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Building institutions to promote peaceful and inclusive societies for sustainable development and provide access to justice for all

Collecting and spending money in such a manner as to best empower people and ensure inclusivity and equality

This conference room paper was prepared by Committee member Katarina Ott. The goal of this brief note is to contribute to discussion about the paper Building institutions to promote peaceful and inclusive societies for sustainable development and provide access to justice for all prepared by Paul Jackson and collaborators for the 18th Session of CEPA. This note argues that building institutions that will promote peaceful and inclusive societies, enable sustainable development and provide access to justice for all costs money. And money, whether collected from taxes and other revenue within the country or attracted from donations and other sources from abroad, is always in short supply and consequently has to be spent in a manner that will best empower people and ensure inclusivity and equality. Consequently, the collection and spending should be accountable, transparent and participative. Best practices and good examples of fiscal/budget accountability, transparency and public participation do exist and they could and should be followed.

The above-mentioned paper prepared by Paul Jackson and collaborators rightly states that the UN has been far from successful in turning short-term gains from stopping violence into longer-term peace-building and the reduction of underlying conflicts. The UN has also been much better at assisting countries already affected by crisis and conflict than in aiding countries that may be vulnerable but have not yet collapsed. Hence the tasks for SDG 16, i.e. for building institutions to promote peaceful and inclusive societies for sustainable development and provide access to justice for all. Hence, also the duties of CEPA to become deeply engaged in finding previously insufficiently explored avenues and to promote alternative, holistic approaches. Besides – or hopefully one day instead of – spending enormous funding on rich world security, i.e. on countering violent extremism, the focus should be on the everyday security and wellbeing of people living in currently insecure environments. Access to affordable education, employment, the judiciary, without any kind of segregation or discrimination, in secure environments, might in the long-term decrease the incidence of violent terrorism better than any violent counter-violent terrorist measures.

As top-down approaches, in often dysfunctional, illegitimate or unrepresentative state institutions in numerous post-conflict countries – even if only perceived by their citizens as being dysfunctional, illegitimate or unrepresentative – are not giving the best results, it might be useful to try relying more on bottom-up approaches and emphasizing partnership with civil society. These approaches have been recognized by both the [ECOSOC](#) main 2019 topic and the [High-level Political Forum](#) 2019 theme “Empowering people and ensuring inclusivity and equality“ and the [World Public Sector Report](#) 2019 topic “Institutions for the sustainable development goals: progress on the institutional dimensions of SDG 16”.

These are all valuable approaches and initiatives, particularly for post-conflict, and probably even more for numerous vulnerable countries in which there is a potential for conflict. This is also recognized in the [General Assembly Resolution 70/262](#) on the review of UN peace-building architecture. However, these are all costly endeavours – both nationally and internationally – and the Resolution clearly states the importance of the adequate, predictable and sustained financing necessary for sustaining peace and preventing conflicts, as well as the importance of gathering funding from various sources and the need to ensure the transparency, accountability and appropriate monitoring of funds.

That is exactly where CEPA might engage deeper – in promoting ways of empowering people and including them in the monitoring of how these national and international funds are spent in their countries. Unfortunately, as documented by the [Open Budget Index](#), post-conflict and vulnerable, pre-conflict countries are exactly the ones exhibiting poor budget transparency results. Even if one disregards the least transparent post-conflict African countries, European post-conflict and still vulnerable countries like Bosnia and Herzegovina and North Macedonia with budget transparency indices of 35 and 37 out of a possible 100 – meaning that they are offering their citizens only minimal budget information – are both below the global average (42) and far below neighbouring Slovenia (69).

Having that in mind one can only agree with the paper's statement that CEPA may be in a position to broaden the scope of discussions of the nature of public administration and its partnership with the civil society. It may also provide guidance on reconfiguring the public sector so that it works more effectively with partner organisations to facilitate inclusion. And how better to achieve this goal than by building countries' capacities to provide their citizens with substantial national and subnational budget information which will then enable the citizens and civil society organizations to follow the money. Even those post-conflict and vulnerable countries prone to conflicts, actually, exactly those countries, more than others, should have the competencies to provide their citizens with at least key budget documents¹ and citizens' budgets accompanying each of these key budget documents or at least accompanying the budget proposal. The timely publication of key budget documents and simple and comprehensible citizens' budgets are an essential prerequisite for empowering people and ensuring inclusivity and equality.

