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**Save the Children**

# **MANUAL**

# **Social Accountability**

# **and Child Rights**

# **Budget Analysis**

*Using government budgets to implement  
children's rights in Albania*

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# **Social Accountability and Child Rights Budget Analysis Manual**

*Using government budgets to implement  
children's rights in Albania*

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## **ABBREVIATIONS**

**UNCRC** – The United Nations Convention on the Rights of the Child

**PB** – Participatory Budgeting

**IBA** – Independent Budget Analyse

**CRIA** – Child Rights Impact Assessment

**PETS** – Public Expenditure Tracking System

**IT** – Input Tracking

**CRC** – Citizens Report Card

**CSC** – Community Score Card

**CGU** – Central Government Units

**LGU** – Local Government Units

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## INTRODUCTION TO THE MANUAL

Policy commitments by governments to children are implemented through government's budgets. The United Nations Convention on the Rights of the Child (UNCRC, 1989) sets children's rights at the heart of the political and government's agenda asking from state parties to align their legal framework and take all the necessary measures to ensure full application of children's rights, which should be translated into better outcomes for children's lives. These obligations require from governments to systematically analyze the situation of children's rights in their countries, to identify where children's rights are not being realized and why, and to commit all the necessary resources for the realization of children's rights. Children and their representatives have the right to know how much and on what are national resources spent. Their voice should be considered during preparation, approval and implementation of both local and national budgets. At the same time, other public institutions such as schools and civil society organizations should be open to children and communities on how they spend resources they mobilize on their behalf.

Save the Children in Albania is committed to the fulfillment of children's rights and it is working alongside the other civil society organizations in the country to support the implementation of the UN CRC and strengthen the social accountability mechanisms for monitoring child rights. In this undertaking the organization has been particularly engaged in developing local capacities and enhancing opportunities for children, families and citizens to actively advocate for children's rights through promoting good governance mechanisms.

The *Social Accountability and Child Rights Budget Analysis Manual* is a document encompassing methods and tools employed to plan, analyze and monitor the public budgets in order to implement children's rights in Albania. Its content and materials are drawn from the extensive body of knowledge and experience accumulated by Save the Children and other programmes across the world as well as the local practices and models applied in Albania.

This document is produced in the framework of the project "*Unlocking the Pot of Resources for children's rights in Albania*" funded by EU/EIDHR and implemented by Save the Children and the Institute for Contemporary Studies. It is developed to equip CSOs and children and youths groups with the necessary tools and information about the mechanisms they can use to advocate and influence the decision makers on the allocation of public funds for the realization of children's rights.

The "*Social Accountability and Child Rights Budget Analysis Manual*" provides a solid basis for understanding and initiating child centred budget analysis through introducing some participatory methods and tools that have proven to be effective in various countries in the world. The manual

follows a child friendly approach, including a presentation of child friendly versions of tools and methods adapted specifically to facilitate children's active role in the monitoring and advocating of their rights in Albania. In addition, the manual can be also used for delivering a systematic and basic training on the subject for civil society organizations and children through applying a skills based approach.

The manual is developed with the recognition that methodology and tools are not the only important ingredients necessary for effective monitoring of and advocating for implementation of children's rights. It also requires high level of agency and empowerment as well as good planning and facilitated actions of all the stakeholders such as children/youth, civil society organisations and other groups of interest to join their efforts in advocating for children's rights.

Thus, this manual is the first step in the process of building civil society actors (especially CSO-s and children/youth) capacities in effectively holding government and other public institutions accountable for budget decisions and actions toward children and youth rights in Albania.

## What is this manual about?

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 program, it ends up delivering much less than what was supposed to.

An ability to analyze state budgets, with a proper understanding of the budgetary processes, allocations and outcomes is therefore crucial for child-focused civil society organizations, non-governmental organizations and also for children and youths themselves. Analyzing 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.

Child centred 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 Albania, there have not been many systematic child rights based budget analysis. Where such analysis exists, it comes from CSOs and is restricted to sectors, but these analyses are not comprehensive and based on child rights indicators.

Secondly, there is a lack of awareness on the usefulness of budget analysis tools among child focused CSOs, children and youth in Albania, 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, children and youths and give them technical support to understand, analyse and advocate for "optimum budgeting" to meet children's core needs. This manual is steered towards that outcome. Furthermore, the government itself will benefit from this initiative, because of the increased transparency and reliability of the involved actors in the government policies implementing children/youths rights.

## Purpose of this manual

This manual provides the reader comprehensive knowledge on the child-centred social accountability tools in budgeting and public expenditure. It is designed with the purpose to:

- Provide useful tools to identify gaps in public spending at local and national level in order to implement children's rights, based on budget analysis and review of implementation of the laws on protection of children's rights through a child-centred approach.
- Increase the capacities of CSOs, including youth and children's groups, to participate in the budgeting process and to hold central and local government accountable for budget decisions.
- Raise awareness and capacities amongst government officials and politicians on the value and ways of improving public spending on children.
- Contribute to efforts aimed at increasing budgetary allocations and improving the quality of public spending on children, especially on health, education and child protection.
- Make child rights organizations better aware of the importance of budget analysis and build their capacities on the basic concepts and modalities of child centric budget analysis.

## How is the manual organized?

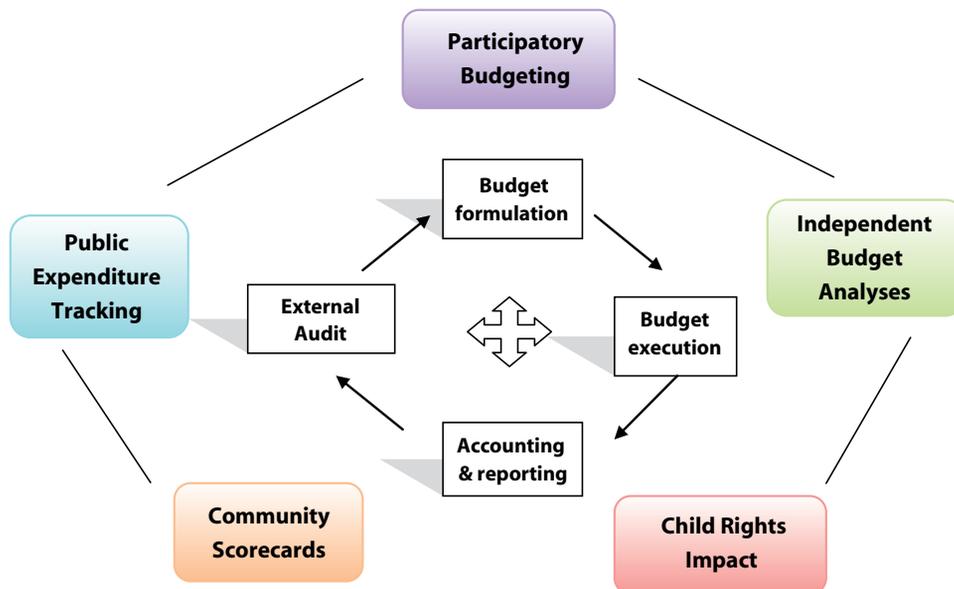
The manual is designed to provide a set of tools on social accountability and child rights budget analysis. It will take the reader through the government budget and budget cycles, CSO-s and children/youths participation in the budgeting process, as well as the proposed tools to be implemented with a focus on children/youths' rights.

It includes four main parts:

- ❖ Government Budgets, Social Accountability<sup>1</sup> and Child Rights
- ❖ The role of SCO's and children's involvement in the budgeting process
- ❖ Budgeting process in Albania
- ❖ Child Centred Social Accountability Tools in Budgeting and Public Expenditure
  - ✓ *Participatory budgeting (PB)*
  - ✓ *Independent budget analysis (IBA)*
  - ✓ *Child Rights Impact Assessment (CRIA)*
  - ✓ *Public Expenditure Tracking (PET)*
  - ✓ *Citizens and community score cards to monitor delivery of services for children*

## Which methods and tools are presented?

The public expenditure cycle is a convenient framework that provides insight on how tools and methods are used to improve public sector governance. For each phase of the cycle, certain tools and methods provide citizens with an ability to voice their needs, influence decision making, and monitor execution and outcomes. Some tools can be used throughout the cycle due to their specific methodology, such as participatory budgeting. Others are more focused on specific phases in the cycle, such as PETS. The tools and methods are further elaborated below.



## What are methods and tools?

**Methods** are the procedures used to gather and analyze data related to answering specific questions.

**Tools** are the instruments used while undertaking these procedures.

*For example, the Citizen Report Card process is a method, in which the participatory survey instrument used to solicit user feedback on the quality of public services is a tool.*

The tools are used to improve different functions of the public sector – from the decision making processes that are conducted during policy and planning, to accounting of outputs and service provision.

It must be emphasized that while methods and tools are important for successful social accountability approaches, they remain “instruments.” They should be selected according to the capacity of users.

1. “Social Accountability is defined as the engagement of citizens or civil society organizations to hold power holders to account for the benefit of all”. Winterford K. Citizen Voice and Action. World Vision UK, 2009.

