

BUDGET FOR CHILDREN ANALYSIS

A BEGINNERS' GUIDE



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Save the Children's Priority: Promoting Child Rights and Child Centred Budget Analysis

Save the Children has a long standing commitment to the fulfilment of children's rights. In recent years this commitment has been expressed through support to the implementation of the UN Convention on the Rights of the Child and to good governance mechanisms that support the process. Child centred budget analysis is one method to increase good governance.

Child centred budget analysis entails building the knowledge and capacities of civil society organisations, including children's organisations, to understand the national budgetary process and undertake State budget analysis. Budget analysis requires engaging in dialogue with government representatives to identify programmes that benefit children. Key findings of the analysis should feed into an effective communication and advocacy strategy to ensure adequate resource allocation for children and better governance and budget management from the government.

The States ratifying the UN Convention on the Rights of the Child (UNCRC) are, legally bound to undertake appropriate legislative, administrative, and other measures for the implementation of ALL rights for All Children (Article 4 of the UNCRC). The analysis of the budgetary process and State budget are therefore part of monitoring the overall implementation of the UNCRC and the recommendations from the UNCRC Committee.

Save the Children has a history working with Child Centred Budget Analysis in Asia:

- Save the Children has been supporting budget analysis in Bangladesh and Pakistan.
- In 2010, Save the Children and HAQ: Centre for Child Rights organised a *Regional Budget Analysis Training of Trainer* in Bangladesh, with the presence of Save the Children staff from Sri Lanka, Pakistan, Nepal and Bangladesh and the Civil Society.
- Save the Children has supported child centred budget analysis in Philippines at village level.
- In Vietnam, Save the Children conducted a Child-Focused Budget Study in three elementary schools.

Save the Children is also working with Child Centred Budget Analysis at global level:

- Save the Children supported Budget Analysis in Zimbabwe and Save the Children in Uganda have completed a budget analysis on Education.
- In Ethiopia, Save the Children supported the Ethiopian Development Research Institute of University of Addis Ababa to undertake a child focused analysis of Ethiopia's sustainable development programme and poverty reduction programme.
- Save the Children supported the Institute for Democracy in South Africa, Children's Budget Unit in developing a *Child Budget Analysis - Training Manual*, in 2003, as a follow-up of a training course held in 2002 in Cape Town.
- Since 2001, in South and Central America, Save the Children supported analyses of public budgets with a focus on childhood and developed systems in which children are involved in the social investments of municipalities, working with civil society organizations and state agencies to promote a public monitoring unit for child welfare.
- Save the Children supported a university in Peru to undertake a budget analysis and developed a child friendly version of it. Save the Children in Guatemala and Brazil have involved children in Budget Analysis: in Fortaleza (Brazil) children come together each year to take part in a debate on their municipality's budget distribution.

As Michele, one child from Fortaleza, a town in northern Brazil, says: *"It is important for us to know what is being done with our money. Something is taken every time you buy something with the excuse that it is to invest in the State. And now I am going to know whether the money is being used well or not... We have an idea of what happens with this money and what is to be done with it."*



Save the Children

ABOUT

THE TOOLKIT

BUDGET ANALYSIS — IS THAT NOT WHAT ECONOMISTS DO?
YES, THAT IS WHAT THE WHOLE WORLD BELIEVED TILL ABOUT
TWO DECADES AGO WHEN HUMAN RIGHTS ACTIVISTS WOKE
UP TO THE FACT THAT REALISATION OF HUMAN RIGHTS WAS
NOT POSSIBLE IF COMMITMENTS MADE WERE NOT BACKED BY
RESOURCES — ESPECIALLY FINANCIAL. THUS BEGAN BUDGET
ANALYSIS FROM A HUMAN RIGHTS PERSPECTIVE. WHAT
IS INTERESTING IS THAT INDUSTRY HAS BEEN CAREFULLY
MONITORING GOVERNMENT BUDGETS AND LOBBYING
GOVERNMENTS FOR DECADES NOW. IT TOOK HUMAN RIGHTS
GROUPS LONGER TO GET TO IT. SINCE THEN ORGANISATIONS
ACROSS THE WORLD HAVE BEEN UNDERTAKING BUDGET
ANALYSIS WORK AND ALSO ADVOCATING WITH THE
GOVERNMENTS USING IT, WITH VARYING DEGREES OF
SUCCESS.

BUDGETS ARE MADE BY US ALL THE TIME — AT HOME AND
AT WORK. IT IS THE SAME SET OF SKILLS THAT WE USE TO
UNDERSTAND AND WORK ON THESE BUDGETS THAT ARE
REQUIRED TO UNDERSTAND AND ANALYSE GOVERNMENT'S
BUDGETS. IT IS WITH THIS PERSPECTIVE THAT WE MUST USE
THIS TOOLKIT.

REALISING THE IMPORTANCE OF MONITORING BUDGET
ANALYSIS AS A TOOL FOR MONITORING REALISATION OF
CHILDREN'S RIGHTS, HAQ: CENTRE FOR CHILD RIGHTS, NEW
DELHI, INDIA BEGAN DOING THIS IN 2000. THIS TOOLKIT
IS BASED ON HAQ'S EXPERIENCE. IT ALSO DRAWS UPON
THAT OF OTHERS WORKING ON SIMILAR ISSUES ACROSS THE
WORLD.

WHAT DOES THE TOOLKIT DEAL WITH



The budget is a government's most powerful social and economic policy instrument and plays a central role in the lives of each and every citizen. It reflects the priorities of the government.

Not only are the resources for public budgets derived from citizens' expenditures and earnings, but citizens, especially poor and low-income ones, are the primary beneficiaries of government programmes financed through the budget.

It is therefore vital that citizens individually and in groups understand government budgets, and have access to information and processes that will allow them to hold the government accountable for the use of public funds; but to be able to engage effectively with the government it is important to understand the budget process and be able to study and analyse it.



WHY BUDGET ANALYSIS?

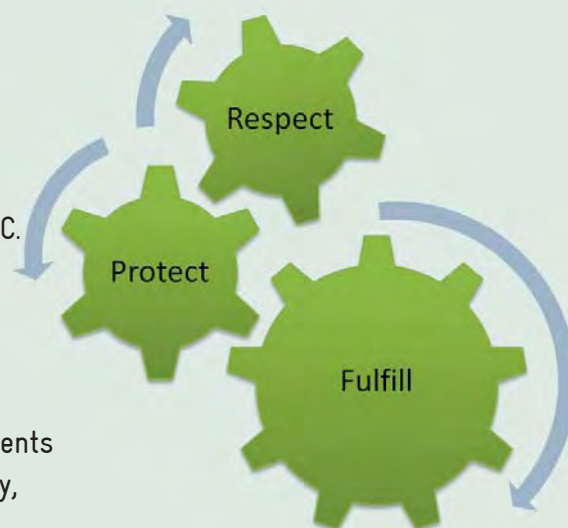
- Budget analysis is both a tool for monitoring state performance as well as for holding it accountable.
- Budgets are the most solid expression of a government's priorities, performances, decisions and intentions.
- Budgets reflect the policies and programmes of the government.
- They are essentially a political and not a technical instrument.

Budget for Children (BfC)

Governments or States are obligated to fulfilling the rights of children, as well as in playing regulatory and oversight roles to ensure non-state actors' compliance with child rights codes of country and UNCRC. In general, child rights impose three distinct obligations on governments: the obligations to respect, protect and fulfill those rights.¹

The obligation to fulfill rights necessitates that governments take and implement legislative, administrative, budgetary, judicial and other measures.

Additionally, the obligation to fulfill child rights refers to the progressive realisation of rights, and includes governments' duties to facilitate and provide for basic needs, particularly when children's families are unable to do so.²



KEY ISSUES

Children's issues most often receive less attention and are given low priority in the state budget. More importantly, even when adequate money is allocated to a children's programme, it ends up delivering much less than what it was supposed to.

An ability to analyse state budgets, with a proper understanding of the budgetary processes, allocations and outcomes, is therefore crucial for child-focused civil society organisations (CSOs) or non-governmental organisations (NGOs). Analysing budgets gives them the means to create effective advocacy strategies for seeking more commitment from the state, holding it accountable, and ensuring more effectiveness and transparency in the expenditures.

Over the past decade, budget analysis has emerged as an effective tool for monitoring child rights, with the potential to play an important role for child focused CSOs as well as children themselves to claim those rights. In India this work began in 2000.

In the rest of South Asia, however, there have not been many systematic child rights based budget analysis. Where such analysis exists, it comes from CSOs and is restricted to sectors. Nor is it comprehensive and based on child rights indicators (such as, assessing allocation towards primary education or free vaccination as a proportion of the total national income (measured in terms of gross domestic product or GDP).

Secondly, there is a lack of awareness on the usefulness of budget analysis tools among child

1 Balakrishnan, Radhika, Diane Elson and Rajeev Patel. Rethinking Macro Economic Strategies from a Human Rights Perspective (Why MES with Human Rights II). US Human Rights Network. Page 6 and Mekonen, Yehualashet. Approach to the Measurement of Government Performance in Realising Child Rights and Wellbeing. The African Child Policy Forum. 2008. page 1

2 Ibid

focused CSOs, which means they are also not aware of the budgetary processes and gaps. Thus there is a strong need to build capacities of interested CSOs and give them technical support to understand, analyse and advocate “optimum budgeting” to meet children’s core needs. This toolkit is steered towards that outcome.

THIS TOOLKIT FOCUSES ON THE KEY CONCEPT AND OUTLINE OF THE BUDGET FOR CHILDREN ANALYSIS. IT CAN ALSO BE USED FOR DELIVERING A SYSTEMATIC AND BASIC TRAINING ON THE SUBJECT FOR CIVIL SOCIETY ORGANISATIONS.



Objectives

Increase the capacity of interested civil society organisations in analysing budget procedures and budget allocations in relation to children.

Enhance their communication and advocacy skills in order to use reports to strengthen their advocacy work

HOW CAN THIS TOOLKIT BE USED AND BY WHOM



THIS TOOLKIT IS DESIGNED TO TRAIN INDIVIDUALS AND CIVIL SOCIETY ON HOW TO CONDUCT A CHILD CENTERED BUDGET ANALYSIS TO SUPPORT THEIR ADVOCACY WORK TOWARDS HOLDING STATE ACCOUNTABLE FOR THE FULFILMENT OF CHILD RIGHTS.

THE BUDGET ANALYSIS IS A TOOL TO ADVOCATE WITH THE STATE FOR ADEQUATE RESOURCES FOR CHILDREN AND BETTER USE OF THEM. THIS ANALYSIS IS CALLED CHILD CENTRIC BUDGET ANALYSIS OR BUDGET FOR CHILDREN. THESE TERMS HAVE BEEN USED INTER-CHANGEABLY IN THE TOOLKIT.



It will make child rights organisations better aware of the importance of budget analysis and build their capacities on the basic concept and modalities of child centric budget analysis or Budget for Children (BfC).

It can be used for training staff on how to conduct the 'Budget for Children' (BfC) analysis in the country.

BUDGET FOR CHILDREN (BfC): THE EXPERIENCE OF HAQ: CENTRE FOR CHILD RIGHTS

HAQ: Centre for Child Rights, New Delhi, pioneered Budget for Children (BfC) analysis in India in 2001 when it undertook a decadal analysis of allocations and spending for children. Since then it has continued analysing budgets with a child rights focus at the national as well as the state level. It has established budget analysis as a valuable tool for not only monitoring state performance in the implementation of the rights of children and holding the state accountable, but also for child rights policy, planning and programming.

HAQ's experience shows that:

1. It is possible to not only gain acceptance of the concept and methodology but also have it included in government's own budget process.
 - The Department of Women and Child Development, Government of India (now Ministry of Women and Child Development), in 2003 adopted HAQ's methodology and has been including a chapter on Child Budgets in its Annual Report. Since then they have been doing so regularly.
2. It can contribute to the influencing of and creating policies, programmes and plans directed specifically at improvement of children's lives and better realisation of their rights.
 - BfC is part of India's National Plan of Action 2005 and Eleventh Five Year Plan
 - In 2007, the Finance Minister in his budget speech announced a separate Expenditure Statement (No 22) for children.



Remember:

Budget analysis is only one of the many tools that can help in advocacy for realisation of child rights. To be powerful and effective, the analysis of state budgets has to be combined with information and knowledge of laws and policies and also a strong well thought out and effective advocacy strategy and strong understanding of situation of children in country. Hence, to analyse BfC, it is needed to develop a solid understanding of the budget process including a review of the necessary budget documents, marking out points of intervention; key commitments of the state; and laws and other literature available in their country. They also need to develop close networks with legislators, budget division officials, journalists and other key actors.

WHAT IS THE EXPECTED OUTCOME OF THE TOOLKIT



Budget for Children (BfC) or Child Centered Budget analysis is an effective tool for monitoring government's commitments to child rights and also advocacy.

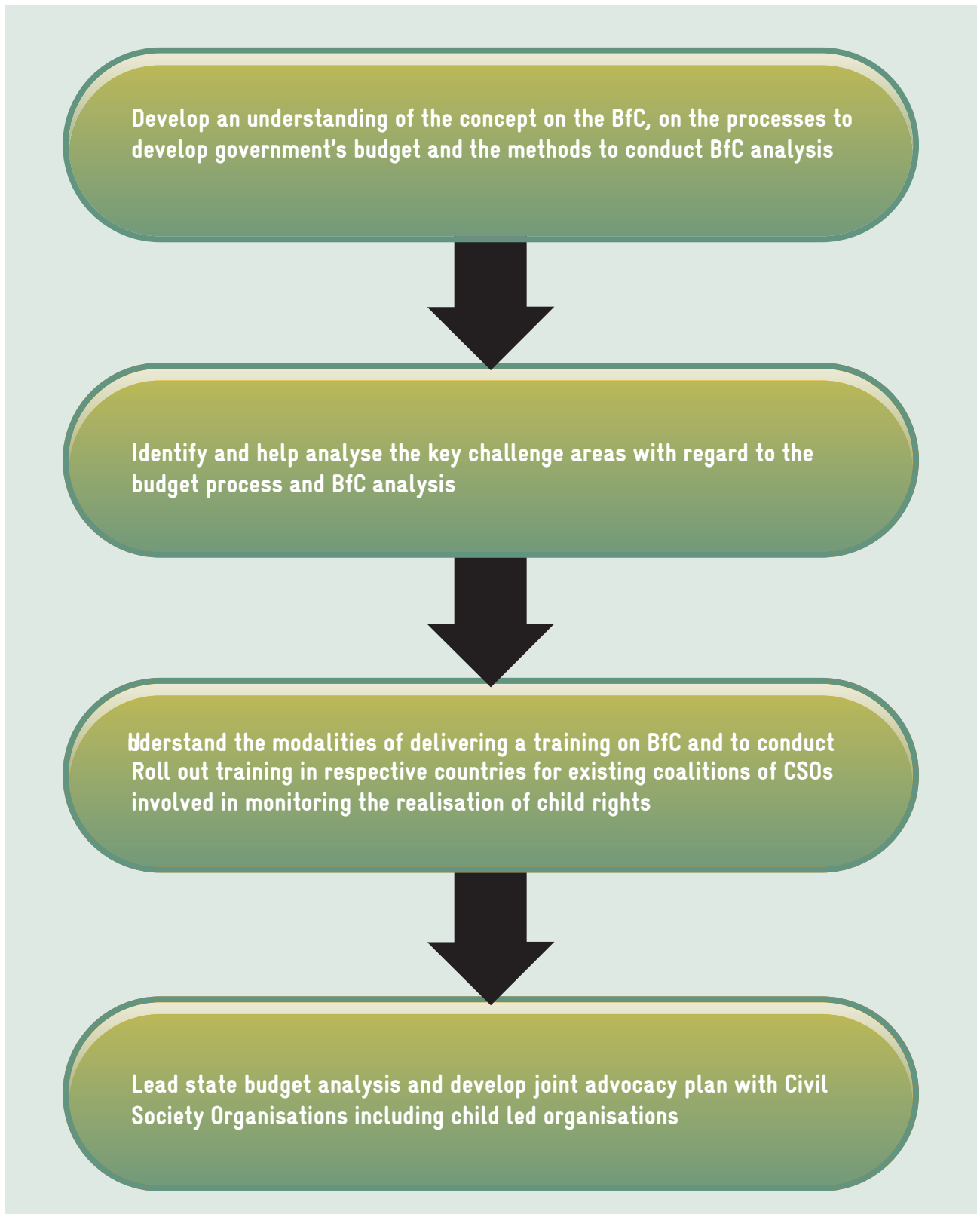
Budget analysis enables us to assess how far the commitments made to children through policy and programmes are being translated into financial commitments.

