

UNICEF-EC Child Rights Toolkit

Chapter on Social Budgeting

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Overview of the paper

What is social budgeting?

Ensure that social priorities and rights are reflected in

- budget allocations
- budget-making , expenditure, monitoring processes

Audience

Non-specialists in economics/public finance, but familiar with general objectives of social budgeting

Concerned with advancing children's rights

Aim

To function as a reference guide

Approach

Review literature

Key issues – theory and reality of budgeting

Draw upon practical experience of UNICEF & partners

Highlight strategic entry points

Practical challenges – politics, organizational capacity

Need to document cases

Illustrate with examples

Takeaway – issues, ideas, tools, networks for collaboration

- *Culled from many different sources*
- *Any awkward language... to be revised*

Organization of the paper

2 Principles

3 Research and documentation: The budget cycle

Theory and reality of the budget process

4 Practical programming guidance

Challenges faced

Supporting budget work

5 Characterizing budget initiatives: Examples

Impetus, initiation, objectives of budget work

Linking budgets and children's rights

6 Monitoring guidance

7 Donors' role

Principles

Responsiveness to children's rights

Budget reflects priorities of Convention on the Rights of the Child
Addresses considerations of girls and boys

Social budgeting is applied budget work

Equity

Non-discrimination, social inclusion, attention to power relations

Efficiency

Raising revenues, allocating resources, and achieving outcomes with least distortions and costs

Accountability

Transparent processes, subjected to public scrutiny

Stabilization

Pro-poor countercyclical policies & social protection

Attention shift

Budget as main channel to deliver services & donor aid

Attention shift to “... complex web of actors and institutions involved in the budget process ...”

Old Paradigm	New Paradigm
<i>'Conventional Budgeting'</i>	<i>'Public Expenditure Management'</i>
⇒	
Budget process	Budget policies and institutions
Rules	Incentives
Inputs	Outputs/outcomes
Compliance	Performance
Centralized control	Decentralized responsibility
Bureaucratic opaqueness	Transparency and accountability

Source: ODI Briefing Paper May 2004

The budget cycle

Drafting

- 3.2.1 Overview of budget formulation by the executive
- 3.2.2 What can happen in reality
- 3.2.3 Influencing the budget at the formulation stage

Approval

...

Execution

...

Audit

...

The budget cycle

Drafting

Finance ministry - sets economic forecast and spending caps
Executive or line ministries - propose spending plans

Approval

Negotiation between line ministries and legislature

Execution

Line ministries execute budget and keep accounts

Audit

Expenditures subject to an independent audit

The budget cycle

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Finance ministry - sets economic forecast and spending caps

Executive or line ministries - propose spending plans

Closed process, lack research capacity, lack data

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Open Budget Index

OBI 2008 Performance	No. of countries	Countries
Extensive (Score 81-100)	5	France, New Zealand, South Africa, UK, US
Significant (Score 61-80)	12	Botswana, Brazil, Czech Republic, Germany, ... , Slovenia, South Korea, Sri Lanka, Sweden
Some (Score 41-60)	27	Costa Rica, Croatia, Egypt, ... , Papua New Guinea, Philippines, Russia, Serbia, Turkey, Uganda, Ukraine, ...
Minimal (Score 21-40)	16	Albania, Azerbaijan, Ecuador, ... , Niger, Pakistan, Tanzania, Thailand, Trinidad and Tobago, Venezuela
Scant or no information (Score 0-20)	25	Afghanistan, Algeria, Angola, Bolivia, Burkina Faso, ... , Saudi Arabia, Senegal, Sudan, Vietnam, Yemen
Overall	85	

Source: 2008 The Open Budget Survey, The International Budget Partnership

Budget drafting

Is methodology used for making economic assumptions of the budget publicly available?	OECD members		Non-OECD	
	Number	%	Number	%
No	11	37	19	31
Yes, only to parts of the legislature			3	5
Yes, it is publicly available on request	7	23	20	33
Yes, it is published	11	37	14	23
Other	1	3	4	7
Missing answer			1	2
Total	30	100	61	100

