

Independent Budget Analysis

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Tool summary

Independent budget analysis (IBA) refers to efforts by civil society organisations (CSOs) to analyse proposed government budgets and to share their findings and concerns with the government and the public at large in order to advocate for budgetary changes. IBA serves to: increase the transparency of budgetary processes and decisions; raise overall awareness of budgetary issues; and enhance the involvement of CSOs and citizens in the budgetary process.

What is it?

Independent Budget Analysis gives CSOs, community groups and citizens the opportunity to scrutinize, analyze and propose recommendations on the budget.

Typically, IBA seeks to achieve the following:

- Build public budget awareness;
- Analyse key budget features and impacts;
- Influence budget allocations; and,
- Enhance citizen participation throughout the budget process.

IBA initiatives frequently focus on making public budgets more inclusive and responsive to the needs of the marginalised, under-represented or under-served groups. IBA can be applied at different levels of government like the local, the state or the provincial and the national level.

How is it done?

Though a wide variety of approaches can be used in carrying out an IBA, it usually involves the following steps:

1. *Training/capacity-building*

- The ability to understand and analyse budget information is a prerequisite for IBA. Most CSOs that seek to engage in such processes have specialist knowledge and skills such as for e.g. think tanks, research institutes, specialized advocacy organisations etc. whereas others seek dedicated training on how to conduct IBA.

- When a training programme is organized on IBA, it would be useful to target a range of participants including media, parliamentarians, and citizen representatives, as well as CSOs.
- A number of guides and training materials have now been developed and are freely available. Some of them are listed in the *Resources* section of this article.

2. *Accessing budget information*

- Accessing at least a basic level of information about the budget is another prerequisite of IBA. It is important at this point to determine the specific type of data and information needed for the IBA. For example, IBA may apply to the overall budget or one specific sector like health, environment or defence which requires obtaining information about the national budget. If the IBA focuses on a sector that is decentralised like for e.g. education or local government, it may require collecting budget data at the local or sub-national level.
- The first step in this process is to ascertain what types of budget documents are publicly available as per the law and to obtain these. Governments often do not share such information proactively and it would be helpful to identify contacts within the Ministry of Finance, Planning or other relevant line ministries or sectoral agencies to help obtain relevant documents and data. These might include: budget proposals during budget formulation; legislative budget committee reports prior to budget approval; official budget documents following approval; and budget reports and audit reports during budget execution.
- It would be helpful to keep a written record of requests for information and to inform the appropriate authorities or the media when access is denied.
- Where access to budget information is restricted by law, it may be necessary to lobby for legislative or policy reforms to achieve greater budget transparency as described in Tools A.1 and G.2.

3. *Budget analysis*

- The scope of an IBA depends on its specific objectives or the particular issue areas it seeks to highlight. For example, an IBA focused on pro-poor budgeting will look at budget allocations earmarked specifically for purposes of poverty reduction as well as the overall impact of the budget on people living in poverty. Other types of IBA might focus on women, children, the environment or the macroeconomic situation.
- Budget analysis typically looks at issues of: appropriateness - are budget allocations in line with the government's stated policy priorities?; responsiveness - do they reflect citizens' priorities?; equity- are budget allocations fair and justified? And do they address or exacerbate social inequalities? Are allocated funds adequate to meet stated goals?

- Analysis of the budget often requires complementary research aimed at exploring discrepancies in the official budget data or addressing issues neglected by the government budget or revealing true preferences and needs of citizens.
- Sometimes IBA can take the form of proposing a “parallel” or “alternative” budget (See Tool G.4).

4. *Disseminating information and findings*

- An important element and sometimes the very purpose of IBA is to unpack and simplify complex budget information, making it more accessible to parliamentarians and ordinary citizens.
- Working with media to publicly disseminate budget information and analysis in clear and easily understandable language is an integral element of IBA. This contributes to increasing the level of “budget literacy” of elected officials and ordinary citizens and also serves to create public pressure for budget reforms.
- IBA work can also involve providing training to journalists and media outlets on budget analysis and reporting.
- Information dissemination can be achieved through newspaper reports, on-line postings, radio or television programmes, public notice boards, the publication of booklets and brochures, public meetings or study circles.