Methods and tools are only as good as the facilitator’s ability to handle them skilfully. In order to use them successfully, some questions that need to be addressed while choosing the appropriate method/ tool include:

- *What is the exact nature of the problem?*
- *What set of factors are causing the problem?*
- *What is the social, political, cultural context in which the tools need to be applied?*
- *What is the enabling environment in which this initiative may be undertaken?*
- *What is the functional relationship between stakeholders (power and control)?*
- *What would be the most appropriate entry point, given the diagnosis of the problem and the overall context?*

**Table 1: Examples of social accountability practices**

<b>Government Function</b>	<b>Social Accountability Process</b>	<b>Social Accountability Mechanisms and Tools</b>
<b>Policies and Plans</b>	Participatory Policy Making and Planning	<ul style="list-style-type: none"> <li>- local issue forums</li> <li>- study circles</li> <li>- deliberative polling</li> <li>- consensus conferences</li> <li>- public hearings</li> <li>- citizens’ juries</li> </ul>
<b>Budgets and Expenditures</b>	Budget-Related Social Accountability Work	<ul style="list-style-type: none"> <li>- participatory budget formulation</li> <li>- alternative budgets</li> <li>- independent budget analysis</li> <li>- performance-based budgeting</li> <li>- public education to improve budget literacy</li> <li>- public expenditure tracking surveys</li> <li>- transparency portals (budget websites)</li> </ul>
<b>Delivery of Services and Goods</b>	Social Accountability in the Monitoring and Evaluation of Public Services and Goods	<ul style="list-style-type: none"> <li>- public hearings</li> <li>- citizens’ report cards</li> <li>- community scorecards</li> <li>- citizen’s charters</li> <li>- Social auditing</li> <li>-Partnership Defined quality</li> </ul>
<b>Public Oversight</b>	Social Accountability and Public Oversight	<ul style="list-style-type: none"> <li>- CSO oversight committees</li> <li>- local oversight committees</li> <li>- ombudsman</li> <li>- Social Audit</li> </ul>

## Who can use the manual?

This manual may be used by CSO-s, children and youth themselves. It can be used both as a self-learning as well as for more systematic training purposes. It therefore compounds a basic training and guidance document that can be used by individuals and CSO-s on how to conduct a child centred budget analysis to support the fulfilment of children's rights. It can guide their advocacy work towards holding the state accountable for the budget analysis and become a tool to advocate with the state for adequate resources for children and better use of them. This analysis is called child centred budget analysis.

# SECTION I

## BUDGETING PROCESS IN ALBANIA



**BUDGET** is the document that includes the government's expenditure and revenue proposals. It reflects the priorities of the government.

The budget is a government's most powerful social and economic policy instrument and plays a central role in the lives of each 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 programs financed through the budget. It is therefore vital that citizens 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 analyze it.

### What is a state budget?

A state budget is a financial plan of action (technically a document) that includes the government's expenditure and revenue proposals for a given period.

It is essentially a political act and the main instrument of the government economic action. Economically and politically, it is the most important document mirroring the government's policy priorities and fiscal targets in the most complete and meaningful way. As a description act, the state budget sets all revenues, expenses and investments foreseen within one fiscal year, as well the contingency fund. The state budget is also a legal document that is passed by the legislature and, like any other law, needs the chief executive's assent. Thus, a state budget includes the economic, political and technical components.

The budget in Albania is drawn up within the framework of some key economic parameters and their projected levels, such as economic growth, inflation, public 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). The state budget has an important role in the economic policy of the country. In Albania, it makes round 28% of the GDP.

The state budget is approved by the Parliament *in the yearly budget law*, based on the Constitution of the Republic of Albania and the organic budget law. It includes revenues, expenditure and deficit amounts. The yearly budget includes central units' budget, local units' budget and special funds units' budget.

The Budget Legal Framework in Albania is in place and includes the organic budget law no. 9936, date 26.6.2008 "*For the managing of the budgetary system in the Republic of Albania*" as the main law followed by other legal acts/sub-acts based on which the yearly budget is prepared, approved, implemented and monitored. There is a difference between the organic law, which set out the general principles, rules and procedures of the budgeting process and the yearly budget law, which defines the amounts of the revenues and expenses, or the budget lines within one year.

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

The long and difficult, at times chaotic and certainly ambiguous, path to democracy and a market economy has consistently put the country at the tail end of regional post-communist ratings in democratic and economic progress. Albania has shown troubling economic trends. GDP growth, Albania's most significant achievement in recent years, has decelerated on a year-to-year basis. The review period confirms this trend, with GDP falling sharply and reaching its lowest peak in the last decade of 0.6% in 2012. The government decision to increase expenditures, coupled with weakening revenue, has increased the public budget deficit and public debt has risen to risky levels. A further fiscal deficit increase led to a statutory ceiling of public debt at 60% of GDP<sup>2</sup>.

Looking toward the future, Albania is focused on supporting economic recovery and growth in a difficult external environment, broadening and sustaining the country's social gains, and reducing vulnerability to climate change – particularly through improved water resource management. Key challenges for Albania going forward include early resumption of fiscal consolidation and strengthened public expenditure management, regulatory and institutional reform, reduction of infrastructure deficits, and improvement in the effectiveness of social protection systems and key health services<sup>3</sup>.

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2. Source, [http://www.bti-project.org/uploads/tx\\_itao\\_download/BTI\\_2014\\_Albania.pdf](http://www.bti-project.org/uploads/tx_itao_download/BTI_2014_Albania.pdf)

3. Source <http://www.worldbank.org/en/country/albania/overview>

The Government has the same problems when drawing up its budget as households do. It often stretches its limited resources and makes tough decisions when prioritising allocations and spending. The financial resources are always limited unlike the needs. This is the biggest challenge of the government when setting the budget priorities and defining expenditure distribution.

## Budget monitoring and reporting

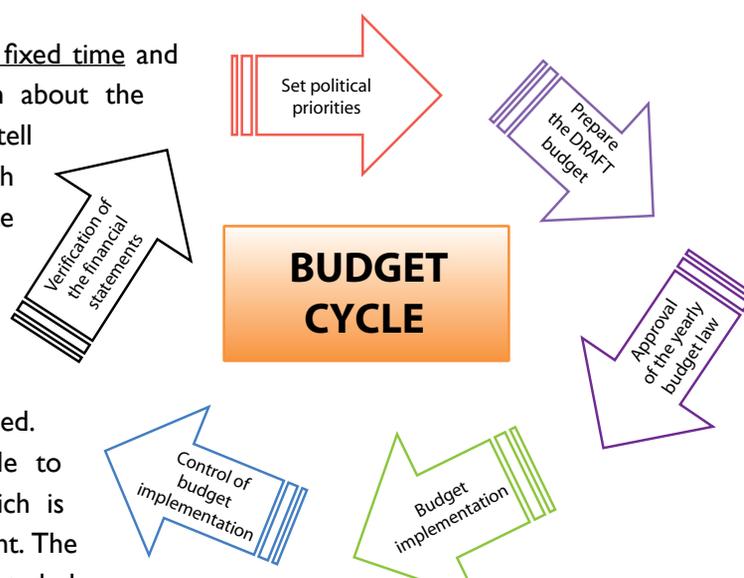
The budget is analysed based on the budgetary classifications:

- a) *Administrative classification*, which includes the classification of the central government units until the lowest level of expense units;
- b) *Economic classification*, of the transactions based on the nature and/or economic sector;
- c) *Functional classification*, based on the functions or social-economic objectives;
- d) *Classification according to the programs*, that represents the programs, sub-programs and projects;
- e) *Classification according to the source of Financing*;

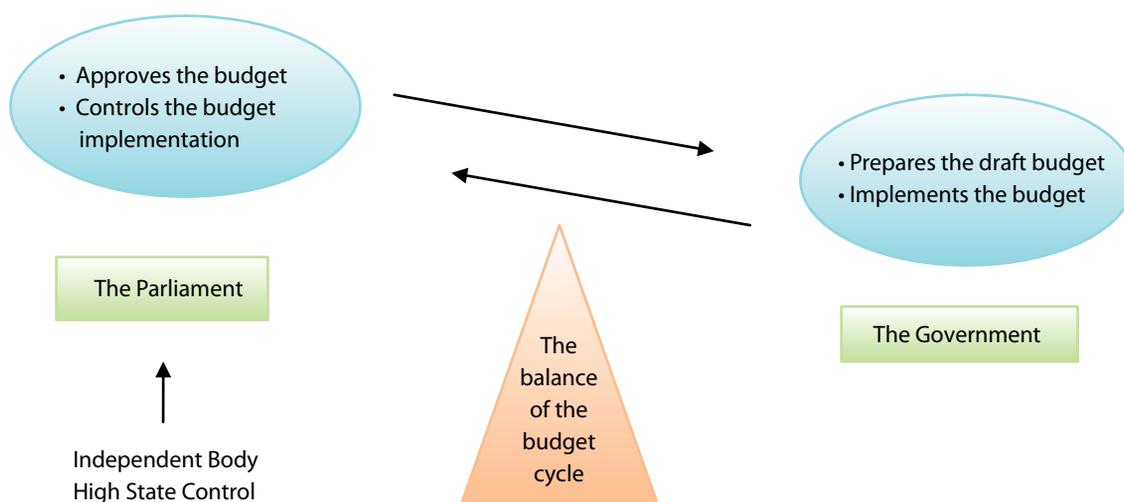
The monitoring of the budget implementation is done every three months (at least 4 times during the year). All expenditure units' report on the progress of budget executions and objectives reached. All the monitoring reports (tables and narrative) can be found in the website of the Ministry of Finance or websites of the respective expenditure units (if any).

## The “budget cycle”

A budget is developed within a fixed time and structured process. Information about the phases of the budget cycle will tell us when and whom to approach while advocating for adequate resource allocation towards children's issues.



