

Advocacy and Campaigning

12 Budget analysis and tracking

Keywords: Government budget; budget cycle; budget analysis; child budget advocacy, accountability, investment, finance, resourcing

Duration: 3 hours



Introduction

It is through government budgets that policies and commitments to children can be implemented and services to children delivered. Article 4 of the United Nations Convention on the Rights of the Child (UNCRC) places an obligation on all governments to ensure that they commit national and global resources to the ‘maximum extent’ possible in order to implement children's rights. Unfortunately, children’s issues such as child health, early childhood development, recreation and social protection are usually not top of the spending priorities of most governments. This means there is a strong case for child budget advocacy. Child budget advocacy refers to deliberate and strategic actions by civil society organisations (CSOs) to influence the process and outcomes of budgeting in order to make government budgets responsive to all children.

Learning Outcomes for this session

Knowledge and understanding

When you have studied this session, you should be able to:

1. Understand and appreciate the added value of engaging with government budgeting processes.
2. Describe the budget cycle, understand budget politics and appreciate ways of influencing each stage of the budget cycle towards more and better spending on children.
3. Appreciate the importance of transparency, accountability and participation in budgeting.

Practical and professional skills

Develop and implement an advocacy strategy in a humanitarian situation.

4. Plan and coordinate a child-sensitive budget analysis study.
5. Conduct a basic budget analysis and tracking of allocations and expenditure.
6. Engage in strategic advocacy throughout the budget cycle in order to influence government policies, budgets and expenditures in favour of children.

Duration 3 hours

1 Introduction to government budgets

A government budget is a planning document that outlines projected public revenue and expenditure, and is usually passed by the legislature. It is one of the most important economic policy instruments for implementing children's rights (Tsegaye and Mekonen, 2010; Commonwealth Education Fund, 2000). Child rights policies and laws will remain empty promises unless governments allocate adequate resources towards their implementation through their budgets.

Government budgets assume different forms which reflect the governance levels of a given country. In general, there are two forms of government budgets, namely central/federal and local government budgets. A state, municipality, rural authority or county is an example of a local government authority. Whether local or central, all of the above are referred to as government budgets. Government budgets are further broken down into sectors such as health, security, economic development and environment.

A government's budget is therefore a reflection of a country's priorities. It is a good indicator of the level of commitment of government to implementing international and national obligations to children. The UNCRC is the main international instrument that articulates child rights and state parties' responsibilities to children:

Article 4: United Nations Convention on the Rights of the Child

States Parties shall undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention. With regard to economic, social and cultural rights, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.

Activity 1

1. Define a government budget.
2. Why are government budgets important in the implementation of child rights?

Comment

Government budgets can be central, federal or local and are plans that outline the projected public revenue and expenditure at that level. A government budget is important in the implementation of child rights because:

- It is through a government budget that public services to children such as health, education, housing and protection are delivered.
- It is a tool for redistributing national income to all children in a given country.
- It is both an economic and a social policy tool for addressing inequality, marginalisation and vulnerability of specific groups of children.
- It demonstrates the real commitment of a government to implementing children's rights.
- It is an instrument for holding a government accountable for its commitments to children.

2 Structure of government budgets

A government budget has two main sections:

- projected revenue
- projected expenses.

The projected revenue section outlines where a government expects to get resources from in order to finance its planned activities. In general, governments finance their activities with money collected from taxes, excise and customs duties, user fees, royalties and proceeds from state enterprises, overseas development assistance, borrowing/loans and private donations. Local government authorities get their operating revenue from a number of sources including user fees, grants from central government, service charges, property tax and rates. Operating revenue is the money mobilised by local government for the purposes of covering day-to-day running expenses. Understanding how public spending on children is financed will help in identifying any barriers to increased allocations to children's issues whilst at the same time checking if financing policy options advance and not worsen the situation of children and families.

The expenses side of a budget shows how much and on what a government plans to spend its revenue. The expenses of government are usually divided into two categories: ongoing running costs (commonly called operational/recurrent/ administration costs), and one-off costs with long-term benefits (commonly called development/ programme costs), including capital items such as roads, buildings and equipment.

Activity 2

Give examples of the following:

1. Recurrent budget items
2. Operating revenue at local government level
3. Development budget items.

Comment

1. Salaries, utilities, stationery, rentals, communication, fuel.
2. Rates/rentals paid by vendors for using market stalls, water and sewerage collection charges, parking fees, license fees, fines.
3. Construction of classrooms; furniture and office equipment, internet and television boosters.

When drawing up a budget, there are situations when planned expenditures exceed expected revenues. In such cases, governments incur *a budget deficit*. The most common ways of responding to budget deficits is by cutting planned expenditures, borrowing or seeking development assistance (aid) from bilateral and multilateral institutions to ‘plug the gap’. Governments can borrow from institutions within the country or from other governments and financial institutions such as the World Bank and International Monetary Fund.

