

Where's the Money Going?

Monitoring government and donor budgets

Save the Children UK is a member of the International Save the Children Alliance, the world's leading independent children's rights organisation, with members in 27 countries and operational programmes in more than 100.

Save the Children works with children and their communities to provide practical assistance and, by influencing policy and public opinion, bring about positive change for children.

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Editorial

Over the last 10 years, budget monitoring and analysis has grown enormously in popularity as a tool for holding government to account at all levels – from the national to the grassroots. Equally, budget monitoring can be a tool for monitoring the activities of donors – holding them to commitments or exposing gaps between their advice or conditionalities and their own practice. International Monetary Fund and World Bank initiatives such as the high profile Poverty Reduction Strategy Papers (PRSPs) and the debt-focused Heavily Indebted Poor Countries (HIPC) initiative, with their promises of additional funding for poverty reduction have helped spark interest in budget monitoring. Similarly, the move to political and financial decentralisation in many countries and the strength of pro-democracy and accountability movements have also focused attention on budgets.

Save the Children UK has a long track record of lobbying for improved services for children around the world and of working with the public sector to improve implementation, accessibility and relevance of services. As public expenditure is central to providing key services for protecting children's rights and wellbeing, several Save the Children UK programmes are carrying out budget monitoring activities. This publication draws together lessons from this widely varied work.

Save the Children UK programmes in Wales, Nepal, Honduras and Mozambique have focused particularly on analysing public expenditure on key services at different levels (national, district and local), and used this information to advocate for improved budget allocations, flows and usage. They have often done so as part of coalitions, for example in Mozambique via the Rede de Criança (children's network) and in collaboration with the Mozambique Debt Group. In some cases, they have contracted professional statisticians or economists to undertake this work. In other cases, such as in Mozambique, it was found that, with support, undergraduate economics students were able to carry out the analysis.

Other countries have prioritised the use of budget monitoring to support people generally denied information about public expenditure to advocate for their rights. The articles from Brazil (Richard Harthill) and India (Nidhi Pundhir) provide two contrasting examples of ways that young people can be supported to monitor budget allocations and expenditure and hold local government to account. In Brazil, the young people have been trained to monitor municipal expenditure on schools, which they do in collaboration with parents and teachers. While in Rajasthan, India, the analysis is actually carried out by a support organisation – the Budget Analysis Resource Centre – which provides organisations working for social justice with information about state budget commitments and expenditure. Local organisations, such as the Vagad Labourers and Farmers Association featured in Nidhi Pundir's article on Rajasthan, then make use of this information to hold state officials to account. In this case, the Association worked with tribal youth to help them expose and prevent the corrupt siphoning off of funds dedicated to the food, clothing and sanitary needs of tribal secondary school students living in government hostels.

It is not only disadvantaged and poor people who are under-informed about budgetary provisions and expenditure. As Vitus Azeem of the Centre for Budget Advocacy of the Ghanaian NGO, the Integrated Social Development Centre (ISODEC), explains, his organisation has conducted workshops with members of district assemblies to help them advocate for higher budget allocations and more efficient use of public resources. ISODEC has also worked with national parliamentarians to support them in critically debating the budget before it is approved. Both the Ghanaian and Rajasthani examples show the value of having a dedicated set of resource people who can work to support others' capacity to analyse and advocate on public expenditure issues.

Inspired by the example of the Institute for Democracy in South Africa (IDASA), several Save

the Children UK programmes have attempted a specifically child-focused budget analysis. As several contributors to this collection (Anne Crowley, Wales; Karen Johnson and Narciso Cumbe, Mozambique; Nidhi Pundhir, India; and Pralhad Kumar Dhakal, Nepal) point out, except in services such as education, where all services are intended for children (or if not, those aimed at adults are clearly identifiable), it is often conceptually and practically difficult to identify what constitutes expenditure on children. When information on public spending is not disaggregated by age and sex, identifying what flows to children is clearly problematic. Furthermore, as Anne Crowley from Save the Children UK in Wales points out in her article, many services, such as housing, are provided to a whole family, but clearly have an impact on children. Similar issues arise with health services. Save the Children UK in Wales have called for a 'children's budget' to be established by the Welsh Government Assembly, in order to both prioritise funding to children's services and improve budgetary transparency. However, as Save the Children UK in Mozambique point out, tactically, calling a budget analysis a 'children's budget' may also alienate others, who see it as privileging one disadvantaged group over others, or not of concern to them. A more inclusive name may help build coalitions with potential allies.

The absence of data over time can also make convincing advocacy difficult. Obtaining budget information is often principally a matter of building trust among people in government who have the power to release information. The article from Mozambique discusses some ways this trust can be built. However, sometimes, data is simply not there. In Wales, for example, where devolution or decentralisation has taken place recently, information about local expenditure may simply not be available. In such cases, establishing a baseline against which future expenditure patterns can be assessed becomes all the more important. Decentralised or federal financing patterns have presented a challenge to many organisations wishing to analyse public

expenditure patterns at the national level (rather than only in one state or district).

Several contributors point out that at first glance budget issues seem dry and dull or remote from people's everyday concerns. As Vitus Azeem notes, 'a majority of Ghanaians tend to view the budget as a 'government thing' that should be left to civil servants and politicians alone, and not civil society'. However, the range of creative approaches described in this collection of articles have clearly gone some way to engaging ordinary people as well as officials and politicians with budget issues, and particularly those related to children. These have included the intensive training workshops that, for example, ISODEC and Save the Children UK have carried out in Ghana and Brazil respectively, and working with a children's street theatre group in Mozambique to raise children's issues at key budgetary fora, including municipal councils and the National Parliament.

It seems that where corruption and issues of public accountability are high on the public agenda, drawing attention to public expenditure issues is easier. In this regard, the Rajasthan Right to Information Movement has been particularly influential, but more generally, a political culture which asserts citizens' rights to information about public expenditure is important. As Vanessa Herringshaw of Save the Children UK points out in her article *What comes out must first go in!*, making information about expenditure widely available is only one side of the coin – where much public revenue comes from the taxes of extractive industries, such as oil, gas and minerals, it is equally vital that civil society is aware of how much tax these industries are paying governments, and how these revenues are used. She discusses the example of the international Publish What You Pay Campaign, which presses companies to reveal the revenues they pay to governments.

In highly aid-dependent countries, such as Ghana, Mozambique and Nepal, civil society budget

monitoring initiatives are taking place alongside processes at the national level intended to improve transparency and efficiency in public expenditure management. Vitus Azeem queries how far the Medium Term Expenditure Framework process in Ghana is actually achieving either of these improvements, though in Nepal, Pralhad Kumar Dhakal is more optimistic about its potential. These three articles all highlight the impact of donors on national budgets, reminding budget analysts and advocates that where aid plays an important role, budget monitoring activity can be a tool for holding donors, as well as governments, to account. Compared to monitoring government expenditure, civil society analysis of donor spending is in its infancy; the preference of some major donors to make transfers as direct budget support to governments compounds difficulties of this kind of analysis.

What are the key challenges for future work? These articles point to several important areas for further analysis, action and more effective practice. Clearly, making common cause with others concerned about public expenditure issues is essential to have a broad and lasting appeal and to avoid being seen as an issue only of concern to a special interest group. Talking with those who influence government (often donors and private companies) as well as with government itself can be important, and bringing sound budget

analyses to aid-influenced fora, such as public expenditure reviews or Consultative Group meetings can help raise commitment to inclusive, pro-poor, pro-child budgets. Examining what is spent on other sectors of the economy, and comparing this with social sectors can draw public and political attention to the government's budgetary priorities. This can be politically contentious, however, as with defence spending or perks for high officials.