The budget cycle is balanced. The Government is responsible to preparation of the budget, which is then approved by the Parliament. The approved budget is implemented by the local and central government, and is the Parliament that controls the implementation of the budget through the High State Control, which is an institution independent from the Government.



The central and local governments units have to follow the event calendar of public expenditure managing during budget preparation. During the budget preparation phases, the SCO-s and Children and Youth representatives might participate in the hearing sessions. The exact dates of these sessions are published in the web site of the Ministry of Finance.

Considering the Organic Budget Law, the budgeting process in Albania is led by the following main principles, which refer also to the IMF code on principles of good budgeting:

### Events calendar of the budget process for the Central Government Units (CGU)

Activity	Deadline
Evaluation and forecast of the macro economic and fiscal parameters	January (previous year)
Instruction for the next year budget preparation	February (previous year)
Draft the mid term budget program (for the consecutive 3 years)	June (previous year)
Complementary instruction for the budget preparation	Within 10 <sup>th</sup> of July (previous year)
Revise mid term budget and next year expenditure requests	Within 1 <sup>st</sup> of September (previous year)
Approval of Yearly Budget Law (for the next year)	Within 31 <sup>st</sup> of December (previous year)
Budget implementation instruction	Within January (current year)
Closure of the budget implementation	31 <sup>st</sup> of December (current year)
Approval of the yearly consolidated report on the budget implementation	June (next year)
Budget implementation monitoring	Anytime is needed, but not less that 4 times with the implementing year

## Events calendar of the budget process for the Local Government Units (LGU)

This calendar is approved by the Chairman of the Management Strategic Group of the LGU

Activity	Deadline
Set of budgetary ceilings to be approved by the Council of LGU	Within March (previous year)
Chairman of the management team presents the budgetary requests to the Authorising Officer of the LGU	Within 15 May (previous year)
Authorising Officer of the LGU presents to the Council of LGU the Mid Term Draft Budget document, approved already by the Strategy Management Group	Within 15 June (previous year)
Each LGU should submit to the Ministry of Finance for the consecutive 3 years the following forms “Revenues Forecast”, and “Forecast of the financial resources distribution” accompanied by a detailed report.	Within 1 July (previous year)

- *Yearly principle*: The budget is a law that has restricted power for one year;
- *Unity principle*: is the obligation that all revenues and expenses are evidenced in one single account;
- *Universality principle*, defines the public revenues, based on which are calculated the expenses;
- *Transparency and sincerity principle*, aims to guarantee the correctness of the data and information used during a budgeting process;
- *Balanced budget principle*, refers to the need for equity between the revenues and expenses, in order to avoid the budget deficit.

## Actors involved in the development of state budgeting process

In order to be able to understand the final outcome (the Budget) and influence the decision makers, it is important to know the actors (individuals, institutions and stakeholders) participating in this process.

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:

- o *An important step in understanding the State budget is: who really draws it all up?*
- o *Is it the Ministry of Finance or do other ministries have a role in it?*

- o *Do other institutions and commissions have role in making the budget?*
- o *What is the role of the Legislature (Parliament/ Senate) in the budget process?*

The budgeting process is the main mission of the Ministry of Finance. The organic law sets out the roles and responsibilities of the actors involved, including the procedures and deadlines to be implemented during this process.

Main actors participating in the budget process:

- *The Ministry of Finance*
- *The Government*
- *The Parliament*

Other actors involved:

- *Chairman of the local government units*
- *First Authorising Officer*
- *Authorising Officers*
- *Executing Officers*

### Keep in Mind!!!

- o While budgets have to be monitored against the commitments in and outside of the Constitution, the Society Civil Organisations must also be able to identify the gaps where words have fallen short of a commitment and hence there is zero matching financial commitment.
- o Most groups who undertake budget monitoring concentrate on budgets for realization of economic, cultural and social rights. However, it is suggested that civil and political rights need to be monitored as well, for example right to life, right to freedom from torture, right to a fair trial, right to freedom of thought, conscience and religion, right to expression etc. 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.

## SECTION II

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# GOVERNMENT BUDGETS, SOCIAL ACCOUNTABILITY AND CHILD RIGHTS

The United Nations Convention on the Right of the Child (UNCRC) sets the foundation principles and vision of the child as an individual human being with rights and responsibilities appropriate to her or his age and stage of development. Under the UNCRC, governments have an obligation to help families to fulfil their essential role as nurturers of children and to create an environment in which children can grow and reach their full potential.

Thus all governments and States that have ratified the UN Convention on the Rights of the Child have an obligation to fulfil, respect and protect children's rights. Article 4 of the UNCRC states: "*State Parties shall undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention. With regard to economic, social and cultural rights, State Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international cooperation*"<sup>4</sup>.

The obligation to fulfil children/youths rights is expressed in a government legislative, administrative, budgetary and judiciary measures. They play both a regulatory and oversight role to ensure also the non-state actors compliance with child rights codes of the country.

The chart<sup>5</sup> below shows the state obligation towards realization of children's rights and all citizen's rights in general:

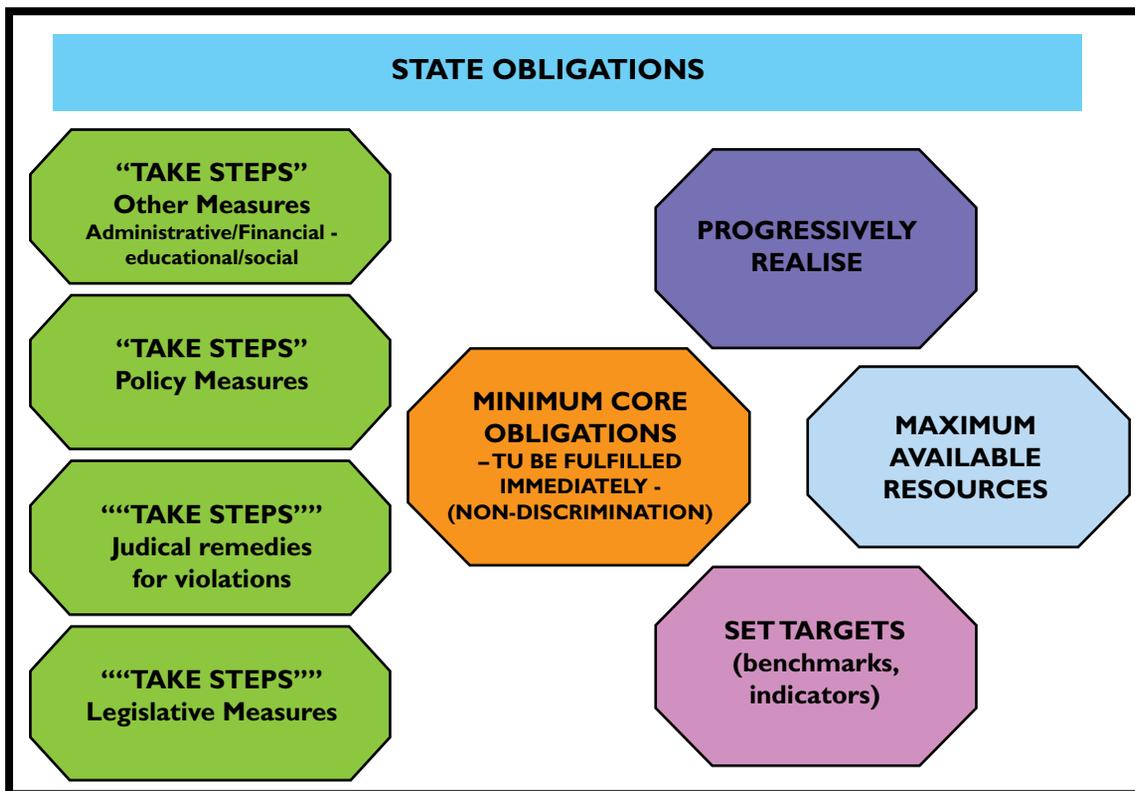
The States that have ratified the UN CRC have therefore entered into a contractual agreement towards which they are legally bound and they agree to be monitored in their performance. Under the article 44 of the CRC state parties accept the duty to submit regular reports to the UN Committee on the Rights of the Child on the steps they have taken to put the Convention into effect and on progress in the enjoyment of children's rights in their territory every five years.

However, governments are accountable primarily to their citizens and above all to children for the realization of children's rights, whereas citizens need to hold governments accountable for their actions and measures taken.

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4. United Nations Convention on the Rights of the Child.

5. Dignity International: *From Poverty to Dignity. A Human Rights Based Development*. Netherlands, 2007.



Accountability focuses on governance issues around how decisions are made and who controls resources. It also focuses on how resources and actions are monitored, accounted for and judged to be effective or not<sup>6</sup>. In addition “Social Accountability” can be described as “the engagement of citizens or civil society organizations to hold power holders to account for the social benefit of all”<sup>7</sup>.

Holding governments into account for their legal obligation towards respecting, protecting and fulfilling children’s rights is both a right and a duty of every citizen, parents and all interested individuals. Children have a stake in the process as they are the primary rights-bearers in this matter. Moreover, children are entitled to such rights under the CRC. Article 12-15 of the CRC sets children’s rights to participation and freedom of expression. Article 12/1 particularly states: “States Parties shall assure to the child who is capable of forming his or her own views the right to express those views freely in all matters affecting the child, the views of the child being given due weight in accordance with the age and maturity of the child”<sup>8</sup>.

Therefore, states should provide opportunities and create all the means necessary for the children to participate in the public and civil rights sphere in accordance with their maturity and stage of development.