If expected revenue exceeds planned expenditure, then the government enjoys a budget surplus. There are rare cases when governments have more money than they need to spend. The reverse is more frequently the case. Should a budget surplus situation arise, governments can increase their reserves, lend to others or scale up planned expenditures.

The specific structure of a budget varies from country to country. Some budgets are significantly broken down while others only show composite figures, making it particularly difficult to trace allocations that address children’s needs. A detailed budget helps different stakeholders see how much a government allocates to budget line items that directly impact on children, such as education, health and child protection. No government can tell whether it is fulfilling children’s rights to the maximum extent of their available resources unless it can identify the proportion of its budgets allocated to children. This does not mean having a separate budget for children but that the way budget estimates are presented should be in such a way that specific allocations to children can be identified.

Activity 3

Look for the Approved Budget of your country on the internet or get a hard copy from the Treasury or Ministry of Finance.

I hope you were able to successfully navigate your way around your government’s budget in order to answer these questions. I’m sure you now appreciate that government budgets are detailed documents that capture a lot of information and provide useful insights into the country’s dependence on external agencies, level of development and spending priorities.

The expenses side of a budget is presented in the form of votes/allocations for each ministry or department such as health, education, defence, social development, etc. Some governments have a specific ministry which coordinates children's issues. However, the implementation of children's rights happens in various ministries. It is important therefore to track specific children's issues in the various ministries. For example, one may want to know how much is allocated to juvenile justice/victim-friendly courts in the Ministry of Justice and to immunisation in the Ministry of Health. Table 1 shows a very simplified structure of a government budget. In real life, a government budget does not contain only aggregated figures as below. Instead budget estimates for each ministry are usually broken down into budget line items that relate to a specific development goal or programme such as primary health care, basic education, social assistance for children, etc. A disaggregated government budget enables stakeholders to analyse how much and on what public resources are spent.

Table 1 Simplified example – structure of a budget

Summary budget for Republic of Dreamland (\$)			
	FY 2014/15	FY 2014/15	FY 2015/16
	Estimates	Actual (unaudited)	Estimates
Revenue and grants			
Revenue			
• Tax revenue	4,000,000	3,980,000	5,000,000
• Non-tax revenue	345,500	347,000	450,000
• Oil revenue	4,566,700	4,560,000	4,700,000
Grants			
• Budget support grants	20,000	15,000	20,000
• Project grants	5,000	3,000	2,000
Total revenue and grants	8,937,200	8,905,000	10,172,000
Expenditure			
1. Ministry of Education			
<i>Recurrent expenses</i>	850,000	862,000	900,000
<i>Development expenses</i>	400,000	387,000	490,000.00
	1,250,000	1,249,000	1,390,000
2. Ministry of Health			
<i>Recurrent expenses</i>	540,000	541,000	640,000
<i>Development expenses</i>	300,000	290,000	340,000
	840,000	831,000	980,000
3. Other ministries	7,500,000	7,100,000	9,500,000
4. Independent commissions	5,000	4,300	6,000
5. Parliament	1,000	1,000	1,000
6. Presidency	3,000	3,100	3,000
7. Interest payments	500	500	500
8. Net lending and investments	350	340	380
Total expenditure	9,599,850	9,189,240	12,880,880
Overall deficit	(662,650)	(284,240)	(1,708,880)
Financing			
• Budget support loans	500,000		1,000,000
• Other loans	162,650		708,880
Total budget	9,599,850	8,868,240	12,880,880

3 Government budgeting process

Developing a government budget is a technical and political process that involves many actors. It takes place within a complex public sphere (Muchabaiwa, 2008; Save the Children UK, 2012). Budgeting is technical in the sense that it involves a lot of calculations to quantify anticipated revenue, cost planned activities and generate realistic estimates of planned expenditures. It is political in that fiercely competing priorities and tradeoffs are made. In this regard, budget making is open to a lot of formal and informal influences as different actors seek to push their agendas. This is budget politics.

Budgeting processes are highly contested and are influenced by varied ideologies, interests and interpretations of the political economy by political parties, the private sector, civil society, the international community and the government. Therefore, to effectively influence government budgets CSOs need to have a good grasp of the budget politics at play.

Ideally, a government budget should be informed by agreed national goals and objectives as expressed in the national development plan or vision document. The process of government budgeting, including timelines and roles and responsibilities of different actors, is regulated by the national constitution as well as the public finance management policy or budget law (Ramkumar, 2008; Streak, 2003). The public finance management policy also shows how inclusive and consultative budgeting processes are.

