ANTI-CORRUPTION HELPDESK

PROVIDING ON-DEMAND RESEARCH TO HELP FIGHT CORRUPTION

CIVIL SOCIETY BUDGET MONITORING

QUERY

What kind of budget oversight actions are non-governmental organisations (NGOs) good at, particularly in developing countries, and where have they been attempted? How can community service organisations (CSOs) cooperate with public authorities to carry out oversight tasks? What set of skills/characteristics do NGOs require for budget analysis?

PURPOSE

This query will help evaluate proposals expected to strengthen civil society and anti-corruption efforts in Togo by providing NGOs with tools to monitor public budgets and expenditures

CONTENT

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SUMMARY

Over the past two decades, the involvement of civil society in the different stages of the budget process has become common practice. CSOs budget-related activities can involve a number of strategies, ranging from training in budget literacy skills to the formulation of an alternative government budget.

This document focuses on the tools and strategies that CSOs can implement to oversee the government's budget and the skills required to do so. It also provides brief examples of the context in which each one of these tools has been implemented.

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1 THE ROLE OF CIVIL SOCIETY IN THE PUBLIC BUDGET PROCESS

Just 20 years ago, the prevailing wisdom promoted by leading international development institutions was that public budgets should be drafted and managed by the finance ministry and done so largely behind closed doors. Civil society and other non-government actors had no say in the process, and even legislatures played a limited role (International Budget Partnership 2014: 2). Moreover, a transparent and inclusive budgeting process was deemed inefficient at best and dangerous for the economy at worst: markets would fluctuate wildly, investors would seek stability elsewhere, deficits would balloon with pork barrel spending, and economic growth would plummet to the detriment of all citizens (International Budget Partnership 2014).

Nowadays, however, there is growing recognition among governments and donors that citizens and civil society organisations (CSOs) have an important role to play to ensure that public resources reach their intended beneficiaries. Engaging in budget work has thus become a popular strategy for civil society to enhance accountability, reduce corruption, minimise leakages of public funds and improve public service delivery (World Bank 2007: 2).

This new perspective has led to a number of initiatives to promote transparency, accountability and public participation and have helped move away from the idea that government budgets are obscure and complex by definition. Moreover, budget transparency, which was once considered undesirable, has evolved into a pillar of good governance (Carlitz 2013: 549).

In many countries, public authorities have also started to notice that working together with civil society and including it in budget discussions and decisions can be beneficial for them. CSOs can help legislators obtain important information about the public's needs and priorities and support the legislatures' analysis of the policies and assumptions included in the executive's budget proposal. CSOs can also contribute to the approval process by using their technical skills to analyse the proposed budget and to provide this analysis to legislatures.

Supreme audit institutions (SAIs), often referred to as comptroller office or auditor general, can also benefit from cooperation with CSOs. SAIs are in charge of reviewing the financial management of public sector entities to ensure that transactions have been undertaken with due regard to propriety and regularity. In recent years, SAIs have also assumed responsibility for assessing value for money considerations in public projects and programmes.

CSOs are able to support SAIs by passing on information about problems in service delivery and possible instances of misuse of public funds. There is a growing trend of SAIs engaging citizens and CSOs to identify audit subjects and collaborate on assessments.

Although SAIs play a critical role in combating corruption, facilitating good governance, and fostering more effective public financial management, their capacity and their independence from the executive are often limited, especially in developing countries. Under such circumstances, the role of CSOs as budget watchdogs plays an even more important role.

As a result of these developments CSOs' involvement in budget-related issues has become common practice. According to figures from the International Budget Partnership (IBP), the range of actors involved has grown from a few groups in a handful of countries in the late 1990s to hundreds of organisations in over 100 countries today.[1] Moreover, CSOs have developed the skills to compile, compare, evaluate, interpret, simplify and disseminate information on fiscal revenues and public budgets on a continuing basis.