To date, most Save the Children UK budget monitoring work has concentrated on national, state, or district-level advocacy aiming to influence overall allocations of funding. Equally important is supporting disempowered people – young or old – who wish to monitor local budgets and ensure that their communities are receiving the budgets to which they are entitled. Young people's involvement in budget monitoring is clearly an important element of active citizenship, and one where Save the Children is well placed to share experience and collaborate with others.

Rachel Marcus

Economic Policy Advisor
Save the Children UK

For further information about Save the Children UK's budget monitoring work in general, contact the Economic Policy Team at Save the Children UK.

When knowledge leads to action

The Budget Analysis Rajasthan Centre, a resource centre for budget analysis situated in Rajasthan's state capital, Jaipur, analyses the state budget through the eyes of poor people. In this case study, young tribal people assess the budget allocated to their hostel and are prompted into action. The result? Corruption is tackled, new laws implemented and the funds reaching the young people increased. **Nidhi Pundhir**, Programme Officer of Save the Children UK, Rajasthan, reports.

Debate and discourse on the budget has generally been the domain of economists, policy-makers and academics, not ordinary people. The budget is an important manifestation of the government's real commitment to the well-being of the people, especially the weaker sections of society, but transparency, accountability and monitoring of budget allocations is often lacking.

This has prompted social action groups in India to start studying and analysing the budget from the perspectives of marginalised sections of the society. The Budget Analysis Rajasthan Centre (BARC) has implemented a 'Reading between the Lines' initiative, jointly supported by Save the Children in Rajasthan, Oxfam and ActionAid. This focuses on sharing budget data with people at local levels, helping them analyse the information and relate it to their everyday lives. The implementing partner is Astha (Udaipur), Rajasthan.

Don't forget the micro

In this case study, the action taken by students in a tribal hostel resulted in a change in policy and practice of those in charge of the budgeted money, which resulted in improved conditions for the young people. This case study also shows the importance of taking budget analysis data to the micro level and the benefit of focussing on one or two issues with a grassroots organisation. It is important to remember that policy change can be initiated from below as well as from above.

Getting the right people involved

An important structural aspect of BARC is the advisory committee. This is made up of representatives of NGOs and people's organisations from

all regions of the state. These activists and social development workers know the issues of their areas well and they have also been selected because of their lobbying and advocacy work. With these 'eyes and ears', BARC staff can be guided to work on issues that are of importance to people living in the state.

It has also been suggested that there should be one or two government officials on the advisory committee who are 'pro-people' and 'change-oriented'. These should be carefully selected by the civil society members of the committee. The government members of the committee could help with getting information from government departments and offices when problems occurred. They could also help make linkages between activist groups and relevant government departments.

Member organisations of the advisory committee can organise training programmes for other NGO and people's organisations in their regions to orient them to the importance of budget data and analysis in their work. Advisory committee members can also play an important role in spreading awareness about the use of budget analysis.

Going local

A new challenge for BARC will be to find data sources regarding district, block¹ and council of villages' budgets, and to advise NGOs, people's organisations and research institutes.

In Rajasthan, significant financial resources are now to be transferred directly to the districts, blocks and councils of villages for expenditure

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Case study: The Tribal Children's Hostel, Rajasthan, India

The Budget Analysis Rajasthan Centre (BARC), was invited by a district-wide people's organisation in Dungarpur District – the Vagad Labourers and Farmers Association (VLFA) – to conduct a workshop explaining the budget details of government school hostels for tribal children.

The VLFA brought around 50 young boys and girls together, aged between 12–18. The students came from five hostels in the district. BARC had asked the VLFA what information the young people would like to know about the budget and their response was that they would like to know about schemes that affected tribal youth. Consequently, the budget provisions for tribal children's hostels were put before them.

The budget for tribal students' hostels was broken down so that the budget provisions for each child living in a hostel per day, per month, and per year was explained. It was revealed that there is a provision of Rs. 6,225 (around \$138) per student per year for purchasing toothpaste, toothbrushes and soap. The amount in the budget provided for food was calculated on provision of *dal* (lentils), vegetables, rice and *roti* (flat wholewheat bread) plus one special treat per week of fruit or a sweet. There was also provision for two sets of school clothes per child per year.

At this point, the young people began to speak out:

"We get no tooth paste or tooth brush!"

"We eat *dal* and *roti* only, no vegetables or rice, and certainly no special treat every week – we have never had that!"

"Two sets of clothes per year – we get only one!"

Along with some of the leaders of the VLFA, the young people decided to form a district committee of the tribal girls and boys living in the hostels of Dungarpur District. Representatives from the district committee would go and meet the Tribal Commissioner of the Government of Rajasthan. They would inform him about the fact that they now knew what provisions were in the Rajasthan budget for them and that they were not getting them. They also made plans to form student committees in each hostel and present the new information they had acquired from the budget to the hostel wardens.

When the students of the hostels went to the wardens with the data the wardens responded to each group by saying: "Where did you get this information? It's all false." Around 15 students of the district committee then went to meet the Tribal Commissioner. The Commissioner knew that the information was not "all false" and he consulted the government. Some new rules have consequently been made.

The hostel wardens have now been instructed to give the budgeted money to the student committees in each hostel every month and the student committees can purchase the food and toothpaste with the money given. The corruption by the hostel wardens has been stopped and reports from the hostels in Dungarpur district are that things are now running well. The leaders of the VLFA have also formed a youth committee which students from the students' district committee have joined.

Case study observations:

- *Asking the trainee group what they wanted to know about the budget before going into the training event was a successful approach*
- *Young people can easily grasp the implications of budget information when comparing it to what they actually receive*
- *Young people are interested in organising and taking action on the basis of budget analysis.*
- *It was probably helpful to the tribal students that the VLFA leaders took an interest in their exposure to training events and were with the young people in their follow-up action*
- *The fact that the VLFA has made a youth committee indicates an ongoing and long-term commitment to work with the young people in monitoring government actions.*

This case study confirms the effectiveness of BARC's strategy to pull out data from the budget on demand. BARC attempts to respond quickly to the requests for budget data and analysis from NGOs, Members of Local Assemblies (ie, state parliaments) and people's movements and organisations.

on works and activities. It will therefore be important for local people's groups to know about the amounts of money coming into these local, self-governing structures and what the money has been allocated to.

Rajasthan has had an active and important Right to Information campaign, which has focused on corruption at the council of villages' level. Hundreds of thousands of rupees have been pocketed by corrupt government employees and corrupt elected representatives in the past. This corruption has been exposed by public hearings organised by the Right to Information campaign. However, most of the money intended for the people has gone into private pockets and will never be recovered. It is important that the people know about the income received and planned expenditures at the local levels before they are made, so that money received and spent can be monitored.

For those working on budget analysis, working at the local level is crucial as this is where much of the action is. Local level data collection and sharing, action and analysis should not be overlooked.

In democracies that are very much alive, decision-makers are extremely responsive to organisations or people that approach them with concerns and suggestions. This is partly because democracy is 'of the people, by the people, for the people' and partly because organisations of people who feel strongly about something represent votes. There is a reasonable perception that budget data and analysis needs to be fed up to decision-makers and implementers. However, this case study and commentary also alerts us to the fact that if the budget data and analysis is 'fed down' to those who are, or will be, affected, then those at grassroots levels (when organised and aware), will pass on their concerns to decision-makers and implementers. Our work with the tribal hostel reforms shows that this approach is effective – perhaps even more effective than when a Budget Analysis Centre feeds the data directly to MLAs or MPs.

Budget analysis is a tool, and when put in the hands of local people amazing things can happen!