"the process of preparing and overseeing budgets opens the door to a number of important processes, and can become an integral part of a human rights-based approach to programming. It demands an important capacity-building component, especially for civil society groups, local governments, and private and public agencies addressing issues of child rights. Advocacy around budgets calls for the empowerment of rights-holders to demand that duty-bearers—in both the legislative and executive branches of government—allocate the funding necessary to implement social policies. Too frequently the announcement of grand social policies is not followed by the allocation of sufficient resources to put them into practice. Once ordinary citizens understand the impact of the budgetary process on their day-to-day lives and learn the points at which they can intervene and how to do so, they are in a far better position to hold governments accountable to the realisation of child rights."

From ... UNICEF Brazil Budget Paper - Alison Raphael 2002



At the end of the toolkit exercise, users are expected to gain a basic understanding of the importance, relevance and modalities of 'Budget for Children (BfC)' analysis. They are expected to:-



Child-centric Budget Analysis: Lessons from History

In **Brazil**, CEDECA-CEARÁ, a Civil Society Organisation founded in 1994, initiated a programme to monitor the budget of the Fortaleza city. This was conducted through the discussion of public policies that give effect to human rights of children and young people knowing about the allocation of public resources to implement these policies and social control in the allocation and spending of public resources. Over the years they have attempted to create a methodology to empower the young to intervene and participate in public policies through budgetary legislation. This was the first ever initiative to not only undertake Budget for Children analysis, but also engage children in budget processes.

In **South Africa**, the Budget Information Service (BIS) of the Institute for Democracy (IDASA) began analysing the allocation and use of public resources in South Africa to understand the impact of budget on the poor. IDASA's Children's Budget Unit (CBU), which began work in 1995, linked the analysis of the budget to structural issues that are crucial for the realisation of children's social and economic rights. It advocated for a better allocation of resources and monitored yearly trends and improvements.¹ The CBU has been an inspiration for similar initiatives in many countries, including **India**.

Over the years CBU-IDASA developed a methodology to track budget allocations and programmes intended to reach children, highlighting challenges in delivery of services and also analyse the legal framework that ensures social and economic child rights in South Africa, and linking this framework to budget analysis.

Over the years child budget analysis has been experimented within several countries across the world such as **Vietnam**², **Palestine**³, **Suriname**⁴, **China**⁵ etc. Most of them have focused on a sector (education, health) or a group of children (disabled) etc.

In **Bosnia and Herzegovina**, Save the Children – UK Bosnia and Herzegovina (B&H) programme has been working with UNICEF and the government to estimate the impact of B&H's electricity privatisation on child poverty and how to mitigate negative consequences. The assessment involves analysing existing quantitative data, plus new quantitative and qualitative information from stakeholders. This work highlights the causal links between increasing prices and/or limited access to schooling, school performance, health and development⁶

1 <http://www.internationalbudget.org/SAfrica-IDASA.pdf>

2 Child-Focused Budget Study: Assessing the Rights to Education of Children with Disabilities in Vietnam. By Save the Children, Sweden

3 Dollars and Sense for a Better Childhood: A Palestinian Child-Focused Budget Study Secretariat for the National Plan of Action for Palestinian Children October 2000

4 Education Budget in Suriname 2004-2007 Child Friendly Budget Analysis: A Tool to Measure Results for Children and Enhance Transparency by Rosa Klein for UNICEF Suriname

5 China's Budget System and the Financing of Education and Health Services for Children by MEI Hong and WANG Xiaolin Editor: Anthony Hodges, United Nations Children's Fund And Office of the National Working Committee on Children And Women under the State Council

6 www.crin.org/.../SC%20UK%20SEE%20Submission%20to%20Day%20of%20General%20...

In countries that have experimented with budget analysis for children, some concrete results were seen:

In **South Africa**, as a result of the advocacy work of the Child Budget Unit established by the NGO I DASA, the government increased the total resources for children in the 2003/04 budget in real terms, and the age until which a child could benefit from the Child Support Grant was extended to 14.

In **India**, the government accepted and acknowledged the concept and methodology of child budget

Several countries have had success in using budget analysis to improve the education sector. Let us look at some examples.⁷

In **Ghana**, the budget monitoring of school at community level have provided parents and children with the opportunity to raise their concerns over aspects of service delivery in their communities and enabled them access the performance of education officials, teachers and school management committees.⁸

The national civil society organisations used community scorecards in to track education budgets, with the aim of strengthening accountability and transparency in service delivery. The community scorecard project determined the outcome of resources allocated to primary education. Budget information relating to allocations and expenditure on textbooks and other learning materials were used to monitor school budgets. The project has worked to improve the flow of information between stakeholders.

In **Kenya**, the budget analysis and monitoring was used to ensure that the government's policy of free primary education provides adequate financial and human resources to facilitate children's access to quality primary education. The government devolved funds to the local level in order to speed up service delivery and increase community participation in decision-making. This meant that there was a greater need for communities to understand budget processes, and to have the skills to plan and make decisions about education expenditure. This has been achieved by training communities to monitor education policy and budget implementation, and by working to establish good governance structures in schools. Lobbying activities led to a change in the Education Act, to outline the role and function of School Management Committees and Parents Teachers Association in school and financial management.⁹

7 These examples have been taken from the Right to Education Project – Promoting mobilisation and legal accountability, www.right-to-education.org.

8 Ghana: Assessing education delivery: the community scorecard project in <http://www.right-to-education.org/node/612>

9 Kenya: Improving school governance to support Free Primary Education in <http://www.right-to-education.org/node/613>. (Accessed on 23/08/2010)

“Because CSOs generally do not have access to information about the budget when it is being formulated, most of them have tended to focus their attention on the budget approval, budget implementation and budget auditing stages of the budget cycle, as this is where they can have the most impact

... CSOs focus their attention on budget implementation – i.e. on verifying whether or not government funds are being spent as intended. Some initiatives have involved monitoring from a national perspective, using data or quarterly reports from government ministries to check that expenditures are being made according to budget plans. Other initiatives have examined the expenditure of state or district level institutions responsible for the delivery of education.”

<http://www.right-to-education.org/node/609>

In Malawi, the broad aim of the Civil Society Coalition for Quality Basic Education (CSCQBE) has been to enhance monitoring and advocacy efforts in relation to the government’s commitment to free primary education. Budget work was a core part of CSCQBE’s monitoring of government policy and financial commitments. It has been used to hold the government to account for its commitment to free primary education by verifying that resources allocated to primary education are sufficient to meet policy objectives, and ensuring that resources are spent as planned. Findings from the education budget monitoring study showed a decrease in the percentage of the national budget allocated to education. These findings were used to lobby successfully for an increase in the education sector’s share of the national budget.¹⁰

In Uganda, the objective of child-led budget monitoring and anti-corruption initiatives in the education sector has been to ensure that expenditure is made according to plan, and not misappropriated. Child budget monitors in schools uncovered cases of corruption by school officials, which were reported to the district education office and resulted in the dismissal of the guilty officials. In 2007, there was a focus on tackling corruption in the education sector, with organisations working to create awareness of corruption in government service delivery. Corrupt district education officials, head teachers and building contractors have been exposed for misappropriating public funds as a result of budget work initiatives.¹¹

IMPORTANT:
CHILD BUDGET ANALYSIS
BEARS RESULTS WHEN
THERE IS A RECEPTIVE
GOVERNMENT TO TAKE
IT FORWARD. HENCE
BUILDING RELATIONSHIP
WITH GOVERNMENT IS
ESSENTIAL

In Bangladesh, national civil society organisations have sought to build the capacity of community audit groups to monitor the allocation of resources at the district level and service delivery in schools. These district-based community audit groups were formed to assist the government with decentralisation and to hold it accountable for policy and budget commitments. Findings from budget monitoring conducted by community audit groups have been linked up to national level advocacy by Bangladesh’s first parliamentary caucus on education. The caucus has lobbied the government for education to be recognised as a right, and for an increase in resources to be allocated to the education sector. The parliamentary caucus challenged the government about the share of GDP committed to education, and was successful in achieving a small but significant increase in education expenditure.

10 Malawi Annual district education budget and services monitoring in <http://www.right-to-education.org/node/610> (Accessed on 23/08/2010)

11 Uganda Budget monitoring to fight corruption in the education sector in <http://www.right-to-education.org/node/614> (Accessed on 23/08/2010)

HOW TO USE THIS TOOLKIT



The toolkit has four modules. It will take us through the budget process as well as the methodology for analysis and communication and advocacy component.

Module 1 Government Budgeting — Process and the need for budget analysis

Module 2 Budgets for Children — Concept and design

Module 3 Undertaking Budget for Children Analysis — A step by step guide

Module 4 Advocating Using Budget for Children Analysis — Communication and mobilisation

What do we need to start Budget for Children Work?

- Identify and acquire all State budget documents and other key documents of the governments such as annual reports, audit reports, economic surveys etc. WE CANNOT EVEN BEGIN WITHOUT THESE (refer page 48 for detail list of documents)
- A basic understanding of rights based work and information on all international and legal instruments pertaining to rights of children in your country
- Capacity to work on Excel sheets, to be able to undertake data entry etc.
- An understanding that budget analysis is not a one-off activity and needs to be sustained over time to bear results.



Patience and time are required for doing Budget Analysis!

MODULE

1



MODULE 4

MODULE 3

MODULE 2

MODULE 1

GOVERNMENT BUDGETING

PROCESS and the need for budget analysis

THIS MODULE TELLS US ABOUT THE BUDGET PROCESS — HOW IT IS MADE AS WELL AS THE ROLE PLAYED BY SPECIFIC PEOPLE, INSTITUTIONS AND ORGANISATIONS IN MAKING IT. THE KNOWLEDGE OF THE PROCESS AND FUNCTIONARIES WILL TELL US WHEN AND WHOM TO APPROACH WHILE ADVOCATING FOR ADEQUATE RESOURCE ALLOCATION TOWARDS CHILDREN'S ISSUES.



WHAT IS A STATE BUDGET?



Before beginning any budget analysis exercise we need to be completely familiar with what a state or a government budget is, the budget process, and important terminologies that are used in all budgets. These will enable us to identify the role that civil society can play.

Technically, for the year a budget is the document that includes the government's expenditure and revenue proposals. Economically and politically, it is the most important document mirroring its policy priorities and fiscal targets. It is also a legal document that is passed by the legislature and, like any law, needs the chief executive's assent. Thus a State budget has an economic, political and technical component.

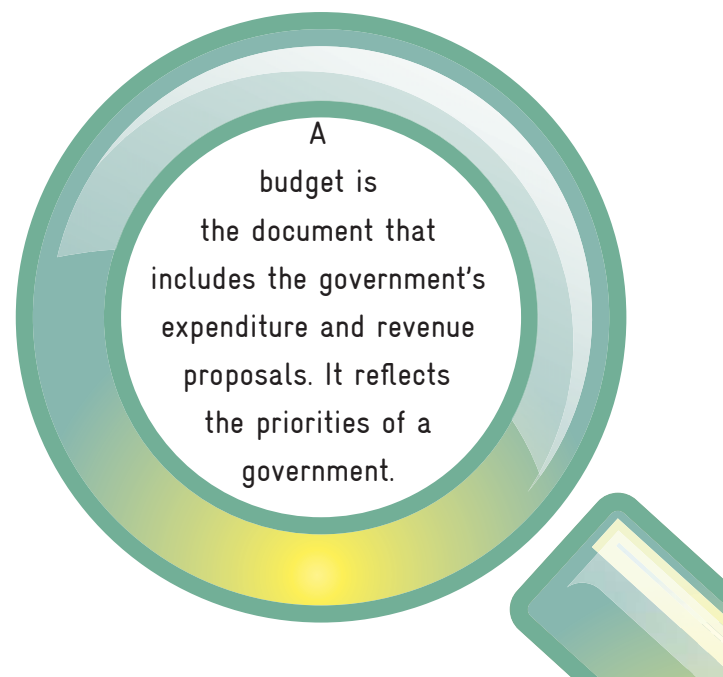
The budget of a country is drawn up within the framework of some key economic parameters and their projected levels, such as economic growth, inflation, debt, etc, as well as some overarching policy goals, such as maintaining the deficit or debt at a certain level, simplifying taxes, or increasing expenditures in certain priority areas (such as food subsidies in a drought year).

However, state budgets do not always allocate scarce resources for the best economic use. Budgets are often a fine balancing of various priorities and conflicting interests where the stronger lobbies ultimately win out. However, the budget document is just one facet of a country's system for managing and assessing its spending and tax policies.

Annual budgets are based on the immediate past year's budget, and changed in proportion to that. While much of the budget changes are just nominal, accounting for inflation, some others can be important and reflect the changes in the economic situation or in government priorities or fiscal needs (such as, launching an employment guarantee scheme to drive up demand during an economic downturn). At any rate, most of the budget is practically fixed, and often there is very little money to play around with.

Governments have the same problems when drawing up their budgets as households do. They often stretch their limited resources and make tough decisions when prioritising allocations and spending. Governments must be held accountable for spending and overspending. They should plan for unforeseen expenditure, which could result from disasters, natural or otherwise.

Child Budget Analysis, Training Manual, CBU-IDASA, January 2002



A budget is the document that includes the government's expenditure and revenue proposals. It reflects the priorities of a government.

What do these terms mean?

We must read these very carefully and understand them before we begin on any budget related work. Although drawn from the Indian experience, some or all of them may be applicable to other country contexts as well.