Source: 2007 OECD International Database of Budget Practices & Procedures

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Legislature constrained : Lack power to amend, capacity for analysis, timing of process

Execution

Line ministries execute budget and keep accounts

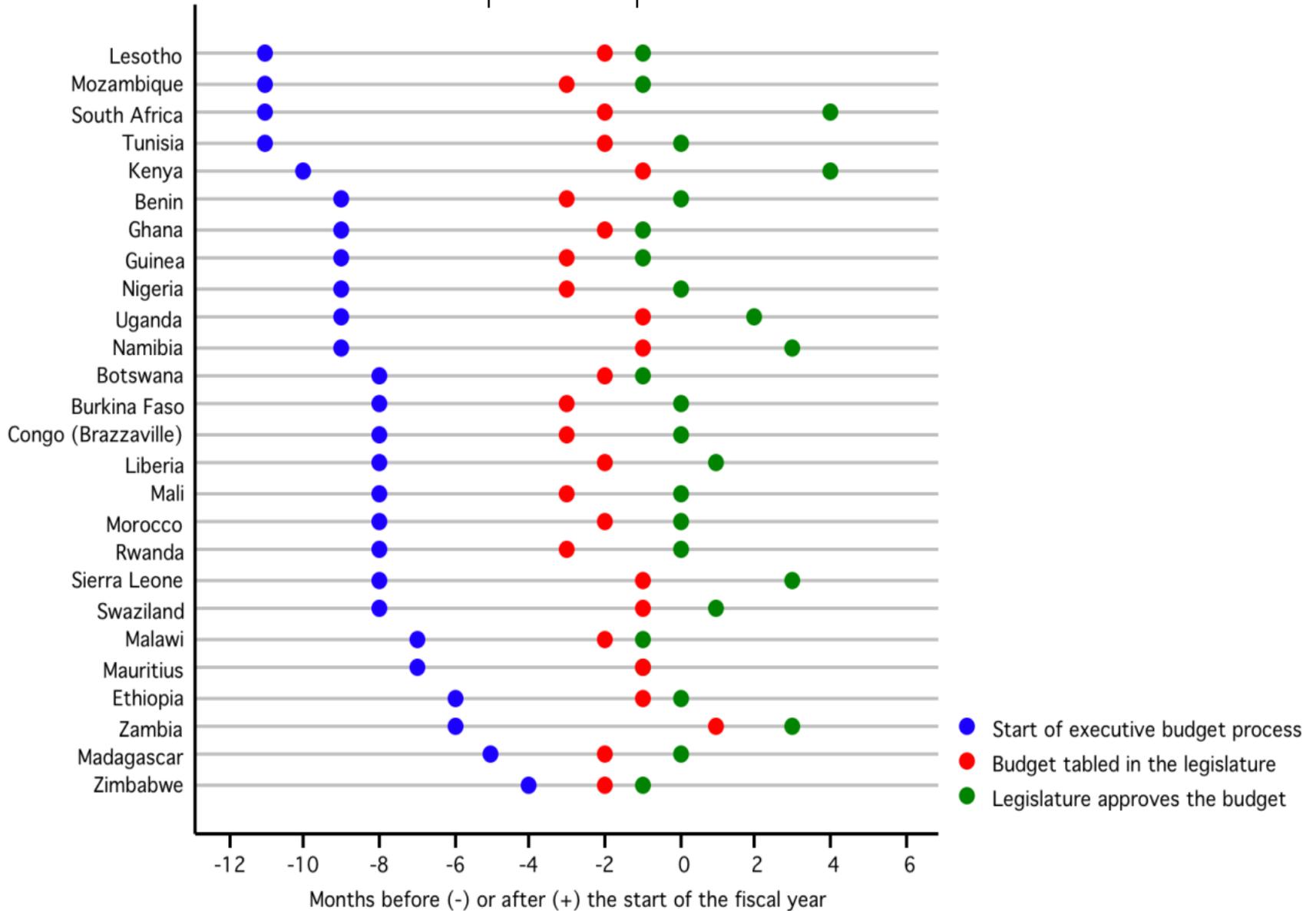
Audit

Expenditures subject to an independent audit

Start of budget process

Budget
tabled

Legislature approves budget



Source: De Renzio and Wehner (2008)