Note

¹ An Indian administrative unit that contains a number of villages.

Fighting for education

When over half the national budget is spent on debt servicing, it's no wonder so little is left for basic services like education. But in Brazil, children and communities have insisted that schools get better funding. **Richard Hartill**, Programme Director of Save the Children UK in South America, explains

Government budgets and public policy implementation are often thought to be mysteries that only the Minister of Finance and a few wise economists are capable of understanding.

In South America, there is widespread agreement that education provision is getting worse and that more and more children never go to school. In Bolivia, Colombia and Peru, roughly a third of all school age children are out of school. Over half of these never even began school. In Brazil nearly a quarter of all children are out of school.

Debt payments versus education

Over the last ten years the common denominator for South American countries is more and more spending on debt servicing (now over 50 per cent of budgets in many countries) and less and less on education (around 5 to 7 per cent except in Brazil where it is higher).

One of the reasons education spending is higher in Brazil is because of an interesting initiative supported by Save the Children UK and other agencies – a national network of 300 NGOs, plus parents, teachers, children and unions in every state of Brazil who campaign on the education budget every year. These people and organisations question the budget in federal and state parliaments and lobby members of parliament, arguing for the budget to be increased to cover areas the children themselves have identified as important. For instance, making education more inclusive for disabled children or children affected by HIV/AIDS. Brazil consequently now spends nearly 14 per cent of its budget on education and is financing many interesting initiatives to promote inclusion.

From sugar plantations to school budgets

One of these initiatives is the Bolsa Escola programme to help children working in sugar cane plantations get out of the plantations and into good quality schooling. This programme, which has benefited more than 400,000 former child workers, is monitored by municipal committees made up of equally of children and municipal representatives. The World Bank and others have been very impressed by the capacity of the children to manage and monitor a large and complex programme. Save the Children financed training for the children involved so they could play these roles effectively.

In Colombia, Peru and Brazil we have supported different forms of participation of children in school governance and planning. So a natural extension to monitoring the Education for All and ten year national plans deriving from the UN General Assembly Special Session on children has been to help children understand municipal and national budgets and participate in their design and monitoring. This is facilitated in Brazil by the fact that budgetary information at all levels is considered public information and is available to all.

Rewards for progress

At the moment Save the Children UK is supporting budget monitoring on an experimental basis in Brazil, using methodologies which we hope to be able to extend to Colombia and Peru. The budget monitoring is linked to achieving pre-agreed goals in each municipality – with weight being given to progress rather than absolutes. For example, if a municipality only has 10 per cent pre-school

coverage it is as important for that municipality to reach 30 per cent coverage as for a municipality which has 40 per cent coverage to reach 60 per cent. There is a carrot here, with 'good' municipalities (determined by the children, parents and teachers) being rewarded by increased funding.

The children involved were 11+ and were trained in how to understand local budget information. Although there was no formal training for the adults involved, there was a process of explanation which built interest in, and commitment to, working in this manner.

In Brazil, we are also experimenting with children monitoring public policy and national ten year plans through a website managed by children. In many ways all this work has been building on three year's work (from 1999 to 2001) with children in these three countries identifying indicators for quality education which have now been adopted by local education authorities. One of the quality indicators identified by children was properly financed education services so that education was genuinely free for all children.

At a glance

- Generally, as debt repayments increase, spending on education decreases
- The reverse is true in Brazil, where NGOs, parents, children, teachers and unions lobby government for increased spending on child-related services
- Setting progress goals for local authorities has proved successful
- Children have proved highly capable of participating in budget monitoring programmes.

Budget activism in Ghana

The Integrated Social Development Centre (ISODEC) in Ghana has been working with NGOs internationally to shake up the budget monitoring process. **Vitus A. Azeem**, Programme Coordinator at ISODEC's Centre for Budget Advocacy, explains.

Since 2001, the Centre for Budget Advocacy (CBA), one of the rights based advocacy units of ISODEC, has been analysing Ghana's annual budgets. The CBA have been drawing government and other stakeholders' attention to areas that have not been well funded, offering alternative policy suggestions or calling for specific action. Through budget activism the Centre's aim has been to obtain the equitable and efficient allocation of public resources – particularly for the benefit of children, women, people with disabilities and the poor.

The CBA's main focus has been to demand increased funding to sectors delivering basic services such as health, education, and water and sanitation. As the vulnerable and excluded largely depend on such public agencies, we have argued that increased financial resources to basic services are vital.

Understanding pressures on government

To do macro and sectoral analyses it's necessary first to understand the working of the macro-economy and the roles played by various stakeholders, particularly donors and the powerful corporate sector.

The CBA publishes analyses of national budgets and distributes copies to all stakeholders, including the president, ministers of state, parliamentarians and civil society groups throughout the country. This work has proved of great interest to trade unions and international civil society organisations.

We learnt a painful lesson however, that budget decisions are not necessarily taken with the interests of the people in mind. Certain policies are pushed down our throats because the government does not have the resources to undertake the programmes and projects that are of direct and immediate benefit to

Ghanaian people and has to seek assistance from elsewhere, particularly the World Bank and the International Monetary Fund (IMF). It is, therefore, frustrating that the analyses we carry out do not appear to have the impact that we expect, not because the government may not be willing to use them, but because the government does not have a free hand to explore the policy alternatives CBA offers. Policies like trade liberalisation, privatisation and deregulation do not always work in the interests of the poor and marginalised but they must be implemented by Ghana and other developing countries in return for foreign assistance.

In addition, as a donor-dependent country, Ghana has always had problems implementing the budget completely because projected receipts are usually not realised. When this happens, as has often been the case, the government turns to domestic borrowing, mainly the sale of short-term debt instruments such as Treasury Bills, which require regular interest payments. The dependence on foreign as well as domestic borrowing has adversely impacted social spending as a large chunk of resources generated are used to pay interest and debts when they become due.

Setting a real budget

There have not been any surprises since the CBA started doing budget analysis. One can almost always predict what is expected in an impending budget, with promises that are never fulfilled and targets that are hardly achieved. The trend has always been to set macro-economic targets that are agreed with the IMF, such as single digit inflation that is never achieved, low interest rates and stable exchange rates. Having set these targets, government is then compelled to put in place measures that will lead to an achievement of these targets, such as cutting down on expenditures to control inflation, etc.

There is also an emphasis on getting a more balanced budget. Although this is necessary, the fact is that the emphasis is always on indirect taxes which are consumer-based and tend to impact the poor more adversely than the rich. The national budget is a translation of what has been already agreed on between the government, the IMF and the World Bank. The targets of gross domestic product growth rate and inflation rate, as well as keeping budget deficit within certain limits, are dictated to us alongside the conditionalities of trade liberalisation, privatisation and deregulation. For example, Ghana's 2003 budget increased tariffs on imported poultry products and rice. This was approved by Parliament but had to be withdrawn – even as it was about to be implemented. Despite the denials and explanations given by the Minister of Finance all indications are that the World Bank and the IMF pressured us to drop it. Bilateral donors also rely on Ghana's compliance with these agreements to offer assistance to the country.

Keeping track of the money

Monitoring and evaluation of budgetary allocations and expenditures is a necessary part of budget advocacy as allocations could vary widely from actual disbursements and utilisation of funds. It's also very important to monitor receipts from donors, which necessarily also involves monitoring government expenditure. This is particularly the case if donor assistance requires counterpart funding or when it is budget support.¹ Such monitoring is essential if we are interested in what our government receives – especially the loans which we are will eventually pay back – although what we pay out in return could be equally important.