- ✓ **GDP (Gross Domestic Product)** is the total value of final goods and services produced in a country during a year. Economic growth is measured by the change in GDP from year to year. For instance, if a country has grown 9 per cent over the past year, its GDP is now 9 per cent bigger. Per capita GDP is the GDP divided by the number of people in the country, which is equivalent to the average income per person.
- ✓ **Inflation** is broadly used to mean a rise in the general level of prices of goods and services over a period of time. Technically, however, inflation is the rate of change in the price level (wholesale, retail or even sectoral) in an economy over a fixed period, usually a year. For instance, an eight per cent inflation in, say, rice prices in January 2010 means that rice cost Rs 108 in that month against Rs 100 in January 2009. Similarly, zero inflation in January 2010 does not mean prices are not rising, but that the price rise in that month is the same as in January 2009.
- ✓ **Fiscal Policy** refers to government policy actions that impact overall revenues and spending, and the resulting surpluses or deficits. It is the primary means by which the government influences the economy. An “easy” fiscal policy is intended to stimulate short-term economic growth and demand by increasing government spending or reducing revenues. A “tight” fiscal policy does the opposite — restrains demand by reducing spending or increasing taxes — and is often used to keep inflation in check. The government sets and implements fiscal policy through the budget. In many countries, the medium term or long-term fiscal policy framework as well as a document depicting the government's progress in that direction becomes a part of the budget, such as the Fiscal Responsibility and Budget Management Act in India or the Medium Term Fiscal Policy Framework in Pakistan.
- ✓ **Annual Financial Statement (AFS)** is the core budget document listing the estimated receipts and disbursements by the State for the ensuing financial year, the on-going financial year and the financial year that just got over. The receipts and disbursements are shown under the three parts in which Government Accounts are kept viz. Consolidated Fund, Contingency Fund, and Public Account. The AFS also shows separately, certain disbursements as charged on the Consolidated Fund (in India, it is items of expenditure such as emoluments of the President, interest on and repayment of loans raised by Government, etc) which are not required to be voted on by Parliament.
- ✓ **Consolidated Fund** contains all revenues received by Government (mandated by the Constitution, Article 266 in India), loans raised and receipts from recoveries of loans granted by it. All expenditures are incurred from this Fund and no amount can be drawn without authorisation from Parliament.
- ✓ **Contingency Fund**, as its name suggests, is an emergency fund of a fixed amount (Rs 500 crore in India) created for spending when Parliament is not in session. It too flows from the Constitution (Article 267 in India) and authorises the President to draw from it to meet urgent unforeseen expenditure pending authorisation from Parliament. Parliamentary approval is obtained as and when possible and an equivalent amount is drawn from the Consolidated Fund to recoup the Contingency Fund.
- ✓ **Public Account** consists of monies held by Government in trust, such as Provident Funds, Small Savings collections, income of Government set apart for expenditure on specific objects like road development, primary education, Reserve/Special Funds etc. Such funds do not belong to Government and have to be finally paid back. Parliamentary authorisation for such payments is not usually required, except in specific cases.
- ✓ **Fiscal Deficit** is the difference between the revenue receipts plus non-debt capital receipts and the total expenditure including loans, net of repayments. This indicates the total borrowing requirements of Government from all sources. In other words, the net new debt every year.
- ✓ **Primary Deficit** is measured by deducting the interest payments out of the fiscal deficit. It shows the excess of expenditure over income.
- ✓ **Revenue Budget** consists of the revenue income of the Government (tax revenues and other revenues) and the expenditure met from these revenues.

- ✓ **Revenue deficit** refers to the excess of revenue expenditure over revenue receipts. It is the primary indicator of a government living beyond its means (see also Revenue expenditure).
- ✓ **Tax revenues** comprise proceeds of taxes and other duties levied by Government. These along with other receipts of Government, mainly interest and dividend on investments made by Government, fees, and other receipts for services rendered by Government, make up total revenue receipts.
- ✓ **Revenue Expenditure** is the expenditure which does not result in creation of assets for Government, such as spending on running Government departments and services, interest payments on debt, subsidies, etc. All grants given to State/Provincial Governments and other parties are also treated as revenue expenditure. Ideally, a government must spend only as much as, or less than, it earns, which means it must focus on generating a revenue surplus.
- ✓ **Capital Budget** consists of capital receipts and capital payments. Capital receipts are loans raised by Government from public, borrowings from the central bank and others through Treasury Bills, loans received from foreign governments and bodies, and recoveries of loans from State/Provincial governments and others. Capital payments consist of expenditure on acquisition of assets like land, buildings, machinery, equipment, as also investments in shares, and loans and advances granted by the Government to the next tier of governments, government companies, corporations, and so on. Capital Budget also incorporates transactions in the Public Account.
- ✓ **Receipts Budget** provides details of tax and non-tax revenue receipts and capital receipts and explains the estimates. It gives, as in India, the arrears of tax revenues and non-tax revenue, and trend of receipts and expenditure along with deficit indicators, statement of revenues foregone, statement of liabilities, statement of guarantees given by the government, statements of assets and details of external assistance are also included in Receipts Budget. It also includes a statement indicating the quantum and nature (share in Central Taxes, grants/loan) of the total resources transferred to Provincial/State/Union Territory governments.
- ✓ **Demands for Grants** is the form in which the estimates of expenditure from the Consolidated Fund, as presented by each ministry/department and included in the Annual Financial Statement and required to be voted by the lower House, are submitted.

This is also a Constitutional mandate (Article 113 in India) and is a part of the budget documents.

- ✓ **Detailed Demands for Grants** further elaborate the provisions included in the Demands for Grants as well as the actual expenditure during the previous year. It is so called because a detailed break-up of the estimates relating to each programme/organization is given, such as, salaries, wages, travel expenses, machinery and equipment, grants-in-aid, etc It is the main document from which the BfC is prepared.
- In India, the Detailed Demands for Grants are laid on the table of the Lower House of Parliament sometime after the Budget is presented, but before the discussion on the Demands for Grants begins.
- ✓ **Outputs/Outcomes:** The performance of government programmes is assessed by examining whether they have delivered the desired outputs and outcomes. Outputs are defined as the goods or services provided by government agencies, such as immunisations provided, or schools set up. Outcomes are a broader concept and include the impact of the program on social, economic, or other indicators, such as whether more immunisations reduced a particular illness. Outputs are easier to measure than outcomes, but measuring the latter is far more effective to assess the impact of Government policy.
 - ✓ **Outcome Budget** broadly indicates the physical dimensions of the financial budget of a Ministry/Department, in respect of all Demands/Appropriations controlled by them, indicating actual and expected performance in the three years of the Annual Financial Statement. It consists of monitorable targets and where the government is and expects to be with respect to those targets and goals. An Outcome Budget called is part of the Union Budget in India.
 - ✓ **The Economic Survey** is an annual publication by the Finance Ministry which brings out the economic trends in a country to better understand the process of mobilisation of resources and their allocation in the Budget. The Survey analyses the trends in agricultural and industrial production, infrastructure, employment, money supply, prices, imports, exports, foreign exchange reserves and other relevant economic factors which have a bearing on the Budget, and is presented to Parliament a few days before the Budget for the ensuing year to place it in the relevant context.

List all the budget terms applicable in the context of your country...

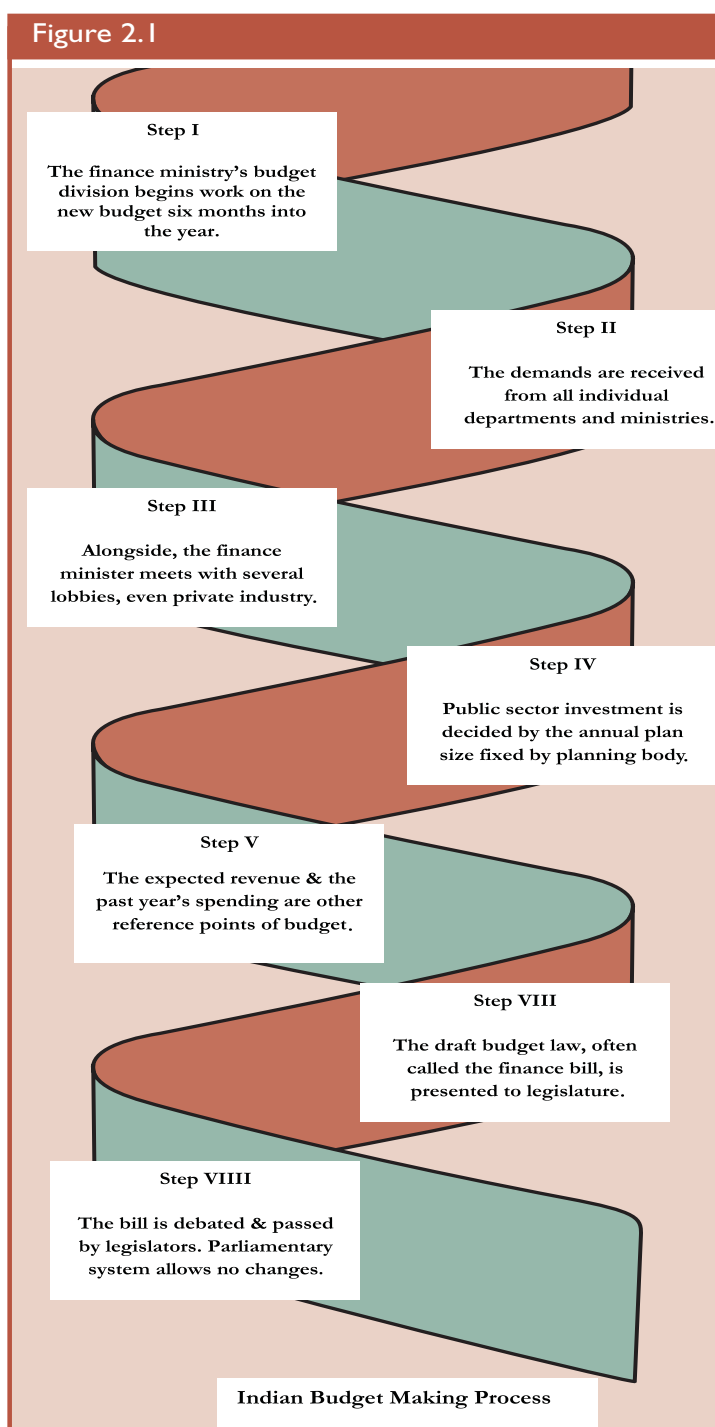
THE STEPS TOWARDS MAKING OF GOVERNMENT BUDGET

A budget is developed within a fixed and structured process. In order to be able to understand the final outcome (the Budget) and influence the decision makers, it is important to understand the roles of different individuals, institutions and stakeholders during this process.

THIS IS HOW THE BUDGET PROCESS UNFOLDS.

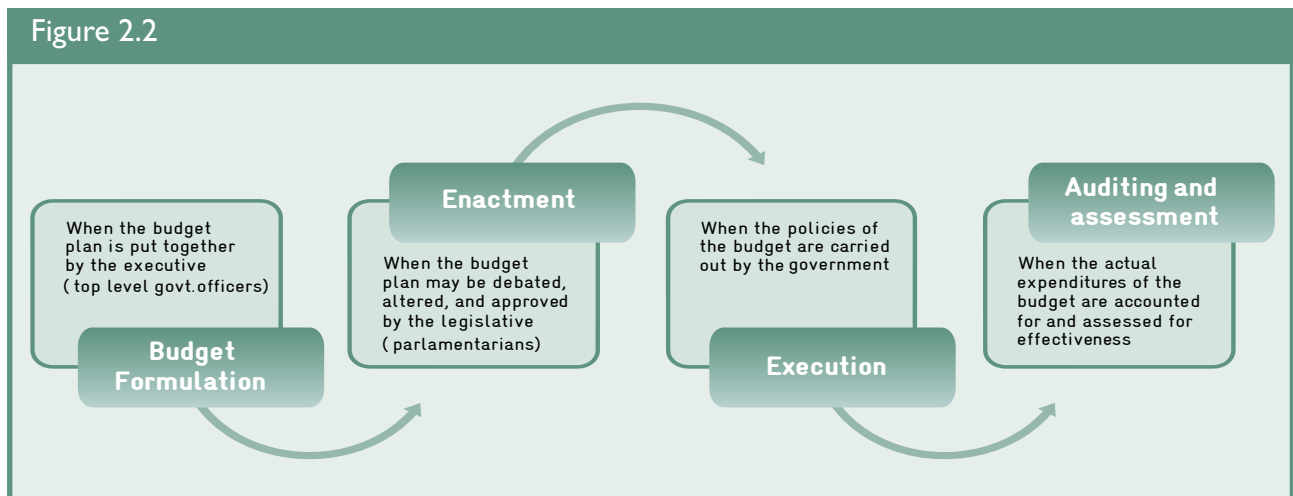
- The budget is prepared by a very small group of people in the bureaucracy, in a closed manner. Knowing the process serves to break the veil of secrecy and the monopoly of a small section of the executive branch on the budget.
- The Ministry of Finance (MoF), the minister included, and the departments under it are directly involved with budget making. The rest of the council of ministers sends in their demands (for money) for the year.
- The MoF coordinates and manages the formulation of the budget, requesting information from individual departments and proposing the trade-offs necessary to fit competing priorities into the total expenditure. This process usually takes a few months, about four-five months in India for instance.

It goes without saying that the strongest lobbies manage to get their demands met. This underscores the importance CSOs must give to sustained interactions and lobbying with the budget-makers.



STAGES IN THE BUDGET PROCESS

The Budget Cycle usually has four stages.



In planned economies, the budget is made within the framework of a fixed-term resource allocation plan and its goalposts.

The five-year/annual plans in India and Bangladesh more or less decides how much money the government must invest. The head of state, either the President or the Prime Minister who is involved with the planning authority, is aware of the contours of the budget which need to also follow the ruling party's socio-economic strategy. For instance, the Common Minimum Programme adopted by the United Progressive Alliance government in India commits an investment in education of 6 per cent of GDP even when the current investment is only around 3.4 per cent. Such commitments make it easier for CSOs to organise campaigns around this goal and demand accountability from the government.

IDENTIFYING THOSE WHO ARE INVOLVED IN PREPARING THE STATE BUDGET

The making of a government's budget is a carefully planned and executed process with persons at different levels involved in its formulation — at the level of Departments and Ministries. Therefore to understand the budget process we need to know:

- An important step in understanding the State budget is who really draws it all up?
- Is it the Finance Ministry or do other ministries have a role in it?
- Do other institutions and commissions have role in making the budget?
- What is the role of the Legislature (Parliament/ Senate) in the budget process?

Answering these questions is important because knowing the stakeholders in the budget making process will help us determine our advocacy plans and targets.

Figure 2.3 explains how the budget gets made in India.

Figure 2.3



Why the public is not involved in budgets for the people?

In most countries, public budgeting has long been considered the exclusive preserve of the executive. Opening budget decision-making processes to non-executive actors are a relatively recent phenomenon. According to the Open Budget Index 2008, 80 per cent of the world's governments fail to provide adequate information to the public. Out of 85 countries whose access to budget information was carefully evaluated by the International Budget Partnership, nearly 50 percent provide such minimal information that they are able to hide unpopular or wasteful, expenditure.

<http://www.openbudgetindia.org/index.cfm/fa=fullreport>

Popular Myths about Government Budget

Budget of governments have always been seen as something that is unclear, incomprehensible by common persons and Governments across the world did nothing to change this impression. As a result myths around budgets have continued

The three important myths in budget making that continue to be perpetuated by planners

- Budgets must be formulated in secret, as fore-knowledge of proposals will sway the stock and commodity markets.
- Since legislators and civil society advance only the interests of their constituents and not those of the country as a whole, their participation in the pre-budget debate might lead to skewed choices.
- The executive is constitutionally mandated to produce the budget in a closed manner and getting it passed by the legislature.