6. Winterford K. Citizen Voice and Action. World Vision UK, 2009.

7. Idem

8. United Nations Convention on the Rights of the Child.

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>

With regard to children's rights, holding governments accountable entails for civil society, citizens and children themselves having access to and being fully informed of legislative, administrative and budgetary information affecting children of a society, being consulted and participated in taking these decisions and monitoring governments' performance into implementing those decisions. In addition it means engaging in a dialogue with governments to lobby and advocate for further improvement and filling the policy, programmatic and budgetary gaps that jeopardize the fulfilment, respect and protection of children's rights in that given society.

The analysis of the budgetary processes and state budget are therefore part of the monitoring of implementation of children's rights and the UN CRC. This is of paramount importance because the realization of children's rights will not be possible without the allocation of the necessary resources, especially financial ones. 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 as it reflects government priorities.

Policy commitments by governments to children are implemented through government budgets. The financial resources allocated to child focused sectors make it possible for children to have access and receive quality basic services such as health, education and protection. In the absence of such resources it is difficult to ensure opportunities for all children to develop and be protected in a society.

Therefore conducting a child centred budget analysis is a process that aims to identify what resources were allocated for realization of children's rights and how were those resources used to benefit children, with a particular view on the most vulnerable groups of children. "Child centred budget analysis entails building the knowledge and capacities of civil society organizations, including children's organizations, 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"<sup>9</sup>.

Budget formulation and analysis are often considered a responsibility and mandate of experts of economics and politicians holding public official roles. However child centred budget analysis process is not merely an economic analysis, but rather a social and children's rights analysis that can yield valuable information and evidences for both citizens and government officials about the situation of children's rights and identify areas for improvement.

Before beginning any budget analysis exercise it is important to be familiar with the state government budget, its process and the terminology that it used in it. Technically the government budget is a document that includes the government's expenditure and revenue proposal.

In this regard knowledge of budget cycles, processes and procedures that government applies and what accountability questions to address to government officials at each stage of the cycle becomes crucial for an effective child budget analysis.

The figure below shows the stages of a government budget cycle:

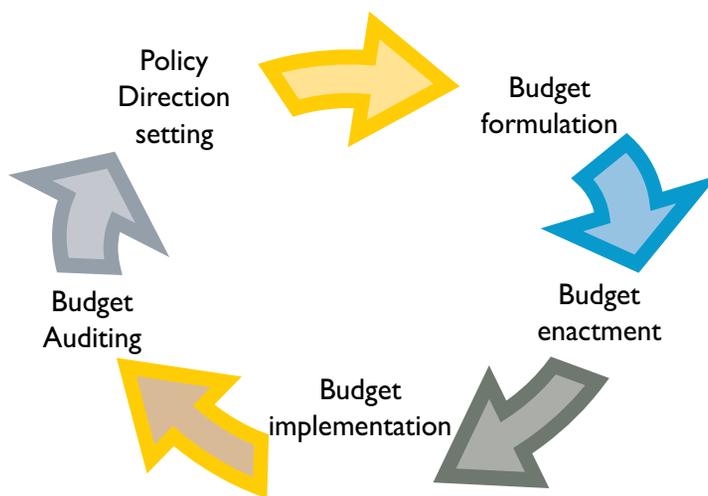
It is important to understand that the budget for children is not a separate budget. Thus, the analysis will actually involve the disaggregation from the overall allocations made in the budget only those

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9. Save the Children and HAQ: Centre for Child Rights. Budget for Children Analysis; A beginners' guide. Publication funded by Save the Children Sweden, 2010.

allocations made for programmes that benefit children. Any budget analysis has to be undertaken in the context of the following:

- National commitments to children/youths made through Constitution, Laws and Policies.
- Commitments according International and Regional Human Rights Conventions ratified by the country such as the UNCRC
- 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.



Governments have a duty to formulate budgets while creating space for genuine participation of all interested stakeholders and be transparent in every step of the process. The chart below represents a list of characteristics of a good budgeting process<sup>10</sup>:

Knowing the stages of the budget cycle and understanding of the process and procedures in each of them can help come up with some accountability questions that would lead the process of



10. Save the Children and HAQ: Centre for Child Rights. Budget for Children Analysis; A beginners' guide. Publication funded by Save the Children Sweden, 2010

budget analysis. The table below provides an example of what accountability questions could be done at each stage and tools that could be used by CSOs and citizens to demand accountability for budget decisions.

**Tabela 2**

<b>Stage of the Budget Cycle</b>	<b>Key accountability Questions</b>	<b>Possible social accountability tools</b>
<b>Stage 1: Policy Direction setting</b>	<ul style="list-style-type: none"> <li>To what extent do fiscal policy guidelines and medium term budget frameworks reflect the best interests of children, policy commitments to children and other standards set out in national and international policies?</li> </ul>	Participatory Budgeting Independent Budget Analysis
<b>Stage 2: Budget formulation</b>	<ul style="list-style-type: none"> <li>Why and who was involved in budget formulation?</li> <li>To what extent are issues of concern to children reflected in fiscal policies and budget estimates?</li> </ul>	Participatory budgeting. Independent Budget Analysis Deliberative polling on budget priorities.
<b>Stage 3: Budget enactment</b>	<ul style="list-style-type: none"> <li>How much and on what are the available resources allocated to.</li> <li>How effective are the allocations?</li> </ul>	Independent budget analysis Alternative citizens budgets Budget Hearings
<b>Stage 4: Budget implementation</b>	<ul style="list-style-type: none"> <li>How well is the money meant for children being spent?</li> </ul>	Public Expenditure Tracking Surveys Citizens and community score cards. Public Service Monitoring Surveys Input tracking Social audits

## SECTION III

# THE ROLE OF SCO'S AND CHILDREN'S INVOLVEMENT IN BUDGETING PROCESS

Children and their representatives have the right to know how much and on what are national resources spent. Before that, their voices should also be considered in the creation and implementation of both local and national budgets.

The reality is that most often children's issues receive less attention and are given low priority in the government budgets. Even when they are allocated, the governments often fail to spend them properly due to mismanagement, waste or corruption. Citizens, CSOs and moreover children themselves have the right to request information and learn how the budgets for children are allocated and are being spent. Through participating in every step of the government budget cycle citizens can be informed and understand how the governments are allocating and using public resources and can engage in a dialogue to keep them accountable for the decisions made

Thus, the active involvement and participation of children and CSOs is an essential component of the child centred budget analysis processes. It is essential for their voices to be heard in the social accountability process and that they are part of the continued dialogue to improve the realization of children's rights in the country through advocacy and public dialogue.

Members of Civil Society have a role in monitoring of children's rights through the analysing of allocations and expenditure against commitments in policy law and programme and using this information to mobilize civil society. In addition

they can provide support to the government in the formulation of laws and policies based on the gaps identified. Whereas civil society members can also assess the effective utilization of budget resources through engaging with community based organizations and other public policy organizations which have experience in application of the budget to get information. Through means of information gathering, assessments, public engagement and networking, civil society

### 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
- Bulding accountability
- Mobilising people
- Ensuring maximum allocation of available resources to child issues

actors create public awareness and even mobilize and facilitate people's involvement around budgeting issues for children.

Children and their representatives have as well the right to participate in budget related processes and budget related social accountability mechanisms. Children participation is a right in itself and even though their level of participation will depend on the individual children capabilities (age) and the use of effective participating tools(enabling environment, age appropriate tools), the experience has shown that their active and full involvement have benefited both children individual development as well as the development of more effective policies and services for children.

Therefore, it is a responsibility of both governments and civil society organizations to create space and platforms for children to be actively involved with budget related issues. When running child centred budget analysis it is important to plan for activities that not only encourage their participation but that also deliberately empower and provide children with means to be intentionally involved.

Despite of the fact that this may sound a particularly challenging idea, it has actually proven to be successful in many parts of the world. The only condition is that children's involvement shouldn't be viewed as one time event and due time and consideration should be given to children preparation and education to give them the same access to information and tools as adults.

To ensure effective child participation it is important to use child friendly information and processes. These include use of simple language and of pictures, drawing, photograph or other activities that are appropriate for children. Also, it is important to consider issues of child representation, child protection, space and time as well as secure the necessary resources and funding to create an enabling environment for children.

Children must be empowered and provided with child friendly tools to be able to fully participate in processes concerning the monitoring of children's rights and facilitated to engage in child led advocacy activities to demand for their implementation.

Save the Children has developed practice standards for children's participation to ensure high quality, meaningful and ethical child participation within their programmes. These principles involve:

- 1. Ethical approach: Transparency, honesty and accountability:** The purpose and scope is clear. Children understand how much impact they can have on decision-making and who will make the final decision. The roles and responsibilities of all children and adults involved are clearly outlined, understood and agreed upon. Adults involved in any participatory process are sensitized to working with children and willing to listen and learn. Organisations and workers are accountable to children for the commitments they make.
- 2. Relevant and voluntary:** Children participate in processes and address issues that affect them - either directly or indirectly – and have a choice as to participate or not. The issues

are of real relevance to children and to their knowledge, skills and abilities. Children are involved in ways, at levels and at a pace appropriate to their capacities and interests.

