

Establishment of Thai Parliamentary Budget Office (Thai PBO)



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Structure of Presentation

- Thailand: brief economic/social/political background
- Objectives and Execution/Key Success Criteria
- Steering Committee: structure and role
- Lessons learned from others
- Partnership Structure (WBI, KPI, TDRI)
- Key Operational Tasks
 - Budget and fiscal analyses
 - Organizational Issue
 - Networking and Public buy-in
- Latest development
- New office development plan
- Challenges for Thai PBO



Thailand: Economic/Social/Political Background

- Economic/Social
 - High middle-income country (WB criterion)
 - Very low, and declining, poverty rate. But inequality remains high
 - Rich but diverse culture. Mostly harmonious, but sometimes confrontational
- Politics
 - Parliamentary System (house of representative, senate)
 - Multi-parties, but has slowly revolved into 2-3 main parties
 - One party has strong tendency to dominate into at least the next 5-10 years
 - Flourishing populist policy

There have been several discussions in the past 10 years about setting up PBO in the past

Objectives

To assist Thai parliament in strengthening non-partisan budget and fiscal analyses with the aim to finally establish an independent parliamentary budget office for Thailand.





WBI Project:
**Capacity Support for the Design and
Operation of an Independent Budget
Research Office within the King Prajadhipok
Institute**

- **Project Granted 9th November 2012**
- **Project Period 3 year (November 2011-November 2014)**

Project Execution: Strategic Planning and Design Process

Develop and adopt a strategic plan to operationalize the mission of the Independent Budget Office.



Project Execution: **Building Capacity to implement the Strategic Plan**

1. Strengthen the capacity of the Independent Budget Office to perform budget analysis for the benefit of the parliament and civil society groups.
2. Develop an organizational chart, finalize the recruitment policies, and develop an operational manual, all for the Independent Budget Office.
3. Conduct a Training of Trainers program for the Independent Budget Office staff who will then design and deliver a training program targeted at parliamentarians, parliamentary staff and civil society organizations on how to use budget analysis developed by the Independent Budget Office.