These are myths because in reality:-

1. Clear, accessible public budgets can facilitate accurate private-sector planning, while secrecy encourages speculation that contributes to volatility in markets.
2. Open and free public debate on the budget can be helpful in budget making. With better understanding of processes and outcomes, budget groups are more likely to focus on prioritization and improving the effectiveness and efficiency of the over all expenditures, rather than merely asking for more money. Participatory budgeting processes are very important to generate social cohesion and implementation of national policies and programmes.
3. A mandate to formulate the budget for a country and its people does not mean the executive should dominate all the stages of the budget process in a closed manner.

Important: When governments accept CSOs as a complementary and constructive player in fiscal policy, the quality of the budget debate goes up and budgetary outcomes improve. In fact, a paper reviewing the experiences of the Organisation for Economic Co-operation and Development (OECD) countries found that greater involvement by the legislature (parliament) in the budget process can be compatible with outcomes that maintain fiscal discipline.

BUDGET-MAKING CHALLENGES FOR GOVERNMENTS

Before analysing a government's budget and using the findings for advocacy, it is important for us to know the challenges that governments face while formulating a budget.

- Developing nations typically face a range of macroeconomic circumstances that make it more difficult to stick to even the best-laid budget plans, especially the expenditure and revenue targets. Poor budgeting practices also contribute to such problems. Governments often resort to gimmicky schemes and accounting tricks to hide the true state of the balance-sheet of the nation.
- A more formidable challenge facing developing countries is the lack of accurate budget data and socio-economic statistics, hampering analytical work related to budgets.
- Poor countries often receive significant funding from bilateral and multilateral donors for development projects that are not reflected in the government budget. In such circumstances, budgets do not include the entire spectrum of public spending. In effect when undertaking budget analysis based on government budget documents, we are unable to take into account a fairly huge sum of money that may be coming in from these sources, making our analysis incomplete. Therefore, in order to analyse a programme comprehensively, it might be necessary to monitor its execution to fully understand its funding sources and the purposes for which the funds are being spent.



WHAT IS THE ROLE OF CIVIL SOCIETY IN BUDGET



As members of civil society, we can adopt a prominent role in budget making by:

1. Monitoring of realisation of children's rights through the analysing of allocations and expenditure against commitments in policy law and programme and using this to mobilise civil society.
2. Support the government in the formulation of law and policy based on the gaps identified.
3. Creating alliances with public policy organisations as well as community- based organisation (CBO) networks which have experience in application of the budget to gain information and assess how the budget is utilised.
4. Creating public awareness on the budget making process and thereby increase people's involvement and even mobilising them around budgets.

Civil society participation can be through:

- **Simplifying budgets and deepening debate**
- **Collating and disseminating information**
- **Independent critical analysis**
- **Bringing new information to the debate**
- **Training**
- **Building accountability**
- **Mobilising people**
- **Ensuring maximum allocation of available resources to child issues**

WHEN CAN ONE INTERVENE IN THE BUDGET PROCESS?

These are different roles for NGOs / CBOs to play at different stages of the budget process.

- The **Budget formulation** process often exclude NGOs, except in some cases where the executive may release a discussion document or some major proposals in the legislature (Parliament or apex body in Government).

As we know, a budget is rarely constructed from scratch. It is an incremental process in which each year's budget builds on one of the year gone past. Parts of the budget may be anticipated and some major proposals even flashed in the media.

This creates an opportunity for analysis and advocacy at the formulation stage as well as by discussing with the executive (ministry officials). In countries where the legislative process has little impact on the budget, NGOs may have to concentrate on the formulation stage.

- The Budget enactment stage is when public attention on the budget is the greatest and information on the budget easily available.

The legislature reviews the budget proposals and seeks amendments, creating opportunities for CSOs to get media coverage for their budget analyses. In countries where the legislature plays a more active role, CSOs are frequently asked to serve as expert witnesses at hearings and to comment on budget proposals in other ways.

- The budget implementation is an executive function. Unless the executive issues public reports regularly on the status of expenditure through the year, CSOs have limited ability to monitor the flow of funds.

But if CSOs have an interest in an effective and transparent monitoring system to ensure adherence to the budget and reduce mismanagement or corruption, they can do so. For instance, they can probe if amounts for specific projects, such as a school or facilities for handicapped children, have been used for the intended purpose. They also can assess the quality of the spending to see if the policy goals are being met, and if funds have been used effectively.

- The auditing and assessment is when national audit institution and legislature account for and assess expenditures made and outcomes achieved under the budget. The aim is to assess and ensure that the public resources have been used effectively. Such reviews are undertaken by independent and professional bodies such as an audit institution or the country's auditor general, and the findings are submitted to the legislature for holding the executive accountable for budget implementation practices.

This budget stage presents the best opportunity for civil society groups to obtain information on the effectiveness of particular budget initiatives, as well as to gauge government response to the findings of audit reports. Audit reports document a host of wrong and wayward expenditure, and procurement which can be used for advocacy.

In a Parliamentary system (also called the Westminster system), the budget cannot be changed (other than minor concessions in tax rates) once it is announced. Instead, it is reviewed at the end of the year by the Auditor General, so CSOs have to make the most of their advocacy while it's being formulated.



Learning questions

1. What are the procedures of State Budget development in my country?
2. Who is involved in my country in the development of State budgeting process and what is their role?
3. What are the challenges to budget making in my country?
4. What role civil society can play in my country in the budget making process?

Refer following for more information....

- Manual on Fiscal Transparency, IMF <http://www.imf.org/external/np/fad/trans/manual/gloss.htm>
- Budget Dictionary, Budget Information Service of IDASA <http://www.internationalbudget.org/resources/library/budgetdictionary.pdf>
- The Congressional Budget Process — An Explanation, The United States Senate, Committee on the Budget http://www.senate.gov/~budget/republican/reference/cliff_notes/cliffc1.htm
- Our Money Our Responsibility: A Citizens Guide to Monitoring Government Expenditures by Vivek Ramkumar, International Budget Project
- “Can national legislatures regain an effective voice in budgetary policy?” <http://www1.worldbank.org/publicsector/pe/legislatures doc>.

MODULE

2



MODULE 4

MODULE 3

MODULE 2

MODULE 1

BUDGETS FOR CHILDREN

Concept
and design

IN THIS MODULE, WE LEARN HOW TO LOOK AT A BUDGET FROM A CHILD RIGHTS PERSPECTIVE, AND HOW TO ESTIMATE THE SHARE TO CHILDREN IN THE BUDGET. THIS MODULE WILL ALSO TEACH HOW TO USE THE FINDINGS FROM THE ANALYSIS TO HOLD STATE ACCOUNTABLE AND ADVOCATE FOR EVEN MORE COMMITMENTS FROM THE GOVERNMENT TOWARDS REALISATION OF CHILDREN'S RIGHTS.



WHAT IS BUDGET FOR CHILDREN



Budget for children is not a separate budget. It is merely an attempt to disaggregate, from the overall allocations made, only those allocations made specifically for programmes that benefit children. This enables us to assess how far the political commitment of the government towards its young citizens is translated into policy and programme commitments backed by financial outlays.

ANY BUDGET ANALYSIS HAS TO BE UNDERTAKEN IN THE CONTEXT OF FOLLOWING:

- National commitments to children through Constitution, Law and Policy
- Commitments according to International and Regional Human Rights Conventions ratified by the country (these include the UNCRC and regional commitments (e.g. SAARC))
- Overall situation of the children in the country
- Development of a methodology that is based on the budget process and governance structure of the country

Across the world child budgets, child budgeting, child-centric budgets, children's budgets are used synonymously. UNICEF recently introduced the term Social Budgeting.

Child Budget analysis implies the participation of children in their own budget, which is not the case. The term Budget for Children analysis does away with this unintended suggestion when referring to budgets by the government.

Budgets have to be monitored against the commitments made to children. It must also be able to identify the gaps where there is no legal or programmatic commitment and hence no financial commitment, through programmes and schemes supported by adequate and appropriate financial provisions.

1. In view of the fact that investment for children has high economic return and in an effort to ensure that investments and other resources allocated for children serve as an instrument for fulfilment of children's rights, the UNCRC Committee recommends that State parties:
 - a) make children a priority in the budgetary allocations as a means to ensure the highest return of the limited available resources; and make investment in children visible in the State budget through detailed compilation of resources allocated to them;
 - b) consider using rights-based budget monitoring and analysis, as well as child impact assessments on how investments in any sector may serve "the best interests of the child";
 - c) undertake a comprehensive approach to children's economic, social and cultural rights, in particular, by identifying ministries and departments dealing with children and to make sure that other ministries are also able to demonstrate how their budget and programmes are consistent with the realisation of children's economic, social and cultural rights.
2. The Committee also recommends that the emphasis on allocations aimed at economic growth is not made at the sacrifice of social sector expenditure. In this respect, the macroeconomic framework of growth targets should be harmonized with a human development framework based on the Convention on the Rights of the Child and the principles of non-discrimination, best interests of the child, participation, universality and accountability. The development of this framework should also take into account the Millennium Development Goals (MDGs), World Fit for Children, rights-based Poverty Reduction Strategy Papers (PRSPs) and national plans of action for children developed in accordance with the Convention.

Committee on the Rights of the Child. 46th Session. Day of General Discussion on "Resources for the Rights of the Child – Responsibility of States, Recommendations, 21 September 2007

These recommendations are based on the input to and discussions that took place during the Day of general discussion on "Resources for the rights of the child – responsibility of States" on 21 September 2007 and do not pretend to be exhaustive.

<http://www2.ohchr.org/english/bodies/crc/discussion.htm>

"State parties shall undertake such measures to the maximum extent of available resources and where needed the framework of international cooperation."

Article 4, UN Convention on the Rights of the Child, 1998

Implementation of the human rights of children must not be seen as a charitable process, bestowing favours on children ... The implementation duties of Article 4 and other provisions of the Convention demand rigorous monitoring of the effects of such changes and adjustment of policies to protect children's economic, social and cultural rights.

General Comment No .5 on general measures of implementation of the UN CRC, 2003

What does the UN Committee on the Rights of the Child have to say?

Based on reports submitted by countries, the UN Committee on the Rights of the Child makes its Concluding Observations which are extremely important standards against which we can monitor government's compliance.

The following are excerpts from recommendations to countries on budgets for children:

BANGLADESH

"The Committee recommends that the State party pay particular attention to the full implementation of article 4 of the Convention by prioritizing budgetary allocations to ensure implementation of the economic, social and cultural rights of children, in particular those belonging to economically and geographically disadvantaged groups, including tribal children, to the maximum extent of available resources (at the national and local levels) and continue and strengthen its efforts to receive additional funding within the framework of international cooperation. In addition, the National Plan of Action for Children should be integrated into its PRSP'

CRC/C/15/Add.221

27 October 2003

"Nevertheless, the Committee regrets that several concerns and recommendations have been insufficiently or only partly addressed, including those related to: reservations to articles 14 (1) and 21, definition of the child, coordination, birth registration, Children's Ombudsman, **allocation of financial and human resources for children**, equitable access to and quality of health and education services, and refugee children".

The Committee reiterates its recommendation that the State party allocate adequate resources for children in accordance with the requirements planned in the NPA, the National Strategy of Accelerated Poverty Reduction (or PRSP) 2008-2011, and subsequent national development strategies or plans. The Committee recommends that the State party:

a) Increase government's share of available resources for the implementation of the rights of the child, taking into account its recommendations following

the 2007 Day of General Discussion on "Resources for the Rights of the Child – Responsibility of States";

- b) Ensure that the development of the national budget uses a child rights approach, including the use of indicators and a tracking system that make spending on children visible throughout the budget;
- c) Follow, whenever possible, the recommendations of the UN on budgeting-by-results and develop performance based budgets to measure the effectiveness of resource allocation particularly to fulfil the rights of the child;
- d) Define strategic budget lines for children in disadvantaged groups or social situations that may require affirmative social measures (such as birth registration, integrated management of childhood infections [IMCI], nutrition interventions, early childhood care and basic education) and ensure that those budgetary lines are protected even in situations of economic crises, natural disasters or other emergencies;
- e) Utilize the system of expenditure indicators and disaggregated data for impact assessments on how to improve investments to serve the best interests of all children, without discrimination or disparities based on gender, ethnicity, socioeconomic condition and geographical location;
- f) In the context of the decentralization and civil service reform process currently being carried out, ensure transparent and participatory budgeting through public dialogue and participation involving children, among others, and ensure accountability of local authorities; and
- g) Seek technical assistance, if necessary, through international cooperation.

CRC/C/BGD/CO/4 , 2 June 2009

PAKISTAN

The Committee recommends that the State party give priority attention to **increasing budget allocations for children, ensuring a judicious distribution of the resources between different fields and paying particular attention to enhancing the budget allocations** for social activities, in particular health, education and child development.

CRC/C/15/Add.217

27 October 2003

The Committee urges the State party to take all necessary measures to address those recommendations from the concluding observations of the second periodic report that have not yet been implemented or sufficiently implemented, including those related to the harmonization of laws with the Convention, improved coordination of the national and the local levels, the establishment of a monitoring mechanism, **resource allocations for children, ...**

CRC/C/PAK/CO/3-4; 2 October 2009

SRI LANKA

The Committee recommends that the State party:

- (a) Pay particular attention to the full implementation of article 4 of the Convention by prioritizing budgetary allocations to ensure **implementation of the economic, social and cultural rights of children, in particular those in conflict-affected areas, “to the maximum extent of ... available resources and, where needed, within the framework of international cooperation”**;
- (b) Prioritize the provision of services to children in loan and structural adjustment negotiations with international donors;
- (c) **Collect, and include in the regular budget, disaggregated data on the expenditures for children according to the various areas of the Convention**, such as foster care, institutional care, primary and adolescent health care, pre-school, primary and secondary education and juvenile justice.

CRC/C/15/ADD/207; 2 July 2003

INDIA

The Committee recommends the State party to **develop ways to establish a systematic assessment of the impact of budgetary allocations on the implementation of child rights and to collect and disseminate information in this regard**. The Committee recommends the State party to ensure the appropriate distribution of resources at the central, state and local levels, and where needed, within the framework of international cooperation.

CRC/C/15/Add.115

28 January 2000

The Committee recommends that the State party:

- (a) **Make every effort to increase the proportion of the budget allocated to the realization of children’s rights to the “maximum extent ... of available resources”** and, in this context, to ensure the provision, including through international cooperation, of appropriate human resources and to guarantee that the implementation of policies relating to social services provided to children remain a priority; and
- (b) **Develop ways to assess the impact of budgetary allocations on the implementation of children’s rights**, and to collect and disseminate information in this regard.

CRC/C/15/Add.228; 30 January 2004

NEPAL

With a view to strengthening its implementation of Article 4 of the Convention and in the light of articles 2, 3 and 6, the **Committee recommends that the State party prioritize budgetary allocations to ensure the implementation of the rights of children to the maximum extent of available resources and using the rights-based approach**. In this connection, the Committee urges the State party to ensure that **resources are efficiently and effectively allocated within the framework of international cooperation**.

CRC/C/15/ADD/261 ; 21 September 2005

States cannot justify poor or low allocation to children on the excuse of either lack of resources or macroeconomic policies.

Making children visible in budgets

51. In its reporting guidelines and in the consideration of States parties' reports, the UNCRC Committee has paid much attention to the identification and analysis of resources for children in national and other budgets.