2 CSO STRATEGIES FOR BUDGET-RELATED WORK

Although the specifics of the budgetary process can vary from one country to the other, there are generally four stages in the process[2]:

[1] See www.internationalbudget.org

[2] See www.internationalbudget.org/why-budget-work/

- Formulation: this stage often occurs behind closed doors in the executive branch of government. At this point, the government decides how resources will be collected and how they will be distributed across programmes and activities. The proposed budget is a blueprint of action for the government, but it can also be interpreted as a statement of the government's priorities and commitments.
- Enactment: in this phase, the executive releases its proposed budget to the legislature and the public. This triggers a process of legislative review, during which the parliament deliberates on the proposals of the executive.
- Execution: during the budget execution phase, money is finally released to the various agencies, as per the approved budget, agencies initiate expenditures directly or by procuring goods and services, and payments are made. However, in practice, budgets are rarely implemented exactly as approved. This can be for legitimate reasons, such as adjustments in policies in response to changes in economic conditions, or for negative reasons, including mismanagement, corruption or fraud.
- Evaluation: this is the final stage of the budget cycle and it consists mostly of an assessment of whether public resources have been used appropriately and effectively. For this stage to support good governance and the effective and efficient use of public resources, assessments of the budget implementation and its impact must include assessments by bodies that are independent of the government and have sufficient capacity and resources to perform their tasks.

CSOs can develop different strategies to influence the budgetary process in each one of its phases. They can, for example, use economic and social data, as well as evidence generated from their activities to advocate for or against expenditures that are likely to be included in the executive budget proposal. At this stage, they can also communicate information about the public's needs and priorities. During the enactment phase, CSOs can provide an independent analysis of the executive budget proposal and inform legislators so that they can better understand and debate the budget.

The role of civil society, however, is particularly important during the execution and evaluation stages, especially in developing countries where monitoring and oversight institutions might not have the necessary power, skills or resources to check how public money is being spent. CSOs have successfully pressured governments to sign international initiatives on income transparency and budget principles. They can exercise pressure on governments through requests for information, figures and analyses, assessments of the accuracy of information provided by the government and inquiries about discrepancies.

Although there are a myriad of ways in which CSOs can engage in budget work, most of them fall within three categories:

- budget awareness: improved understanding of budget data for policy-makers, citizens and other CSOs
- budget transparency: independent scrutiny, dissemination and improved access to government data
- participation in the budget process/oversight: improved civic and legislative engagement and oversight of budget policies.

As requested by the inquirer, this report focuses mostly on the last category and on the tools especially suited for the execution and evaluation phases of the budget process.

3 CSO TOOLS FOR BUDGET PARTICIPATION AND OVERSIGHT[3]

There are several ways in which CSOs can get involved in the government's budget process. Their involvement can range from simply identifying and communicating the needs and preferences of society and its most vulnerable groups, to engaging in the allocation of resources or monitoring the use of public funds. This section describes some of the

[3] This section is mostly based on the resources included in the CIVICUS Participatory Governance Toolkit (available online at: http://www.civicus.org/index.php/en/14-what-we-do/pg-exchange/2224-participatory-governance-toolkit) and the World Bank's Social Accountability Sourcebook (available online at: http://www.worldbank.org/socialaccountability_sourcebook/). These provide a more detailed and complete overview of these tools and the mechanisms to implement them.

tools that CSOs use to check for mismanagement, waste and leakages in government spending. It also identifies the skills and resources required to implement these tools, provides examples of countries where they have been used, and outlines their main strengths and weaknesses.

Participatory budgeting (PB)

Participatory budgeting (PB) is broadly defined as a mechanism or process through which citizens participate directly in the different phases of the budget formulation, decision making and monitoring of budget execution (World Bank 2007: 10). Residents of an area can directly partake in the allocation of the budget of their local government, a specific sector (for example, education, health, public transport) or a specific agency (for example, a school or hospital). PB initiatives usually have a specific aim of involving traditionally excluded or disadvantaged groups, such as women, young people or the poor (Malena & Khallaf 2007: 1).

PB also enables citizens to obtain information about available public resources, engage in prioritising the needs of their locality collectively, propose projects, investments and services, and allocate resources in a more democratic and transparent way (Malena & Khallaf 2007: 1).