5. *Advocacy and coalition-building*

- Organizing social coalitions and alliances harness the energies of various groups to support budget analysis and reform.
- Advocating for change can involve campaigning, lobbying and utilising the media to raise public awareness and stimulate public pressure to achieve desired budget and/or policy reforms.
- Identifying allies and champions of reform within the government is another important advocacy strategy. Where there is scope to build partnerships and work collaboratively with the concerned government officials

Benefits

- IBA is a powerful tool for budget advocacy because it allows campaigns and other advocacy efforts to be based on scientific evidence and analysis.
- While IBA can complement the government’s own needs for research and analysis in general, it can specifically provide the government with valuable information on neglected issues and social groups and direct feedback from marginalised or under-represented groups.
- It can lead to greater social justice and equity by promoting greater public spending in favour of disadvantaged groups.



- IBA creates opportunities for collective reflection and deliberation among citizens, CSOs, parliamentarians and others and can enhance their collective influence on budget processes and decisions.
- IBA fosters greater public understanding of budget issues and can serve to open up new and productive channels of communication between policy-makers and different stakeholders within society.
- IBA challenges the government to justify its budgetary decisions thus contributing to increased transparency and accountability.
- IBA can serve to enhance trust and understanding between citizens and public institutions.

Challenges and lessons

- IBA requires substantial capacity and expertise. The organisations undertaking a budget analysis for the first time most often require training in budget techniques and formulation.
- Impact is greatest when effective coalitions can be established between research institutes/think tanks that have the capacity to undertake empirical research and analysis, media groups who are able to inform the public and stimulate public debate and social movements and/or advocacy-oriented groups who can mobilize public opinion and action.
- One of the common problems encountered in IBA is the lack of response/follow-up on the part of government. Creating public pressure through wider dissemination of information and broad-based networking can help overcome this challenge.
- When IBA initiatives are continuous rather than one-off events, they are most effective as they can build capacity and mobilize support of all the stakeholders over time
- Collective and sustained action is usually required for IBA to achieve concrete reforms.
- Effective use of the media is a key success factor in IBA.

Key resources

Centre on research and Teachings in Economics (CIDE), Mexico: *Tools for the Analysis of the Federal Public Budget*

<http://www.cide.edu/>

☞ This is the syllabus for a training course offered by CIDE, a Mexican think tank that provides budget training for legislators, journalists and CSOs. Part of the network of highly specialized public centers for research and higher education coordinated by the National Council of Science and Technology (Conacyt), CIDE is fully committed to contributing to the development of Mexico through its demanding academic programs; rigorous, relevant research; and links to the public, private, social, and academic sectors.

Developing Initiatives for Social & Human Action (DISHA), India

www.disha-india.org

☞ DISHA is a mass-based organization in the Western Indian state of Gujarat that started in 1985 with the aim of altering societal power relationships in favor of the poor to produce social change. DISHA has done pioneering work on expenditure tracking in the Indian context.

De Renzio, P. *CSOs and Budgets: Linking Evidence and Pro-poor Policies*. Overseas Development Institute, United Kingdom (undated)

<http://www.odi.org.uk/resources/download/3788.pdf>

☞ Exploring how CSOs can use research-based evidence to influence budget policies and priorities, This ODI publication also provides case studies from South Africa, Brazil and Ghana

Elson, D. *Monitoring Government Budgets for Compliance with CEDAW*. UNIFEM (2005)

<http://www.iwraw->

[ap.org/resources/pdf/MonitoringGovernmentBudgetsComplianceCEDAW_summary_eng.pdf](http://www.iwraw-ap.org/resources/pdf/MonitoringGovernmentBudgetsComplianceCEDAW_summary_eng.pdf)

☞ This report published by UNIFEM explores how gender budget analysis could help monitor compliance with CEDAW and how CEDAW can help to promote gender equality in budgetary matters and provide guidance for Gender Budget Initiatives.

Fundar, International Budget Partnership, International Human Rights Internship Programme ((2004): *Dignity Counts – A Guide to Using Budget Analysis to Advance Human Rights*

http://www.fao.org/righttofood/KC/downloads/vl/docs/Dignity_Counts_guide.pdf

- ☞ This publication provides guidance to CSOs and others on how to use budget analysis as a tool to help assess and improve governments' compliance with human rights obligations.

Fundar was created in 1999 with the goal of developing schemes to strengthen citizen participation and deepen democracy, identifying models of action that have been successful in other countries, and experimenting with new methodologies that can contribute to the resolution of specific problems. Since its inception, budget and policy analysis has become the core subject and area of activity of the institution. Their website which is mostly in Spanish and partly in English contains a wealth of information on the budget work of CSOs.