No State can tell whether it is fulfilling children's economic, social and cultural rights "to the maximum extent of ... available resources", as it is required to do under Article 4, unless it can identify the proportion of national and other budgets allocated to the social sector and, within that, to children, both directly and indirectly.

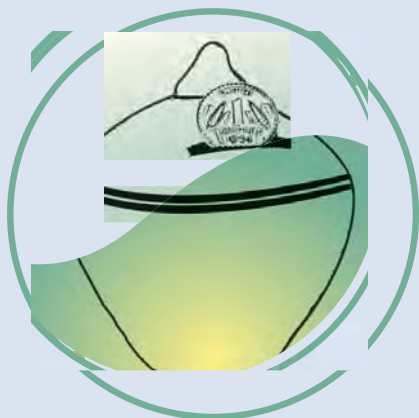
Some States have claimed it is not possible to analyse national budgets in this way. But others have done it and publish annual "children's budgets". The Committee needs to know what steps are taken at all levels of Government to ensure that economic and social planning and decision-making and budgetary decisions are made with the best interests of children as a primary consideration and that children, including in particular marginalized and disadvantaged groups of children, are protected from the adverse effects of economic policies or financial downturns.

General Comment No .5 on General Measures of implementation of the UN CRC, 2003

The challenge of the methodology of the BfC analysis is how to identify the allocations for children. Any spending directed towards the larger society has an impact on children, be it a road, a hospital or an airport, because it benefits the entire population or the family as a unit. What we look at in BfC instead are targeted allocations, made specifically and deliberately to improve children's lives, either directly as in setting up a school or an immunisation centre, or indirectly as in free health checkup for pregnant women.

Remember:

Children are not a homogeneous group. Their programme needs are determined by their age, gender, socio-economic status, location, and physical and mental well-being. For example, nutrition and health inputs in the early childhood years are critical for the child's growth, while in the later years, enrolment and retention in school, and prevention of entry into the labour market are crucial factors. Thus, programme interventions have to be designed differently for these two age groups. Similarly, children from disadvantaged communities, such as tribal and indigenous groups, or children at risk such as street and working children, children of prostitutes, physically or mentally challenged, would require special attention.



HOW TO DESIGN BUDGET FOR CHILDREN ANALYSIS



Budget for Children is not a readymade separate budget document available with the Government. But making a Budget for Children is much simpler than making the general budget. To make one, we simply pick out from the budget of the country/state/province only those allocations and programmes that benefit children. In this module, we take you through the process of implementing a Budget for Children as a research project. Like all research exercises, budget analysis too is to a large extent guided by the subjectivity of the researchers and analysts. The challenge is to maintain the human rights perspective and at the same time minimise the subjectivity.

TWO FACTORS INFLUENCE THIS:

- The researchers' understanding of child rights and related issues
- The different forms of governance in different countries and their ways of making policies, programmes and budgets

SETTING THE FRAMEWORK

Like any research exercise designing the framework for budget analysis is critical and will include:

- Gaining clarity about the main question(s) we would like to address
- Setting boundaries of what we will include and what we will not is critical as budget analysis can delve deeper and deeper
- Constructing a methodology that will enable us to get answers to our research questions



THE FRAMEWORK FOR ANALYSIS:

1 DEFINING THE “CHILD” : Defining the target group

The CRC defines the child as an individual up to the age of 18 years as does Juvenile Justice Care and Protection Act 2000, in India, the main law for dealing with children, and that is the definition HAQ follows.

However, this was not always the case. When HAQ undertook its first study in 2000, it found that all the programmes of the government were addressing children only up to 14 years and so at that time it had defined the child for the purpose of its study as persons up to 14 years.

DEFINING THE SECTORS

2

The CRC lists the four basic rights of children as the rights to survival, development, protection and participation. However in India it was unable to follow this because:

1. The schemes and programmes are distributed as per sectoral ministries rather than as rights groups; hence, accessing information and regrouping them was a challenge.
2. The purpose of the BfC exercise is advocacy and the targets are the ministries and departments. Hence it was critical that we organized the study in a manner that our policy makers can identify with and understand.
3. There are no schemes/programmes addressing or ensuring the right to participation of children.

In similar conditions the following sectors can be considered for analysis...

- **Education:** Includes elementary and secondary education programmes
- **Development:** Includes programmes and schemes for early childhood care and education; and other general schemes and programmes that do not fit within any particular sector category, but are aimed at the overall development of children
- **Health:** Includes programmes and schemes related to the health care needs of children
- **Protection:** Includes interventions that are aimed at
 - Children at work
 - Children considered for adoption
 - Children in prostitution
 - Children who are physically or mentally challenged
 - Street children
 - Children who are neglected or treated as juvenile offenders

This clustering into sectors has now been adopted by the Government of India for its analysis.

3 SETTING UP A TIMEFRAME

When undertaking such an analysis, experience has shown that it is best to have a timeframe of a minimum of three years, to allow for trend analysis.



WHAT ARE THE QUESTIONS THAT WE ASK THROUGH BFC ANALYSIS?

The following are some of the questions that a research study on BfC may consider. These are only sample questions. Each country can formulate their own country specific research questions.

- What are the National and International Commitments made for children, especially the constitutional guarantees and their implementation?
- What is the overall policy situation of the country and how the policies affect children?
- What is the level of implementation of UNCRC and other international instruments in the country?
- How far have the laws and policies been translated into programmes and activities and how have they been resourced?
- What is the extent of allocations and spending on programmes for children for realisation of national and international commitments and where are the gaps?
- Given that the State is the primary duty bearer for realisation of child rights how much is it depending on external aid for resourcing programmes for children?

Questions before us

What were the resources being invested by the government for children?

- Do the allocations match the needs and rights of the children?
- What proportion of the allocation was actually spent?
- How did it match the outcomes in terms of indicators for children? More importantly, are the resources being allocated and spent “adequate”?
- What is the performance of programmes at the implementation level vis-a-vis allocation?

A more detailed budget analysis could go deeper into the issues of how the budget is spent — the quality of the spending and its impact on various groups of children based on gender, age, ability, background, and so on.



Keep in Mind

While budgets have to be monitored against the commitments in and outside of the Constitution, we must also be able to identify the gaps where words have fallen short of a commitment and hence there is zero matching financial commitment.

Most groups who undertake budget monitoring concentrate on budgets for realization of economic, cultural and social Rights (ESCR). However it is suggested that civil and political Rights need to be monitored as well. Unless children are recognized as citizens, have a right to participate in decisions that concern them and have the right to justice, they cannot access or exercise their economic, cultural and social rights.

Data tell their own story. So don't worry if you find that you may wish to delete or add a few questions once you begin the study and the data analysis starts ... that too can happen.



Learning questions

1. What are the commitments my country has made —
International
Regional
National ?
2. Based on my country's experience what should be the framework of analysis?
3. What should be the research questions?

MODULE

3



MODULE 4

MODULE 3

MODULE 2

MODULE 1

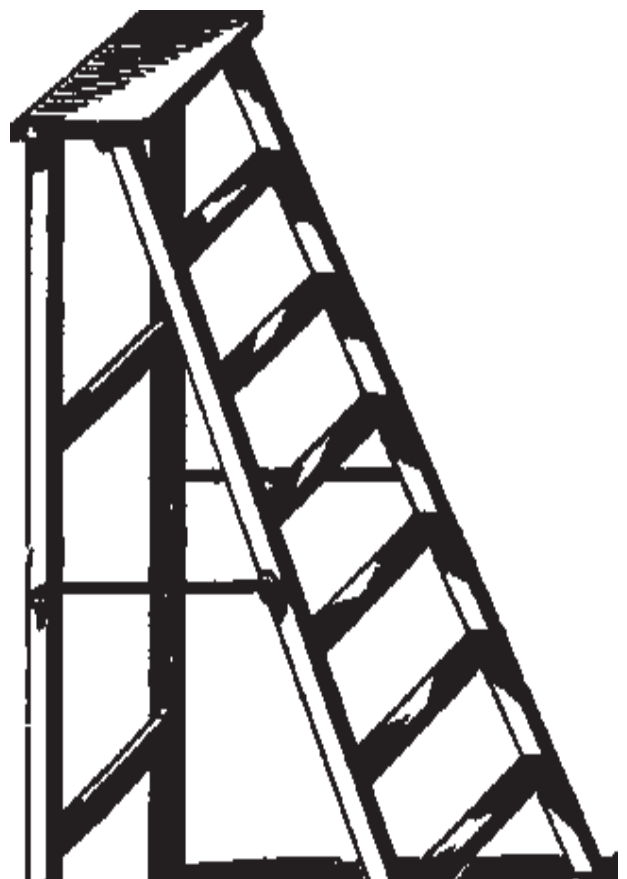
MAKING BUDGET FOR CHILDREN

Step by Step

THIS MODULE TAKES US THROUGH ALL THE STEPS NECESSARY TO UNDERTAKE A BUDGET FOR CHILDREN RESEARCH AND ANALYSIS.

WE HAVE CHOSEN TO ILLUSTRATE THE INDIAN BUDGET SYSTEM HERE, WHICH IS REPRESENTATIVE OF SEVERAL DEMOCRACIES IN THE DEVELOPING WORLD.

Budget analysis is a systematic exercise. It needs discipline along with skills to analyse programmes and numbers. It is also important to have a strong Child Rights Perspective to ensure better understanding of programmes and allocations. The Budget for Children analysis is not only about allocations and expenditure made towards children's programme but it is also about children's share in the overall budget of the Government. Hence it is certain that the comprehensive budget should be considered for analysis and not some specific sectors...



THE FOLLOWING IS A FIVE-STAGE METHODOLOGY DERIVED FROM THE LEGAL OBLIGATION OF GOVERNMENT TO *FULFILL* RIGHTS:

Stage 1: Establishing the need for spending more and better for realizing child rights

This involves inquiry into the prospects to help deliver the right based on the current status of its realisation. This will enable us to examine the extent to which public programmes for delivery of this right already exist, and are producing effective outputs, and the resources that will be required.

Stage 2: Uncovering the availability of resources for spending child rights

Here we try to find out if the overall budget allocations are divided in a way that allocates resources to realise the rights of children. This also means inquiring into the process of flow of funds to and the funds received by relevant departments and implementing bodies to enable them to implement the programmes.

Stage 3: The analysis of whether government is meeting its budget input obligations

This involves asking and answering the following questions about budget inputs of programmes aimed at realising rights:

- The 'how much questions':
 - How much is allocated to the programmes?
 - What is the rate of the real increases in these allocations?
 - Are programmes aimed at realising the right being phased out without substitutes being put in place?
- The 'allocative efficiency' questions:
 - How much geographical inequity is there in the allocations; Do they discriminate against any group of children?
 - Do they target the poorest of the poor?
 - Are they prioritising basic services?
 - If the answers to these questions are yes, then the next questions are:

How much progress is being made over time in moving towards the ideals of non-discrimination, geographical equity in allocations, targeting the poorest of the poor, and prioritising basic services? Also, do we see waste on the input side of the budget?

Stage 4: The analysis of whether government is meeting its budget output obligations

This part of the analysis involves asking and answering the following questions about budget outputs in the programmes targeted at realizing the particular child socio-economic right:

- Is output increasing, costs falling and quality improving?
- Is there discrimination in access to services (for example, against those in remote areas, those of a particular community, children with disabilities, or girl children) and is access being increased and discrimination being reduced over time?
- What steps is government taking to remove remaining access and discrimination hurdles?

Stage 5: The evaluation of government's performance

This involves reviewing the stage 1-4 analysis and:

- Coming to conclusions about the extent to which government is meeting its obligations;
- Explaining whether performance is lacking on the input or output side of the budget or both; and
- Making recommendations about where government must improve in its budget allocations and service delivery to ensure it uses the budget to realize that particular child right.

A STEP BY STEP APPROACH TO UNDERTAKING BfC WORK

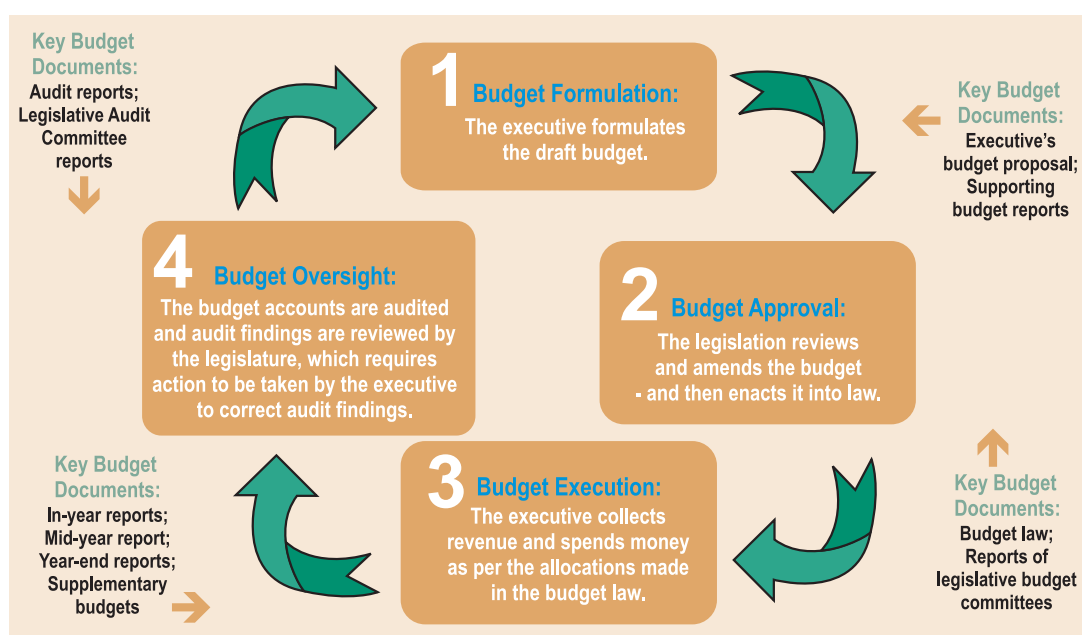
1 GET A TEAM

Budget analysis is time-consuming and detailed work and needs a team that is not only dedicated to it but has also acquired the required skills and analytical abilities.

To facilitate the process of project identification and data entry and analysis, it may be advisable to form a small advisory committee of experts, such as retired or/and serving government officials and an economist, along with child rights practitioners

2 GATHER ALL DOCUMENTS

Get hold of all relevant budget related documents. These would include documents that relate to plans, programmes and budgets.



Source: Vivek Ramkumar. Our Money, Our responsibility. A Citizens' Guide to monitoring Government Expenditures. The International Budget Project. page 6

In India, the following documents are assessed for budget analysis:

- All budget documents, specifically the Expenditure Budget, the detailed breakup of the expenditure by ministries and departments, called Demands for Grants and Detailed Demands for Grants
- Economic Survey
- Child-related laws
- National child policy/plan of action
- Reports of expenditure auditors/appropriation committees and by official monitoring agencies as well as Private institutions on child-related issues
- Discussions/reports by Parliamentary committees on issues that affect children
- Parliament questions and debates on children's issues
- Country report to the UN Committee on Rights of Children
- Newspaper reports that monitor the state of children in remote areas

This is a suggested list of documents for BfC analysis in Bangladesh. A similar list of the documents needed in your own country:

- Budget Speech
- Budget in Brief
- Consolidated Funds and Receipts
- Annual Financial Statement
- Annual Development Programme
- Demands for Grants and Appropriations (Development)
- Demands for Grants and Appropriations (Non-Development)
- Project Concept Papers
- Project Proposals
- Implementing Monitoring and Evaluation Division (IMED) report
- Annual Report of the relevant ministries/agencies
- Three-year rolling plan of the relevant period/s
- Comptrolar & Auditor General reports
- Policy/planning/strategy documents of the relevant ministries
- Assessment done by relevant ministries of their projects
- Reports of various commissions (such as the National Education Commission) set up from time to time
- All the relevant policy papers of the Government of Bangladesh, such as National Children Policy, National Plan of Action etc.