This tool was pioneered at the municipal level in Brazil in the late 1980s, when the country was experiencing unprecedented social mobilisation for re-democratisation and decentralisation. At the same time, there was a crisis of government credibility. Some newly elected mayors facing serious fiscal constraints and high citizen discontent with public services realised that engaging citizens in difficult decision making about resources could improve their poor public image. (World Bank 2007: 13; Sintomer, Herzberg & Roecke 2008: 166-167).

Civil society plays a crucial role in PB. Although these initiatives are typically initiated by local government authorities, this frequently occurs as a response to demands from CSOs and/or citizens for a greater say in how and where public resources should be spent. CSOs are thus of great importance for this process, they can help:

- access, analyse and disseminate budget information
- conduct research to assess the needs and preferences of the population
- organise citizens and train them in topics related to budgetary issues
- facilitate communication and relations between citizens and government authorities

This tool creates opportunities for educating and empowering citizens and for strengthening citizen-government relations. PB also helps to promote government transparency and accountability, and the responsiveness and effectiveness of government programmes and services (Malena & Khallaf 2007).

Which skills and resources are required?

Since participatory budgeting can be implemented in a variety of ways, it can also be applied with varying degrees of sophistication (World Bank 2007:11; Malena & Khallaf 2007: 2). A PB strategy can require a professional communication strategy or the hiring of skilled facilitators for public meetings, but it can also be implemented with limited human, technical and financial resources. It is fundamental for the sustainability of the process, however, that CSOs know how to obtain/generate reliable information about the budget forecasts and execution (World Bank 2007: 13).

According to the IBP, civil society also needs the ability to form alliances with other actors, such as the media, other CSOs or policy-makers to generate broader support for the direct involvement of citizens in policy-making venues. Governments are not likely to support the delegation of authority if they perceive that the programme has been captured by a small group.

Where has this tool been used?

After having been implemented in Brazil for several years, PB expanded to other countries with varying levels of development and across all regions of the world. In Latin America, for example, different forms of PB can be found in Argentina, Chile, the Dominican Republic, El Salvador, Mexico, Nicaragua Peru and Uruguay; In Europe, Albania, Belgium, Bosnia and Herzegovina, France, Germany, Italy, Portugal, Spain and Switzerland

have also experimented with PB. Governments in Cameroon and South Africa have also used this tool and, in Asia, countries like India, Sri Lanka, Indonesia, and the Philippines have done the same (World Bank 2007:14).

Potential benefits and challenges

In general, PB provides an opportunity to deepen citizenship and democracy, promotes greater equity in the allocation of public resources by encouraging redistribution of spending in favour of poorer neighbourhoods and promotes productive and constructive working relationships between the public sector, CSOs and communities (Malena and Khallaf 2007: 4).

Moreover, PB has been linked to positive results in poverty reduction and social inclusion, better government planning, investment and service delivery. It has also been linked to higher tax compliance and reductions in public mistrust of government (World Bank 2007: 14). These benefits stem from the enhanced public understanding of how resources are used and allocated and the existing constraints, thus helping to create more realistic expectations among the citizens (Malena & Khallaf 2007: 14).

PB, however, is not a silver bullet to tackle all budget management and governance issues. Its implementation comes with certain challenges and potential pitfalls (see Malena & Khallaf 2007: 4; World Bank 2007: 15), such as:

- Raising false expectations: if the government is not transparent about fiscal information or cannot provide a budget forecast, citizens will remain unaware of the existing fiscal constraints and will demand services that the government is not able to provide.
- Attaining appropriate participation: marginalised groups often encounter a high cost of participating in PB (mainly in time and transportation). It can therefore be challenging to include the most marginalised groups in the process. On the other hand, the middle classes and the private sector usually have good access to public services and see few incentives to participate. Finally, knowledge disparities between the poor and the wealthy can also affect the quality of participation and the fairness of the final budget priorities.
- Lack of political will to involve citizens in the budget process: governments may not be interested in involving citizens and civil society in the budget process. They may see it as interference and a threat to their political legitimacy or doubt citizens' competence to identify and agree on priorities. Exposing government officials to successful PB initiatives can help to nurture political will.
- Lack of public resources: introducing PB requires governments to invest resources and time to organise the required activities, provide budget information and ensure that both the citizens and the government officials understand the principles and the rationale of the exercise. However, many governments lack the capacity to undertake these activities. In such cases, donors and CSOs can provide assistance.
- Sustainability: citizens have a tendency to abandon PB processes after their demands are met. Election periods usually undermine the quality of participation as discussions turn into political debates. Opposition parties are also less keen to mobilise their constituencies and support the PB process. Political changes in the administrations can potentially disrupt the PB process, particularly when PB is used as a political tool.
- Avoiding civil society co-optation: the autonomy of civil society organisations can be undermined if PB practices are used to increase clientelism.