3. ***A child-friendly and enabling environment:*** Adults are sensitized to understand the value of children's participation and are enabled to play a positive role in supporting it through awareness-raising, reflection and capacity-building. The physical environment for meetings etc. is considered in all its aspects to enable children's participation, including children with special needs. Children have had opportunities to express what information they need and have had access to information in formats and languages they understand.
4. ***Equality of opportunity:*** Child participation challenges and does not reinforce existing patterns of discrimination and exclusion. Real efforts are made to give children an equal opportunity to participate. Participation practice always encourages those groups of children that typically suffer discrimination and exclusion based on age, race, color, sex, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status. The aim should always be to involve all rather than a few, which in practice often means to reach out to children in their local settings rather than inviting representatives to a central point. No assumptions are made about what different groups of children can and cannot do.
5. ***Adults and staff involved are effective and confident:*** All staff and managers are trained and sensitized to children's participation and understand their organizational commitment to children's participation. Adequate support is provided for managers and staff for whom children's participation represents a significant personal or cultural change or challenge, without this being regarded as a problem.
6. ***Child participation promotes safety and protection of children:*** Child protection policies and procedures are in place. Organizations have a duty of care to children with whom they work and everything must be done to minimize the risk to children of abuse and exploitation and other negative consequences of their participation. Careful assessment is made of the risks associated with children's participation in speaking out, campaigning or advocacy. Under certain circumstances steps may be needed to protect children's identity (not least in media) and provide thorough follow-up measures. Information provided by children as well as all photos, videos or digital images can only be published with the child's explicit consent for a specific use. Staff organizing a participatory process have a child safeguarding strategy that is specific to each process.
7. ***Ensuring follow-up and evaluation:*** Children are given rapid and clear feedback on the impact of their involvement, the outcome of any decisions and next steps. Children are asked about their satisfaction with the process and their views on ways in which it could be improved. Positive and negative aspects identified during the evaluation are acknowledged steps are taken to ensure that lessons learned are used to improve future participation practice.

## SECTION IV

# CHILD CENTRED SOCIAL ACCOUNTABILITY TOOLS IN BUDGETING AND PUBLIC EXPENDITURE

Social accountability tools work best when both citizens and the public sector find mutual benefit and value in their use. Citizens can seek significant gains in improving transparency and influencing public sector decision making. Service providers and public officials benefit from transparent management and improved legitimacy. In many countries, however, the public sector's commitment to transparency, inclusive decision-making, and citizen engagement is uneven. In this context, social accountability tools are often introduced through pilots, or incrementally to build support for more inclusive and transparent governance. Similarly, civil society and citizens may not be willing to support social accountability due to mistrust of the public sector, passiveness, or lack of a culture of civic engagement. Social accountability tools are thus introduced in a gradual way to build such a culture to strengthen or create a demand side pressure for better governance. Child centered social accountability tools are based on the principle that children's rights and needs are the primary focus for development. Therefore a child centered approach to accountability recognizes that a number of actors and institutions are responsible for fulfilling children's rights. This section introduces a number of social accountability tools that can be used in child centered budgeting processes to improve government investments on realization of children's rights in Albania.

*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. Usually, 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 realization of child rights.”*

(From UNICEF Brazil Budget Paper ~ Alison Raphael 2002)

## ❖ 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 at various levels of governance, from local to national.

Participatory budgeting can also be done at micro-levels such as schools. Through participatory budgeting children, citizens and CSOs actively take part in the identification, discussion, and prioritization of development initiatives.

Participatory budgeting helps bring diverse people together, support community cohesion and enhances transparency and accountability in public spending. It also improves responsiveness of budgets to children's issues whilst at the same time promoting ownership and sustainability of public spending decisions. Since it is a useful vehicle to promote civic engagement and social learning, PB has been referred to as an effective "School of Citizenship."

### The Participatory Budgeting Cycle<sup>11</sup>

Usually the PB Cycle is built around the normal budgetary cycle of the local authorities with the opportunities for inclusion of wider input from citizens. A participatory budget process needs to be well planned in advance with a clear timetable of events as well as resources that are needed. A review of the key participatory budgeting stakeholders and their interrelationships is necessary.

Local governments start the budgeting process according to what is described in the laws or policy guidelines issued by the central authorities. Then each LG unit develops its process and plan of activities for PB depending on the local circumstances and rules established. In general a PB process reflects four main phases:

#### 1. The Preparatory Stage

This is basically the design stage of the budget. It involves mainly the distribution of information, the initial discussion of policies and priorities by citizens in their localities, estimation of revenue, establishment of the general resource allocation or budgeting criteria and methodology, putting in place the relevant participatory structures and the election and establishment of the number of elected representatives. It is also at this stage at which the participants and the institutions that drive the participatory budgeting process are established. All this can take six months to one year to accomplish.

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11. Source: UN Habitat & MDP. Participatory Budgeting in Africa – A Training Companion with cases from eastern and southern Africa; Volume I: Concepts and Principles. 2008.

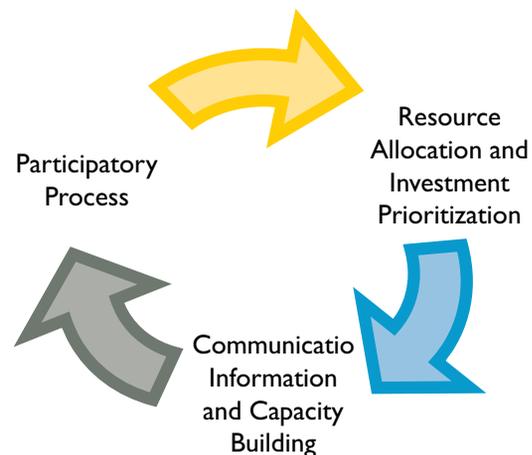
## 2. The Participatory Budget Formulation Stage

This stage is concerned mainly with setting priorities and allows citizens, directly or through their representatives, to set priorities and decide on investment projects. The stage involves mainly the convening of Participatory Budgeting Committee Meetings and the debating and voting of the budget proposal by the committee or an equivalent institution. This is the phase where the policies and projects that will be implemented by the municipality in the coming fiscal year (or even two years) are discussed. Main activities associated with this stage are :

- *Prioritization criteria;*
- *The prioritization matrix; and*
- *Decision-making mechanisms for priorities.*

## 3. The Participatory Budget Implementation Stage

This is the actual problem solving stage; all that was planned and agreed on in the participatory planning meetings are being worked on. Usually the budget implementation process will continue throughout the fiscal year. Activities at this stage usually involve the preparation of technical plans and contracts for budget implementation by municipal staff in a dialogue with the Participatory Budget Committee.



## 4. The Participatory Budget Monitoring and Evaluation Stage

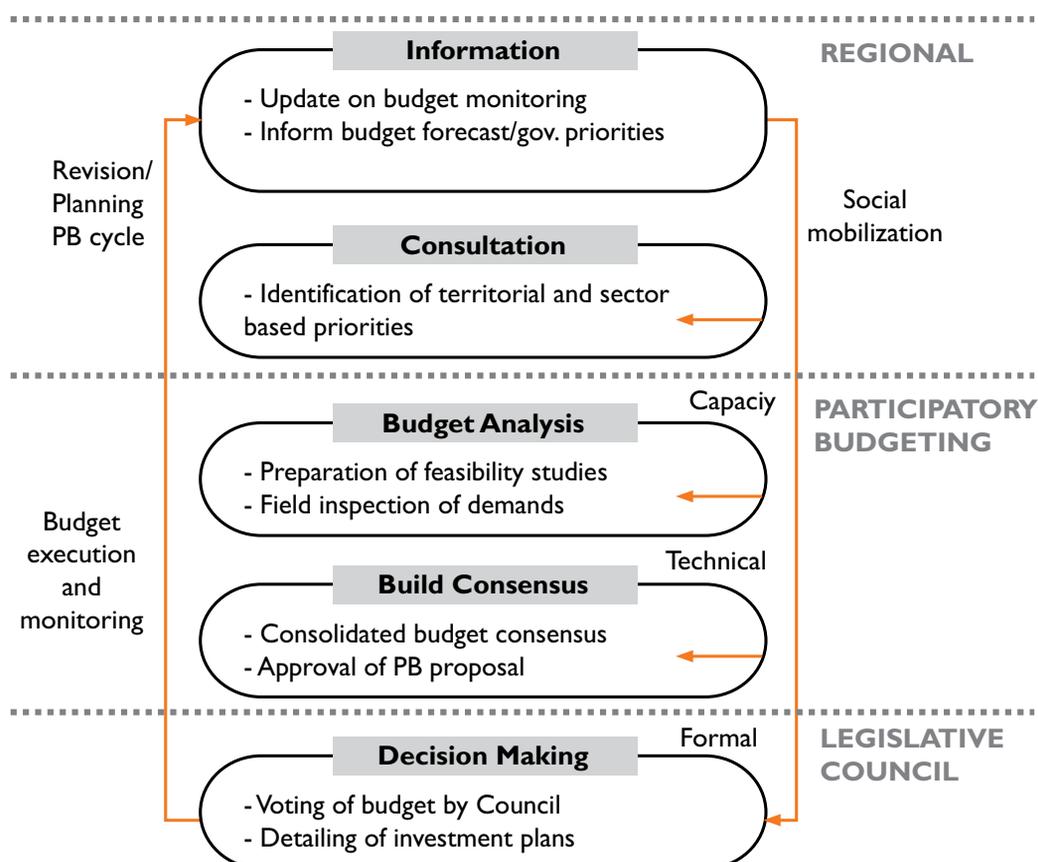
At this stage citizens and LG authorities engage in a dialogue to review the implementation of the budgets and local plans. Some of the means used to facilitate this process are periodic reports from LG authorities, periodic participatory site visits to inspect projects, use of Community Score Cards, Service Delivery Surveys, etc. The most important aspect of this stage is that the municipality supplies detailed information on a regular basis about the way the budget is being implemented. The mayor and others responsible for budget management and implementation will prepare clear reports citizens and the committee can understand. Stakeholders can also ask about specific issues and demand supplementary information in order to achieve the necessary transparency during this phase.