3

SELECT THE MINISTRIES AND DEPARTMENTS

Identify ministries or departments that implement programmes for children.

This can be undertaken, before, simultaneously or after Step 1 and will depend on the capacity of the persons involved as well as the nature of information received.

For example: In India, the programmes for children are spread over the following ministries:

- Ministry of Health and Family Welfare
 - Department of Health
 - Department of Family Welfare
- Ministry of Human Resource Development
 - Department of School Education and Literacy
- Ministry of Women and Child Development
- Ministry of Labour and Employment
- Ministry of Social Justice and Empowerment
- Ministry of Tribal Affairs
- Ministry of Youth Affairs and Sports

Note:

The divisions of programmes and schemes at the provincial levels may not be the same at the national level. In India, for example, states divide the initiatives for children differently and therefore the list of Departments (which are equivalent to Ministries in the Centre) may differ. For example, rural or urban development programmes in some states may contain specific children's component and hence form part of the child budget.

4 PICK OUT THE CHILD-FOCUSSED PROGRAMMES

From the budget documents of each ministry and department carefully mark out the line items ones that are meant for children specifically.

This is a very meticulous exercise and forms the foundation of the data analysis.

This is an example of how line items are physically identified and highlighted:

वित्तवर्ष 2006-2007 योजनागत योजनार Plan Non-Plan		बजट अनुमान 2007-2008 योजनागत योजनार Plan Non-Plan		संशोधित अनुमान 2007-2008 योजनागत योजनार Plan Non-Plan		राजस्व अनुभाग	Revenue Section	(In thousands of Rupee) बजट अनुमान 2008-2009 योजनागत योजनार Plan Non-Plan		वित्तवर्ष 2006-2007 योजनागत योजनार Plan Non-Plan
						सामान्य शिक्षा (मुख्य शीर्ष)	2202	General Education (Major Head)(Contd.)		
						(जारी)				
						पारम्भिक शिक्षा	01	Elementary Education (Sub-Major Head)		
						(उप-मुख्य शीर्ष)				
						स्कूलों में अन्धकार भोजन का राष्ट्रीय कार्यक्रम	112	National Programme of Mid Day Meals in Schools (Minor Head)		
						अनाज की लागत(उप-शीर्ष)	01	Cost of Food Grains (Sub Head)		
						राशि सकल बजटीय सहायता से ली जानी है	01.01	Amount to be met from Gross Budgetary Support(Detailed Head)		
474,72,54	--	507,47,10	--	507,47,10	--	सहायता अनुदान	01.01.31	Grants-in-aid	--	--
						राशि पारम्भिक शिक्षा कोष से ली जानी है	01.02	Amount to be met from Prarambhik Shiksha Kosh (Detailed Head)		
565,15,00	--	11,45,52,90	--	592,04,64	--	सहायता अनुदान	01.02.31	Grants-in-aid	--	--
1039,87,54	--	1653,00,00	--	1099,51,74	--	अनाज की लागत	जोड़	Cost of Food Grains (Sub Head-01)	--	--
						अनाज की कुलाई की लागत(उप-शीर्ष)	02	Cost of Movement of Food Grains (Sub Head)		
						राशि सकल बजटीय सहायता से ली जानी है	02.01	Amount to be met from Gross Budgetary Support (Detailed Head)		
57,75,05	--	66,31,20	--	66,31,20	--	सहायता अनुदान	02.01.31	Grants-in-aid	--	--
						राशि पारम्भिक शिक्षा कोष से ली जानी है	02.02	Amount to be met from Prarambhik Shiksha Kosh (Detailed Head)		
57,35,00	--	149,68,80	--	126,18,80	--	सहायता अनुदान	02.02.31	Grants-in-aid	--	--
115,10,05	--	216,00,00	--	192,50,00	--	अनाज की कुलाई की लागत	जोड़	Cost of Movement of Food Grains (Sub Head-02)	--	--
						पर्यटन क्षेत्रों में परिवहन के लिए सहायता(उप-शीर्ष)	03	Subsidy for Transportation in the Hilly Areas (Sub Head)		
		10,00	--	10,00	--	अन्य प्रशासनिक खर्च	03.00.20	Other Administrative Expenses	--	--

One of the major challenges in analysing and monitoring budget-related data for children is the selection of programmes and schemes that are aimed at 0-18-year-olds.

Development programmes aimed at benefiting the community as a whole help in improving the overall status of children. This applies to programmes related to safe drinking water, sanitation, or primary health care. At the same time, it would be excessively complicated, and even impossible, to disaggregate the amount going to children from such programmes. A similar difficulty occurs with other programmes and schemes, which are aimed at women and children, youth or people with disabilities without any indication of age-specific interventions.

Therefore, in order to ensure that the BfC analysis covers the largest possible programmes and schemes for children aimed at promoting and ensuring the rights to survival, development, and/or protection, we must take into account:

- Schemes and programmes and sectors that are specifically aimed at children (0-18 years).
- Schemes and programmes that fit within the relevant sectoral categories identified above but do not specify the exact age group aimed at. In effect, this means that the financial allocation for programmes related to mother-and-child health, the rehabilitation of girls and women in distress, and those for the development of sports and youth are a part of the BfC analysis.

5

DIVIDE PROGRAMMES AND SCHEMES UNDER SECTORS

Once the programmes have been identified they have to be clustered into the sectoral divisions that we have identified.

As was mentioned in Module 2, in India BfC analysis is undertaken in four sectors:

- Development
- Health
- Education
- Protection



Note: The programmes under a particular sector may be distributed over several departments or ministries. For example, the programmes on education are under Ministry of Human Resources Development as well as under the Ministry of Tribal Welfare, which has special programmes for tribal children.

6

DATA ENTRY

The purpose of a BfC analysis is to study how much was allocated, how much was spent and what is the trend. For this you will need to study your budget documents to see how they are formulated.

In India allocations are under two heads Budget Estimates (BE) and Revised Estimates (RE). Budget Estimates are based on what is given in the beginning of the financial year. These are revised mid-year and presented as revised estimates. Actual Expenditure (AE) figures are available for a given year made available a year later. For example the AE for 2009 will be available in 2011.

Once having identified the line items, they have to be carefully entered into an Excel sheet like this.

In Stage 1, the data entry process in each sector is undertaken as follows:

- First, we enter the names of all the ministries/departments which make allocation for a particular child-focused programme/scheme.
- Then we enter the volume and code number of the Detail Demand of Grants as well as page number and Major Head number of the schemes for easy identification.
- The budget allocations in various stages, that is, the Budget Estimate, Revised Estimate, and the Actual Expenditure, are then entered against all the programmes/schemes. These are entered in two columns — Plan and Non plan, broken up into various components, such as salary, office maintenance, external aid, etc, and other minor and sub-minor heads as furnished in the Detailed Demand for Grants.

Allocations for all programmes and schemes meant for North Eastern States are made under separate heads, and therefore entered separately.

- These entries are done for all the four sectors that we divide our child budget into and the schemes selected for these sectors.
- We also have sectoral breakups of the allocation. For instance, in Education sector, the allocations are made separately for Elementary and Secondary and thus figures are entered separately.

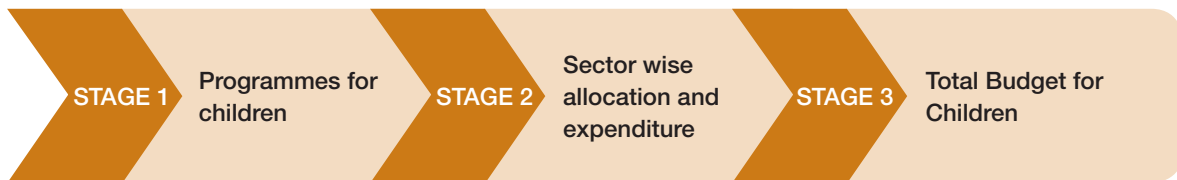
								O	P	Q	R	S	T	
Stage 1														
CHILD EDUCATION								25	26	27	28	29		
2004-05				2005-06				2006-07				2004-05		2004-05
19-20-21-22				23-24-25-26				Budget Estimates		Revised Estimates		Actual Expenditure		
Vol/Dd/P	Mj.H.	Minis	Vol/Dd/P	Mj.H.	Vol/Dd/P	Mj.H.	Minis	Plan	Non-plan	Plan	Non-plan	Plan		
Ministry of HRD														
Elementary Education														
National Bal Bhawan (GIA)								47200	25300	42500	25300	42300		
Nat'l Council for Teach. Ed.(GIA)								77500	0	2200	0	0		
Joint GOI-UN Syst. Ed.Prog.(GIA)								0	0	0	0	0		
DPEP (GIA)								5979100	0	5979100	0	5979100		
Mid Day Meal (Nutritional Sup to Prim.Ed)														
Cost of Foodgrain(GIA)								15260000	0	13734000	0	1470489		
Cost of movement of food gr.(GIA)								1480000	0	1332000	0	118054		
Subsidy hilly areas (GIA) OAEExp.								10000	0	9000	0	4		
NSPE-Asst. towards cooking cost in Uts without legislature (GIA)														
NSPE- Mgmt, monitoring & evaluatn. To Uts without legislature. (GIA)														
NSPE- Seminars, workshop -office expenses & travels														
NSPE-Payment - consultancy, evaluatn, experts & studies (Prof. serv)														
Cost of food... CBS(GIA)														

In Stage 2, we take all the components of a particular scheme together, including the plan and non-plan divisions, and sum it up. So at this stage, we know the total allocation (in terms of budget, revised and actual) for each child-focused scheme that we selected.

											Q	R	S	T	U	V	W	X	Y	Z	AA
Stage 2																					
CHILD EDUCATION											25	26	27	28	29	30	31	32	33	34	
2004-05				2004-05				2004-05				2005-06				2005-06					
Budget Estimates				Revised Estimates				Actual Expenditure				Budget Estimates		Revised Estimates		Act					
Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan							
Ministry of HRD																					
Elementary Education																					
National Bal Bhawan (GIA)											47200	25300	42500	25300	42302	25295	45000	25300	45000	25300	4
National Bal Bhawan (GIA)																					
Total National Bal Bhawan											47200	25300	42500	25300	42302	25295	45000	25300	45000	25300	4
National Bal Bhawan P+NP											72500		67800		67597		70300		70300		
Nat'l Council for Teach. Ed.(GIA)											77500	0	2200	0	0	0	45000	0	2500	0	
National council for Teacher's Education (GIA)																					
Total Nat'l Council for Teach. Ed.											77500	0	2200	0	0	0	45000	0	2500	0	
Nat'l Council for Teach. Ed. P+NP											77500		2200		0		45000		2500		
Joint GOI-UN Syst. Ed.Prog.(GIA)											0	0	0	0							
DPEP (GIA)											5979100	0	5979100	0	5979100	0	5979100	0	5979100	0	56
Total DPEP											5979100	0	5979100	0	5979100	0	5979100	0	5979100	0	56
DPEP P+NP											5979100		5979100		5979100		5979100		5979100		

In the final stage, we sum up all the schemes listed under each sector ((such as education) and get the child budget in that sector. Then we sum up all the sectors to arrive at the total child budget in a year. Then we calculate the share of the child budget in the total budget as well as the shares of the different sectors. We also calculate the share of the child budget in the social sector.

	2004-05	2004-05	2004-05	2005-06	2005-06	2005-06
	Budget Estimate	Estimates	Actual Expenditure	Budget Estimate	Revised Estimates	Actual Expenditure
Stage 3						
CHILD EDUCATION						
Ministry of HRD						
Elementary Education						
National Bal Bhawan P+NP	72500	67800	67597	70300	70300	70291
National Council for Teacher Education P+NP	77500	2200	0	45000	2500	0
District Primary education Programme (DPEP) P+NP	5979100	5979100	5979100	5979100	5979100	5648202
Mid Day Meal (Nutritional Sup to Prim.Ed) P+NP	16750000	15075000	15885479	30107600	30107600	31839967
Sarv Shiksha Abhiyan (SSA) P+NP	30351700	47317200	51205692	71294300	71396800	75358336
Kasturba Gandhi Swatantra Vidyalaya P+NP	1000000	900000	925660	2250000	2250000	2236289
Ashram Schools P+NP	140000	60000	55000	0	60000	60000
UNDP Assistance to Support Children with Disabilities	3000	3000	2942			
Strengthening of teacher training institutes (Training)	2067000	1860000	2025338	1797000	1797000	2108840
Mahila Samakhya P+NP	298500	148500	148418	298500	238500	190711
Lok Jumbish Rajasthan Project P+NP	294100	294100	294100	0		
S K Project - Rajasthan (DFID assisted) P+NP	390400	390400	390400	65000	65000	65000
Support to One Year Pre-Primary in Govt. local body Schools P+NP						
Total Elementary Education	57423800	72097300	76979726	111906800	111966800	117577636
Secondary Education						
NCERT (National council for education research and	550000	533500	537554	632300	732300	751300



7 Data Analysis and Presentation

How we analyse and present our findings is the key to the success or failure of BfC work.

MEASURING STATE PERFORMANCE: ANALYSIS AND REPORTING

Two key questions that underpin our analysis are:

- Do the allocations made for the benefit of India's children in the Union Budget — during each financial year of the period under consideration — genuinely reflect the needs of the country's children?
- Does the actual expenditure at the end of each year do justice to the financial planning in place?

The focus of analysis must be identification of gaps at the following multiple levels:

- Between needs of the children to fulfil their rights and the commitments made by the state, both national and international;
- Between the commitments made by the state and the actual programmes/schemes under the various ministries and departments;
- Between the objectives of the programmes/schemes and the financial allocations towards them;
- Between the allocations and actual expenditures; and
- Between the outlays and the outcomes.

AT HAQ WE ANALYSE THE DATA AS FOLLOWS:

Figure 3.1 BfC in the Total Government Budget (this could be state/provincial or national).

