

# Freedom Forum

Facilitating Accessibility and Promoting Transparency of National Budget for Public in Nepal



## Project Completion Report



July 2014

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## Project Facts

Name of the Sub-grantee CSO	Freedom Forum
Project title	Facilitating Accessibility and Promoting Transparency of National Budget for Public in Nepal
Name of the Principal SA Practitioner	Anirudra Neupane
Grant Category	Small or Large <input checked="" type="checkbox"/> (please tick one)
Batch	First <input checked="" type="checkbox"/> or Second <input type="checkbox"/> (please tick one)
PRAN theme	PSD or MG or PFM <input checked="" type="checkbox"/> (please tick one)
Name(s) of the SA tool(s) practiced	<ul style="list-style-type: none"> <li>• Independent Budget and Revenue Analysis</li> <li>• Right to Information</li> <li>• Access to entitlements study (Case Study)</li> </ul>
District(s) where project was implemented	Kathmandu, Kapilbastu & Bajura
VDCs/Municipalities where project was implemented	National Level
Service provider organizations worked with	Ministry of Finance, National Planning Commission, Ministry of Education, Department of Education, District Education Office Kapilbastu, District Education Office Bajura & 5 Public Schools in Kapilbastu
Total Project budget (NRs)	4,009,215
Project start date	01/ 06/ 2013
Project end date	30/04/2014

## **1. Project Purpose/Objectives**

### *Overall Objective:*

To strengthen transparency, efficiency and inclusiveness of national public financial management through fostering the use of SA initiatives/tool (education sector)

### *Expected Outcomes:*

1. Policy makers and national CSOs are made aware about a gap between national policies in education sector and the budget allocations (including revenue analysis), especially in relation to their pro-poor and gender orientation
2. Abilities of main governmental stakeholders to prepare and proactively disclose the key budget documents, including the pre-budget statement and citizen budget, are improved
3. Abilities of media to access and work with the budget (and in particular the education sector budget) is enhanced
4. Access to entitlements by citizens in education sector is assessed

## **2 Project Beneficiaries**

Beneficiaries of open budget guidebook were CSOs, journalists and their coalitions, FM radios, local and line agencies. Government agencies including Ministry of Finance, National Planning Commission, Office of auditor general and others were also the beneficiaries of guidebook. (About 800)

Trainings to journalists and students of journalism directly benefited about 45 working and new journalists. Different media and colleagues of trained journalists also benefited from trainings and follow up meetings as these provided them with number of issues and ideas for making stories and features on PFM. (45)

Beneficiaries of gender and pro-poor budget analysis report are CSOs, different government agencies, independent researchers, journalists and different stakeholders of education sector. Posters containing simplified version of gender and pro-poor budget analysis reached to additional stakeholders of education sector benefiting them. (800)

Direct beneficiaries of case study on access to scholarship of girls and Dalit students are students of Kapilbastu and their guardians while district education offices including that of Kapilbastu district, department of education and related line agencies of ministry of education includes other beneficiaries. (500)

Consultative meetings of pre-budget statement and citizens contributed to enhance knowledge about different aspects of budget transparency, different budget documents and their contents contributing to improve skills of PFM actors, CSOs and journalists to work on these issues. (40)

## 2.1 Total Citizen Beneficiaries

Type	Number
Direct beneficiaries	2185
Indirect beneficiaries	3000

## 2.2 Gender and Social Inclusion among Direct Beneficiaries

Beneficiaries getting publications have not been categorized as these were more focused on agencies than individuals. The direct beneficiaries who had taken part on journalists' training and consultative meetings are categorized as below.