## How is PB implemented?

PB cannot fit into a single model because the practice represents a variety of methodologies with their own characteristics. Each process and PB exercise should be crafted according to the needs, purpose and context in which it is being implemented. However some common principles that underpin all PB processes are drawn by experts in the field.

## Principles of PB<sup>12</sup>:

- 1) **Participatory process:** In most cases, the PB process is organized around the annual or multi-year public budgeting process:



- *Regional public meetings:* The participatory process cycle usually starts with regional meetings which are public hearings organized in small sub-divisions of the administrative territorial units, to bring the PB process closer to the citizens. Government representatives use these meetings to inform citizens about the PB rules and procedures; provide an update of current budget execution, and share government priorities and revenue forecasts. A second round of meetings is organized to enable citizens to identify their priorities and elect delegates, to represent their concerns in the Participatory Budgeting Council. Community organizations meet independently to inform citizens about the PB activities, raise awareness, and mobilize participation around specific priorities.
- *Participatory Budgeting Council Meetings:* The elected delegates and government representatives from the Participatory Budgeting Council (PBC). The PBC has the mandate to negotiate all priorities voted during the regional meetings, and create the final participatory budgeting proposal. The citizens' delegates participate in capacity building

12. Source: World Bank. Social Accountability Source Book. Chapter 3: Methods and Tools

activities to become more familiar with public expenditure management and to enhance conflict resolution skills. The delegates carry out field visits (*PB caravans*), to inspect all priorities. In parallel, the government carries out technical and financial feasibility studies for each proposal.

- *Legislative Council Meetings:* After a series of debates in the legislative council, a final PB proposal is presented officially to the Mayor. The Mayor submits the PB proposal to the Municipal Council who usually hold the legal mandate to approve the government budget. The legislative process is accompanied by strong social mobilization and active
- *Monitoring.* Once the budget is approved, a PB monitoring committee is established to ensure oversight of the procurement and budget execution processes.

**2) Resource Allocation and Investments Prioritization:** The percentage of the total budget that will be deliberated by the PB process has to be determined. Usually the PB process covers the capital investment budget (or only a portion of it in some cases). Citizens deliberate over the total budget envelope in only a few municipalities. This would include salaries, maintenance, debts, and other resources coming from private-public partnerships and donors. Specific resource allocation criteria are usually established to ensure equity in the budget allocation process. There are generally three basic criteria: (i) size of the population; (ii) indicators to measure access to services and infrastructure; and (iii) ranking of priorities defined by citizens.

**3) Communication, Information and Capacity Building:** Effective communication strategies, access to information, and capacity building have a direct impact on the quality of participation, and on the overall success of the PB process. Informed citizens are the key to a successful PB process. Systematic and creative public campaigns can be conducted through the local press, vehicles with speakers, mass mailings, posters, leaflets, outdoor meetings, television, public and cultural institutions, theatre and role playing activities. Such campaigns raise civic awareness and provide citizens with a better understanding of the budget process and fiscal situation.

At the same time, government officials need to be prepared to coordinate, support and facilitate the PB process effectively. While this might involve considerable efforts particularly in large municipalities, smaller local governments face greater challenges in providing their citizens with reliable, timely, and user-friendly information.

## What are the resources required?

Participatory Budgeting has been implemented with high degrees of sophistication, including professional communication campaigns and skilled facilitators for public meetings. PB has also been implemented with limited resources in rural settings where there are scarce human, technical and financial resources. Many municipalities can make use of their own staff and communication

channels to conduct a PB exercise. Nevertheless, it is fundamental that the process is sustained by reliable information dissemination about the budget forecasts and execution, and continuous public campaigns about PB activities and results.

## Child participation in participatory budgeting

Creating opportunities for children and youth in the Participatory Budgeting brings a lot of benefits as it raises their awareness on the civic duties and creates a feeling of ownership towards the community, and what is more important it brings local level priorities and resources closer to children's needs and priorities.

Involving children in PB processes requires a good deal of planning and focused support from LG authorities and other CSOs or community groups. Such commitment usually involves the establishment of a committee involving representatives from the adults participatory budget council, LG, the school, parents and children from the existing children's groups or councils in the area.

This committee meets weekly to plan the process, discuss the tools and methodologies to be used for facilitating the process and resolve consequent problems that might arise. The actual facilitation of the process with children can be done children council, who have been trained and gained information on the process. The children council or group develops the process and plan of activities and asks support from adults committee on different matters. Some important tips to ensure full participation of children and young people in the PB process:

- 1. Raise awareness among both children and adults** on the importance of children's participation in the process. This could be done through including the topic of national and local budget in the extra-curricular school lessons, local level campaigns with a focus on child rights and the importance budgetary allocations for realization of children's rights, etc.
- 2. Preparation of child friendly informative tools for understanding budgeting process and cycle and training of facilitators** to work directly with children and empower children to fully participate in PB process. It is important to create a network of children facilitators at the local level that would support them in the process.
- 3. Organizing of neighbourhood or community children assemblies** in which children are facilitated to elect their neighbourhood representatives or delegates. They can in turn choose the municipal level delegates in the municipal assemblies forming the Children Municipal Council.
- 4. Children elected to municipal council select a minimum of three priorities at the municipal level.** They can discuss together the criteria for deciding on the priorities but some experiences show that they may select different level priorities: one

on a neighbourhood or village scale, one on the sub-administrative area scale and one on the municipal scale (capturing the needs and issues of the entire LG area).

**5. Children's priorities are included in the general priorities of the formulated by the PB Council representatives in which children are also represented.**

## Benefits of PB

- *Increase efficiency in budget allocation:* The budget is the most accurate statement of the government's priorities. However, budgets sometimes do not reflect the real priorities of citizens. Scarce public resources are often spent on the wrong goods or the wrong people. PB can improve efficiency in budget allocation by creating a codified set of rules and procedures that can bring planned budget closer to the needs of citizens.
- *Improve accountability and management:* Government budgets are often perceived as a 'black box,' that is too complex and technical for citizens' understanding. The complexity of budget information can facilitate the concealing of elite capture, budget leakages and under-performance; or it can just be the result of weak management capacity. PB has been used to demystify the budget, and improve inter-departmental coordination, and financial management.
- *Reduce Social Exclusion and Poverty:* The traditional budgeting process can sometimes contribute to social exclusion and poverty due to elite influence to direct resources to their benefit (elite capture), limiting resources available for service to the poor. By encouraging citizens' participation in budget decision-making, PB could be used to increase the allocation of resources to basic services in the poorest areas.
- *Increase trust between government and population:* Citizens often complain that government is not solving their problems and not using their taxes for their needs. Lack of public expenditure information leads to public discontent and inaccurate citizen perceptions of corruption. PB can strengthen trust in government substantially as it encourages citizens and government to discuss budget constraints. The PB process provides an opportunity for government and citizens to discuss trade-offs on the use of scarce public resources vis-à-vis urgent and strategic investments.
- *Strengthen democratic practices:* Democratic systems are not always perfect. While the budgeting process has an annual decision-making cycle and a continuous execution process, governments are mainly held accountable for their decisions during election time. This time-lag can create favorable conditions for elite capture, patronage and *clientelism*. By strengthening the linkages between the whole budget process cycle and citizens' participation, PB can improve democratic practices.

**Table 3: Strengths and Challenges of Participatory Budgeting**

Strengths	Challenges
Poverty reduction and social inclusion	Raising false expectations
Empowerment of the poor and disadvantaged	Quality of participation
Social Accountability	Avoiding civil society co-optation
Better Planning and Management	Overextending government capacity
Improve Credibility and Governance	Tension with elected representatives
	Sustainability

### ❖ Independent budget analysis (IBA)

Independent Budget Analysis (IBA) refers to analytical and advocacy work implemented by civil society and children groups aimed at making public budgets transparent and at influencing the allocation of public funds. To conduct an Independent budget analysis, more details about the *purpose, implementation tools and resources required* will be given in this section.

Independent budget analysis refers to the process of analysing the extent to which a government budget prioritize and effectively respond to issues and needs of children. This analysis usually looks at budget processes, outputs and potential impacts on the realization of children’s rights. A budget is considered child friendly, if among others it contains measures that directly contribute to the realization of children’s rights.

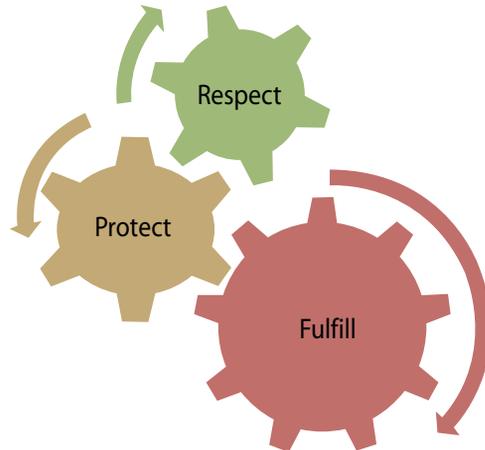
Independent budget analysis helps ordinary people to know where public resources have been allocated and whose interests’ government budget serves. Given that government budgets are technical documents, it is difficult for ordinary people and children to understand how much is allocated to them and is ultimately spent. Independent budget analysis therefore simplifies and makes this information available to citizens through various forums. This will help them to hold government accountable and to influence future allocations.