Alternative budgets

Alternative budget initiatives are an advocacy strategy to highlight the limitations of public budgets with regard to key sectors or issues in society. They accomplish this by emphasising the failure of the official budget to serve the interests of specific groups (such as women, children, people with disabilities and the poor) or to address cross-sectoral issues (such as environmental conservation or social equity). After exposing this, a new budget proposal addressing these issues is presented.

CSOs can use alternative budgets to:

- reveal the underlying priorities and biases of the government's actual budget

- raise public awareness about both the positive and negative effects of the government budget on certain groups or issues of public concern
- challenge the government to justify their budget allocations and explain how those correlate with stated policy priorities

Ultimately, alternative budgets can be used to influence budget allocations and to complement other public budget expenditure monitoring practices.

Which skills and resources are required?

Compared to other tools for civic engagement in the budgetary process, alternative budgeting is one of the most comprehensive ones as it needs to provide an alternative spending, taxation and monetary policy (Çağatay, et al. 2000: 29). It also needs to consider the linkages between global, national and local levels of finance and budgeting. Thus, this exercise is the most complete initiative to date. It can also be one of the most influential ones. It requires, however, a high level of technical skills, in-depth understanding of the government budget, rigorous empirical research capacity to chart its effects on society and specific social groups, and the capacity to compute costs and elaborate economic models to be able to articulate a full alternative budget proposal. (Malena & Heinrich 2007: 1).

Where has this tool been used?

Many organisations have tried to produce an alternative budget, but most of these attempts have failed due to the financial cost and the data and economic modelling skills required to produce a comprehensive parallel budget (Krafchik 2004: 64). Today, only two of these efforts survive, both focusing on a defined theme or limited sectors: the Alternative Federal Budget[4] in Canada, prepared by the Canadian Center for Policy Alternatives, and the alternative tax proposals produced by the Institute for Fiscal Studies in United Kingdom (Krafchik 2004).

In the case of Canada, the alternative budget emerged as a challenge to the budgets of the federal government which intended to downsize the public sector to reduce the country's deficit. The government's approach to deficit reduction was to make cuts in programme spending arguing that expenditure cutting would bring about a fall in interest rates and revitalise the economy. The Canadian Alternative Federal Budget reversed the government's macroeconomic framework by arguing that the high interest rates were due to the monetary policy pursued by the government (Loxley 2004: 69) and recommended measures that would allow for an easier monetary policy to reduce interest rates and the introduction of capital controls to reduce Canada's vulnerability to volatility in capital flows.

Potential benefits and challenges

As illustrated above, one of the main benefits of alternative budgeting is that it highlights government priorities and shortcomings and the unmet needs of specific marginalised or less privileged groups. It also provides a firm basis to build advocacy campaigns with specific targets and helps to increase awareness of the budget process, content and issues among citizens and the civil society (Malena & Heinrich 2007: 3). There are, however, challenges and limitations to the implementation of this tool, most importantly:

- Information requirements: for CSOs with limited human and financial resources, developing an alternative budget and computing the costs can be a very challenging operation. For this reason, CSOs need access to the same information used by the government in formulating its budget. As a consequence, the success of this tool depends on the pre-existence of access to information laws. Where access to information is limited, it may be necessary to create alliances with supportive ministers and/or to lobby for freedom of information legislation.
- Resource-intensive approach: a fully-fledged parallel budget is often not feasible due to resource and time constraints. In most cases these efforts can only be carried out by specialised research institutions or think tanks, given the skills and resources required for a comprehensive exercise of this kind. When CSOs

[4] Available online at: https://www.policyalternatives.ca/publications/reports/alternative-federal-budget-2016

get involved in alternative budgeting, the effort is often "donor driven" since organisations, like IBP, the World Bank, the UK Department for International Development (DFID) and other multilateral organisations provide financial support to such initiatives. In many countries, the level of "budget literacy" of citizens and CSOs is generally low. Only a few specialised CSOs often have the capacity to carry out budget analysis. Organising "budget schools" for activists in different sectors can help build knowledge and skills in budget analysis over time.