Key Success Criteria

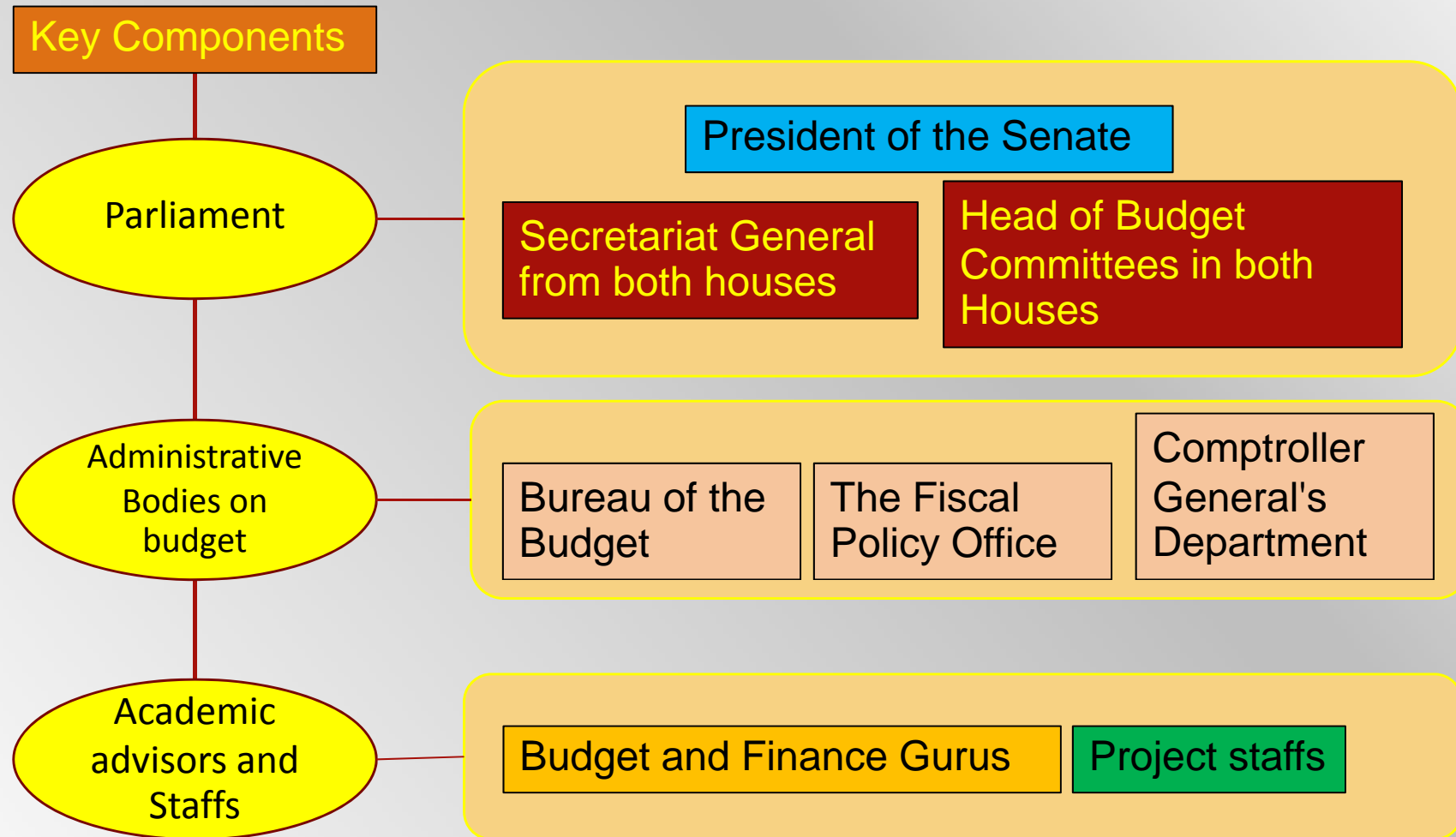
1, create confidence in PBO capability among relevant organizations

2 PBO's operations significantly provide more precise and useful information on budgeting to all relevant stakeholders, including ordinary citizens.