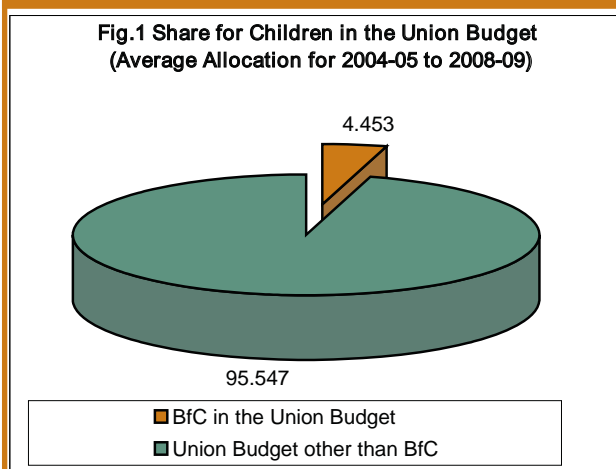
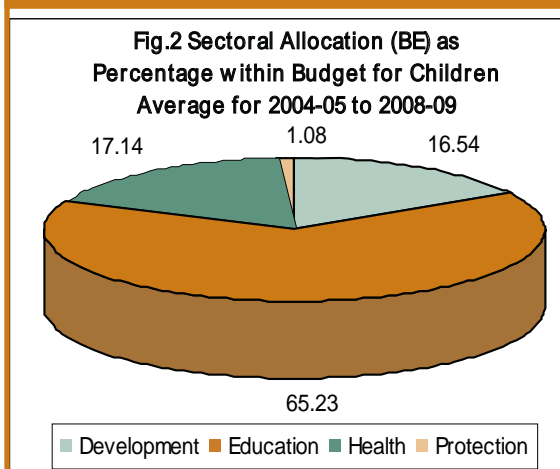


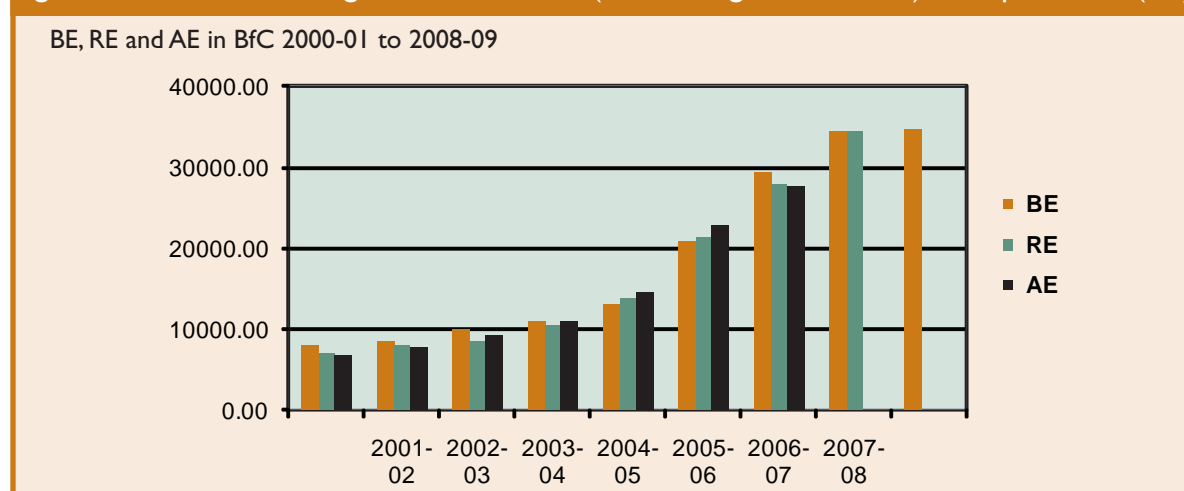
Figure 3.2 Share of the sectors within the BfC



Analyzing distribution of the resources into the four identified sectors—development, health, education and protection enables us to undertake advocacy on specific rights or on specific sectors.

Trace the change from Allocation (in two stages Budget Estimate and Revised Estimate) to Expenditure (Actual Expenditure)

Figure 3.3 Trace the change from Allocation (in two stages BE and RE) to Expenditure (AE)



1. The change in numbers at various stages of the budget process, that is from the Budget Estimates to Revised Estimates and from Revised Estimates to Actual Expenditure. Doing this helps to zero in on the gulf, often huge, between the promises and the commitments made in the Budget and the actual money spent on the ground to implement those promises. This helps in understanding the shift in the intent of the government, the dilution of commitment of the government through its top officials, and the role and the collusion of the different vested interests among the top officials at various levels to corner the gains of development.
2. An analysis of expenditure over the previous year/years as well as a trend analysis showing if there has been any improvement/deterioration in funds utilization, stating the reasons for the increase or decrease wherever possible, juxtaposed with the findings of the other financial documents of the government such as the civil and financial audit reports, the performance budgets, and the appropriation accounts.

Sectoral Analysis

To look into each sector (development, health, education, protection) is separately analysed and reported.

This is done under the following heads:

- Share of the sector in BfC (e.g share of Education in BfC)
- Share of Sector in the total Government Budget (e.g Share of Education in total Budget)
- Allocation and Expenditure
- Rate of change over the years

Presenting the data

The budget of any nation must be analysed against the indicators or outcomes (results). The outcome indicators are definitely a cause for concern and reflect on both the adequacy as well as the efficient utilisation of financial resources.

The allocations and spending need to be analyzed against:

- The promises and commitments towards the children made through the various policy papers, in the light of recommendations of the various Commissions and Committees, and the findings of the appropriation committees and auditor-general reports.
- Between needs of the children to fulfill their rights and the commitments made by the state, both national and international;
- Between the commitments made by the state and the actual programmes/schemes under the various ministries and departments;
- Between the objectives of the programmes/schemes and the financial allocations towards them;
- Between the allocations and actual expenditures; and
- Between the outlays and the outcomes.²

Specifically, these are the numbers to look for:

- What is the share of children in the total national/state budget and in the social sector budget? Is this enough considering their physical share in the total population?
- What are the sector-wise allocations and spending?
- What are the trends in expenditure—in targeted, expected and actual? (In Indian budget terminology, these are the budget estimates, revised estimates and actual expenditure.)
- What is the extent of dependence on external aid? Are there any implications of this dependence? This is important since a substantial portion of the social sector expenditure in

² The Government of India presented the outcome budget as a separate document in 2005-06 but has since then presented only an action taken report on previous budget promises.

developing countries (Annual Development Programme in case of Bangladesh and education and health expenditure in case of India) comes from external sources.

- How is the budget spent, by which departments, and in which kind of programmes? What is the goal of those programmes? How is the quality of that spending?
- What is the impact on the various groups of children by way of gender, age, ability etc?

Why expenditure analysis?

Budget analysis is usually done through a reading and assessment of the expenditure because ultimately it is the government's proposed allocation and real expenditure in any programme that decide if it is walking its talk. Revenue analysis is useful when we do impact analysis of a particular tax which would be narrower in scope. A simple example will help in understanding this. For instance, in India, when the Union government agreed to raise education spending to six per cent of GDP, it also slapped an elementary education cess (a surcharge on tax) of two per cent on practically every goods and service on the plea that it didn't have enough money and the public ought to share some of the burden. Over time, collection from this cess is funding practically 60 per cent of the government's elementary education expenditure budget. It is in this case a revenue analysis can be helpful to ask the question that if public money is directly and openly going to education, the public has an even greater right to question any lapse in working of the education programmes.

A Quick Recap

SIX STEPS OF THE TACTICAL APPROACH TO BFC

The budget monitoring tactic can be broken into six steps, which we will illustrate through an example of monitoring the fulfillment of the child's right to social security.



- Determine the nature of the government's legal obligations to advance the right
- Measure the extent of the problem addressed by the right (i.e. child poverty)
- Review programme conceptualizing and design, programme existence and process
- Budget allocations and expenditures, implementation and service delivery
- Analyze national and state/provincial government budgets
- Make recommendations on how the government can better fulfill its obligations to advance the rights of children.

BUDGET MONITORING HELPS ...

In 2005, HAQ's BfC analysis discovered that the allocation for the programme "Prevention & Control of Juvenile Social Maladjustment", the only programme for resourcing Juvenile Justice, had been reduced to a token Rs 1 lakh (Rs 0.1 million) in the 2005-06 Union budget. This was a big fall from the Rs 18.90 crore (Rs 1.89 million) allocated in the previous budget. This finding was taken up with the Ministry of Social Justice and Empowerment, which administered the programme, as well as widely disseminated it. Realising that civil society was monitoring the budget the Ministry acted promptly and revised the budget to a figure that was higher than the previous.

MAJOR CHALLENGES IN UNDERTAKING Budget for Children WORK

THE PRIMARY challenge lies in defining a CHILD. This is particularly difficult in a country such as India where different laws define children differently. In Bangladesh, too, for example, the child policy defines a child as persons up to 16 years. Yet, the country is a signatory to the UNCRC which defines children as all persons up to the age of 18 years. How to resolve this conflict?

SECONDLY, accessing government data remains difficult. In India, HAQ had to use even the Right to Information Act sometimes to prise data and information out of the government machinery. A related issue is unpacking budget data, which can prove tedious and confusing. At a multi-stage budget process, where data is lagging behind and continuously evolving, budget data for the same head may vary at different stages. Closure or merger of programmes may also create confusion. Explanations are sometimes available, but not always.

THIRDLY, selection of programmes and schemes for children has an element of subjectivity and could overlap, since several programmes could address both women and children.

For example, in India, the Reproductive and Child Health Programme covers both

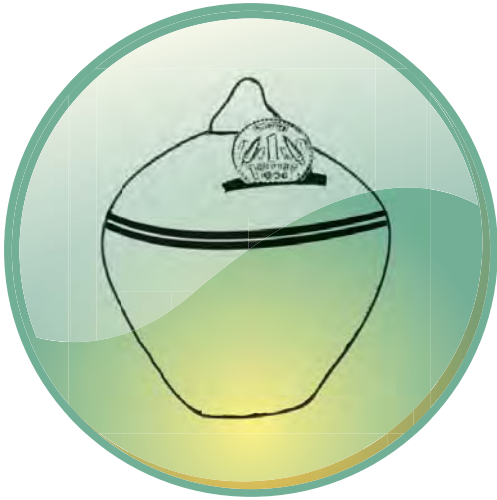
maternal as well as child health initiatives, and the programmes for rescue and rehabilitation of trafficked victims is for both women and girls. HAQ has always included spending on mothers-to-be and new mothers because it is the primary investment in children.

THE FOURTH challenge is donor funding. Given the huge influence of international donors, aid agencies, and multilateral financial institutions, in determining the fiscal situation of governments and at times, even their financial priorities, it is critical to analyse the extent of dependence on external aid for resourcing the rights of children. So we need to first identify the external aid components in the budget programmes and then assess how far these are dependent on aid.

FINALLY, an on-going challenge is the acknowledgment and acceptance of citizenship of children and the relevance of focussing on children in the larger governance and human rights discourse. Finding support for interventions in children and governance, including child budget work, is a challenge if one wishes to seek support from organisations and institutions that work on governance or even human rights.

WE MUST BE PREPARED FOR CHALLENGES:

- Children are part of the larger society, hence enjoy or face the lack of all those services that is meant for society at large. Hence any methodology that attempts focus on only child specific budgets is always up for questioning
- All budget analysis is informed by a perspective, which means that it tends to be subjective. The challenge therefore also lies in arriving at methods that minimise subjectivity
- Accessing budget related data, especially in developing countries, is not always easy
- Data entry is a very tedious and time-consuming task



REMEMBER

1. Don't get disheartened: The process of Budget for Children analysis, like any budget monitoring exercise, is time-consuming and requires patience as well as skill. It must be undertaken systematically and continuously over a period to be effective as a monitoring tool, and to be able to hold government accountable. Experience has shown that after the initial enthusiasm, groups and individuals who join in as partners tend to get overwhelmed by the meticulous effort that is required and are unable to sustain it. But again, experience has shown that over time, the learning from and rewards of a child-centric budget analysis far outweigh the difficulties.
2. Don't insist on skilled staff: It is common for groups to have some difficulty in finding the right people to work on budget issues. There is a feeling of budget work being elitist and needing persons with specific skill sets. However, it is important to remember that interested individuals with strong analytical and communication skills would do well. More important is dedication and a full-time engagement in budget work because developing budget expertise would not be difficult if one is fully immersed in budget issues.

MODULE

4



MODULE 4

MODULE 3

MODULE 2

MODULE 1

ADVOCATING USING BUDGET FOR CHILDREN ANALYSIS

Communication
& Mobilisation

THIS MODULE LOOKS AT THE IMPORTANCE OF DISSEMINATING THE RESULTS OF BfC ANALYSIS THROUGH AN EVIDENCE BASED ADVOCACY STRATEGY. IT ALSO IDENTIFIES THE CHARACTERISTICS OF AN EFFECTIVE MEDIA STRATEGY AND USES CASES STUDIES TO DEMONSTRATE HOW TO TAKE BfC ANALYSIS AND TURN IT INTO RESULTS FOR CHILDREN.



LINKING BUDGET FOR CHILDREN ANALYSIS TO ADVOCACY

“Follow the money! ...Preventing human rights abuse depends on government action, and government action requires government spending. Human rights groups, therefore, cannot fully ascertain how well a government is fulfilling its obligations unless they learn how to carefully monitor government budgets and spending....”

Liam Mahony, Using Government Budgets as a Monitoring Tool The Children's Budget Unit in South Africa

The best research will not be useful if it doesn't reach its intended audience. Hence CSOs need to draw up effective dissemination and advocacy strategies. Along with the design and presentation of the document, efficient dissemination is the foundation stone of an effective advocacy strategy using the BfC.

The desired results of advocacy which uses BfC Analysis are:

1. Changes in budget policy or legislation
2. Changes in budget processes
3. Increased budget or resource allocation for children
4. Establish accountability systems

WHY DO WE NEED A BUDGET FOR CHILDREN ADVOCACY STRATEGY?

The State often responds to lobbying and advocacy work around rights issues with excuses such as “lack of available funds” or “budgetary constraints” in meeting their commitments.

Advocacy is a set of organised activities to influence government policies and practice to achieve positive and lasting changes for children's lives based on the experience and knowledge of working directly with children, their families and their communities.

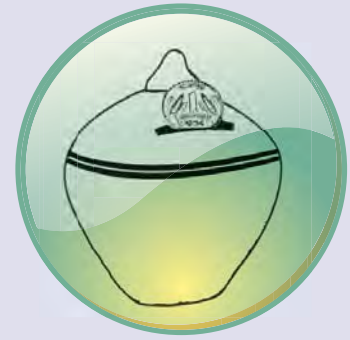
Save the Children

Remember:

Budget analysis is only one of the tools for monitoring government performance and ensuring state accountability, The BfC analysis can only be turned into a more effective advocacy tool when it is combined with other initiatives.

Therefore advocacy efforts should be directed at:

- Identifying the issues, highlighting Government's commitment towards their implementation, and monitoring child rights.
- Generating public awareness on children's budget using both print and electronic media at the national as well as the local level. Getting the media to take up child-centred budgeting as an important child rights issue is crucial.
- Sharing the State and Union budget updates with elected representatives and the media after the budget



IDASA's Children's Budget Project draws on the following lessons:

Provide targeted, accessible research:

Substantive research and analysis on the resource implications of various policy options plays a critical role in informing and influencing policymakers. In the case of the BfC, it is important that the research and analyses focus on the allocation of resources from state budgets and donor financial aid and provide child-focused data and statistics. In addition, the research should come with recommendations to guide policymakers.

Build capacity: Political credibility is largely dependent on increased capacity within the country to understand the issues and engage in public debate. The fact that the Community Based Planning engaged information sharing and training activities aimed primarily at national and provincial legislatures and children's rights advocates has enabled legislatures and civil society to present government with policy critiques and alternative proposals. Moreover, strengthened legislative and civil society capacity to engage in public policy and resource allocation debates provides increased checks and balances

to ensure that government makes the right interventions in the most cost-effective manner.

Build coalitions: Political credibility is also largely influenced by the extent of stakeholder involvement and successful consensus building. A partnership between civil society and government is critical to the broad-based ownership of research and analysis. Moreover, institutional factors and constraints may necessitate the formation of a research and information partnership that draws on information, capacity, and expertise from government, universities, think tanks, and civil society.