IDASA, Institute for Democracy in Africa (2007). *Reflections from Children Participating in Governance– Budget Monitoring within a Rights-Based Framework*

http://idasa.org.za/index.asp?page=output_details.asp%3FRID%3D1163%26oplang%3Den%26TID%3D8%26OTID%3D2

- ☞ This training manual is the result of a two-year training project to build children's capacity for rights-based budget analysis and self advocacy IDASA is an independent public interest organization committed to promoting sustainable democracy based on active citizenship, democratic institutions, and social justice. IDASA is a recognized public interest organization in Africa. IDASA's website contains useful resources on monitoring government budgets.

IDASA, Institute for Democracy in Africa (2003). *Monitoring Government Budgets to Advance Child Rights – A Guide for NGOs.*

http://www.idasa.org.za/index.asp?page=output_details.asp%3FRID%3D508%26TID%3D8%26OTID%3D7

- ☞ This practical guide explains how to monitor government budgets as a means to advance child rights

International Budget Partnership –IBP (2000): *A Taste of Success: Examples of Budget Work of NGOs.*

<http://www.internationalbudget.org/resources/success.htm>

- ☞ This IBP publication offers a compilation of examples of the budget work of NGOs around the world.

The aim of the IBP, head quartered in South Africa is to make budget systems more responsive to the needs of poor and low-income people in society and, accordingly, to make these systems more transparent and

accountable to the public. IBP website is a treasure trove of resources on all types of CSO budget work

International Budget Partnership, Washington (2001): *A Guide to Budget Work for NGOs*

<http://www.internationalbudget.org/resources/guide/guide1.pdf>

☞ This publication draws on a wide range of practical experiences and lessons learned to offer a systematic overview of different aspects of budget work and guidelines for CSO practitioners

Krifchick, W. *Can Civil Society Add Value to Budget Decision Making? A Description of Civil Society Budget Work*. International Budget Project.

<http://www.internationalbudget.org/resources/library/civilsociety.pdf>

☞ This Paper provides examples of civil society activities in various countries concerned with public budgeting

Robinson, M. *Budget Analysis and Policy Advocacy: The Role of Non-Governmental Public Action*. Institute of Development Studies Working Paper 279 (2006)

<http://www.ids.ac.uk/ids/bookshop/wp/wp279.pdf>

☞ This paper examines the impact and significance of independent budget analysis and advocacy initiatives that are designed to improve budget transparency and the poverty focus of government expenditure priorities.

Case studies

Public Budget Awareness/Literacy

These initiatives aim to simplify and disseminate budget documents, provide information about how the budget is formulated, and train organizations and relevant individuals in how to read and comprehend the budget and how to engage in budgetary processes.

Development Initiative for Social and Human Action (DISHA), India

DISHA, an NGO working in Gujarat state, India, began budget analysis in 1992. It worked with a team of economists and financial experts to quickly demystify the budget in the days after its publication, then briefed the media with its findings and provided politicians with analysis thus creating a demand for explanation and for budget improvements to relay back to ministers and government officials as ammunition to challenge the ruling party's budgetary allocations.

Key sources of information are:

<http://siteresources.worldbank.org/INTPCENG/1143372-1116506093229/20511035/sdn72.pdf>

<http://www.internationalbudget.org/resources/DISHA.pdf>

St. Petersburg Strategy Centre, Russia

St. Petersburg Strategy Centre is a research organisation dedicated to increasing public understanding and engagement in the budgetary process at city level. Its programmes were designed to bring city officials and CSOs and NGOs together to discuss and collectively work on the budget. The organisation offered training and consultative meetings to CSOs and government officials while also expanded its reach by creating a network of like minded organisations in other cities.

For more information: <http://www.internationalbudget.org/resources/Russia.pdf>

Instituto Brasileiro de Análises Sociais e Econômicas (IBASE), Brazil

The budget programme at IBASE in Brazil was set up in 1990, shortly after Brazil's new democratic constitution opened up opportunities for public participation. The group's budget work focuses on building the capacity of CSOs to analyse budget information and use it to influence central and local governments.

[Malawi Economic Justice Network \(MEJN\)](#)

MEJN is a broad civil society coalition that campaigns for just and equitable economic policies by engaging in economic literacy programs, budget monitoring, and lobbying on trade issues and trade agreements in Malawi.