3 PBO is sustainable both in terms of budgetary support and human resources.



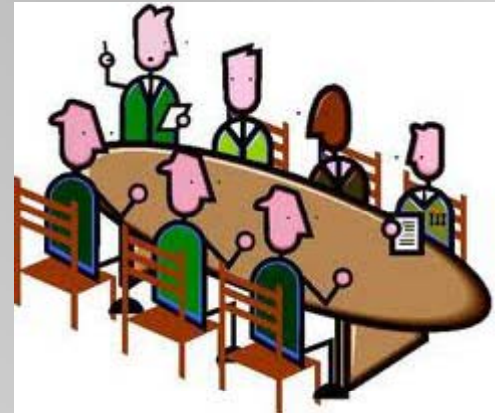
Steering Committee: Structure



Role of Steering Committee

Advice, Monitoring,
Networking

- Project policy
- Work plan
- Operation Results
- Advice and
Recommendations

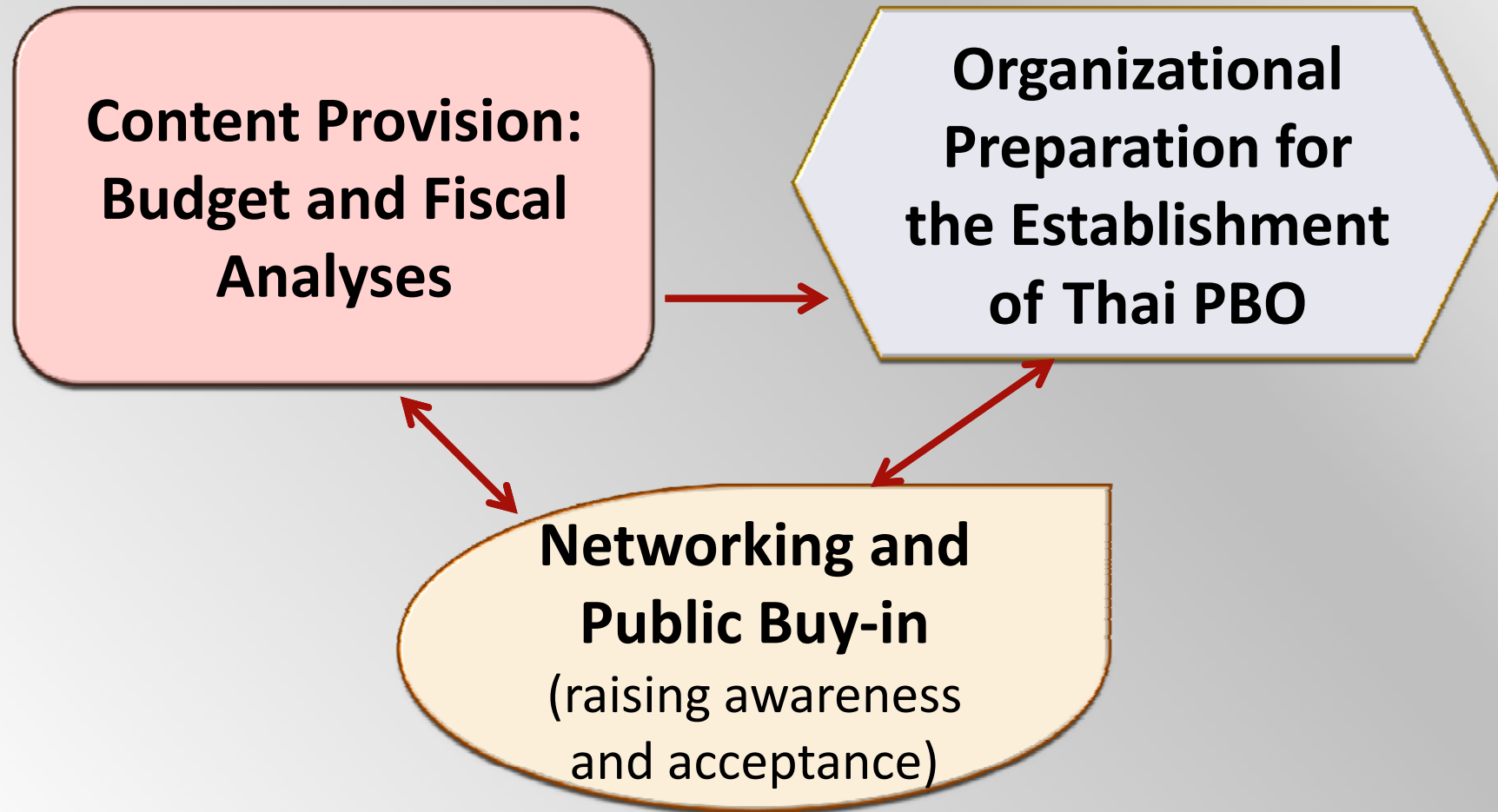




Lessons learned from Others: OECD/CBO

- Strong commitment with a sense of ownership
- Choosing the 'right' first PBO chief is critical.
- Make no recommendations in reports, only technical analyses.
- Consult all sides involved during costing exercise
- Inform relevant parliamentarians before launching results to media
- Keep low profile
- sufficient but not lucrative salaries
- Ensure financial sustainability and capacity upgrading

Key Operational Tasks



Partnership Structure



Financial and Capacity Support (3 years, began Nov. 2012)



**Hosting Temporary
Thai PBO Office**



**Provides budget and
fiscal analyses**

jointly responsible on strategic planning, networking, and public awareness programs