This process is particularly important with the Multi-donor Budget Support initiative whereby donors would help fund the central government budget. Inefficiency in the use of public resources and corruption are an indirect tax on the poor and they are rampant in Ghana. It is therefore necessary, in addition to the analysis, to track public

expenditure as a means of ensuring that resources get to the targeted groups of citizens. History has shown the failure of government to keep pace with statutory transfers due to competing demands.

As such, the CBA, in collaboration with four other NGOs, is currently conducting a pilot tracking of the District Assemblies Common Fund, which is a fund created for the transfer of resources from central government to local authorities for developmental projects. The CBA plans to undertake similar tracking of other statutory transfers such as the Ghana Education Trust Fund, which was created to fund education in the country and funded with 2.5 per cent of all revenues collected in respect of value-added tax (VAT).

In our effort to measure the impact of policies, particularly pro-poor policies, the CBA is developing an economic model, the Distributive Effects of Economic Policies, to be used to assess the effects of such policies. The model could also be used to forecast the impact of intended policies so as to guide us in future policies.

Speaking out

In the last two years, the CBA has carried out a number of budget advocacy workshops for District Assembly members and other officials and civil society representatives in the Northern, Ashanti, Upper East and West Regions with the support of Save the Children UK, ActionAid and OXFAM. These workshops are aimed at equipping the beneficiaries with skills to engage policy-makers in the budget process and prompt them to bring about better resource allocations and more efficient use of public resources at district level.

CBA staff also served as resource persons in various workshops organised for some Select Committees of Ghana's Parliament aimed at equipping them with better skills to critically study, debate and approve the budget. In these workshops our emphasis has always been on the vulnerable and excluded, that is,

women, children, people with disabilities and the poor. We have emphasised the need to increase resource allocation to the areas that cater for them. Throughout these workshops we have also emphasised the need for transparency, accountability and participation for better budgetary outcomes and the efficient use of public resources.

Save the Children UK has also supported the CBA for the past three years to hold public forums in all the ten administrative regions in the country on the annual budget. These forums have provided an opportunity to the Ghanaian public to seek clarification on the issues contained in the budget and make their views on them known to the government.

Missed targets

As part of its budgetary reforms (and partly required by Ghana's development partners) Ghana adopted the new approach to budgeting termed the Medium Term Expenditure Framework (MTEF) in 1998 with the 1999 budget being the first of such an approach. The MTEF is a three-year integrated, broad-based, performance-oriented budget process, which provides data on a prospective basis for the budget year and for subsequent years, usually the next two years. However, with Ghana's high rate of inflation, the depreciation of the local currency and the change in government, the MTEF does not seem to have been followed as indicative figures for subsequent years are not referred to. Even before the end of the budget year, the revenue targets and, inevitably, sectoral allocations are usually revised and so one wonders whether the MTEF has had any impact on the budget process in Ghana.

Blaming the weakest

Ghana has also adopted a Poverty Reduction Strategy to cover the period from 2003 to 2005 aimed at bringing about economic growth and poverty reduction. However, in fighting poverty, it is crucial that we identify its real causes and deal with them

through appropriate public policy. Many policy makers, for example, continue to blame the children of the poor for the poverty of their parents, despite the absence of any empirical evidence to support that view. We are daily reminded of the need to promote 'family planning' (ie, 'get the poor to have fewer children') as a tool for poverty reduction. It never seems to occur to these critics that the relationship between family size and poverty might in fact be the opposite: that the poorer a person is (particularly a woman), the more likely she is to have 'a lot' of children. Moreover, children constitute about 44 per cent and women (females) constitute about 51 per cent of Ghana's population. It would, therefore, be necessary to consider allocating more resources towards children's needs, rights, survival, development and participation. However, because not all children and women are poor and need special attention, the issue would be proper targeting, including geographical and sectoral targeting. This makes it very important that we advocate for either a children's budget and/or a women's budget alongside a cross-sectoral analysis.

There are problems with access to information and transparency of public transactions although public pronouncements by public officials assure Ghanaians of transparency. Without the freedom to information and other transparency laws, budget monitoring activity is often limited as public officials use their discretion in releasing information to monitors. However, a number of public institutions, including the Ministry of Finance, Bank of Ghana, the Administrator of the District Assemblies Common Fund and the Revenue Agencies must be given credit for releasing information to researchers. These welcome developments have been enhanced by the repeal of the Criminal Libel Act, which used to restrain the media from publishing alleged corruption by public officials. When the Right to Information bill (now before Parliament) gets approved, the environment should be more conducive to monitoring activities by non-state actors and stakeholders. However, several public institutions always make written requests for such

information. These official written requests must pass through the organisational ladder for the necessary approval and usually cause severe delays in releasing the information.

Poor image

One main problem with budget advocacy is the lack of interest in and the technical nature of budgets. This makes networking and collaboration for effectiveness almost impossible. A majority of Ghanaians tend to view the budget as a 'government thing' that should be left to the civil servants and politicians alone and not civil society. This situation and thinking is changing now as a result of the CBA's persistence in publishing our analyses, holding public forums and issuing press releases and participating in media discussions of budgets and other economic policies. Through our publications (mostly distributed free of charge) and media work the CBA has projected a strongly pro-poor stance in calling for pro-poor policies and condemning policies that are not favourable to the poor. Budget workshops that we run also release important information on public resource allocation and use

and have contributed to making our advocacy work more attractive.

The main constraint on public expenditure in Ghana is inadequate resources and too many competing demands. This makes the implementation of the budget very difficult and leaves further decisions regarding priorities to the discretion of the Minister for Finance, especially as they operate on a cash budget basis. This lack of resources is serious at the district level as central government transfers are often delayed. Another major constraint of public expenditure at the District Assemblies is lack of capacity and/or inadequate staff to implement the budget and its projects. The District Assembly and its substructures do not have the capacity to support the secretariat staff or monitor their activities.

Addressing these blockages is an essential part of making public expenditure work for poor people. Budget analysis and monitoring is just one important part of the picture.

Note

¹ Budget support consists of funds provided by donors directly to a country's Ministry of Finance. It is not earmarked for specific projects or programmes.

A child's portion?

A new government in Wales provided the platform for a fresh approach to child-focused government policy. **Anne Crowley**, Senior Policy Adviser with Save the Children UK, Wales, looks at some pleasing results

In 1999, the UK government established devolved administrations in Wales and Scotland. The devolution settlement provided for an elected National Assembly in Wales with considerable powers over policies and budgets relating to health, education, housing, environment and transport. The Welsh Assembly has no powers to make primary legislation or raise taxes but it allocates funds made available to Wales from the UK Treasury and sets priorities for Wales. Taxation and benefits policy are still centrally determined, as are criminal justice and immigration policies.

Despite the limits of the devolution settlement, the Assembly has already demonstrated that it can and will develop 'made-in-Wales' policies to guide the development of public services in response to the specific needs of the people of Wales. This year the Assembly allocated its budget of £11 billion (\$19.5 billion) on its own priorities, steering a different course to its dominant neighbour (England) on a number of key issues for children and young people. These included financial support for students in post-school education, health prescription charges for young people, and comprehensive school education.

A new era of governance in Wales?

Devolution in Wales has heralded a new, more inclusive approach to governance in Wales. The Assembly has been keen to work with the NGO sector in developing new government structures and policies that support the realisation of children's rights under the United Nations Convention on the Rights of the Child (UNCRC). Over the last four years, Save the Children has worked with other NGOs to make good use of the many advocacy opportunities available.