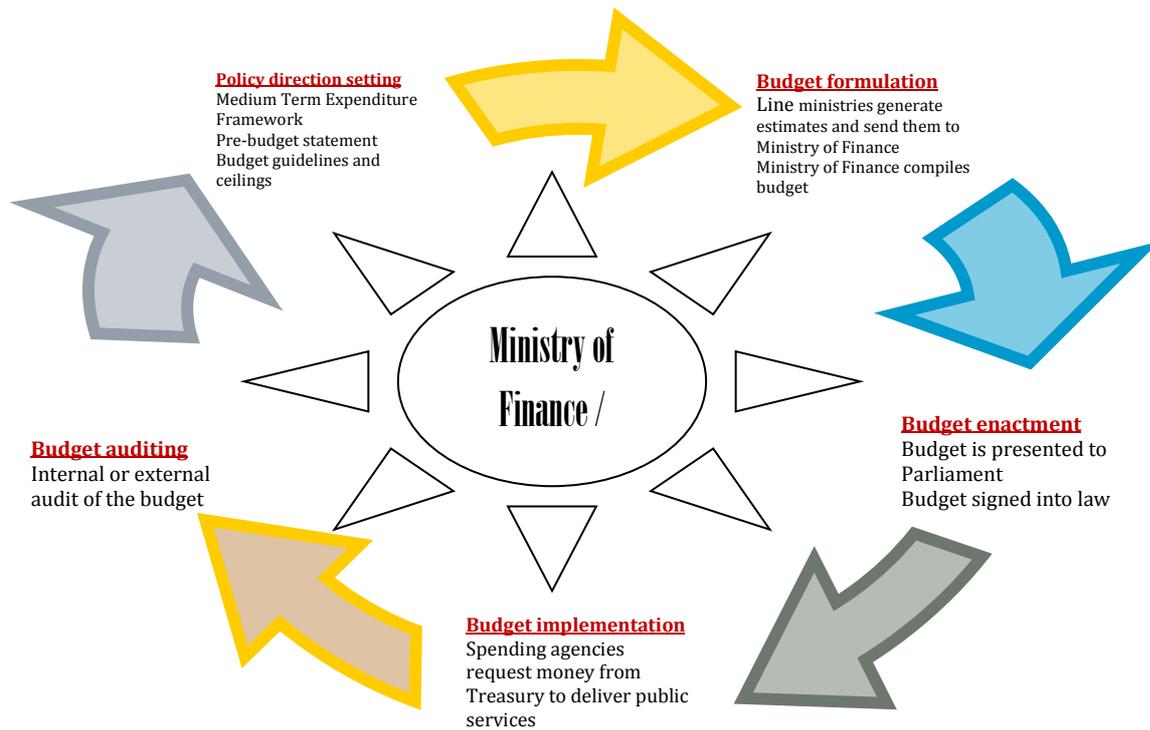


Figure 1 Government budget cycle

Stage 1: Policy direction setting

Government budgeting starts with the articulation of national development goals in the national development plan. In order to implement the national development plan, most governments develop a Medium Term Expenditure Framework (MTEF) which shows fiscal policy direction as well as projected revenues and expenses, usually for a 3–5-year period. Every year the council of ministers or any such supreme decision-making body of the executive arm of government will determine overall spending priorities for the coming financial year. Sector-specific priorities will however be determined by the respective line ministries such as the Ministries of Education, Agriculture and Trade.

During this stage, the Ministry of Finance will also assist with information on the macro-economic outlook. This will entail providing an overview of the anticipated economic growth, modelling expected revenues, balance of payments, level of government budget deficit, inflation, money supply and other factors that may have an impact on budgeting. This information is important in order to understand the ‘fiscal space’ available. The term fiscal space refers to the room that a government has to increase public spending on children’s issues, without compromising spending in other sectors or affecting existing financial commitments.

Based on the macro-economic outlook, budget guidelines and ceilings are developed by the Ministry of Finance which are then shared with line ministries such as health and education or other government departments. A budget guideline is a statement, usually in the form of a circular, that articulates key government priorities, timelines and ceilings. A budget ceiling is a figure which shows the maximum amount that a particular ministry or department can budget for in a given period.

This process of developing ceilings is usually preceded by the presentation of a pre-budget statement by the Ministry of Finance. This statement provides direction on how a government plans to raise public resources and to spend them in a given year. The budget law of a specific country determines when the budget statement is to be presented.

Civil society organisations should therefore find ways of influencing the medium term expenditure framework (MTEF), fiscal policy direction and national spending priorities in favour of children. At the basic level, it is important to ensure that children's issues feature

clearly in the national development plan and MTEF and that there is also a comprehensive child-specific and costed plan (this can be sector focussed) to inform budget advocacy. This can be done through sharing policy research papers, reports from child rights impact assessments, supporting costing exercises and face-to-face engagements with Ministry of Finance and relevant international organisations such as the World Bank – with some influence on government – as well as with members of parliament.