To be powerful and effective, the analysis of state budget has to be combined with information and knowledge of laws, policies and a well thought out and effective advocacy strategy as well.

IBA is only one of the many tools that documents, marking out *points of intervention, key commitments of the state, laws and other literature available in their country.*

## Why budget analysis?

Governments are obligated to fulfilling the rights of children, as well as in playing regulatory and oversight roles to ensure non-state actors' fulfil compliance with child rights national and international codes. In general, child rights impose three distinct obligations to the government: **respect, protect and fulfil children's rights**



The obligation to fulfil children's rights imposes the government to undertake and implement legislative, administrative and budgetary measures. 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 and reflects the policies and programs of the government.

Independent budget for children analysis is an effective tool for monitoring government's commitments to child rights and advocacy. IBA enables assessing how far the commitments made to children (through policy and programs) are translated into financial means.

IBA helps children and communities have answers to the following accountability questions:

- *How much of the available resources are allocated to children's issues over a given period?*
- *On what are the resources allocated?*
- *Are the allocations adequate and sustainable? Here, it may be useful to compare expected costs and actual budget allocations.*
- *Are the allocations in line with needs and priorities of children and with national and international commitments?*

At the end of the manual, users are expected to gain a basic understanding of the importance, relevance and modalities of IBA.

- *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 on the impact of budget allocations on their daily lives and to mobilize public opinion to pressure 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 optimize the use of scarce public resources.
- *Influence revenue policies:* By analyzing the impact of taxes and tax reform on different groups in society, IBA can help ensure greater equity in revenue collection.

## How is IBA implemented?

IBA generally involves:

- Building skills to understand and analyze the budget,
- Analysis of:
  - *budget allocations and declared policy priorities,*
  - *trends in budget allocations over time,*
  - *allocations to different groups, regions, sectors, using tools such as: benefit incidence analysis or tax incidence analysis,*
- Disseminating information,
- Building coalitions and alliances.

Wide varieties of approaches are used. The quality of the technical analysis is crucial. In any case, *effective analyses* and *useful briefs* produced need to be easily understandable and disseminated.

## Building skills to understand and analyze the budget:

The capacity to understand and analyze the budget is a basic prerequisite for undertaking IBA work. In many countries, such skills may be in short supply, and therefore specific skills building efforts have to address different audiences. This would involve training and the development of guides and training materials for the organization conducting IBA. Training of a larger audience from civil society organizations can increase the critical mass of analytical skills within civil society. Training and guides can target a wider audience including parliamentarians, journalists, and other stakeholders.

Two major activities are required:

### 1) Budget guidelines.

A budget guideline will generally include:

- *an introduction to the general structure and cycle of the budget,*
- *a discussion of key budget issues, and*
- *a presentation of the budget decision-making process*

### 2) Delivery of the training:

A training course might have the objective of teaching participants how to conduct an

analytic review of Government of Albania budget. Specifically, the course may focus on:

- *Describing the political and legal context in which the budget is prepared,*
- *Reviewing the operational framework of the budget,*
- *Providing tools for analyzing the macroeconomic and socioeconomic implications of the budget*
- *Offering tools for assessing the effectiveness of current budget policies.*

## Analysis

### 1) Analysis of budget allocations and declared policy priorities:

Often budget allocations do not match declared government priorities. IBA can help inform parliamentary debates over the budget by shedding light on such disparities and providing parliamentary committees with detailed budget analysis that they would normally not be able to carry out.

IBA is widely used to analyze the extent to which government is using budgets to deliver socio-economic rights for children.

This approach includes:

- *Investigating the government's legal obligations toward children's rights:*
  - What are the obligations under international conventions that the country has signed on to (e.g. *the International Covenant on Economic, Social & Cultural Rights, the International Covenant of the Human Rights, the UN Convention on the Rights of the Child*)?
  - What does the constitution say on child's rights?
- *Analysing government fulfilment of obligations:*
  - How much is the government allocating to programs addressing children's socio-economic rights?
  - Do the allocations discriminate against any children based on race, gender, age, health or geographical location?
  - Are allocations targeting the children?

### 2) Analysing trends in the budget allocations over time:

Analysis of such trends illustrates the evolution of the government's commitment to solve problems in the children sector.

### 3) Analysing allocations for children in different sectors:

One important analytical tools is the "*Benefit incidence analysis*"

Benefit incidence analysis looks into the distribution of governmental expenditures. It tracks to what extent public spending in the social sectors reaches the children. The method calculates the amount by which a given group's income would have to increase if it had to pay for the service used.

Estimating the benefit incidence of public spending involves four steps:

- a. Estimating unit subsidies:* The unit subsidy is defined as total government spending on a particular service divided by the number of users of that service (for example, total primary education spending per primary enrolment).
- b. Identifying users:* Information usually is obtained from a household survey.
- c. Aggregating users into groups:* The most common grouping is by income (quintiles). This can show whether the distribution is progressive or regressive. Other groupings can be relevant for policy purposes. These include region, rural/urban location, ethnicity or gender and occupation of household head.
- d. Accounting for household spending:* Households sometimes incur out-of-pocket expenditures to gain access to subsidized government services. This information can give further policy insight into the extent of inequality in a particular sector.

## Information dissemination

Information on the formulation of the official budget is often couched in inaccessible technical language. An important contribution of IBA work is to explain the budget through the publication of budget briefs written in a child friendly language.

Communication and active dissemination of information makes greater participation in the budgeting process possible. The information has to be properly framed to draw the attention and interest of the intended audience.

The appropriate vehicle for disseminating information is likely to vary from country to country. Where literacy is low, it is more appropriate to work through community radios or television. Working with the media to disseminate information is often a crucial ingredient in a successful IBA initiative. Steps would include providing information in a timely manner and cultivating networks with journalists and media outlets. Some IBA work may include providing training to journalists in reporting on budget issues.

## Building coalitions and engaging in alliances

Coalition and alliance building is an important component of a successful strategy for influencing government budgets. Coalition building among CSOs increases political influence and avoids the

duplication of efforts. Sharing information and tasks among coalition members can increase the reach of IBA work. The building of a coalition can be undertaken by a CSO already working in the children area.

Coalitions can engage in the building of alliances and networking with reform-minded government officials and parliamentarians, as well as with the media and donors. National independent oversight bodies such as audit institutions or ombudsman offices also can be natural, powerful allies. Alliances with members of parliament can serve to open the doors for CSOs to participate in budget debates. It is important, however, that such coalitions are not perceived as being co-opted by government actors.

## **Child friendly guideline in conducting Independent Budget Analysis**

### **How to design budget analysis for children?**

Budget for children is not a separate budget. It is included in the overall allocations made in the state budget from which, only those made specifically for programs that benefit children will be analysed. The challenge is to maintain the human rights perspective and at the same time minimize the subjectivity. This enables assess how far the political commitment of the government towards its young citizens is translated into policy and program commitments backed by financial outlays.

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, through programs and schemes supported by adequate and appropriate financial provisions.

Independent Budget Analysis requires:

- *budget analytical skills,*
- *an understanding of the technical language of budgets, and*
- *communication skills.*

These skills can be developed gradually, for example through the production of a budget guide. Costs and time required for IBA vary depending on the scope of analysis and the availability of data.

### **What do we need to start budget for children analyses?**

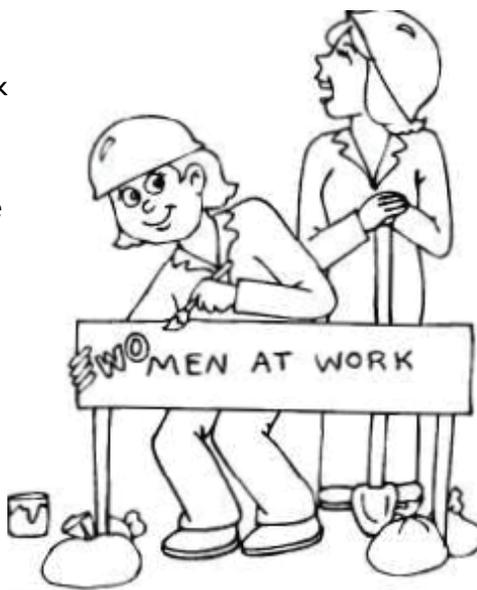
- *Identify and acquire all state budget documents and other key documents of the governments such as annual reports, audit reports, economic surveys etc.*
- *A basic understanding of rights based work and information on all international and legal instruments pertaining to rights of children in your 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.

## 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 analyses

1. Defining the “CHILD”: Defining the target group  
(Consider the definition “child” as per Albanian relevant legislation)
2. Defining the “SECTORS”  
The following sectors can be considered for analysis:

Education: Includes elementary and secondary education programs

Development: Includes programs and schemes for early childhood care and education; and other general schemes and programs that do not fit within any particular sector category, but are aimed at the overall development of children

Health: Includes programs and schemes related to the health care needs of children

Welfare: 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

### 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 we ask when preparing an IBA?

The following are some of the questions that analyses on budget for children may consider. These are only samples, but the group making the analyses can formulate their own country specific questions.