- Need for broad CSO coalitions: due to the complexity of developing an alternative budget, it is often impossible for a single CSO to do this. For this reason, a coalition of CSOs is necessary, but this comes with other issues: it can be challenging to maintain momentum and keep a broad coalition together due to the open-endedness and the long timeframe of such initiatives. Therefore, alternative budgeting requires key individuals and organisations committed to driving the process over a medium to long-term time horizon. In some countries, where civil society space to voice its concerns in the budgetary process is limited, alliances with the media and other domestic and international organisations might be necessary to apply pressure on governments to open a space for CSOs to actively participate in the budgetary process.

Social audits

Just as a financial audit verifies how money is being/was spent, a social audit verifies how programmes and services are being/were carried out, with the goal of making them better and more reflective of social, environmental, and community objectives. A social audit aims to bring about improvements in a programme or a public service by undertaking a systematic evaluation of public records and user feedback. It is intended to help users understand and assess the strengths and weaknesses, successes and failures of a programme or a public service. Social audit is a way of increasing community participation, strengthening links with government and/or service providers, promoting transparency and public accountability, and instilling a sense of responsibility among all those involved.

Social audits can take different forms and cover a range of actors and practices, but they often begin as civil society initiatives and, at times, evolve into collaborative and institutionalised efforts as the government realises its benefits. They can be undertaken independently by communities or CSOs or jointly with the government.

The first time that a community undertakes a social audit, CSOs usually assist them in terms of:

- training on the social audit process
- access to the required information to conduct the social audit
- collecting and disseminating information to the community
- document the social audit findings and follow up with public officials regarding the proposed changes or remedial actions

While a social audit may benefit from the involvement of a non-governmental organisation, such third-party participation is not always necessary; an empowered community can undertake social audits by itself. It is, however, important to highlight that this practice has better results when undertaken regularly and not as a one-time event.

Which skills and resources are required?

A social audit is a very versatile tool. The scale and scope can be adapted to the available resources and can range from a comprehensive national level analysis to a localised community audit. However, CSOs willing to implement social audits will require legal, operational and communication skills. These skills are necessary for CSOs to form and sustain coalitions. Even in countries where political will, enabling legislation and basic rights exist, civil society still requires the capacity to organise and promote action: spontaneous participation can create excitement at the beginning, but it is ineffective and unsustainable (Berthin 2011:41-42).

Where has this tool been used?

A variety of strategies, approaches and methodologies have been developed to conduct social audits, such as score cards, citizen charters, and service delivery assessments in health,

education, transport and water and sanitation. Most social auditing initiatives are organised in response to poor and/or inadequate delivery of social services at the local level. In many cities, citizens lack channels to express their concerns and governments lack adequate mechanisms to obtain feedback about the quality of the service they provide.

Mazdoor Kisaan Shakti Sangathan (MKSS) is an organisation of rural people that has become well known in India for its use of public hearings as an aid to accountability. Based in Rajasthan, MKSS has pioneered a novel approach by providing groups of rural poor access to information from government on schemes and benefits they are entitled to. The organisation has held "public hearings" that have encouraged ordinary citizens to speak out about abuses in public works and schemes from which they are supposed to benefit. These hearings have exposed the ways in which public officials have siphoned off large amounts of funds from public works budgets. MKSS's struggle to access information from public offices on these matters led its leadership to take up the matter with the chief minister.