Stage 2: Budget formulation

Guided by ceilings developed by Ministry of Finance, individual line ministries and departments will develop their budget estimates. The estimates are usually influenced by available resources, ministerial or departmental priorities as articulated in their sector plans, expected results, previous budget outturns, results of costing exercises, and pressure from those with power and other stakeholders. At this stage, CSOs may want to analyse the extent to which sector-specific plans relate to priorities of specific ministries and consequently their budget estimates. The estimates are later submitted to the Ministry of Finance. The Ministry of Finance will compile estimates from all ministries and departments into a government budget. In doing this it will be guided by ceilings and priorities outlined by the government. In most cases ministries submit estimates that exceed ceilings provided. The Ministry of Finance will then work with line ministries to cut down budget estimates. During the budget formulation stage, CSOs should seize various opportunities to try and influence budget estimates, which include working with respective planning and budgeting committees and officers in line ministries in order to ensure that children's issues are prioritised. At the same time, CSOs should also sensitise the Ministry of Finance about the importance of prioritising specific child rights policy goals.

Stage 3: Budget enactment

After compilation, the Ministry of Finance will present the budget estimates to parliament. The draft budget that is presented to parliament, called the executive budget proposal by some governments, is subjected to scrutiny by parliamentarians and the public for a given period. This practice is common in open democracies. In such cases, on average, parliamentary committees and stakeholders are given 1–2 months before the budget is approved by the entire parliament and signed into law by the head of government. Here, alliances with parliamentarians are a strategic way of influencing budget estimates. This is done, in part, by analysing how the draft budget relate to specific child sector plans and anticipated results, MTEF and the pertinent child rights issues that may have been raised with line ministries. Therefore, through a variety of post-budget analyses CSOs have the opportunity to assess the extent to which a proposed budget responds to children's issues.

Stage 4: Budget implementation

Once approved by parliament and signed into law the budget will be ready for implementation at the beginning of the financial year. During the year, spending agencies will request disbursements from the Treasury. These agencies are expected to periodically report expenditures to Ministry of Finance before getting the next disbursement. The Ministry of Finance will then compile quarterly or half-yearly reports depending on the Public Finance Management System of a country. At the end of the year each ministry or department is expected to produce an annual report. The Ministry of Finance will compile a consolidated annual budget report for the government.

During this stage, CSOs can monitor and track the implementation of government budgets. A key part of this will be to work with line ministries, local government institutions and other stakeholders to ensure that budget allocations are used for the intended purposes. At the sector level, monitoring expenditures is an important tool for accountability that can expose bottlenecks and leakages in public spending. Social accountability tools such as public expenditure tracking surveys, citizen scorecards and community-based public service monitoring mechanisms can be relevant at this stage. Half-yearly and annual sector reviews are also an opportunity for CSOs to influence expenditure patterns as well as subsequent plans and budgets.

Stage 5: Auditing

Good public finance management requires that government budgets be audited. Most governments have a separate audit division for this purpose. Unfortunately, in a number of countries it sometimes takes more than two years before an audit is conducted. CSOs can play an important role in urging governments to audit their books on time. They can also share findings from their budget monitoring and expenditure tracking work to strengthen the quality of the audit. In addition, through implementation of social accountability tools such as social audits, CSOs can influence future budgets by assessing how previous budgets were implemented. Social auditing is a citizen-based and participatory methodology of assessing the extent to which specific government initiatives such as construction of classrooms were implemented as per plan and in line with good public financial management practices. Findings from social audits are useful in informing future public expenditure policies and practice.

4 Budget transparency and accountability

In line with good economic governance, budgeting should take place in an environment of transparency and accountability. Budget transparency refers to the inclusiveness and openness of the budgeting system to public engagement and scrutiny. The International Budget Partnership (IBP) measures budget transparency in terms of public access to budget information and opportunities to participate in the budget process (Ramkumar 2008). According to the IBP, the key budget documents relating to the budget cycle that should be accessible to the public are:

1. **Pre-budget statement:** a document that provides an overview of the macro-economic framework, proposed fiscal measures and key assumptions that will inform the annual budget.
2. **Executive budget proposal:** the draft budget for the forthcoming year that is tabled before parliament.
3. **Enacted budget:** the approved budget which authorises ministries to spend.
4. **In-year and mid-year budget reports:** quarterly or half-yearly budget reports showing revenues mobilised, expenditures, debts incurred, etc.
5. **Annual budget report:** a summary report of revenues and expenditures for the past year.
6. **Audit report:** a report showing findings from the audit of the government budget.
7. **Citizen budget:** a simplified and popular version of the approved budget. It is only a few pages long.

Case study 1: Open Budget Survey (OBS)

The Open Budget Survey is an initiative of the International Budget Partnership that measures the state of budget transparency, participation and oversight in countries around the world. It consists of 125 questions completed by independent researchers in the countries assessed. Ninety-five of the questions deal directly with the public availability and comprehensiveness of the eight key budget documents that governments should publish at various points of the budget cycle. The remaining 30 questions relate to opportunities for public participation in the budget process, and to the roles played by legislatures and supreme audit institutions in budget formulation and oversight. The result of the Open Budget Survey is an Open Budget Index which scores each country based on the information it makes available to the public throughout the budget process. The 2012 OBS revealed that the national budgets of 77 of the 100 countries assessed fail to meet basic standards of budget transparency. CSOs can use findings and recommendations from the OBS to advocate for improved budget transparency and accountability in their countries.