S.N.	Ethno/caste type	Male	Female	Total
1	Janajati	2	3	3
2	Dalit	-	-	-
3	Brahmin/Chhetri	65	12	78
4	Others	1	2	3

### 3. Project Achievements

#### 3.1 Summary Information

SN	Outputs		Achievements		Your self-rating of qualitative achievement in %
	Narrative	Indicators and target	Quantitative	Qualitative	
1	Gender and pro-poor budget and revenue analysis of education sector published and disseminated	500 copies of budget analysis reports and number of recipients receiving reports through different means	500 copies of report published and different target audiences received electronic and printed version of report	Existing practice of budgeting in the education sector, pro-poor and pro-poor orientation of education budget identified, recommendations has been drawn which provide meaningful inputs to the supply side while actionable demand for accountability has been created from the demand side for improved gender and pro-poor budget practice. Findings are shared with target audiences	75%
2	Framework for pre-budget statement and citizen budget for education sector developed through two consecutive meetings with stakeholders.	Framework containing two distinct sections for pre-budget statement and citizens budget prepared in the pdf version of book	2 framework finalized from 2 consultative meetings with stakeholders with participation of more PFM actors journalists and experts	Lager PFM community became informed of budget transparency and aware of essence and contents of pre-budget statement and citizens budget.	90%

3	<p>3.1. A guidebook on open budget and posters reflecting citizen budget developed and disseminated.</p> <p>3.2. Journalists of economic and education beat trained on PFM and open budget issues</p> <p>3.3. Senior students of journalism trained on PFM and open budget issues; and Performance of trained journalists evaluated</p> <p>3.4. Review meetings with trained journalists conducted</p>	<p>1,000 guidebooks and 2,000 copies of posters</p> <p>1 three-day training to 20 Journalists of Economic and education beat</p> <p>1 two-day training 20 senior students of journalism</p> <p>4 meetings with trained journalists and some other selected journalists</p>	<p>1000 guidebooks and 2000 copies of posters published and disseminated</p> <p>One 3-day training training/workshop for journalists of economic beat trained.</p> <p>1 two-day training 25 students of journalism including some journalists</p> <p>4 meetings with 15-20 journalists</p>	<p>A guidebook containing description of existing budget documents, documents which are essential for budget transparency but not in practice in Nepal and several issues of budget transparency published and disseminated creating greater discourse for proactive disclosure of budget information.</p> <p>Journalists trained to enhance their capacity on PFM reporting. Their competency has reflected in news and stories of media in which they are affiliated.</p> <p>A group of vibrant new entrant journalists capable of PFM reporting has been prepared. Their continued engagement will can lead to bring a change in quality of journalism</p> <p>Review meeting with trained journalists later turned to be the opportunity for journalists to directly interact with different PFM actors. Contributed to bridge the gap between source of news and its users.</p>	<p>90%</p> <p>85%</p> <p>90%</p> <p>90%</p>
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	3.5. Investigative stories/features on different issues of PFM including open and socially inclusive budget and public revenue published in print and online media, features/stories developed by students of journalism	20 published investigative stories/features by trained journalists and 10 unpublished or published stories/features by students of journalism	15 published and 8 unpublished stories/features by students of journalism compiled and published along with process of capacity development	Competition among journalists and media seen in terms of reporting on PFM after training to journalists. New wave of PFM reporting has started.	75%
4.	<p>4.1. A survey on people access to the entitlement - school stipendium for girls and Dalits – is designed and conducted in Kapilbastu district</p> <p>4.2. The results of the survey are published and released to interested stakeholders (simultaneously with the Budget Analysis)</p>	<p>A case study report on access to scholarship of girls and Dalit students conducted in 5 public schools of Kapilbastu district</p> <p>Case study report electronically published</p>	<p>A case study report including information from 5 public schools</p> <p>A case study report published through website <a href="http://www.freedomforum.org.np">www.freedomforum.org.np</a> and also as an annex of gender and pro-poor budget analysis report</p>	<p>Weaknesses on the part of different agencies identified in terms of accuracy and consistency of statistical and financial information which includes financial flow from ministry level to beneficiary level.</p>	80%

**3.2 Factors contributing to the success** (*For those outputs which were successfully achieved, please explain the major factors that contributed to the achievement of the output target.*)

3.2.1

**Output 1: Gender and pro-poor budget and revenue analysis of education sector**

**a) Achievement:** Pro-poor and gender responsiveness of education budget in Nepal assessed. Education related policies and programs reviewed from the perspective of gender and poor. Consistency of education sector's policy with budget allocation and budget allocation and expenditure on gender and pro-poor programs analyzed. Indicators used by Ministry of Finance for defining budget as gender and pro-poor were also reviewed and analyzed.