The first victory for the movement was the government notification, under the Panchayats Act that the records of all panchayat expenditure could be inspected by the people. Subsequently, the movement won the right to photocopy the records. Rajasthan passed the Right to Information Act in 2000, a development that was influenced greatly by pressure from MKSS. There have, of course, been problems with the new act and its provisions, but it does show the influence that a people's movement can bring to bear on a government to take steps to be more transparent and accountable in its transactions with the people. MKSS has taken its struggle to several districts of Rajasthan and works with similar groups in other states on right to information issues.

Potential benefits and challenges

Social audits can help raise public awareness and knowledge of budget-related issues. They also empower citizens by allowing them to provide feedback, gather evidence, interpret findings and develop solutions to their problems. This tool can also enhance transparency by creating demand for information and even facilitating legislation on right to information in service delivery, planning and implementation. Policy-makers can also benefit from the implementation of social audits as they provide them with information that improves their understanding of citizens' concerns. Furthermore, when institutionalised, social audits allow for regular monitoring of public institutions, thus increasing the legitimacy of state actors and the trust between the citizens/CSOs and the government.

There are, however, several challenges to the successful implementation of this tool. First, CSOs may require substantial technical support and external funding to obtain and analyse data. Access to public records is of the utmost importance to conduct a social auditing process, but obtaining this where no freedom of information law exists may depend on the intervention of sympathetic officials. In cases like this, lobbying with the government to introduce legislation granting citizen access to public records is a more sustainable solution.

As for many of the other tools presented here, accurate public records are a pre-requisite for implementation. In many countries, however, quality data is not available. In cases like this, CSOs can focus on user feedback and advocate for improved recordkeeping, which will require them to develop advocacy skills.

Finally, a potential pitfall to consider is that social audits may seem threatening to service providers and policy-makers. It is therefore advisable to engage these actors constructively from the outset and to attempt to direct criticism at institutions rather than individuals. Social audits, if not handled sensitively, can inflame emotions and can potentially lead to conflict or retribution from those who are "exposed". It is prudent to foresee the potential need for conflict management and to remind all participants that the primary goal is not to assign blame but to bring about improvements.

Public expenditure tracking

Public expenditure tracking involves tracing the flow of public resources for the provision of public goods or services from origin to destination. It can help to detect bottlenecks, inefficiencies and/or corruption in the transfer of public goods and resources and is a

key tool for the government and CSOs to guard against corruption and work towards ensuring transparent, accountable and effective public financial management.

The public expenditure tracking system (PETS) is a methodology that presents revenues and expenditures in a format that enables users to reconcile budgetary flows. It allows citizens and CSOs to track the flow of resources through various levels of government to the end users and identify leakages. PETS is a quantitative survey that tracks the flow of public funds to determine the extent to which resources actually reach the target groups. When used along with qualitative surveys on consumer perception of service delivery, these exercises can be very influential in highlighting the use and abuse of public money.

For example, PETS can be used to track education funds sanctioned by the central government for school repair as the money flows through the district administration to the school. First employed by the World Bank in Uganda, PETS has since been used by other multilateral organisations and national donor agencies in dozens of countries.

Which skills and resources are required?

Unlike other tools presented here, PETS requires a CSO to have a group of core researchers with relevant qualifications and experience to conduct the study. The core survey team should have technical expertise in budget execution, sector-specific knowledge (for example, on education or health), and a detailed knowledge of the relevant institutional context. Experience working quantitatively with surveys and with qualitative interviews is also necessary.

The cost of implementing PETS can vary depending on a number of factors, such as scope, sample size, complexity of the survey, sector, geography, and labour and survey costs in the country. The main expenditures include services for the preparation of the questionnaire, the actual execution of the survey and data compilation and analysis. Dissemination costs also need to be taken into consideration given that a communications campaign might be necessary to mobilise citizens to actively engage with agencies to work on improvement of service quality.

Where has this tool been used?

One of the first PETS was conducted in Uganda in 1996 with support from the World Bank. The use of PETS helped pinpoint and address bottlenecks and leakages in the transfer of resources for education and health. The PETS methodology has subsequently been implemented in a large number of other countries in Africa and around the world.