Substantial budget information provided to citizens is necessary in order to be able to follow, for example:

- How much funding is collected within the country and how much is coming from abroad?
- How foreign funding, particularly donations, is distributed and spent?
- How particular groups of citizens are faring within the budget (hence the so-called gender budgeting, children budgeting, youth budgeting, disabled budgeting, etc.)?
- How much is spent on defence, police or war veterans (these issues are often particularly murky in post-conflict countries, causing new tensions and reasons for new potential conflicts)?
- How much is spent on health or education?
- How political parties are funded and who is controlling their spending?

¹ Key budget documents being: pre-budget statement, executive's budget proposal, enacted budget, in-year reports, mid-year review, year-end report and audit report.

- How much is allotted to the judiciary and whether the level of its funding can ensure its competence and independence?
- How much is spent, how and from which sources, on the growing number of refugees?

All these are issues essential for building and rebuilding institutions in post-conflict and vulnerable countries and one would expect that citizens would be eager to engage and participate in budgetary processes. However, there can hardly be any enthusiasm for engagement or participation from one side if there is no trust in the other side. This means that for more substantial citizens' engagement and participation the essential precondition is the existence of trust in government and in institutions. Unfortunately, post-conflict and vulnerable countries are regularly characterized with low citizens' trust in governments, political parties, judiciary, parliaments and overall democratic institutions, which often have to be built from scratch or rebuilt from their malfunctioning state. There is a large body of research claiming the impact of fiscal and budget transparency on trust in governments, connecting it often with benefits of improved economic performance as a precondition for sustainability, accountability and prevention of corruption. One should trust this research and try to promote, and if possible, enforce greater budget and overall fiscal transparency in post-conflict and vulnerable countries.²

CEPA does not need to invent the wheel. It would be enough to follow already existing recommendations by the International Budget Partnership ([IBP](#)), Open Government Partnership ([OGP](#)) and Global Initiative for Fiscal Transparency ([GIFT](#)). Additionally, the IMF provided a [Fiscal Transparency Code](#), the OECD its [Best Practices for Budget Transparency](#), GIFT the [High Level Principles of Fiscal Transparency](#) and the [Principles of Public Participation in Fiscal Policies](#). The European Union also has requirements and transparency initiatives for its citizens, member states and candidates.

Consensus has been established that the transparency of government financial reports is a basic prerequisite for public participation and government accountability. International good practices and demands from civil society organisations, international financial institutions and in some countries donors have resulted in more and more countries producing and publishing their key budget documents. If that is important enough to be happening in the great majority of 'stable' countries, it must be even more important for the post-conflict and vulnerable countries that are often prone to corruption and various illegal activities.

As it is always easier to engage citizens at local than at the national level, it would be recommendable to emphasize subnational, i.e. local and/or regional budget transparency. Subnational governments are providing citizens with goods and services that are to them particularly visible and tangible and in some post-conflict and vulnerable, particularly in remote situations, sub-nationally provided might be the only or predominantly available public goods and services. The most vulnerable in particular (women, children, youth, poor, refugees, citizens of different nationality or religion, etc.) are dependent on usually sub-nationally provided goods and services; they are exposed to various abuses and they are squeezed out by particular groups having privileged accesses to funding.

Inclusion is crucial both for peace building and for effective governance, particularly in dysfunctional societies and institutions. It is necessary to train citizens, particularly women and youth to watchdog financial flows and even start educating children in the basics of public budgeting. It is necessary to devote funding for building the capacity of those that would then watchdog the funding. Gender is certainly one of the most important topics,

² For essential overviews, see e.g. Alt (2019) [Twenty Years of Transparency Research](#) or de Renzio and Wehner (2017) [The Impacts of Fiscal Openness](#).

because of not only gender-based violence and discrimination, but also probably even more because of the entrenched gender stereotypes in cultural norms and rules within societies that are not changing fast enough. Besides the gender issues, more and more worrying is the issue of refugees, who are even in Europe treated poorly, staying forever in some kind of limbo, waiting for their “cases” to be decided upon, in the meantime often not allowed to work, without any perspective, often harassed even by those who are supposed to protect them.

Building institutions that will promote peaceful and inclusive societies, enable sustainable development and provide access to justice for all costs money. And money, whether collected from taxes and other sources of revenue within the country or attracted from donations and other sources from abroad, is always in short supply and consequently has to be spent in a manner that will best empower people and ensure inclusivity and equality. Consequently, the collection and spending should be accountable, transparent and participative. Best practices and good examples of fiscal/budget accountability, transparency and public participation do exist and they could and should be followed.