Detailed Tasks

Budget and Fiscal Analysis

- **Develop budget and fiscal database**
 - On-budget and off-budget
 - Central and local governments, SOEs
- **Develop analytical tools**
 - Economic forecast
 - Revenue models
 - Expenditure tracking system
- **Report production**

Organizational Establishment of Thai PBO

- **Setting up temporary office at KPI**
- **Setting up steering committee with parliamentary and budgeting authorities**
- **Training of the trainers program**
- **Pushing for the Thai PBO law**

Networking and Public Buy-in

- **Public seminars**
- **Press releases**
- **Lectures for opinion leaders, policymakers and the media**
- **Television and radio interviews**
- **Online publications**



Analytical Reports

- **Economic and budget outlook (bi-annual, totally 6 reports)**
- **Analysis of the government budget proposal (annual, totally 3 reports)**
- **Medium-term budget outlook (annual, totally 3 reports)**
- **Long-term fiscal structure and key issues (1 report)**
- **Handbook on fiscal and budget analysis (1 handbook)**
- **Report to the WBI**

Three-Year Work Plan

Year 1

- **Set up temporary office, with linkage to parliament**
- **Recruit and develop office staffs**
- **Review best practice of PBO around the world**
- **Developing budget models and database**
- **Publish budget and fiscal analyses**
- **Launch and continue public awareness and acceptance**

Year 2

- **Training of the trainees**
- **Finalizing organizational structure of Thai PBO**
- **Developing strategic plan**
- **Publish budget and fiscal analyses**
- **Develop Thai PBO manuals**
- **Continue public awareness and acceptance**

Year 3

- **Training of the trainees**
- **Writing reports**
- **Develop Thai PBO manuals**
- **Continue public awareness and acceptance**
- **Pushing enactment of Thai PBO**



Networking

- Networking with parliament
 - Through steering committee
 - Through budget committee of both houses
- Setup a Thai PBO advocating/dissemination special task group
 - Manage communication with public
 - Create website, preferably similar to Canada's e-PBO
- Plan to launch 'unofficial' Thai PBO
 - Make Thai TPBO 'semi-exist' to the public
 - As channel to disseminate Thai PBO reports/communication with the public