Education budget and sources of financing education budget has been analyzed covering national budget of five fiscal years starting from F/Y 2007/8-2012/13. Through the tasks stated above findings of the analysis summarized and recommendation enlisted for reform. 500 copies of report were published containing 6 chapters and annexes. A complementary report of indicators analysis was also prepared, published and disseminated. One of the annexes includes case study report on access to scholarship of Dalit and girl students.

**b) Contributing factor**

Support and cooperation from officials of Ministry of Finance, National Planning Commission, Ministry of education, experts and stakeholders and management committee at Freedom Forum team at CECI and PRAN made the task to successfully complete.

3.2.2

**Output 2.1: Framework for pre-budget statement and citizen budget for education sector developed through two consecutive meetings with stakeholders.**

**a) Achievement**

In the context of low level of budget transparency in Nepal due to several factors including lack of some important budget documents as stated in biannual open budget survey 2010 and 2012. Freedom Forum under this grant took initiative to lobby for releasing pre-budget statement and citizens budget. FF therefore organized two consultative meetings with stakeholders on the issue of budget transparency focused on pre-budget statement and citizens' budget. Meetings were conducted with an objective to enhance budget transparency situation by building consensus among key public financial management (PFM) actors on issuance of pre-budget statement and citizens' budget. Freedom forum prepared a framework on pre-budget statement and citizens' budget taking inputs from key stakeholders through two slots of consultative meeting. Senior officials of Ministry of Finance, National Planning Commission, Office of Auditor General, Financial Comptroller General's Office, Public Procurement Monitoring Office and Parliamentary Secretariat, independent experts and

journalists participated in both the meetings and provided their inputs on pre-budget statement and citizens budget. Officials from Ministry of Finance appreciated the initiative of Freedom Forum and committed to do the needful from government side to promote budget transparency. The final framework is the improvement on outline prepared by Freedom Forum incorporating inputs from experts. The document contains background, needs for and contents of both the documents which are applicable in Nepali context. The framework has been developed in a form of electronic booklet.

**As an indication of commitment in this regard, MoF for the first time made a form of pre-budget statement i.e. policies and priorities of government for the budget-2014 public. Document thus published does not fulfill the generic requirements of pre-budget statement as per the international standard. However, it might create discourses on comprehensiveness of pre-budget statement from availability which had been one of the very important agenda for reform from the perspectives of budget transparency. Preparation and pro-active disclosure of budget policy and priority is the very important statement toward enhancing access to budget information to citizens and their participation in the budget process.**

#### **b) Contributing factor**

Active participation of key PFM actors in both of the meetings with their experiences and inputs is one of the most important contributing factors in this regard. Almost all the undersecretaries from budget section of MoF proactively took part in the second meeting along with 2 joint secretaries who committed to starting publication of pre-budget statement at least one month prior to the executive budget proposal. Experts, journalists and senior officials from NPC, OAG, and Parliament including others were also much supportive to the initiative.

#### **3.2.3**

#### **Output 3.1: A guidebook on open budget and posters reflecting citizen budget developed and disseminated**

##### **Achievement**

As many as 1,000 copies of open budget guidebook named '*Khula Budget*' (**Open Budget**) were prepared, published and disseminated to different stakeholders- both the demand and supply sides of budget information. All small and large grantees of PRAN, all daily newspapers and some online newspapers, nearly 50 development partners, government officials from MoF, NPC, OAG, Parliamentary Secretariat, members of the parliament, office of the comptroller general and experts were provided the copies of the guidebook. Guidebook has worked as important reading materials for the journalists to enable them for improving their access to budget information and skill of using that information in their news and stories. For the government officials and development partners, it contributes to setting agendas for reform in Nepal's public finance management. *Khula Budget* facilitates people to access budget documents and budget information contained on those documents.