We believe that at this formative stage of the new devolved arrangements, lobbying for truly effective structures and policies that promote the rights of

children and ensure children's 'visibility' and participation in matters affecting them, are likely to yield better long-term, sustainable benefits than merely lobbying for child-centred individual policies. Government structures to protect and promote children's rights will include: an independent children's commissioner; a ministerial cross-cutting committee on children; child impact statements and a children's budget.

We have had considerable success in advocating for such structures within the new Assembly. Early on in its first term, it endorsed the UNCRC. The Welsh Assembly Government has stated that the Convention will be used as a guide, 'underpinning all its dealings with children'. Wales has the UK's first independent Commissioner for children and the Assembly is funding a children and young people's assembly – *Funky Dragon*,¹ which is enabling children and young people to have a voice in the way Wales is governed.

These examples have the potential to bring about significant changes in Wales as children's own views and experiences are to be given credence and status in policy and service development at all levels of government. To date, we have been less successful in persuading the Assembly to establish systems for child-proofing all its policies or drawing up a children's budget. A children's budget would set out estimates of the proportions and amounts directed to the children of Wales. It would make budgetary decisions affecting children more transparent and the Government of Wales more accountable.

Reviewing public expenditure

In 2002 – as part of our on-going campaign on this issue and also as part of a wider project to explore the impact of devolution and new government structures on children and young people's lives – we commissioned a review of public expenditure on children in Wales. We were keen to assess to what

extent the priority that children's rights has been afforded in the Assembly Government's policy agenda has been backed up by funds to deliver improved services for the most disadvantaged and vulnerable children in Wales.

With one in three children in Wales living in poverty,² Wales has one of the highest rates of child poverty in Europe.³ Article 4 of the United Convention on the Rights of the Child obliges governments to fulfil children's rights to the 'maximum extent of their available resources'. The lack of transparency in public expenditure on children meant that it was not possible to tell without more detailed analysis, whether the Welsh Assembly Government was using available resources to the maximum extent to fulfil children's rights under the Convention.

Parameters of the review of public expenditure on children

The purpose of the review of public expenditure on children in Wales was to support Save the Children's advocacy work in the short and long-term, by:

- Establishing base-lines by which we can assess future trends in public expenditure and budget allocations
- Providing information on trends in government spending and the impact of devolution on public expenditure on children
- Providing evidence to support the case for establishing a children's budget in Wales.

Our objectives were:

- To review what was spent on children's services including those within health, social services and education from 1996–2001 in Wales at both a local authority and all-Wales level.
- To review, where possible, the impact of other budgetary allocations as they affect children in Wales, for example decisions regarding government spending on housing and transport.

- To identify trends in public expenditure as it affects children living in Wales over the pre- and post devolution period.
- To provide, where possible, comparative information with other parts of the UK (particularly England and Scotland)

Positive findings

The review showed some pleasing trends in the level of public expenditure on children in Wales. It illustrated a growth in spending on children over the period 1996/97 to 2000/1. As well as an increase in spending on education over the period, there has been a significant increase in the share of the social services budget spent on children in Wales. However, the study also raises more questions. It illustrates substantial variations in the levels of spending between local authorities and health authorities, not all of which seem attributable to demographic and socio-economic factors. It also highlights the difficulties in accessing information on public spending on children particularly in non-children specific services.

Unfortunately, the time lapse with the availability of statistical data means that the review was unable to provide evidence of the impact of the new Assembly on budgetary decisions as they affect children and young people in Wales. The latest year available for analysis was 2000/2001 – too early in the life of the Assembly to discern any attributable changes. The analysis did however illustrate an upward trend on spending on children in Wales. Initiated by the Labour Government (UK) in 1997, this trend appears to have been followed through by the early budget decisions of the new Assembly. Further analysis is required as fiscal data for subsequent years becomes available. Moreover, the report provides some base lines by which we can assess future trends in public expenditure and budget allocations.

Inevitably, there were some gaps in the analysis, because the necessary information is not published

or is not collected in a consistent way over time. For some services, it is relatively straightforward to apportion public spending on children. Services such as schools, are only for children, while in other services, such as social care, children's services are clearly delineated from services for other client groups. But, in other cases, it is much harder to determine exactly how much is spent on children. Some services are provided to whole areas (eg, open spaces, economic development), or even whole countries (eg, defence, national heritage), so it is difficult to apportion spending in the same way. Housing services are provided to households, rather than individuals, and therefore are also in a 'grey' area. Other services, such as health care, are mostly person-specific (except maybe public health), but children's services are not always clearly delineated, as they are for social care. We know, for example, how much is spent on in-patient care in National Health Service hospitals, but we can only estimate how much of this is spent on children because the facilities and many of the staff are shared.

It has also proved difficult to identify broad comparators. The report usefully provides comparisons where possible with spending in Scotland and England but inconsistencies in measurement and data collection made it impossible to provide comparisons across other European countries, as we would have liked.

Achieving change for children

Save the Children is using the report to push the case for establishing a children's budget in Wales. The UNCRC recently expressed concern about the high levels of children living in poverty across the UK. The Committee welcomed government efforts to eradicate child poverty, but noted that the UK is not spending the 'maximum extent of resources' on eradicating child poverty. The Committee called for an analysis of budgets available for children across government – to show the proportion spent on children, identify priorities and allocate resources to the maximum extent of available resources.

Although our review provides useful information to assist in determining whether the Welsh Assembly Government is spending 'the maximum extent of resources' in line with Article 4 of the Convention, it does not provide us with sufficient information. However, it does highlight the gaps in information and the difficulties faced in trying to determine just what public monies are being directed to children and how these compare across administrations.

Our report, *A Child's Portion: Public expenditure on children in Wales* has been distributed to Ministers of the Welsh Assembly Government and we are following through with advocacy activities designed to persuade the government of the need for a children's Budget. The report reflects on the Assembly's stated commitment to the UN Convention. We argue that in line with Article 4 of the Convention and in response to the Committee for the Rights of the Child's concluding observations on the last UK report, government needs information bases such as children's budgets and audits that show how fiscal decisions have an impact on children's lives.

We will also send the report to the chief officers of local governments and health authorities⁴ in Wales to persuade them of the need to establish children's budgets at the local level.

The review has provided us with very useful information to support our advocacy work. In terms of government spending on education, children's social services and to a lesser extent health services used by children, we now have some base lines by which we can assess future trends in public expenditure and budget allocations. We also have information on trends in government spending in Wales on these services even though disappointingly, the time lag in the publication of official series means that we are unable at this time to provide evidence of the impact of devolution.

Although the report presents the evidence on children's use of services in Wales, this evidence is

not always comprehensive or sufficient to be able to apportion spending accurately between age groups. It follows that our key advocacy target at this time is to achieve greater clarity and transparency in just what amounts and proportions of public expenditure are directed towards the children of Wales.

Notes

1 The dragon is the national emblem of Wales.

2 Measured as living below 60 per cent of the median income.

3 Bradshaw, J, 2002, *The Well-being of Children in the UK*, Save the Children UK/York University.

4 Local authorities in Wales, as in England, receive budget allocations from central government and raise local taxes. They commission and provide the local public services, eg, social services, education, environmental services etc. Local health authorities or boards commission health services.

At a glance

- Devolution in Wales has brought a more inclusive approach to governance
- A review of public expenditure revealed increased spending on children between 1996 and 2001
- A Save the Children UK report: *A Child's Portion: Public expenditure on children in Wales*, has been published and distributed to ministers of the Welsh Assembly Government, local government officials and health authorities. It is being used to argue for a children's budget.

Are children getting enough?