Budget approval

Is there a specialized budget research office attached to the legislature?	OECD members		Non-OECD	
	Number	%	Number	%
No	19	63	39	64
Yes	11	37	16	26
Other			5	8
Missing			1	2
Total	30	100	61	100

Source: 2007 OECD International Database of Budget Practices & Procedures

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Misuse, weak financial management (procurement, delays), corruption , diversion, underfunded programs

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Civil society-led monitoring efforts

Malawi

Civil Society Coalition for Quality Basic Education

- Produces national aggregation of school budget monitoring
- Identifies poorly maintained public school assets
- Comments on timing for release of funds

The Philippines

Concerned Citizens of Abra for Good Government

- Began with focus on road infrastructure projects
- Exposed discrepancies in government reports
- Ensure project funds are used as intended
- Project beneficiaries included in monitoring projects

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Audit

Expenditures subject to an independent audit

Audit agency not empowered to investigate, lacks staff.

Delays. Legislature fails to review findings/act on violations

Audit

Strategies for the legislature

- Sub-committees can examine subject areas
- Seek input from independent experts

Strategies for civil society

- Support legislature by following up on corruption
- In **South Africa**, the Public Sector Accountability Monitor :
 - obtains details about corruption cases
 - informs government department
 - follows up with department a month later
 - records response and makes it available online

Challenges faced

So we know what the entry points are
Seen some brief examples of what actors have done

Next section deals with **practical challenges**

Main takeaway

- Not always easy
 - Openness, data access, expertise, media interest ...
- But examples accumulating
- Documentation?
- Evaluation?

Draws upon experience of UNICEF and partners

Challenges faced

- Openness and priorities of government
- Availability of expertise within/outside government
- Dominance of finance ministry, IFIs
- Civil society activism and media interest

Challenges faced

Openness and priorities of government

Brazil

- history of open public accounts, active civil society
- CSOs can examine social expenditures, raise public awareness

Egypt

- budget data considered sensitive information

CEE/CIS

- gender inequality not perceived as priority in budget reform

India

- inroads made by gender budget initiatives

First tasks might be to

- convince government of advantages of budget analysis
- introduce relevance of social budgeting for children's rights

Challenges faced

Establishing credibility in public finance

Finance ministry, IFIs have dominant position regarding:
budget decisions, public finance mgmt, setting economic policy

Availability of expertise

Local knowledge and access, sustainability of budget work

Level of civil society activism

Low civil society participation and media interest/attention

Potential first steps

- develop government capacity for analysis
- generate evidence
- convene decision-makers
- identify national research skills and media interest
- support channels for public participation

Supporting budget work

Strategic guidance

- E.g. research design, public outreach strategies
- How to apply analytical tools, e.g. Public Expenditure Tracking Surveys
- Cross-national comparative studies

Building capacity for budget analysis and advocacy

- Institutional partnerships, e.g. leverage relationships with IFIs
- Media, parliamentarians, opinion-makers

Knowledge networking, peer review, expert advice

- Document knowledge about social budgeting - process and findings
- Collaborate to gain complementary expertise and peer review
- Exchange experience with other organizations

Characterizing budget work

Diversity of approaches

- **Impetus or initial motivation**

 - strategic response to a crisis

 - technical analysis or an advocacy effort

 - convening stakeholders to build consensus and raise awareness

 - partnership opportunities

- **Objectives**

 - improving PFM and budgeting procedures

 - building capacity of government actors

 - enhancing social inclusion and participation

 - instituting policy or legislative reform

 - enabling cross-national tracking of budget openness

Impetus

Response to a crisis

Mozambique. End of civil war, 1992, opportunity for PFM reform: modernize legal framework for budgeting, introduce new accounting system, etc.