Summary of gender and pro-poor budget and revenue analysis report has been published in a two different posters. These posters are the citizen-led initiative to publish budget information in easily understandable form and format.

### **Contributing Factor**

Underlying expertise of Freedom Forum itself on the issues of budget transparency is one of the major contributing factors to bring these two publications. Journalists and officials including Auditor General Mr. Bhanu Prasad Acharya and Chief of budget section at ministry of Finance Mr. Baikuntha Aryal among others contributed much to branding open budget guidebook by taking part in the book release program.

#### **3.3.3**

**Output 3.5: Investigative stories/features on different issues of PFM including open and socially inclusive budget and public revenue published in print and online media, features/stories developed by journalism students (including 3.2, 3.3 and 3.4)**

### **Achievement**

Freedom Forum provided three days' intensive training to 17 journalists representing different media in Kathmandu all the five development region followed by trainings students of journalism. Training to journalists was on different aspects of budget transparency and budget information vis-à-vis their role as the intermediary between sources of budget information and its users i.e. public. They were provided an opportunity to interact face to face with PFM actors to blend the knowledge received by them during trainings with their budget information needs. Trained journalists then engaged in the monthly follow up meetings to further fostering their skill on PFM journalism. As the outcome of these efforts, journalists became able to bring more of budget related information to public even during the period when there are limited budget related discourse at the national level. A compilation '**Budget Journalism**' is the visible outcome of the overall effort. The compilation contains different news are stories made by trained journalists which had been hardly covered before. Moreover, some of the important improvements have been observed in the Nepali media after this initiative

- **Daily newspapers have given more space to budget related news are articles**
- **A level of competition has started in the media to bring more of the information of budget process not only of budget releases.**

This is the notable achievements in promoting citizen's access to budget information through media. However, empirical studies have not been conducted in this regard.

### **Contributing Factor**

- Willingness of journalists to engage in PFM reporting
- Support from media houses by allowing the journalists to take part in the trainings and experts officials by providing their valuable time and resources to the participants.

#### **3.3.4.**

**Output 4: Case Study Report on Access to Entitlements by citizens in education sector of Kapilbastu District**

### **a) Achievements**

A case study on access to scholarship of girls and Dalit students was conducted taking Kapilbastu district as a sample by using a method of public expenditure tracking survey (PETS). The study brought important findings that there are serious problems in record keeping and management regarding number of girls and Dalit students eligible to get scholarship. Proper data is the foundation of budget on scholarship. Gap found on record of expenditure on scholarships when its flow down was also visualized. Findings of the study show that urgent improvements are needed for the effectiveness of scholarship program of government.

The findings were shared with the Ministry of Education and Department of Education. They have committed that they would solve the problem regarding inconsistency in number of Dalit and girl students between District Education Office and public schools. Study report has been published through website of Freedom Forum, [www.freedomforum.org.np](http://www.freedomforum.org.np) and also as a part of gender and pro-poor budget and revenue analysis report in a hard copy.

### **b) Contributing Factor**

- Support from officials of Department of Education, District Education Office Kapilbastu and teachers of selected 5 public schools
- Commitment from MoE and DoE officials.

## **4. Concrete Outcomes (Results)**

**Gender and pro-poor budget and revenue analysis of education sector, budget demystification and outreach through media and case study on access to entitlements** were the three major initiatives undertaken by Freedom Forum. Outcomes each of the initiatives are explained below.