Nepal has prioritised improving child health and education, but progress is slow. **Pralhad Kumar Dhakal**, formerly of Save the Children UK in Nepal, looks at some of the obstacles to meeting children's needs

In the last decade, the Government of Nepal has adopted poverty reduction as its most important socio-economic development objective. Realising that development of a strong human resource base is critical to achieving a sustainable growth and hence poverty reduction, the government in the post-liberalisation era took a number of measures towards protecting and promoting children. However, although child-related social indicators such as child mortality rates, number of schools operating and enrolment rates have improved over the years, they are still far from satisfactory. One question consistently arises: Are children getting what they ought to?

A national challenge

The Government of Nepal has been working in a number of areas to provide Nepali children with the basic amenities that would be necessary for their development. Although health is one sector that the government has prioritised aiming to provide basic health services to all, the challenge for Nepal is enormous. Health indicators are among the worst in the world and mortality remains high despite some recent improvement.

For children, the government has been running various programmes including immunisation, control of diarrhoeal diseases, acute respiratory infection, and a nutrition programme, to improve the population's health. However, with the exception of the immunisation programme, progress made is only modest.

The government has certainly been trying to extend better health services to the Nepalese populace, in line with the total budgetary allocation for the health sector, which has increased over the years. Unfortunately, the budget allocation system needs seriously rethinking. Despite a gradual increment in budget meant to ensure children's good health in the

past few years, it represents only a small chunk of the total health budget. Direct allocation for child health increased from Rs 198 million (\$5 million) in 1997/98 to over Rs 306 million (\$6.27 million) in 2001/02. However, the share is only 4 to 6 per cent of the total health budget, which is small considering the fact that the 2001 census showed almost 39 per cent of the population to be below the age of 14.

However, an important and encouraging point relating to government spending on children is that the government, during the Ninth Plan period¹, did not take foreign loans to finance projects and programmes aimed at the extension of health facilities and services to children. Though grants do make up a part of the health spending for children, the government has financed many of the projects through its own sources of revenue. This, in principle, shows the government's seriousness, despite the poor implementation of the programmes.

It would be naïve, however, to assume that children would get better health facilities only through the children-specific budget. The government's overall spending on the health sector, which has increased over the years, does have a bearing on child health. The pattern of total budget increase may indicate a strong government commitment to ensuring that public health is protected.

Alarm bells for education

On the education front – which is another important sector that has a bearing on child development – the government claims to have made a significant achievement regarding access to basic education. A huge investment undoubtedly has been made in the primary sub-sector since 1980. However, the government budget for the education sector went from less than 10 per cent of the budget in the mid-1980s to around 13 per cent in 1992 and has remained at around the same level since.

Educational levels in Nepal remain unacceptably low and effective access to basic education is far from universal or equitable. Nevertheless, there is no denying that Nepal is making additional efforts to provide access to primary education for 6 to 10 year olds. Unfortunately, the learning achievement of students is not satisfactory at all levels. Quality of education has always remained an issue, especially in government schools which are mainly used by poor households.

Given such constraints, the 'education for all' target was shifted from 2000 to 2015. Among others, the major interventions in the primary school sector in the last decade include Basic and Primary Education Project I and II and Primary Education Development Project (the latter finished in 2000).

Government expenditure in education has mostly been on recurrent items, such as salaries to employees and other regular operational expenses. The funds for development needs have remained below the 40 per cent mark, which brings into question the extent to which real infrastructure-building has taken place. This has a direct impact on educational facilities. Leaving aside the argument as to whether the allocations are adequate or not, what rings the alarm bell is the fact that both health and education sectors suffer from the usual problem of 'low budget absorption'. That is, the allocated budget and the budget actually spent hardly match, with the actual expenditure always remaining below the allocated budget.

Reality check

The spending pattern in health is better than in other social and economic sectors, including education. In the child health sector, the actual spending has reached as much as 83 per cent of the allocated budget. However, such spending in the Basic and Primary Education Project is low, primarily due to procedural and legal complexities that impeded budget spending on infrastructure

development. Many problems have been encountered in the implementation of child-related programmes and projects in the past. In its upcoming Tenth Plan, the government aims to formulate a three-year rolling budget under the Medium Term Expenditure Framework. This is expected to closely monitor the progresses made in projects being implemented in any sector, which, in effect, would ensure an effective corrective mechanism.

One of the most important problems in Nepal is the poor maintenance of data by the government. Ministries prepare their budgets based on estimates but do not compile the actual spending that has taken place in those areas. There is an urgent need for the government to overhaul the overall data maintenance system.

Fortunately, children receive more than is revealed by just the budgets and the red books. There are a number of I/NGOs working in the field which benefit children and almost 50 per cent of the grant of R500,000 (\$11,118) that the government gives each Village Residents' Committee is spent on primary education to meet the salaries of teachers and to build school infrastructure.

Staying pro-active

The Ministry of Women, Children and Social Welfare has also been running a child welfare programme. This not only tries to address the health problems of the child but also to contribute to creating a greater level of awareness and building greater infrastructure for children. However, this programme has been largely ineffective in meeting the needs of the child – an admission even ministry officials concede. The fact that the budget allocated for the ministry is solely from internal sources of revenue, does however show the government's commitment towards children.

Although the level of enjoyment of rights by children is still low, concerns for the protection and

promotion of child rights on the part of the government, political parties, adults, and children themselves is increasing. Existing poor socio-economic situations, high illiteracy and ignorance among the majority of people on child rights are major factors impeding the implementation and protection of child rights. There is a strong need for the government to take a pro-active approach for enhancing the level of awareness of child rights, and to increase children's access to school, health and other facilities.

The government made high promises in the past to ensure and protect children's rights. However, a lot remains yet to be done. Though adequate programmes and policies have in fact been formulated, lack of sincere implementation has diluted the government's promises and other efforts towards protection and promotion of children's rights.

Note

1 A plan period refers to a five year development plan.

A children's budget for Mozambique

NGOs in Mozambique that joined together to set up a children's budget, learnt a great deal from the experience. **Karen Johnson**, Programme Development Manager, Save the Children UK and **Narciso Cumbe**, Project Manager – Structural Causes of Poverty, Save the Children Norway, set out some of the lessons others can benefit from

Mozambique's children's budget initiative arose in 1998 as part of the Agenda for Children – a joint government-donor-NGO initiative. Save the Children Norway, Save the Children UK and UNICEF convened a national seminar of governmental and civil society organisations. Inspired by the South African experience of producing a children's budget, there was multi-sectoral agreement that Mozambique should produce one too. This would highlight the need for a more concerted governmental focus on children, ensure consistency and avoid duplication in other key strategic initiatives underway. The debt forgiveness debate had generally raised the profile of economic issues, so there was a fertile ground for these debates to grow out of.

The children's budget 'technical group' initially comprised representatives from the Ministry of Planning and Finance, Rede da Criança (a network of civil society organisations working with and for disadvantaged children) and two economics students from the University of Eduardo Mondlane (UEM). Members of the technical group went on short capacity building visits to Uganda, South Africa and India.

The research was slower than expected as the work was a pilot project. There was concern from government staff about potential sensitivity, financial constraints, difficulties in contracting experts and lack of experience.

To try and maintain momentum, the UEM students began data collection for education, health, social welfare and justice sectors, using published and unpublished sources followed up by interviews for discussion and clarification. As well as the published

government annual budgets, data sources included sectoral ministries, the National Institute of Statistics and multi-lateral and bi-lateral donors. Based on availability of data in practice, key decisions were made to reduce the sectors (for example, excluding justice due to lack of data) and number of years included (for example, there was no disaggregated data for 1996 and 1997 and no predictive data beyond year 2000). Data collection presented significant challenges, as we discuss below, and took 12 months.