Source: IBP (2010–11)

Without access to information, it is difficult for civil society and other stakeholders to engage in budget analysis. In cases where budget transparency is below expected standards, civil society should advocate for the enactment of right to information laws; use other formal and informal ways to get the information they need to analyse government budgets; network with other agencies; and lobby for increased transparency in public finance management. Budget transparency enhances the integrity of the budgeting process.

Case Study 2: Budget transparency and child nutrition

Save the Children, in partnership with the International Budget Partnership and the Accountability & Transparency for Human Rights (AT4HR) Foundation, conducted a study on Budget Transparency and Child Nutrition in 2012. This study set out to establish the degree of budget transparency in five African countries in relation to one critical issue: child nutrition. The aim was to identify important transparency gaps, so that we as civil society can advocate more precisely for the budget information we need to keep effective oversight. The level of budget transparency in relation to child nutrition was found to be inadequate across the five countries.

Source: AT4HR (2013)

5 Child budget analysis

Child-friendly budget analysis entails comprehensive assessment of the processes and impacts of budgets on the realisation of child rights (Tsegaye and Mekonen, 2010). The primary objective of budget analysis is to ascertain progress, challenges and opportunities for improving the quality and quantity of public spending on children. Budget analyses generate the evidence required to engage effectively with policy and budget makers. Through budget analysis we can tell whether spending on children is increasing or decreasing and is adequate or not.

A child budget analysis has different elements, notably:

- analysis of policy and legislative frameworks
- analysis of budgetary allocations and spending patterns
- analysis of revenue architecture and trends to ascertain fiscal space available to improve public spending on children
- assessment of the level of transparency and accountability in public spending
- assessment of spaces and opportunities for civil society and children's participation in budgeting processes.

A government budget is considered child friendly if, among other things, it:

- contains policy measures, from both the revenue and expenditure sides, that prioritise and support the implementation of child rights, for example, if specific child policy goals feature in the medium term expenditure framework and the pre-budget statement
- makes direct and meaningful budgetary allocations to programmes that directly benefit children, such as health, education and child protection
- creates equal opportunities for the development of both the girl and boy child regardless of location, religion, race or other circumstances
- recognises the diversity and varying vulnerabilities of children in different parts of the country
- is developed and implemented within a transparency and accountability framework
- is developed and implemented with the participation and inputs of relevant stakeholders including children in line with their evolving capacities

- contains mechanisms for continuously evaluating efficiency, effectiveness, equity of spending, sustainability and impacts on children.

6 Steps in child budget analysis

Step 1: Decide on scope and scale of the analysis

The first step is to decide on the overall scope and scale of the proposed budget analysis. This is usually informed by findings from a child rights situation analysis. For example, one may choose to do budget analysis that focuses on a thematic sector such as education, or a specific component of it such as early childhood education. Alternatively, a budget analysis exercise can focus on a range of child rights issues such as education, health and leisure.

Step 2: Develop objectives

The next step is to develop the specific objectives of the proposed budget analysis . Examples of budget analysis objectives include:

- To ascertain how the medium term expenditure framework, fiscal policies and other related macro-economic policies impact on the implementation of children's rights.
- To analyse trends in budgetary allocations and public spending on specific child rights with the aim of identifying progress and gaps.
- To assess levels of transparency, participation and accountability in public spending on children.
- To ascertain any structural, equity, reach, value chain and other challenges that may compromise efficiency and effectiveness in public spending on children.

Step 3: Decide on specific parameters/indicators to be analysed

In general the key indicators to be tracked include: child-friendliness of national development and fiscal policies; fiscal space available to invest in children; adequacy of budgetary allocations to specific child rights issues; efficiency and effectiveness of spending; openness of the budgeting process; and level of participation of citizens and children in budgeting processes.

Step 4: Decide on research methodology

The next step is to decide on sampling strategy, data collection methods, research instruments, risks and ethical considerations, and data analysis and presentation. The research methodology should also articulate how children will be involved in the entire process. Budget analysis studies generally employ quantitative research designs with a few qualitative elements. Data is usually presented in tables, graphs, pie charts, histograms, etc. Qualitative data collection methods are used to measure elements that are more subjective, such as transparency, accountability and participation. It is good research practice to consider a post-study validation workshop.

Step 5: Conduct the budget analysis study

A budget analysis study (see Table 2) can be conducted internally or through contracting in the services of other experts. Data triangulation is strongly encouraged to avoid bias. At the very least, a budget analysis study should ensure that official data and government positions on emerging themes are captured wherever possible (Streak 2008). Researchers should use the latest data. A good budget analysis also finds ways of capturing views and perspectives from children. The findings from budget analysis should be interpreted in order to generate recommendations to government and to other stakeholders. Always remember that the primary objective of a budget analysis study is to influence policies and budgets.