Another widely cited example of PETS implementation comes from the Philippines, where an organisation called G-Watch investigated the handling of lucrative contracts for government school textbooks. The initial investigation found critical discrepancies between the number of books ordered and the number delivered and that the delivered books were of a substandard quality. Moreover, end delivery points did not know how many books they were entitled to receive and were therefore unable to challenge the suppliers. The organisation published their reports and communicated the identified issues and some potential solutions to government officials. Since its first survey in 2002, G-Watch has carried out subsequent surveys that have shown a positive change in the contract process marked by greater efficiency, quality and accountability.

Potential benefits and challenges

PETS can contribute to improved delivery of public services, by identifying and addressing problems of bureaucratic bottlenecks, inefficiencies, corruption and leakages. It can also help establish whether expenditures are consistent with budgetary allocations and whether transfers/services are effectively reaching the targeted groups.

It might, however, be challenging to obtain access to relevant accounts and financial reports and create public pressure and lobby for enhanced legal access. Moreover, in some cases, accurate expenditure/transfer records may not exist. Here CSOs can play an important role in tracking transfers in collaboration with local level service providers and/or users.

Independent budget analysis (IBA)

IBA refers to efforts by CSOs to analyse proposed government budgets and to share their findings and concerns with the government and the public at large to advocate for budgetary changes. IBA enhances public awareness of key budget issues and can lead to the reallocation of budget resources to better reflect public priorities and concerns.

IBA refers to analytical and advocacy work implemented by civil society and other independent organisations aimed at making public budgets transparent and at influencing the allocation of public funds.

The purpose of IBA is to:

- Improve information sharing and public understanding of the budget: IBA serves to demystify the highly technical language of official budgets and increase transparency in the budgetary process.
- Influence budget allocations: IBA helps to inform citizens of the impact of budget allocations on their daily lives and to mobilise public opinion to push for greater equity in budget allocations.
- Improve targeting of funds for vulnerable groups, including women and children: IBA can help empower vulnerable groups by giving voice to their concerns and ensuring that funds address their needs more closely.
- Initiate debates on sector-specific implications of budget allocations: IBA can help improve effectiveness and efficiency of public spending by making trade-offs explicit, helping to optimise the use of scarce public resources.
- Influence revenue policies: by analysing the impact of taxes and tax reform on different groups in society, IBA can help ensure greater equity in revenue collection.

IBA generally involves:

- building skills to understand and analyse the budget
- analysing allocations and the declared policy priorities, as well as the trends in spending over time and to different groups, regions and/or sectors
- disseminating information, and building coalitions and alliances

Which skills and resources are required?

While the financial resources and the time required to conduct IBA vary depending on the scope of the study and data availability, CSOs engaging in this activity require analytical capabilities, as well as an understanding of the technical language of budgets, and good communication skills (World Bank 2007).

Where has this tool been used?

Budget analysis is a growing field of activity for civil society organisations across the world. Idasa in South Africa was one of the pioneers, but IBA now is taking place in Albania, Argentina, Armenia, Bangladesh, Bolivia, Brazil, Cameroon, Croatia, Egypt, Germany, Ghana, India, Indonesia, Israel and Kenya, to name just a few.

Potential benefits and challenges

IBA is a powerful tool for budget advocacy because it allows campaigns and other advocacy efforts to be based on scientific evidence and analysis. It can also complement the government's own needs for research and analysis and provide policy-makers with valuable information on neglected issues and social groups. This tool can also serve to enhance trust and understanding between citizens and public institutions. It also challenges the government to justify its budgetary decisions, thus contributing to increased transparency and accountability.

IBA, however, requires substantial capacity and expertise. When an organisation undertakes a budget analysis for the first time, it is likely to require training in budget techniques and formulation. Another challenge is that its impact often depends on the quality of the coalition conducting the IBA. According to the IBP, impact is greatest when the coalitions include research institutes or think tanks that have the capacity to undertake empirical research and analysis, media groups able to inform the public and stimulate public debate, and social movements and/or advocacy-oriented groups who can mobilise public opinion.

A final potential pitfall for the implementation of this tool is the lack of follow up on the part of the government. Effective media usage is therefore paramount as creating public pressure through wider

dissemination of information and broad-based networking can help overcome this challenge.