Public Buy-In Programs

**1. Opinion Leaders/
Policymakers**



Seminars/workshops/lecture

2. Media Personnel



Workshop/lecture

3. Educated Mass



**Articles/op-eds/interviews with
selected media channels**

4. General Mass



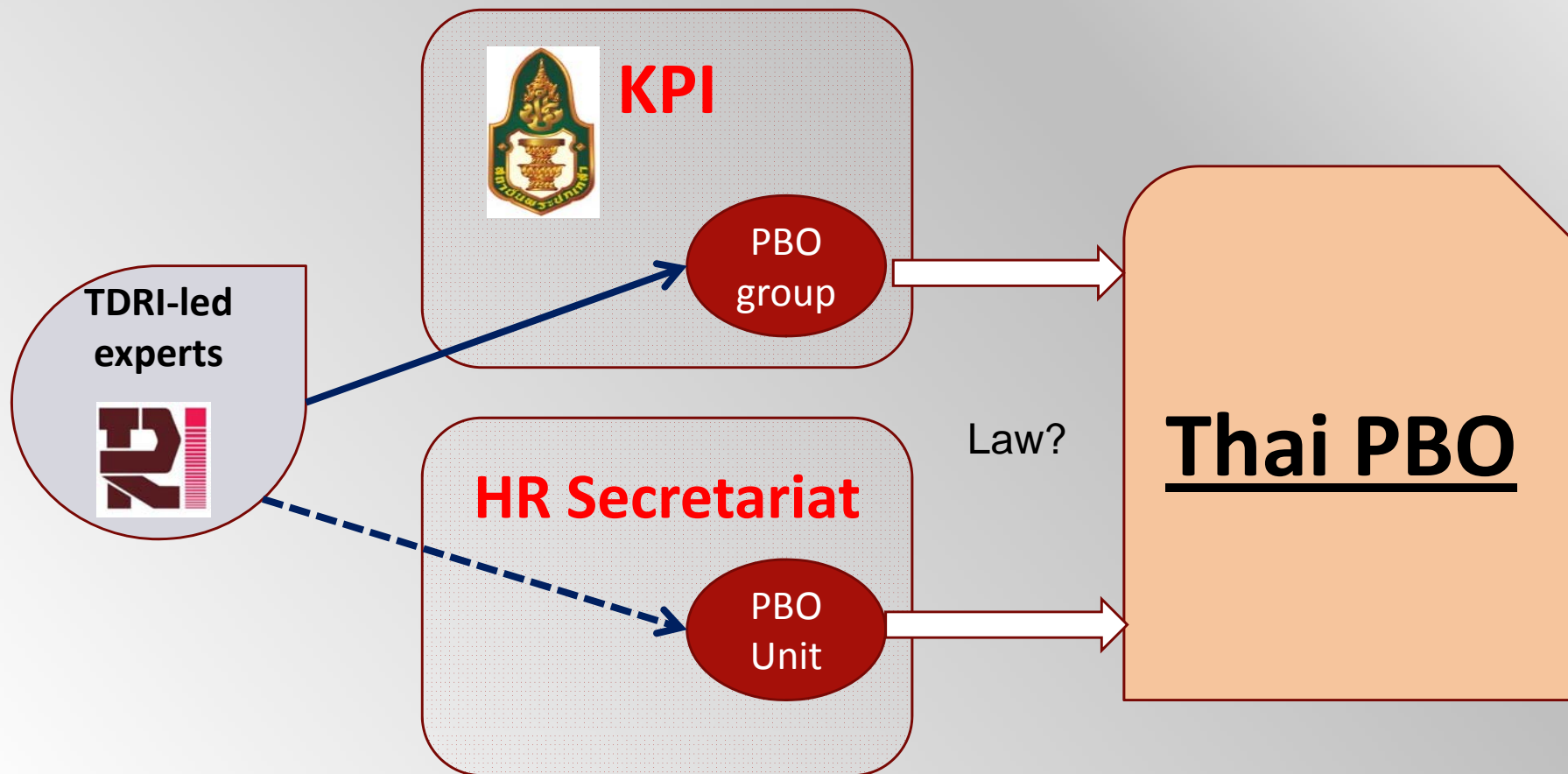
**Articles/op-eds/interviews with
selected media channels**



Latest Development

- The House of Representative just recently (March 2013) establish a 'budget office with the Parliament' unit.
 - Belong to the HR, not the whole parliament
 - The unit has no staff yet, but will have a total of 31 positions, all of whom are transferred from other units in HR secretariat office.
 - Allow hiring professionals outside HR secretariat to perform and train PBO's mandate.
 - Some budget was already approved in 2013, but mainly for study tours!

Office Development Plan (preliminary)





Challenges for Thai PBO:

Analytical Reports and Public Image

- Maintaining non-partisan in a single-party domination politics
- Aligning PBO movement with 'citizen voice' may prove difficult, as majority 'low-income' population endorse populist policy (most of which do not conform to fiscal discipline, and hence should be concern for PBO)
- How to be critical while remain non-partisan



Challenges for Thai PBO:

Office Establishment

- Maintaining high level of enthusiasm among Thai PBO original members
- Recruiting high-quality Thai PBO staffs (esp. with HR PBO unit)
- Searching for the first Thai PBO chief.
- Passing the PBO Law
 - Majority of MPs do not want to scrutinize the government, hence show no interest in PBO (if not opposed to).
 - Need to 'go slow', waiting until networking and public buy-in program prove successful.



Team Members

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