Table 2 Examples of indicators to be tracked in budget analysis

Parameters to be tracked	Examples of indicators to be tracked	Data collection and analysis methods
National context analysis	Unemployment rate Inequality-adjusted Human Development Index GDP Inflation rate Tax to GDP ratio Multi-dimensional poverty index/Poverty Head Count Gini coefficient (a statistical measure of income distribution) Demographic trends such as population	Time series analysis Review of official publications and documents Analysis of the validity of budget assumptions and projections
Fiscal and related macro-economic policies, national development	Existence of supportive policies and strategies Child-friendliness of macro-economic policies, e.g. tax, social spending, debt, aid, subsidies, privatisation vs nationalisation and other related fiscal policies; national	Content analysis of policies Child Rights Impact

strategies and plans	strategies and plans	Assessments
Fiscal space	Debt sustainability ratio/Debt stock Budget deficit GDP growth Changes in the proportion of domestic resources to total available resources Proportion of revenue being collected in relation to what could possibly be collected Country credit rating	Time series analysis Extrapolations
Budgetary allocations	Changes in allocations to a specific issue/ministry or department. Public spending on a specific thematic issue as a % of total government budget/GDP Per capita spent on a specific issue Proportion of 'development' vs 'non-development' or recurrent vs capital budget for a given year and over time Variance between budgetary allocation and international commitment, e.g. Abuja Declaration on Health Proportion of aid by a specific agency that goes to children's issues	Independent budget analysis Time series analysis Nominal and real figures analysis Variance analysis
Spending patterns	Variance between budgeted amounts and actual budget outturns Budget turnaround time in relation to policy commitment Number of children reached by a specific programme/initiative disaggregated according to gender, geography, race, etc. Proportion of budget that finally reaches children in relation to the original budget Equity of spending Cost effectiveness Efficiency of spending including analysis of transaction costs and leakages Impact/effects of budgets on children Adequacy of allocations (in relation to need) Per capita spend on a specific issue	Variance analysis Public expenditure tracking surveys Cost-benefit analysis Evaluation of key government programmes Correlation analysis Corruption perception index Social accountability
Budget transparency and	Public access to key budget documents	Open Government

<p>accountability</p>	<p>Child-friendliness of key budget documents</p> <p>Existence of functional feedback and accountability mechanisms</p> <p>Existence of functional budget oversight mechanisms</p>	<p>Survey</p> <p>Corruption perception index</p> <p>Social accountability</p>
<p>Citizens' participation in budgeting</p>	<p>Number of children engaged (disaggregated by gender, location, race, etc.)</p> <p>Existence of formalised spaces for participation within the executive and legislative arms of government</p> <p>Openness of participation structures to the public</p>	<p>Focus group discussions</p> <p>Participatory action research</p>

Case Study 3: Budget analysis in Sri Lanka

The Child Rights Advocacy Network, in partnership with Save the Children, conducted the first ever Child Centric Budget Analysis (CCBA) in Sri Lanka in 2012. The analysis was done under four key thematic areas (education, health and nutrition, development and protection) and involved the budget estimates of 19 ministries, including the ones most relevant to children, such as the Ministry of Child Development and Women's Affairs, Ministry of Education, Ministry of Health and Ministry of Social Services. Each sector analysis was organised under a fourfold structure, starting with national and international legal and policy framework; review of national strategies and action plans that translate policy commitments into practical action; trends in budget allocations and spending; and transparency, accountability and citizen participation in budgeting.

Source: Child Rights Connect (2012)

Activity 5

Table 3 below shows a simplified budget for the Ministry of Health for the Republic of Dreamland. Let us assume the total government budget was 15,000,000 for the financial year 2014/15 and 18,000,000 for 2015/16. There are 50,000 children in need of nutritional support. The government has planned to roll out a vitamin supplementation programme to all the children in need. Answer the following questions:

8. Is the Republic of Dreamland meeting the Abuja commitment of allocating at least 15% of its total budget to health?
9. What is the proportion of the administration budget to the total Ministry of Health budget?
10. What is the level of public spending on child nutrition as a percentage of the total budget?
11. Assuming it costs \$8 per child per year to administer a vitamin supplementation programme, how many children will be reached in FY 2014/15 and FY 2015/16?
12. What is the level of increase in government spending on health between the two financial years?

Table 3: Simplified Budget for Ministry of Health for Dreamland

	FY 2014/15	FY 2014/15	FY 2015/16
	Estimates	Actual in \$ (unaudited)	Estimates
Administration costs			
Salaries	850,000	730,000	900,000
Other costs	400,000	390,000	490,000
	1,250,000	1,120,000	1,390,000
Development costs			
Child immunisation	540,000	369,000	500,000
HIV, TB and malaria	200,000	203,000	210,000
Public health campaigns	2,000	1,700	2,800
Public hospitals	250,000	189,000	255,000
Child nutrition – vitamin supplementation	69,000	68,900	71,000
Research and development	1,500	1,245	1,500
Hospital equipment	10,600	8,900	10,800
International engagement	500	510	550
	1,073,600	842,255	1,051,650
Total	2,323,600	1,962,255	2,441,650

Comment

1. To find out if the Republic of Dreamland is meeting the Abuja Commitment we have to calculate the percentage of health budget to total government expenditure. The answer is found by dividing total Ministry of Health expenditure in FY 2014/15 by total government budget and then multiplying by 100, i.e. $1,962,255/15,000,000 \times 100$. The answer is 13.08%. This means Dreamland is spending below the Abuja Commitment.

