

As subnational governments' responsibility for resource allocation and service provision has increased, so has the importance of transparency, participation, and accountability at this level. Recognizing this, as well as the scarcity of academic and policy literature on the subject, the International Budget Partnership's (IBP) Open Budget Initiative commissioned 10 pilot studies on the subject. The studies were carried out by the IBP's partners in Argentina, Brazil, Bolivia, China, Croatia, Ecuador, India, Mali, Mongolia, and Peru. In contrast to the methodology developed by the IBP for its Open Budget Survey (the IBP's biennial assessment of transparency in national government budgets), the methodologies for these subnational studies were developed by the organizations that implemented the studies.

For more information on the International Budget Partnership or the Open Budget Initiative, contact info@internationalbudget.org or visit www.internationalbudget.org.

Measuring Subnational Budget Transparency, Participation, and Accountability: Peru

Research conducted by Grupo Presupuesta Ciudadana

Background

Monitoring budget management and transparency is one of the key components of the work of Grupo Propuesta Ciudadana (GPC), a civil society organization in Peru. Since 2003 GPC has been engaged in monitoring the fiscal decentralization process through which more responsibility for budget management has gone from the central government to regional and local governments. As part of this work, GPC and some of its partner organizations undertook a study to monitor and evaluate regional budget transparency and accountability mechanisms. This study included two main activities: 1) it evaluated regional transparency portals provided between 2007 and 2009 by all of Peru's regional governments; and 2) it assessed in more detail the budget management practices and processes of three regional governments in case studies. These included an examination not only of access to information but also of participatory budgeting and citizen demands for information.

Methodology

The first part of the study gives an overall view of regional government budget transparency and accountability across Peru. The primary method

of research was to regularly monitor and assess a number of quantitative indicators. Some of the indicators included were management instruments; regional norms and regulations; and data on the level of citizen participation in the budget process, public investment projects, and public procurement. By collecting this data at regular intervals over the two year period, GPC was able to track changes in each regional government's performance.

For the second part of the study, further research was conducted in three regions: Piura, Cusco, and Lambeyque. These case studies identified the main information demands of civil society, particularly those of the participatory budgeting (PB) surveillance committees, and assessed regional government mechanisms for fulfilling laws to facilitate citizen participation and monitoring, access to information, and accountability. As part of the research and assessment, the GPC, with assistance from local partner organizations in each of the three regions:

- 1) examined accountability workshops on the 2011 participatory budget (reporting on the previous year's participatory budget);
- 2) advised the participatory budget monitoring committees;

- 3) held a workshop attended by civil society leaders, who are the potential users of budget information and mechanisms for access to information and accountability, and by the regional officials in charge of implementing these mechanisms;
- 4) organized individual citizens to file requests for information on the budget with the regional government; and
- 5) interviewed regional officials in charge of transparency, access to information, and accountability.

Key Findings

Overall, regional governments either maintained or improved their performance on transparency portals between 2007 and 2009; the number of regions that performed well increased from five in March 2007 to 18 in December 2009. This significant increase in the number of regions scoring well on transparency measures is accompanied by an increase in the actual performance percentages of most of the regions, from an average of 62 percent in 2007 to an average of 77 percent in 2009. Similarly, the number of poor performers decreased from 10 in March 2007 to one region, Ancash, in March 2009. GPC credits these improvements in regional government performance to a combination of factors, including increased political will, development of legal norms, and the active engagement of public officials in charge of transparency portals. However, the results also show that despite progress in many regions, information on public procurement, public investment projects, and the budget is generally incomplete and outdated.

The case study research on the regional governments of Piura, Cusco, and Lambayeque was facilitated by Vigila Peru and the Centro de Investigacion y Promocion del Campesinado (CIPCA), partners of GPC that have been monitoring certain Peruvian regions for a number of years. The case studies focused on evaluating four key areas of transparency and budget management: 1) requests for government records and compliance with such requests; 2) transparency portals; 3) participatory

budgeting accountability; and 4) citizen demand for information. Lambayeque appears to have the most efficient request and compliance mechanisms and services in place, with their fast service and document sharing between departments and regions serving as a model for other regional governments to emulate. Although requests in Piura had suffered from delays in delivering all the information on-time, information requests are now sent directly to an information officer. This has streamlined the process and contributed to some improvements. In general, citizens take advantage of multiple distribution channels to request substantial budget information, but the fact that the governments receive formal requests for information that is readily available on transparency portals shows the need for increased outreach and education on what information is available to the public, and how it can be accessed.