1. **Gender and pro-poor budget and revenue analysis of education sector:** Though this initiative gap between national policies in education sector and the budget allocations were identified especially in relation to their pro-poor and gender orientation of the budget. Report published after analysis of national level programs of education sector has brought several issues in relation to existing practice of defining budget as gender responsive and pro-poor. Data regarding portion of gender and pro-poor budget provided by Ministry of Finance (MoF) and National Planning Commission (NPC) are not same. Similarly, same program found to be defined as gender responsive and pro-poor in one year while neutral in the other. CSOs, journalists and PFM actors were made informed of these issues creating actionable demand for early improvements. This contributes to demanding more specific gender and pro-poor programs in the education sector and for more realistic budget information.
2. **Consultative meetings on Pre-budget Statement and Citizens Budget:** Through two slots of consultative meetings with stakeholders major PFM actors including officials from Ministry of Finance, National Planning Commission, Parliamentary Secretariat and Office of Auditor general were informed of different aspects of budget transparency. Their level of understanding on essence pre-budget statement and citizens' budget for public engagement in the budget process improved. They shared their commitment to start publishing pre-budget statement from F/Y 2071/72 before 1 month of releasing executives' proposal. Ministry of Finance started releasing pre-

budget statement through its website [www.mof.gov.np](http://www.mof.gov.np). This can be taken as the very important achievement of this initiative.

3. **Trainings of Journalists and Students of Journalism:** Through trainings on Public Finance Management (PFM), continued follow ups and engagements on different meetings related to budget contributed to enhance abilities of media and journalists to access and work with the budget including that of education sector. Increased number of stories on budget process (formulation, enactment, execution and oversight) and depth of their stories are the indicators showing their improved ability. There feedback toward importance of training and translation of knowledge into action in the form of stories that have been compiled and published by Freedom Forum are the verifiable indicators. Competition brought about in the media by on PFM reporting reflected by wider coverage of budget related issues after November 2013 are other indicators which can be independently verified.
4. **Case Study on Access to Scholarship:** Access of Dalit and girl students studying in the public schools to the government's scholarship program was assessed taking sample of Kapilbastu district which provides suggestion for improvements for the effectiveness of the program based on the findings of case study conducted by using PETS tool.

## 5. Sustainability of Project Achievements

- MoF and NPC officials have realized the need for reconciliation between the information produced and provided by both the agencies to people and to build consistency and compatibility of budget data on gender and pro-poor budget over the years and across the agencies. This is the task to be conducted by government which can be expected to be sustainable. Gender and pro-poor policies and budget allocation, allocation and expenditure and expenditure and impacts are the matter of study in certain interval. We have recommended government to conduct such study by its own also. This might create ground for sustainability of the initiative. Ability of SA practitioner and team has improved to conduct similar studies in the future with enhanced quality. This expertise adds value to the sustainability of work on the side of civil society.
- MoF has started publishing policies and priorities of budget (pre-budget statement). Freedom Forum being a partner of International Budget Partnership (IBP) involves on open budget survey in Nepal. This involves assessment of budget transparency level and also lobby for increasing access to budget information. This compliments this project and for sustainability of the action. We have engaged many of the middle level officials of Ministry of Finance in the consultative meetings for getting inputs on the framework for pre-budget statement and citizens budget which creates opportunity to add value to the work of MoF for improving the quality of pre-budget statement and also starting citizens budget as they will work for more years at MoF.

- We have published and disseminated the compilation of stories on PFM by journalists to various media and journalists. Compilation also contains training agendas as an annex which provides opportunities for CSOs other than Freedom Forum and Concerned media agencies to undertake similar trainings elsewhere. FF trained journalists are specialized on economic beat. They can change the media but they hardly change their beat which forms the base for sustainability of our intervention on them. We have formed a group of PFM journalists and they are engaged in all kinds of important programs on budget and budget process as well as information and open data that contributes to continuously enhance their capacity on PFM reporting.
- Case study shows the scope for comprehensive public expenditure tracking survey on scholarship. MoE and DoE officials have realized the need for PETS on scholarship by their own also. Similarly, they have informed us that they are connecting all district education offices and Department's information together to enable them to reconcile the record about number of students receiving scholarship through the software. This shows that at least small case study will have sustainable impact.