2. This is found by dividing the total administration budget by total budget for the ministry and then multiplying by 100, i.e. $1,220,000/1,962,255 \times 100$. The answer is 57.08%.
3. This is found by dividing the amounts allocated to/spend on child nutrition and then dividing by the total budget estimates/spend for the Ministry of Health. In FY 2014/15 the percentage of child nutrition spending is 3.5% ($68,900/1,962,255 \times 100$).
4. To calculate how many children will be reached, assuming there are no other hidden costs to administering a vitamin supplementation programme, we divide total budget for each year by the unit cost. For FY 2014/15 it means 8612 children were reached ($68,900/8$). In FY 2015/16 8875 children will be reached ($71,000/8$). This means a lot more money is required to reach out to all children.
5. The level of increase in government spending on health, assuming there was no inflation, between the two financial years is calculated by subtracting the budget estimates in FY 2014/15 from FY 2015/16, dividing by the estimates for FY 2014/15 and then multiplying by 100.

That is:

$$\begin{aligned}
 &= \frac{FY\ 2015/16 - FY\ 2014/15}{FY\ 2014/15} \times 100 \\
 &= \frac{2,441,650 - 1,962,255}{1,962,255} \times 100 \\
 &= 24.43\% \text{ increase}
 \end{aligned}$$

Please note that for FY 2014/15 we are using actual expenditures rather than budget estimates.

7 Budget and expenditure tracking

Budget analysis is sometimes complemented by budget and expenditure tracking. Budget tracking entails following the amounts allocated to specific children's issues until they reach the point where they will be spent. Expenditure tracking on the other hand goes beyond tracking amounts allocated to assess whether budgeted amounts have been used for the intended purpose. Expenditure tracking involves tracing and analysing where and how the allocated funds get spent. A Public Expenditure Tracking Survey (PETS) examines the manner, quantity, timing and quality of expenditures (Ramkumar 2008).

Some of the key questions investigated in a PETS include:

- To what extent are actual expenditures different from original budget and why?
- Which children are reached, where and how?
- Are budget implementers operating in compliance with set standards and policies?
- Are there leakages or diversions of funds? If yes, how is this happening?
- Are there institutional, policy or administrative factors that may be affecting the quality of public spending on children?
- What is the turnaround time for expenditure in relation to policy commitment?
- Are products and services to children delivered in a transparent, efficient and cost-effective manner?

In order to effectively conduct a PETS, civil society organisations should have access to crucial documents such as contracts, tenders, licences, terms of reference for specific assignments, books of accounts, project documents, receipts, payrolls and other documents that relate to expenditure. In some cases, the PETS may require field visits to project sites. PETSs help identify problems in service delivery such as delays, leakages, discrimination and bureaucratic bottlenecks.

Case study 4: Expenditure tracking in Sierra Leone

The government of Sierra Leone, in partnership with its development partners, conducted a Public Expenditure Tracking Survey in 2008. The survey focused on the procurement and distribution of essential drugs and the distribution of teaching and learning materials and textbooks to primary schools during the 2008/09 academic year. The survey examined the manner, quantity and timing of releases of resources to different levels of government, particularly to the units responsible for the delivery of health and education services. The survey also covered the procurement and distribution of seed rice to farmers during the 2009 cropping season. In addition, the field exercise assessed activities carried out by contractors on the rehabilitation and reconstruction of schools under the SABABU Education and the Islamic Development Bank projects. The findings of the survey were used to improve public finance management systems and government spending procedures.

Source: Ministry of Finance & Economic Development, The Republic of Sierra Leone (2014)

8 Child budget advocacy

The primary purpose of budget analysis is to use findings to influence future fiscal policies and government budgets in order to advance child rights (Muchabaiwa, 2009). Findings and key recommendations from a budget analysis should be summarised and presented in a user-child friendly form. Policy and budget makers are usually busy people with little time to read voluminous reports. It is advisable that key findings and advocacy messages from budget analysis studies are packaged into various forms such as fact sheets, pamphlets, newspaper articles, videos, full reports and posters (Streak, 2003). Thereafter, civil society organisations and children's advocacy groups should engage in a range of strategic advocacy actions that are both technically and politically sound. Children are also key advocates. They should be supported to engage in advocacy actions that seek to influence government budgets in their favour.