Aside from distributing hard copies and responding to in-person requests for information, online transparency portals have been adopted by many of Peru's regional governments and are an excellent way to provide budget information to the public. In Cusco, the new transparency portal has led to more effective organization and management of public budget information. The study finds that the portals across regions could be more user-friendly but, in general, the transparency portals provide up-to-date and comprehensive budget information.

Researchers attended participatory budgeting meetings in the three regions, where citizens, civil society representatives, and government officials come together to decide where and how public funds should be allocated. Attendance at these meetings is generally low (from around 45 in Lambayeque to 189 in Cusco), with negligible representation from key government officials. Accountability through participatory budgeting remains difficult because of the disorganized and mismanaged nature of these meetings and the reports that are produced on the meetings. There is little to no discussion of the problems or achievements from previous years, and a belief that these participatory budgeting efforts are merely a formality to fulfill legal requirements has led to few measurable results emerging from these meetings.

Dissemination

Since the completion of its study, Grupo Propuesta Ciudadana has organized a number of public events to share the results of their report on regional government budget transparency. Events were held throughout Peru, including a national event in Lima, which was attended by representatives from government, civil society, and the media. GPC has used this study to raise

the issue of regional budget transparency in newspapers, radio programs, and online news sources at both the regional and national level. This initiative also capitalized on Peru's general elections to raise awareness of the importance of good governance, accountability, and budget transparency at all levels of government. For further information, contact Epifanio Baca at epibaca@yahoo.com.

Recommendations

From the general assessment of budget transparency in Peru's 25 regions and the more detailed case studies carried out in Piura, Cusco, and Lambayeque, Grupo Propuesta Ciudadana recommends the following:

- Regional governments should establish a standard process for responding to requests for information, including clearly defined roles and responsibilities of different officials and departments throughout the process.
- Regional governments should make online transparency portals more user-friendly, increase bandwidth capacity, and provide more information on and from the participatory budgeting process.
- Information provided on the transparency portals should be validated and made more reliable by cross checking posted information with information from different portals and departments.
- Regional governments should engage in broader outreach to publicize the participatory budgeting process.
- More information on completed development projects should be provided, as well as their links to strategic objectives in local development plans, as part of the participatory budgeting process.
- Participatory budgeting meetings should be more structured, with greater attendance by key government officials, and evaluation mechanisms for the participatory budgeting process should be put in place.
- Both members of the public and local government officials should be better educated on Peruvian transparency and access to information laws, and on how citizens can exercise their right to information.

Figure 1. Level of information on regional government websites. Yearly Averages 2007- 2009 (Percentages)

Level of Transparency (%)				
Regional Government	Average 2007	Average 2008	Average 2009	Average 2007-2009*
Huancavelica	86	90	90	88.7
Lambayeque	88	86	88	87.1
Junín	83	87	88	86.1
Piura	87	84	85	85.4
Cusco	62	78	79	73.0
Callao	70	71	77	72.9
Arequipa	74	64	73	70.4
Moquegua	52	79	79	70.1
Tacna	58	66	84	69.6
Puno	51	82	74	69.0
Apurímac	65	63	73	66.8
Cajamarca	53	76	69	66.1
Ucayali	58	62	78	65.8
Lima	64	65	67	65.2
Pasco	67	36	90	64.4
San Martín	55	60	78	64.3
Amazonas	61	54	73	62.7
Ica	60	44	76	60.0
Tumbes	46	64	69	59.7
La Libertad	42	69	64	58.5
Ayacucho	62	52	58	57.3
Huánuco	54	45	68	55.6
Loreto	46	57	63	55.3
Ancash	66	56	39	53.4
Madre	36	35	64	44.8
Average	62	65	74	67.1

* Note: There were four evaluations per year. This table only presents yearly averages.