It had been planned that data analysis would be carried out with expert technical input. However, constraints in identifying appropriate specialists meant that analysis was led by one UEM student, with distance support from IDASA and support on compilation and drafting from Rede da Criança and Save the Children Norway. A draft was produced 18 months after the initiative was launched. This was widely circulated for comment, followed by a seminar for discussion. The specialist civil society grouping on economic issues, Mozambican Debt Group (GMD – Grupo Moçambicano da Dívida) became actively involved at this stage, as they widened their remit beyond direct focus on Heavily Indebted Poor Countries (HIPC) negotiations and Jubilee 2000 campaign goals.

The final children's budget document was produced and launched in Maputo on 15 June 2001. It was targeted at government decision-makers, donors and embassy representatives and selected civil society organisations, principally at national level. Rede da Criança worked with members from existing children's theatre groups to create a specific theatre group to draw attention to children's budget issues at decision-making forums (especially Municipal

Council and National Parliament). This succeeded in raising awareness amongst decision-makers of children's perspectives on national decisions of relevance to them, such as education spending, as well as demonstrating that children were able to articulate their views on complex, abstract issues of budgeting.

Challenges and benefits of macro and sectoral analyses

1 The challenge of collecting sectoral information was far greater than imagined.

This was due to:

- Information theoretically in the public domain not being available in practice.
- Government staff feeling unsure about the motives for researchers requesting information and therefore fearful for their own job security if the end use of the information was critical of government.
- Deciding what was appropriate handling of sensitive budget forecast information (in some cases revealed to the research team before being publicised).
- Lack of availability of budget forecasts, especially from donors.
- Lack of financial information in line ministries (for example, within the Ministry of Education number of teachers are known but the financial implication on the state budget is not known, this information is held within the Ministry of Planning and Finance only).
- Lack of government-held information about donor funding inputs, especially where projects are decentralised geographically or negotiated and implemented by NGOs
- Lack of financial information in some sectors.
- Lack of organised historical information by sector (pre-1998).

Lessons learnt:

- The need for flexibility and adaptability in time allowed for data collection. This has important

implications (for example, for drawing up fixed-term, short contracts with consultants and deadlines with researchers)

- The on-going involvement of government institutions as part of the working group was vital to ensure access to necessary data and to ensure data in the final publication was accepted as being correct by the government at the time of publishing. Respecting the government's own constraints in this type of material and building a working partnership through trust and sensitive use of data was vital.
- The need to review what data can in practice be collected and deciding how much chasing up is viable and appropriate. To achieve an impact, it is important to publish the material you have, while the data are still relevant. Other areas can be included in the next edition.
- It is essential from the outset to consider how the budget will be updated – to include information not available at the time and to update all data regularly so it remains relevant.

2 A great deal of time was spent looking for a well known consultant/professional economist to lead the research.

This was due to the fact that the initial project design envisaged a support role of data collection for the economics students. However, such a specialist could not be found and the students completed the data analysis themselves. This did mean however, that institutional links with the Faculty of Economics were not well developed.

Lessons learnt:

- Economics students in their final year of study with the capacity, and equally importantly, the energy and desire to work long hours in search of data were able to carry out the study.
- It is necessary to have two key team members, not only to exchange ideas but also because one may drop out of the research due to other work/study commitments.
- It is necessary to include technical capacity-

building for people undertaking the analysis. Initially each team member went on one study visit. They requested a further study visit to IDASA once analysis was underway (which in fact did not take place due to constraints in finance).

- Maintaining institutional links is important to obtain future data and people to update the material.

The skills set needed to achieve sectoral analysis included:

- Command of different analytical techniques, eg, adapting from financial to numerical (number of nurses, number of classrooms, etc) and techniques for extrapolating from limited or incomplete data sets
- Networking skills, good contacts, diplomacy for information collection
- Patience, persistence and time for information collection
- Ability to express economic information in an accessible written style

3 Save the Children acted as one of the initial driving forces for carrying out a children's budget in Mozambique and funded the activity.

Technical guidance was vital during the process. However, there were changes of staffing both at level of Director and technical staff at Save the Children. Despite this, Save the Children always had one staff member who was strong in economic issues.

Lessons learnt:

- A long-term commitment was required by Save the Children from the outset (ie, at least three years)
- The partnership between Save the Children Norway and Save the Children UK was crucial given the change of staff during the long process. Thanks to the joint work they were always able to identify one person that had expertise in this area to permit continuation

The benefits of completing a sectoral analysis for education, health and social welfare included:

- Reducing government concern about the limited experience of civil society organisations analysing government economic plans and disseminating them in a way that was not prejudicial
- Highlighting the extreme under-funding of the social welfare sector (less than 1 per cent of state budget)
- Providing the basis for government line ministries to demand realism from donors in terms of expectations and actual means (for example, emphasis on service delivery responsibilities of state contrasted with extremely limited financial resources)
- Providing a basis for debate on difficulties of some aspects of government/donor co-ordination. For example provincial, sectoral funding agreements with a donor, or direct donor/NGO funding agreements, where information does not reach central financial planning control mechanisms. Another example is timing of budgeting processes (where donor financial years do not match government timetables, meaning that government is overloaded with many different planning and reporting calendars).

Key lessons for Mozambique

- The children's budget in Mozambique is an *analysis* of the impact of the state budget on children. It is not a call for budget ring-fencing for children's issues. It is a *sectoral* analysis which takes key sectors with obvious relevance for children's survival, development and protection
- The term 'children's budget' although creating a link with other similar research caused some confusion and misunderstanding within the Mozambican context where little budget analysis had been carried out by civil society. This meant that the work was perceived as either a project looking for funding or as a separate attempt to

have a children's budget. It might have been better to use another title

- The implicit challenge lies in providing a tool for relevant line ministries to lobby for greater resources. However, the full potential for this has not yet been realised in Mozambique in part due to limited dissemination of the document and the need to update the information beyond the year 2000
- A children's budget which provides a sectoral analysis makes useful links with the poverty reduction strategy process (PRSP), especially by providing an accessible tool for civil society engagement in PRSP monitoring
- An array of different organisations and individual skills was needed to complete the children's budget. In Mozambique, the national network for children's organisations, Rede da Criança was already strong, with members having a high profile for competence and experience in working directly with children. However, the range of often small, local organisations in the network had no competencies in economic literacy and little understanding of the importance of centralised, state budget issues for civil society grassroots level work. It would have been helpful to emphasise links between budget analysis and day-to-day NGO work with children in order to create more interest within the children's organisations
- The civil society lobbying movement, campaigning on issues of economic justice had relatively few economics specialists able to do this type of academic research. The Mozambican Debt Group had obligations to the full range of macro economic policy issues at a time of intense, high-profile lobbying on debt cancellation, HIPC and 'Fast Track' negotiations, and only became actively involved in the review and launch phases of the children's budget document. It is also important to recognise the need for child-focused organisations to advocate with different civil society groupings so that children's issues gain sufficient profile

- Although the Ministry of Planning and Finance was enthusiastically committed to the relevance of a children's budget at the start of the process, it did not in fact play an active part in the time-consuming implementation phase of data collection, data analysis and document drafting. This may change in future however. Ministry of Planning and Finance staff may be clearer about the relevance of these type of budget analyses as the emphasis on links between economic policy and all sectors and levels of development increases. If greater demands are made by citizens to shape their government's spending and greater integration between sectoral and executive ministries occur, it may also improve ministries' understanding and commitment.

Making links locally, nationally and internationally

The initiative to produce a children's budget in Mozambique was driven by Save the Children UK, Save the Children Norway and UNICEF, as at that time the national children's organisations were not at a stage where they viewed budget-related research as a priority. However, by the time the research was published, national NGOs were becoming more aware of its potential importance and therefore wanted to make use of the material. The finished research also highlighted for some line ministries, (eg, the Ministry of Social Welfare) their position of relative disadvantage in terms of the state budget allocated.