Technical analysis or advocacy effort

Croatia. Institute of Public Finance, founded 1970, state-funded research organization. Broadened focus to publicly-oriented budget analysis.

Convening stakeholders

Kazakhstan. UNICEF conference in 2007, attended by Ministry of Economy and Budget and Planning, led to informal working group (parliament+govt agencies)

Strategic partnerships

The Philippines. Alternative Budget Initiative. CSOs provide research to draft alternative budget. Legislators push for its incorporation in budget deliberations

Objectives

Improving PFM and budgeting procedures

Sierra Leone. Analysis of how public finance system impacts children

Building capacity of government actors

Mexico. Legislators received training on budget analysis from national NGO

Enhancing social inclusion and participation

Brazil. Children's participation for monitoring budget implementation

Instituting policy or legislative reform

South Africa. Costing of Child Justice Bill before it was tabled in the legislature

Enabling cross-national tracking of budget openness

OECD survey of budget practices and procedures in OECD & nonOECD countries

Linking children's rights + budgets

Budget approval

- In Brazil, Save the Children Sweden along with local NGOs supported children's participation in the approval and monitoring of the budget in the city of Fortaleza in the state of Ceara.
- Kenya's Inter-Parliamentary Union held a regional workshop in May 2000 to discuss how the budgetary process was influenced by gender perspectives. Partners included UNICEF and the Commonwealth Parliamentary Association (see Vergara, 2009).

Audit and performance evaluation

- In Ghana, the Northern Ghana Network for Development (NGND) involved communities in assessing the performance of community schools using a scorecard method. NGND also collected information on education expenditure in order to assess the quality of service given the costs. The analysis was used for constructive dialogue between communities and the district education directorate on issues such as school infrastructure and management (see Vergara, 2009).

Monitoring & Evaluation

Debate on aid effectiveness has spurred interest in evidence on results

- How does impact evaluation apply to budget initiatives?

Identify results in terms of

- Changes in budget allocations
- Reform of budget policies and institutions

How to measure impact?

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Example: Tracing results

Uganda: Gender responsive budgeting (GRB)

- Initiated in **1999** by coalition of women's rights groups and parliamentarians
- Key player: Forum for Women in Democracy (FOWODE)
- Used research, advocacy, activism to influence fiscal policy
- Organized GRB skills-building workshops for legislators and technocrats
- Invited by Ministry of Finance to participate in budget process

Some achievements

- **2003:** Government included gender and equity in “Budget Call Circular”
- **2004:** MoF with Ministry of Gender, Labour & Social Development prepared guidelines to assist in preparation of sector budgets
- **2005:** MoF organized GRB capacity building of planners and budget officers
- Gender policies & indicators strengthened in Poverty Eradication Action Plan
- To ensure implementation, gender included in PRS Credit

Example: Tracing results

- May be several years before impact is evident as policy or funding change
- Role of other budget advocacy groups?
- **Documentation of successes and failures?**

- **2003:** Government included gender and equity in “Budget Call Circular”
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Example: Tracing results

Brazil: Municipal Seal of Approval

Encourage municipalities to achieve targeted results in service delivery and disseminate information about these efforts

What the program does

- Groups municipalities according to socio-demographic characteristics
- Monitors social indicators from **baseline** study
- Gives feed-back to each municipality
- Mobilizes children through campaigns and competitions
- Makes rules for comparative evaluation of municipalities' performance

Easier to say what the change was, but can we say exactly why?

Need more work on this ...

Donor role

New modalities of aid: budget support as opposed to project aid

Implications

- If children's rights viewed as 'crosscutting' issue and not already well established in aid programmes, then attention to children's issues may suffer
- Donors could enhance impact of aid if they systematically strengthened country's systems and practices used for all government expenditures
- Align aid interventions with countries' public finance mgmt system
- Decrease use of project implementation units
- Provide more and better information on their own aid flows

On average, only 45 percent of aid uses country PFM systems

- from 0 percent in Democratic Republic of Congo
- to 77 percent in Bangladesh

Thank you