## 6. Problems and challenges

- Major challenges we faced was on gender and pro-poor budget and revenue analysis of education sector. Unavailability of expenditure related information some programs, lack of information below budget sub-title and inconsistency of information related to portion of gender and pro-poor budget as in NPC record and MoF record created confusion during the planning phase of budget analysis. Programs of education sector found to be divided into many subsectors and going to the depth of each of the program and assessing the gender and pro-poor orientation of education budget as a whole found to be very much challenging to reach to the meaningful conclusion.
- Nepal government has set different indicators of gender and pro-poor budget. Study team used same indicators for budget analysis. Indicators are more related to inputs i.e. budget allocations than expenditures and outcome of the budget. Thus it became very difficult to see budget at the outcome level.
- Due to Election and strike, some of the prominent journalists became unable to participate at the training. Total participants in the first training came to 17 instead of 20 and number of women journalists was only 2. Five of the trained journalists did not write stories on PFM during the period of three months. Inadequate commitment of media houses to give space to PFM related news and stories and lack of motivation on journalists to involve in the budget related issues found to be major challenges in successfully achieving the stated objectives from media interventions.
- Short project period and somehow unclear terms of understanding related to publications including logo, peer review related provisions also created some problems.

## 7. Lessons Learnt

- Inadequate assessment of availability and accessibility of budget data, time and resource made us to make comparatively ambitious plan on gender and pro-poor budget analysis. It became difficult to analyze the budget from policy to outcome due to this limitation. Thus we have realized that proper and adequate information, availability of resources and time are the important determinants for the success of any research project.
- Continued engagement is very important for journalists to motivate them on PFM reporting. There should be intrinsic reward for those contributes much in demystifying and disseminating budget related information continuously in there media.
- Time period of three and two days realized to be short for training. We realized that trainings for national level need to be at least of 5 days.
- We observed meaningful impact out of media intervention and that on pre-budget statement and citizens budget as these were the outcome of continued engagement. We engaged PFM actors and journalists together at least 5 times in the period of 6 months.

## 8. Case stories/events notes

NA

## 9. Tool briefs

Attached

## 10. Reports/Materials Produced (These reports do not mean the monthly and periodic deliverable reports)

- *Gender and pro-poor budget and revenue analysis report (I and II)*
- *Open budget guidebook*
- *Compilation of stories and features by journalists (Budget Journalism)*
- *Training manual for 3-day training on PFM*
- *Posters featuring citizen budget i.e. summary of finding of gender and pro-poor budget analysis.*

## 11. Recommendations

- Gender and pro-poor budget analysis realized to very time consuming tasks. When this work is coupled with number of other activities then it becomes hard to get expected result. Thus number of tools should not be practiced at a time. Moreover, study team should be given orientation at the beginning of the budget analysis;

detailed methodology should be reviewed by more than one expert before data collection.

- All the concerned agencies including PRAN and World Bank should thoroughly check project documents before getting it signed so that less amendment might require at the during the project period.
- For the effectiveness of media intervention, there should be meeting with editors and chief of economic beat about the intervention and media house or editors should be asked to recommend the name of journalists for training as per the need.
- Training package should be of 5 days so that they can make investigative stories on the last day of training.
- Potential journalists should be provided with 5-7 days TOT and should be engaged in training in the districts. At least 10 trainings should be conducted at the districts level in the strategically selected districts to see the impact at a time.
- For the effectiveness of training different training packages should be designed for national and local level.
- Single SA tool should be practiced at the large scale than number of initiatives of small scale
- Time for overall initiative should be at least 2 years so that visible measurable impacts can be observed within the project period.
- Provisions should be made to develop all the products both in English and Nepali (hardcopy in Nepali and of copy in English)
- One mentor should be given to the organization for each SA tool
- SA practitioners should not be given administrative role.
- International experience on SA initiative being practiced should be shared deeply with SA practitioners at the beginning of the project.

## **12. Deliverable Report for the Period (June 2013-June 2014)**

Attached

**The End**