The idea to maintain and extend a working group after the completion of the research was crucial in order to have macro-economic input (from the Mozambican Debt Group), input from the grassroots organisations implementing the research (children's organisations), funding (Save the Children) and channels for advocacy (government).

The full potential of the children's budget has not yet been reached and it is hard to show significant

impact at local, national and international levels. However, several key lessons have been learnt for the next stages of the children's budget initiative, as the 'intentions' below show.

Intentions for wider dissemination of the children's budget document:

- Innovative work with children's theatre. Some has already been started with existing children's theatre groups and with monitors who ensure that the children discuss and understand specific themes within the general children's budget. The theatre aims to illustrate the local or personal impact of 'difficult to understand' issues such as national budgeting. For example, children show the direct impact of education spending allocations on their day-to-day school life. The theatre also raises the profile of children prompting increased awareness amongst decision-makers that children can and do understand complex issues and have opinions to share with decision-makers.
- Greater use of radio, especially forming links with

known political satirists/analysts with popular profiles and arranging radio phone-ins, etc

- Pamphlets summarising the key issues – possibly drawing on IDASA experience and examples
- Wider circulation of children's budget document to donors – probably via email in summarised format to create interest for a formal book launch.

Intentions for engaging in advocacy at national and local level:

- National network for children's organisations (Rede da Criança) to set up a specific working group on economic issues, comprised of members most interested and competent in this area
- National network for children's organisations (Rede da Criança), national advocacy lobby for economic issues (Mozambican Debt Group) and national NGO Forum (LINK) to consider how the existing children's budget can be updated
- National advocacy lobby for economic issues (Mozambican Debt Group) to consider how

A potted history: Mozambique's public spending

From the second half of the 1990s, the Government of Mozambique has had a successful record with major Bretton Woods initiatives. It was one of the first countries to develop a Poverty Reduction Strategy Paper (PRSP) and has received debt forgiveness through the World Bank's Heavily Indebted Poor Country (HIPC) initiative of over \$4 billion, reducing the country's debt stock by almost 75 per cent. This has been reinforced by acceptance to the World Bank's 'Fast Track' education initiative.

Prior to this, massive post-war rehabilitation dominated public sector spending priorities. Government commitment to decentralisation has been put into practice in Sector Wide Approaches (SWAPS) in agriculture, education and health, including some progress on creating

practical disbursement mechanisms. Legal and public sector administration reforms are also underway.

However, the Ministry of Planning and Finance (MPF) controls all public sector budgeting. All citizens have a constitutional right to information, but colonial and post-independence experience mean that people have only recently become confident in engaging in debate on government policy and performance. There are as yet no legally enshrined rights to information.

The annual budget is funded from approximately 40 per cent national income and 60 per cent donor income. Taxation systems are under review as one of the measures to redress this imbalance.

provincial level forums on economic issues can be created and strengthened

- National network for children's organisations (Rede da Criança) to consider how interaction with sectoral civil society lobbies (eg, Movement for Education for All) can be used to ensure specific, relevant and detailed evidence from the grassroots level contributes to national level debates
- Save the Children to consider how links with Children's Parliament and other youth/child-specific participatory citizenship initiatives can be supported to increase level of economic literacy
- All actors seeking opportunities to ensure that current barriers to access to small scale funding are reduced for local organisations involved in poverty eradication initiatives. This might include lobbying for greater transparency from

government about funding within specific projects or SWAPs (see box). Another example would be setting up of intermediary funding mechanisms which act as an interface between large-scale donors and organisations with micro-level projects in particular sectors (eg, health) or along thematic lines (eg, HIV/AIDS, orphans and vulnerable children).

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Francisco Parruque (Rede da Criança)

What comes out must first go in!

Governments receive a great deal of money – from companies and individuals – through taxes, royalties and other forms of revenue. But how much is actually received and how much is used to support children’s development and protection? Are different groups paying enough? And how much money goes ‘missing’? **Vanessa Herringshaw**, Acting Head of Economic Policy, Save the Children UK, gives some pointers on how to find out.

There are many steps between money being generated in a country and its use for children. Of the five steps below, the first three steps concern ‘expenditure’ of government funds. To date these have been the main focus of Save the Children UK’s analyses.

What revenue is really available to spend on children?

The following ‘Five Steps’ give some indication:

Step 1 Spending on services for children
How much is actually spent and what impact does it have for children?

Step 2 Dispersal of money from government to service providers
Of the money budgeted, how much reaches both the right level of government and the service providers?

Step 3 Budgeting
Of the money available, how much is allocated to support children? How appropriate is this allocation?

However, you can’t spend what you haven’t got! To really address spending on basic services and child protection, we also need to look at the following steps that affect how much money is available, ie, government ‘revenues’:

Step 4 Revenues received declared by government
Of the money paid to government, how much is officially declared as revenue? How much goes missing? Where does it go?

Step 5 Revenues paid to government
How much are companies paying to government? How much are other groups and individuals paying to government? Is this what they should be paying?

Extracting from the poor: the need for transparency of revenues in the oil, gas and mineral industries

Oil, gas and mineral extraction can generate vast revenues. These industries generate a great proportion of government revenues in over 50 countries.

But in many countries with poor governance, they have actually made the poor worse off. Money has often been channeled to the military. Conflicts linked to the resources have killed and displaced millions of children. Social investment has been limited, as corruption has resulted in much of the money going to the elite. For example, in Nigeria, health and education levels remain very low and unchanged despite the generation of billions of dollars from oil. At least \$4 billion are said to have been channeled to former President Abacha's bank accounts alone.

Extraction in developing countries is set to expand as demand grows and the West seeks to expand production outside of the Middle East. In particular, the development of African resources over the next decade represents a window of opportunity. Either the resources will be used to foster development, or they will be wasted – at best squandered, at worst used to fund further conflict, fuel corruption, driving down investment in essential services.

Save the Children UK is part of an international coalition working to improve the use of revenues from the extractive industries. Our 'Publish What You Pay' campaign has pressed companies to publish the revenues they pay to governments (step 5 opposite). This would allow civil society to compare what companies say they pay with what governments say they receive (step 4).

This improved revenue transparency would allow civil society to hold governments to account for the revenues they receive. It's a vital first step. But to produce change for children, the next steps will involve influencing government in the way these revenues are allocated (through budget and poverty planning processes – step 3) and spent (by tracking expenditures and their impact – steps 1 and 2).

Save the Children UK country programmes could be involved in improving accountability and governance for both 'revenues' and 'expenditure'. Then we would be working in a 'joined up' way, pushing to ensure that the vast revenues from natural resources are used for the good of the country's children.

Useful websites

www.internationalbudget.org

This site is an excellent resource on budget issues. It has a large number of downloadable guides and publications, and maintains a database of organisations undertaking budget advocacy and analysis work in different countries, and links to many other good websites. You can subscribe to its email newsletter on budget issues via the website.

www.ncasindia.org

One of India's most active budget analysis and advocacy organisations.

www.isodec.org.gh

ISODEC's budget work is described in more detail on this website.

www.idasa.org.za

IDASA is well known for its budget analysis, advocacy and training work. You can subscribe to its email newsletter on budget issues via the website.

www.uwc.ac.za/fairshare/

Training manual used in southern Africa.

www.oxfam.org.uk

A useful introduction to gender budget advocacy – many parallels with pro-poor, pro-child budget advocacy – with links to other relevant sites and organisations.