Case study 5: Child budget advocacy in Zimbabwe

Save the Children has supported the National Association of Non Governmental Organisations to implement the 'Child Friendly National Budget Initiative' that successfully engaged the Ministry of Finance and parliament to raise awareness on the importance of allocating more resources to children. The initiative has been replicated at provincial and district level. Members of 34 child-led groups are actively involved in the planning and implementation of the 'Child Friendly National Budget Initiative'. Advocacy by Save the Children, the National Association of Non Governmental Organisations and members of child-led groups contributed to increased budget allocations to social sector ministries. For example, the percentage allocated to the Ministry of Education, Sports, Arts and Culture increased by 69.6% from USD 276,753,600 in 2009 to USD 469,367,000 in 2012 and the budget for the Ministry of Health increased by 63.7% from USD 156,473,600 in 2009 to USD 256,198,000 in 2012.

Source: Save the Children (2011)

To be effective, those seeking to influence government budgets should have good understanding of:

1. the budget cycle.
2. the Public Finance Management Framework.

3. the macro-economic outlook, including revenue trends, to determine fiscal space available
4. key budget actors, their interests and influences on the budgeting process
5. budget politics
6. national development goals and government priorities in a given period.

The most effective way of influencing government budgets is to use a budget cycle approach. This entails developing specific advocacy strategies and messages for each stage of the budget cycle. Each stage presents a unique set of opportunities to influence budget allocations. Many organisations usually make the mistake of focusing advocacy efforts at the budget enactment stage. This is too late to make significant impact on allocations. Table 4 outlines target groups and possible approaches of engaging in advocacy at each stage of the budget cycle.

Table 4 Possible advocacy methods around the budget cycle

Stage in the budget cycle	Key budget actors to target	Possible advocacy methods
Policy and direction setting	<p>Council of Ministers/Cabinet</p> <p>Ministry of Finance</p> <p>Advisors to government such as IMF and World Bank</p>	<p>Develop and disseminate policy briefs</p> <p>Face-to-face formal and informal engagements with budget makers</p> <p>Identify and use political champions to promote public spending on specific child rights issues</p> <p>Mobilise international pressure towards specific policy goals by engaging actors such as World Bank, International Monetary Fund and donors.</p> <p>Share findings from a child rights situation analysis in order to inform spending priorities</p> <p>Organise civil society and educate citizens to participate in budgeting processes</p> <p>Organise children's clubs and parliaments as platforms to advocate for child-friendly budgets</p>
Budget formulation	<p>Line ministries such as Education, Child Welfare, Health</p> <p>Ministry of Finance</p> <p>Local government</p>	<p>Second experts to target ministries to assist them in making a case for child responsive budgeting</p> <p>Invite line ministries to participate in pre-budget consultations</p> <p>Face-to-face formal and informal engagements with policy and budget makers</p> <p>Support costing of specific national strategies on child rights</p> <p>Engage political parties to advance specific goals</p> <p>Conduct budget analysis studies and share findings</p> <p>Participate in budget working groups or any such similar structures</p> <p>Leverage national and political champions</p> <p>Produce alternative budgets</p>
Budget enactment	<p>Parliament</p> <p>Ministry of Finance</p> <p>Presidency</p>	<p>Invite line ministries to participate in pre- and post-budget consultations/hearings</p> <p>Participate in parliamentary budget hearings</p> <p>Present a critical analysis of the executive budget proposal</p> <p>Make oral and written submissions to Ministry of Finance and</p>

		Parliament Share findings of opinion polls in support of a particular policy goal to implement child rights. Engage the media
Budget implementation	Line ministries	Social accountability actions such as public service monitoring surveys, expenditure tracking and community-based monitoring of government budgets; public service monitoring; mobilising the media to share findings from expenditure tracking and naming and shaming institutions and officials who have contributed to leakages
Auditing	Ministry of Finance	Oral and written requests for Ministry of Finance to publish audit reports and to act on the audit recommendations Social accountability initiatives Civil society-led evaluations of specific government programmes CSOs to demand regular and transparent auditing processes

Budget advocacy is not a linear process. Like any other forms of advocacy, it should always include research to continuously generate new evidence on the issue of concern, stakeholder mapping and analysis, coalition and alliance building, public education on the specific issue, clear messages, generating practical solutions to some of the fiscal challenges faced by governments and ensuring strategic timing of actions. At the heart of child budget advocacy is the need to raise the political profile of specific child rights policy goals on the spending agenda of governments. This will take both indoor and outdoor activities to stimulate public debate on issues of concern and to mobilise constituencies of support. Outdoor activities may include petitions, marches and rallies to exert pressure on policy and budget makers. CSOs can also use UNCRC and Universal Periodic Review (UPR) reporting as opportunities to advocate for more and better spending on children by highlighting gaps in previous budgets.

Summary

This session looked at budget analysis and advocacy in order to implement child rights. You learnt that a government budget is a key policy tool used by governments to deliver services to children. Influencing government budgets is both a technical and a political process. By now you should have:

- a basic understanding of government budgets
- knowledge of the budget cycle
- a basic knowledge of budget analysis
- knowledge of possible advocacy strategies that can be applied throughout the budget cycle.

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Further reading

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