Analysing Budget Impact

[Fundar, Mexico](#)

Fundar, an independent, inter-disciplinary research organization created in 1999, works to promote democratic governance and citizen participation. Fundar's budget analysis was used to identify inequities in government budget allocations and delivery of services in Mexico. In this case, analysts studied budget allocations between departments and levels of government, between programs, and between regions, and found that the distribution of resources was not consistent with areas of greatest need. They were able to show that the formulas behind these allocations perpetuated the inequality problem rather than solved it. For more information, read:

Democratizing the Budget: Fundar's Budget Analysis and Advocacy Initiatives in Mexico, an independent research paper by Robinson, M & Vyasulu, V. (2006)

<http://www.internationalbudget.org/Mexico-Fundar.pdf#xml=http://ibp.forumone.com/cgi-bin/teaxis/webinator/search4/xml.txt?query=mexico+budget+analysis&pr=IBP2&prox=page&rorder=500&rprox=500&rdfreq=500&rfreq=500&rlead=500&sufs=0&rder=r&cq=&id=47d247aff>

Tanzania Gender Networking Program (TGNP)

TGNP launched their gender budget initiative in 1997. They focus on macro-economic policies and planning, with a stress on budgets and budgetary processes and their impact on men and women in Tanzania.

For more information, visit: <http://www.tgnp.org>

IDASA Institute for Democracy in Africa, South Africa

IDASA examined the 2005 budget by breaking it down into simplistic terms and then analysing it through a gendered lens. For more information, visit:

<http://siteresources.worldbank.org/INTPCENG/214578-1116506912206/20508882/Budget+Response+-+GENDER+AND+BUDGET+2005.pdf>.

[The South African Children's Budget Project](#)



The South African Children's Budget project was launched by the Children's Budget Unit of IDASA in 1998. The project examines the resources being allocated by the government to children's programs and whether these programs adequately reflect the needs of children as established by the United Nation's Convention of the Rights of the Child.

For more information, visit:

<http://www.idasa.org.za/gbOutputFiles.asp?WriteContent=Y&RID=732>

[Catholic Centre for Justice, Development and Peace \(CCJP\), Zambia](#)

The CCJP conducted a comprehensive budget analysis in 2001 which focused on monitoring the poverty impact of the budget while touching on all aspects of social service delivery. In doing so, the organization utilized monitors throughout the country to get citizens' feedback about the budget's impact on poverty. In addition, it conducted a series of focus group discussions with NGOs to gauge their perspectives on the same issue. These activities informed the post-budget statement that CCJP issued and covers the poverty impact assessment of the budget on issues such as health, welfare, education, agriculture, debt, tax and monetary policy.

[The Institute of Public Finance \(IPF\), Croatia](#)

IPF is one of the several research organisations established in Croatia by the socialist regime in the 1970s. Over the years, it has become a leader in public finance and economic research and in recent years has shifted its focus to budgeting work.

Influencing budget allocations

[Consumer Unity and Trust Society \(CUTS\), India](#)

CUTS's comprehensive analysis of the 2000/01 Indian Union budget resulted in CUTS lobbying with government to stick to its commitment to phase out non-merit based subsidies in favour of merit-based subsidies especially in education and health. CUTS suggested that the resources released through this shift should be used towards reprioritized programs addressing child labour issues. From its overall analysis of the budget, CUTS was able to make recommendations for better use of government funds and hence the shifting in spending priorities in the budget.

[Adva Centre, Israel](#)

Adva Centre's work in advocacy and popular education includes budget analysis with a particular view towards ensuring that the national budget meets the needs



of disadvantaged groups and examines the extent to which distinct groups are going to be detrimentally affected by the national budget. In a general way, Adva looks at social spending and the welfare state makes recommendations to the government based upon their analysis. In 1998, the Center produced two bulletins documenting the shrinking budgetary allocations for social services for the elderly and for child allowances, and distributed them to government, media and supportive agencies like trade unions and CSOs. This resulted in a wider public dialogue and debate around the pertinent issues and the creation of a coalition to advocate protection of social services in Israel.

[The Uganda Debt Network](#)

The Uganda Debt Network is a coalition of over a hundred NGOs who since 1999, have been conducting participatory budget work through out the country while acting as a support mechanism for government and also as a monitoring and evaluation agency to ensure that the budget is being used to its full potential.

[The Integrated Social Development Centre \(ISODEC\), Ghana](#)

ISODEC was set up by the Centre for Budget Advocacy to lead its efforts work on improving the budget process and the efficiency in the use of public resources. It aims to promote budget activism, better budget process through consultation and participation of all stakeholders, accountability of public officials and transparency in public financial transaction.