4 SKILLS REQUIRED FOR CSO BUDGET WORK

As shown in the previous section, there are a number of tools available to CSOs to oversee and contribute to a government's budget formulation. Moreover, most of these tools can be adapted to the size and the skills available to the organisation and while more ambitious projects, such as a national alternative budget, will require more specialised skills and financial resources, more modest exercises of budget oversight can also help improve service delivery and detect corruption and overall waste in government spending.

According to the research from Robinson (2008), the critical elements for successful CSO budget interventions include:

- quality of policy analysis: quality analysis and timely and effective dissemination of budget information improves legitimacy of applied budget work
- alliances in civil society: critical importance of broader alliances in civil society, including the media
- allies with political insiders: quality of relationships established with policy-makers and legislators
- openness: openness and flexibility of the budget process

The IBP also suggests CSOs wanting to get involved with budgetary work to invest in analytical, communication, and collaboration/interpersonal skills:

First, analytical skills are of special importance because CSOs need to be able to assess their policy and political environment to craft an effective strategy. If advocates are able to evaluate existing policies and laws that pertain to their issue, they will be able to develop better proposals and stronger arguments. They also need to be able to develop indicators that capture the progress and impact of their campaigns.

In addition, CSOs willing to engage in budget oversight and advocacy will need to understand their country's budgetary process, the needs and priorities of the country (that is, what is funded through the budget, what are the options for generating resources, and what constraints exist), and the formal and informal conventions involved in the process of making budget decisions.

CSOs also require data analysis capabilities and legal knowledge to access budget information and analyse it. In cases where data is not publicly available or lacks in quality, analytical capabilities to diagnose the main budgeting issues and to craft policy solutions are important. In contexts like this, CSOs have been able to generate useful evidence by monitoring what the government is currently doing with funds that have been budgeted for different purposes.

Second, communication skills are needed to effectively get messages across to the target audiences effectively. When conducting budgetary oversight and monitoring, CSOs need to target various audiences with different interests and needs. They may need to speak to a journalist, participate at a rally, or meet with a group of legislators. Thus CSOs need to be able to adjust how they present their message to make it more compelling for these different audiences. An essential part of this is to know how much detail to include, or to leave out, with any given listener or audience. CSOs need to be able to support their arguments with sound evidence, gathered from thoughtful analysis of budget information, but also present it in accessible and compelling language for the broader population or translate it into a language of policy options, alternatives and trade-offs for policy-makers.

Finally, IBP recommends CSOs invest in collaboration and interpersonal skills: some of the tools presented in the previous section cannot be implemented unless there is a broader civil society coalition to implement them. Groups with the technical/analytical public finance skills often lack strong advocacy skills, and vice versa for issue-based CSOs. In addition, efforts to influence budgets often require interaction with other actors either to persuade them to act or to collaborate with them on a shared goal. This can involve conversation, confrontation and compromise, so CSOs need to be

able to listen to others, establish effective communication channels, understand others' positions and navigate conflicting agendas or approaches.

5 CONCLUSIONS

CSOs' budget-related activities can involve a number of strategies ranging from training in budget literacy skills to budget analysis. Moreover, many of these strategies can be scaled up or down depending on the resources available to the organisation, but analytical, collaboration and communication skills are important for these tools to be implemented successfully and deliver the desired results. If CSOs can combine an in-depth knowledge of a policy issue with a solid knowledge of budgets and an effective advocacy strategy, the likelihood of a positive influence on policy increases.

As noted by the IBP, however, "the ability of civil society to participate in the budget discussion can be thwarted by legal, institutional and political barriers"[5]. The lack of publicly available information on budget issues has hindered the efforts of national and local organisations attempting to participate in the debate on the use of public resources. As an example, around 20 countries included in the IBP's Open Budget Index, a comparative measure of central government budget transparency, do not even publish the government's budget proposal. For this reason, CSOs' efforts in this field often start as a fight for more transparency and access to public information.

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[5] See IBP's website on the role of civil society in budget work: www.internationalbudget.org/why-budget-work/role-of-civil-society-budget-work/

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