapt to borrow from each other.

- 6. There is a concern, raised by the Governor of Taita Taveta, but echoed by others, that the CBEF as constructed does not offer enough expertise to the government on economic matters.** While the capacity of members on the budget is low, the membership is even weaker in terms of broader economic planning. There was a view that the CBEF was initially intended to be more like the National Economic and Social Council (NESC): a higher level advisory body of professionals with economic credentials. This is not what the law says, however, and the caliber of members required by law cannot necessarily achieve this. If CBEF were in fact meant to function more like the NESC, it would be a more elitist body and not one charged primarily with public consultation. What then would be the forum for the public to engage more fully with the budget process? An alternative, proposed by the governor, is that the CBEF should continue to focus on participation but there may be a need for another forum to provide strategic advice on economic development, etc.
- 7. It was clear from the meeting that CBEF members need to be given more information about their roles, including induction and terms of reference, and that the public needs to be given more information about CBEF as well.** Taita Taveta, Machakos, and Busia did have some form of induction for members of the forum, but this was not the case in Kisumu, Uasin Gishu, or Elgeyo Marakwet. Bungoma did not respond to requests to be part of the meeting. No county has done any substantial civic education around the forum although Taita Taveta recently completed some training with constituents of the various pillars (women, business, youth, etc.) which culminated in a discussion about how the CBEF is organized and how it should function.
- 8. Once there is a consensus about the role of CBEF, it needs to have some resources to carry out its mandate.** While there was no consensus on the forum's role, there was a general concern that CBEF has not had the resources to carry out any of its plausible roles. More broadly, counties have not been setting aside adequate resources for public participation in budgeting. How much exactly is feasible to set aside for such activities? How much should forum members be given for their participation (whether in form of allowances, reimbursements, etc.)? While it appears that SRC has allowed counties to give allowances to CBEF members, this remains a contentious issue. It is linked to the issue of how much, if anything, members of the public should receive for attending meetings. Should transport refunds be given? Tea and soda? Why are we giving people anything to come to represent their own interests?
- 9. In light of the lack of consensus about the role of CBEF, it is difficult to get consensus on a set of guidelines for CBEF.** While there was general agreement that many of the ten principles highlighted by IBP Kenya and the Commission on Revenue Allocation were relevant no matter what form CBEF takes, more detailed guidelines presented by the Institute for Social Accountability (TISA) were controversial. Before detailed guidelines of this type could win broad support, there

would need to be further discussion about the proper structure for CBEF. For example, some people viewed CBEF as a very light structure and could potentially accept the limitations proposed by TISA for the number of sittings per year. But many felt that CBEF must come in at various points in the budget calendar and could not be limited to quarterly sittings. On the other hand, some felt that the TISA proposals were too heavy, requiring a more robust secretariat and high-level qualifications that would make it difficult to get broad representation and would make CBEF too formal. These disagreements related to the fundamental lack of consensus about the role of CBEF more than to the details of the guidelines *per se*.