Be aware of the context: Resource allocation processes are based on political and economic factors that are specific to a nation or region. Research and advocacy strategies should be designed to mobilize resources within the given specific political and economic institutions, processes, and factors.

More on IDASA's Budget Information Service on <http://www.idasa.org.za/bis/default.htm>

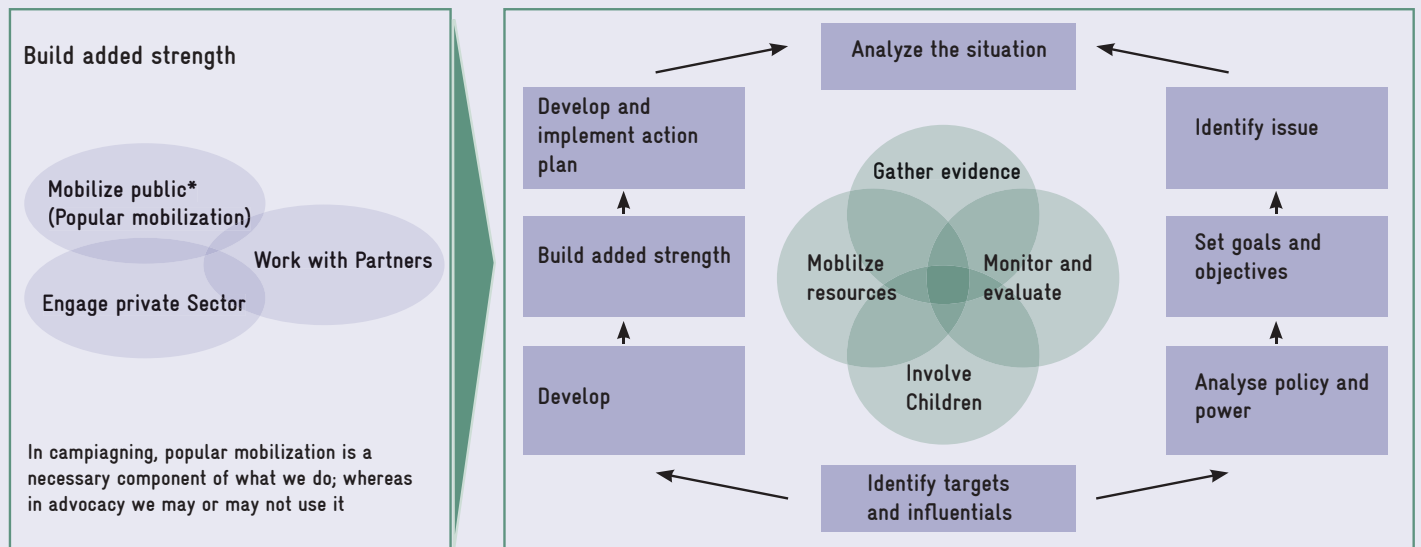
HOW CAN BFC BE USED FOR ADVOCACY



All countries in the region are signatories to the UNCRC and are therefore legally committed to fulfill children’s rights. The strength of our advocacy lies in making a strong moral argument based on principles of human rights of children (based on what is promised to them through international and national commitments) that has a legal basis (through law and policy for the realisation of rights) and is backed by number of empirical evidence based on research findings. BfC can be used as evidence as it identifies how extensive the commitment currently is and demonstrates gaps which governments are required to fulfill.

Advocacy / Campaigning Cycle

For those of you who are familiar with the Save the Children’s advocacy cycle from *Advocacy Matters*, this is a planning cycle that will work for developing both advocacy and campaigning strategies.



Advocacy is thinking about:

1. What change do we want to make?
2. Who can make that change?
3. How can we make that change?

The best way to learn how effective budget monitoring can be for implementing change is to draw upon the experiences of others.

Here are two examples:

HAQ: Centre for Child Rights, India

HAQ: Centre for Child Rights has been undertaking budgeting for children (BfC) analysis since 2001, since the primary purpose of BfC analysis is to raise the bar in the process of realising the rights of children in India by holding the government accountable to its stated intentions and commitments. The success of HAQ's child budget work lies in the recognition and acceptance it has received from the Government of India and its regular inclusion in the government's own child-related planning. Child budgeting has now found a place in the National Plan of Action for Children 2005, the Eleventh Five Year Plan and in the Finance Bill represented by the Finance Minister every year in a separate expenditure statement (No. 22). The Ministry of Women and Child Development of the Government of India has used BfC to argue for enhancement of resources for child protection and launching a new scheme designed for this (the Integrated Child Protection Scheme). HAQ's BfC reports have been used to make submissions to the UN Committee on the Rights of the Child and for writing Alternate Country Reports to the Committee. It has been also used as additional information to file legal petitions.

"We will score another 'first' this year. A statement on child related schemes is included in the budget documents and Honourable Members will be happy to note that the total expenditure on these schemes is of the order of Rs. 33,434 crore."

Indian Finance Minister P Chidambaram, Budget 2008-09



HAQ's experience also shows that BfC can be used to file legal petitions, for strengthening arguments of various campaigns (such as against working children or trafficking), to raise questions in Parliament, debating on various ongoing law and policy change, inclusion in the country's Shadow Report to the UN Committee on the Rights of the Child, and for setting part of the agenda and election manifestos of political parties.

Child Budget Unit-IDASA, South Africa

"Our work has proven that a budget-monitoring project, used effectively, can be an important tool in changing policy. South Africa, for instance, has an extensive social security program for children. The Child Budget Unit (CBU) has conducted numerous studies of the accessibility and effectiveness of this programme, discovering discriminatory access in undeveloped and rural areas, and a governmental lack of administrative capacity that also hindered access to the programme. In our 2001 study, 'Budgeting for child socio-economic rights: Government obligations and the child's right to social security and education' (Cassim, Streak: 2001, Idasa), we recommended that that age limit of children accessing one of the social security grants be raised from six to 14. This recommendation was put into practice by the government in its 2003/04 budget, and we, together with other civil society organizations, are now focusing on proposals that the program include all children under 18." Lerato Kgamphe. Using Government Budgets as a Monitoring Tool: the Children's Budget Unit in South Africa. New Tactics in Human Rights. Minneapolis.

These are some of the actions that complement each other and make for a successful advocacy strategy:

- Research and documentation
- Programme implementation
- Media work
- Legal defence
- Building coalitions
- Community and public mobilisation
- Budget analysis
- Public information
- Lobbying
- Human rights education
- Monitoring and enforcing national and international obligations

What HAQ uses in its Budget for Children advocacy campaign

HAQ has various other instruments in its toolbox to advocate for child rights, apart from its BfC reports, many of which have emerged from the analysis done over the years:

- Writing Status Reports on India's children
- Reviewing Parliament questions and answers
- Legal advice and help for children in need of protection and those in conflict with law
- Working closely with policymakers and planners
- Working with judiciary and police to change implementation of juvenile justice
- Campaigning on emerging concerns such as child workers, trafficking, adoption etc

Why do we need a Budget for Children Advocacy Strategy?

The State often responds to lobbying and advocacy work around child rights with excuses such as “lack of available funds or “budgetary constraints”. Therefore it is often more effective if BfC Analysis is paired with other advocacy or campaigning initiatives. Additionally, advocacy efforts should offer solutions and not just focus on the problem.

Advocacy efforts should be directed at:

1. Identifying the issue, highlighting government commitment, and monitoring child rights
2. Generating public awareness and mobilizing the public to demand their children's rights
3. Supporting the media to take up child centred budgeting/ BfC as a key child rights issue

4. Share State and Union budget analysis with key government representatives and elected officials

What do we need to do to strengthen our advocacy strategy?

Here are some suggestions based on HAQ's experience:

- **Adopt Strategic Communication:**

Understanding our goals and who will help us reach them is critical for successful advocacy. By understanding our advocacy audiences we can better tailor your advocacy to ensure results. For this, an advocacy strategy which looks at targets and influential people is important. By understanding why and how specific groups of people make decisions, we can help to change that decision making process and catch their interest.

Getting information in clear and usable manner to those who need it or can use it is the first critical step.

For this we need to design a clear Communication Strategy woven around the goals one is trying to achieve through the BfC analysis is the first step. The strategy should cater to three distinct groups and the strategy must be tweaked to appeal to the special interest in each group:

- The Public (interested citizens including children and other CSOs)
- Budget/policymakers (elected representatives, bureaucrats and other "influencers")
- Media (print and visual)

- **Ensure regular production and dissemination of findings:**

Regular and sustained work is the key. Be patient! Over time, the quality and the regularity of our analysis will win us faithful followers who would eagerly wait for our document to reach them.

Communication efforts must focus on regular production and dissemination of reports and advocacy at both national as well as state/ province level. Other than periodic trend analyses, which are time-consuming yet vital, one short BfC analysis should be produced once a year immediately after the Budget is presented and sent out to all experts, stakeholders and the media.

- **Make it user-friendly and attractive:**

Information that people cannot understand, relate to or use, is of no use for advocacy work.

The findings of the BfC analysis must be presented in a user-friendly manner, so that it can be easily understood and applied. The effort should be is to demystify budgetary information by presenting facts and findings in a simple, easy-to-understand and appealing way, using illustrations and real examples in the text as well as with the help of visual elements such as pictures and graphics.

- Wrap it around live and topical issues

Relevance of the information received and connecting it to real life scenarios always makes for better use.

We must try to link our research findings to current socio-political developments. We could even build up a campaign — national and regional — around the most pertinent issues, such as child labour, so as to create and mobilise as wide a citizens' forum as possible.

- Moving people and at the right time:

Timeliness and human interest are of crucial importance to effective communication and advocacy.

If the information we have generated is not shared and used when it is required, it becomes outdated and even dead information. Our message must move people, that is, it must have ethos (good cause, good people involved with it), logos (should make sense and show a practical need), and empathy (emotional appeal). Getting prominent personalities to advocate for your cause is often immensely helpful, provided your organisation's values support of such linking.

For example, if we want to influence the budget when it is being prepared, we need to follow the government time line and target persons involved in the making of the budget. If we want to comment on the budget presented by the government (the Finance Bill) it must be within the first 24 hours of it being presented. The right time is important.

HOW TO DEVELOP A GOOD MEDIA STRATEGY?

The information must make an impact. The hardest people to convince are the media, who are trained to be sceptical, and if you have been able to disseminate your message to the media, half the battle is won.

- **To influence policy**, indeed, for politicians in particular, a piece of research or BfC Analysis may only become 'real' when it has appeared in a newspaper; then, they need to absorb it since they may be asked about it or have it quoted against them.
- Media profile can help with **raising additional funding**,
- Media attention can **raise the public profile of child rights and child centred budget analysis/BfC**.
- Media profile may make it **easier to gather data** and case studies for further research or programming. Nowadays, users play a valuable role not simply as recipients of the end results but as contributors of ideas, contacts, different perspectives, even data.
- Meeting the challenge of **explaining** in a limited space and to a general audience **why child Centred budget analysis is important**. This helps to focus your thinking and sharpen your advocacy agenda.

The hallmarks of an effective media strategy are:



- ✓ Determining the scope of our campaign
- ✓ Building media relationships and creating a live directory of media contacts
- ✓ Reaching your specific target audience: policy-makers and decision-makers and the general public
- ✓ Creating interesting angles to the story, or what is called "selling" the story
- ✓ Creating visual elements for the story in the mind of media persons
- ✓ Sustaining public interest
- ✓ Monitoring and evaluating our dissemination strategy

A successful advocacy initiative: How HAQ used BfC findings to argue for better protection for children

Since the very first budget analysis, and consistently thereafter, HAQ's BfC analysis pointed out that child protection was inadequately resourced and had, in fact, received the least allocation. While the Eleventh Five Year Plan (2007-12) was being drawn up, HAQ was asked to write a paper detailing the issues related to child protection that needed to be addressed by the Plan. The paper argued that existing interventions on child protection were inadequate and merely ameliorative in nature. These were designed to address children after they fell out of the protective net, and covered only a limited number of children who have suffered "protection failure"¹. It also made the point that the failure of the state to invest in securing the survival, protection and overall wellbeing of children was a failure to invest in national development and progress. **"What is clear is that the current approach of the government to protection is designed to address those children who have already missed the protective net and fallen into what it categorised as "difficult circumstances". It is not designed to create the environment where all children are protected This appraisal process has also revealed the**

¹ Landgren, Karin. The Protective Environment: Development Support for Child Protection. Human Rights Quarterly. 27 (2005) pp 214-248.

persisting low level of fund allocation for measures affecting children, with resources for child protection the lowest of all ... Can India afford to invest so little in safeguarding its greatest asset? ... The Eleventh Five-Year Plan offers an opportunity to re-examine the protection challenges facing the nation..."²

This prompted the Union Ministry of Women and Child Development to bring out a document called "India: Building a Protective Environment for Children" which argued for an increased allocation for child protection and the need for a more comprehensive programme.³ It said, "Child Budgeting represents an important policy analysis tool that can help us take stock of our development investments for children and identify glaring gaps in resource investment ... if children's right to protection is not met every other right is at stake. With more and more children falling out of the safety and protective net, the financial investment on child protection will have to be increased." The result of this combined effort was a new, vastly improved programme called the Integrated Child Protection Scheme (ICPS).

This issue was taken further by the Ministry in its Report of the Working Group on Development of Children for the Eleventh Plan (2007-12)⁴. Once again, the Ministry argued using BfC analysis (including HAQ's) that consistent low allocations on child protection had resulted in poor outcomes. The final outcome of this advocacy is visible in the Eleventh Plan document, which has for the first time in the history of Indian planning a section titled Child Rights.⁵ It also has a section on Child Budget, where it states that "In the Eleventh Plan this exercise in child budgeting will be carried out regularly to monitor the 'outlays to outcome' and examine the adequacy of investments in relation to the situation of children in India."⁶ The Eleventh Plan intervention for Child Protection takes both a preventive and a protective approach, and recognizes that every child has a right to protection, even if he/she is not in difficult circumstances. This recognition is underpinned by the fact HAQ was also involved in drafting of the new programme ICPS, which finally saw liftoff in the 2009-10 budget.

HAQ has also become a part of the committee to draft the proposed National Child Policy, the new mines and mineral development law and the committee to formulate and organise national child statistics. All this has been mainly the result of its sustained budget work and campaigns and advocacy that have sprung from it. The success in changing causes hope that in the upcoming Twelfth Plan in India, children might well have a full chapter dedicated to them.

2 Child Protection: Issues before the Eleventh Five-Year Plan: Enakshi Ganguly Thukral (HAQ Centre for Child Rights), and Razia Ismail Abbasi (India Alliance for Child Rights) for the National Consultation on Children in India. Priorities for the Eleventh Five-Year Plan. January 18-19, 2006. Planning Commission, UNICEF, Institute for Human Development.

3 Ministry of Women and Child Development, Government of India, India Building a Protective Environment for Children. 2006. Page 12

4 Ministry of Women and Child Development, Government of India, Report of the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012) Page 3

5 See Planning Commission, Government of India, Towards Women's Agency and Child Rights in Eleventh Five Year Plan (2007-2012), Volume 2 pages 202-219

6 Ibid Page 218



Learning questions

What are the critical element of a Budget for Children advocacy strategy?

What do we need to do to strengthen our advocacy strategy?

Who should be our target audience? (list them)

How to develop a good media strategy?