- *Do the budgetary programs in education, welfare and health include the measures and activities planned in the National Plan for Implementation of children's rights?*
- *Do the allocations match the needs and rights of the children?*
- *What proportion of the allocation was actually spent?*
- *Are the resources being allocated and spent "adequate"?*

**Note:** 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.

## Simplified steps to follow:

- *Decide on scope and sector focus for budget analysis.* For example, you may want to analyse children's health, education and social protection budgets for a specific municipality/ state.
- *Develop the necessary skills in budget analysis.*
- *Decide the period for the analysis.* For instance, you may decide to analyse budgets for the last and current year.
- *Decide on the specific indicators to be analysed* e.g: amount allocated to specific line items, adequacy of allocations, allocation efficiency and sustainability, equity of allocations and expected reach or impact of the allocations.
- *Decide on data analysis methods* such as variance analysis, trend analysis, correlation analysis etc
- *Support analysis of budget figures with additional interviews with key informants and review of relevant literature.*
- *Analyse both revenue and expenditure sides of budgets as well as policies on taxation, debt, aid and spending in general.*
- *Produce budget analysis report.* Where possible simplify the report into small lobby papers or budget briefs. The briefs can also be transformed into press statements.

- Organize a feedback session with relevant government officials to demand accountability for observations and conclusions made.
- Follow up resolutions and commitments from the meeting.

**Table 4: IBA’s strengths and challenges**

<b>Strengths</b>	<b>Challenges</b>
Increase transparency in the budget process	Uneven access to information
Enhance budget literacy of civil society at large	Budget analysis expertise is often unavailable at CSO level
Promotes improved targeting of budget allocations	Lack of follow-up on the part of government on recommendations of IBA
Promotes increased equitable distribution of public spending	Participation may be limited to certain groups

## ❖ Public Expenditure Tracking

Public Expenditure Tracking (PET) is a methodology used to involve civil society organizations in the monitoring budget execution by means of tracking flows of public resources for the provision of public service and goods.

Efficiency, effectiveness and equity in the use of public resources are universal prerequisites for good governance. However, in developing countries, weaknesses in expenditure systems and poor quality of service delivery are present and are frequently associated with a lack of reliable mechanisms for tracking and monitoring resource allocation and use, and service delivery performance.

PET are conceived to trace the flows of resources (financial, salaries, in-kind items) through the various levels of government bureaucracies down to service providers (e.g., schools, health clinics) to identify effective allocation of resources and to assess if funds are used as intended. They collect information at the central level and, on a sample basis, within the public administration and at the frontline level, to determine how much of the original allocations ultimately reach service delivery units (such as clinics and schools), a precondition for providing services and improving outcomes.

Public expenditure tracking can be applied in various sectors such as health, education and social protection. Children and their representatives can use a public expenditure tracking survey to see how a cash transfer program is implemented.

Two tools of expenditure tracking methodology are:

- *Public Expenditure Tracking Survey*
- *Input-tracking*

## Purpose

A public expenditure tracking initiative examines the manner, quantity, and timing of releases and use of resources at different levels of government. It also aims to assess the extent to which resources reach the intended beneficiaries at the right time, and whether the resources are used for the right purposes.

The PET intends to help improve the quality and comparability of survey results by providing guidance and recommendations for designing and implementing these micro-level surveys and providing links to related resources and reports/documents, including standardized survey instruments and indicators.

PET aims to:

- *Fight corruption by uncovering leakages in the system between the source and the destination in the flow of funds or goods,*
- *Detect problems of service delivery in the form of staff absenteeism or ghost workers, and*
- *Improve the efficiency of budget execution.*

## 1) Public Expenditure Tracking Survey (PETS)

The Public Expenditure Tracking Survey (PETS) is a quantitative survey that tracks the flow of public funds to determine the extent to which resources actually reach the target groups. The unit of observation is typically a service facility rather than a household or an enterprise.

PETS collect information about public expenditures and service delivery with a view to improving the quantity and quality of services. It has become an important tool for analysing service delivery and public expenditures. When used along with qualitative surveys on consumer perception of service delivery, PETS can be very influential in highlighting the use and abuse of public money.

A public expenditure tracking survey can help identify leakages and ghost beneficiaries. Results of public expenditure tracking surveys are shared with public officials in forums such as community hearings, community level interface meetings, pre and post-budget forums and budget sector working groups.

To summarize, the PETS is used to:

- *Collect evidence on leakages in the transfer of funds and corruption,*
- *Detect delays in transfers, and*
- *Pinpoint bureaucratic bottlenecks in the flow of resources for service delivery.*

PETS data can be used for multiple objectives:

- *First, it can serve as a simple diagnostic tool in the absence of reliable administrative or financial data.*

- *Second, it can provide data for empirical studies on governance, decentralization, and cost-effectiveness.*
- *While such data on frontline service delivery is rare, comparative PETS data can be an invaluable source of cross-country information on service delivery.*

The main instrument used for PETS is a questionnaire, augmented by face-to-face interviews and sometimes focus group discussions. A wide range of people from the source to where the funds are used will be targeted to answer specific questions.

Examples of key accountability questions in public expenditure tracking include:

- *How much of the originally budgeted resources finally reach the intended beneficiaries?*
- *How long does it take funds to move from treasury to the child after frontline public officials have made a request?*
- *Are budget implementers working in line with set guidelines?*
- *Which children are reached, where and how by a particular government program?*
- *Are there any problems in the distribution of funds, for example children not getting the full amount of what they are supposed to get?*
- *What are the costs of moving resources from source to where they are needed?*

## How is it implemented?

The following steps illustrate PETS implementation methodology:

- *Determine the services that are being tracked, and the scope of the effort.*
- *Carefully assess the various characteristics that can impact the outcome of the survey before undertaking the design and sampling of the survey.*
- *Prepare the ground work for actual survey efforts, including training of people who will conduct the surveys.*
- *Design the survey formats, gather and analyse the data.*
- *Identify the dissemination targets and channels, including, for example, posting synthesized information on public notice boards.*
- *Discuss findings with citizens and policy makers for any necessary corrective action that may need to be taken based on the findings of the survey.*

## What are the financial resources required?

The main expenditures include services for the preparation of the questionnaire, the actual execution of the survey; data compilation and analysis. Other expenses would include the cost of information dissemination and the cost of mobilizing citizen groups to actively engage with agencies to work on improvement of service quality.

**Table 5: PETS strengths and challenges**

Strengths	Challenges
<p>PETS is a useful tool for understanding problems in budget execution and service delivery.</p>	<p>Surveys only provide part of the answer, the following issues are missing</p> <ul style="list-style-type: none"> <li><i>o Inter and intra-sector allocations</i></li> <li><i>o Link with outcomes remains a challenge</i></li> <li><i>o Budget analysis and social impact analysis are still important and provide value added data that is not captured through PETS</i></li> </ul>
<p>PETS provides data from multilevel perspectives which is important and typically unavailable from simple school or facility surveys (which are essentially local level surveys).</p>	<p>Surveys should supplement rather than supplant routine information, control, and integrity systems</p>
<p>District and frontline provider perspectives are often forgotten at central level and PETS can address this gap</p>	<p>Surveys provide information but don't necessarily result in action and change</p>
<p>The wide scope of the PETS representative sample provides a credibility that is not achieved through small-sample studies or institutional reviews</p>	<p>Lack of information about the scope and nature of problems are not always the primary constraints to improving PEM and service delivery</p>
<p>PETS enables the validation of administrative data (financial and output).</p>	<p>There needs to be continuity and links with efforts at strengthening institutions and routine PEM systems</p>
<p>PETS can provide a basis for monitoring of changes over time.</p>	
<p>The wide scope of the PETS representative sample provides a credibility that is not achieved through small-sample studies or institutional reviews</p>	<p>The link with community and other local stakeholders can be difficult to achieve – it is therefore important to use findings to strengthen local transparency and accountability mechanisms</p>
<p>The process of designing and implementing the survey is useful for understanding institutional and procedural arrangements for budget execution and service delivery</p>	<p>Getting quality data can sometimes be tricky, therefore it is important to field test and ensure quality control in the field and data entry procedures</p>

## 2) INPUT-TRACKING

Input-tracking refers to the monitoring of the flow of physical assets and service inputs from central to local levels.

Data on expenditure flows from central to local levels may not be available in many countries. One way to overcome this constraint is to track the physical assets and service inputs of a given community or service facility with the original entitlements (reflected in national budget, project documents, or contracts). The main distinction between PETS and input tracking is that input tracking focuses on physical assets and service inputs, while PETS focuses on financial flows.

Though we use the term “input tracking,” we are actually referring to input monitoring. Tracking the flows of inputs from central to local level is a difficult task, often beyond the capacity of civil society organizations. Monitoring of inputs received at the facility level is often more feasible.

Input tracking has proven to be a powerful tool to gather and publicize information on the availability and/ or use of key inputs for services or public investments. Input tracking helps make procurement and contracts of goods and services more transparent. It provides information whether the goods were actually delivered. By bringing results into the public domain, input tracking helps raise awareness of citizen and user groups on entitlement levels and any “equipment gap,” which directly affects the performance of institutions. The results also shed light on possible sources of leakage, misuse, systemic delays, etc. As such, input tracking can enhance transparency and accountability in service provision facilities, micro-project implementation and in local public investments.

Input-tracking can be a stand-alone activity, for example, it could be used to assess the availability of key inputs for institutions in a certain location or geographic area.

In the case of a social audit for example, a CSO may draw on local residents in an input tracking exercise to conduct an inventory of inputs received under a public works program, and then compare and contrast the findings with the inputs listed in contracts or project documents.

Input tracking exercises have often led to revealing findings such as:

- *Considerable leakages in transfer of in-kind inputs such as text books from central ministry to local facility level;*
- *Corruption in public works projects (e.g. fewer number of books delivered than contracted); and,*
- *Substandard quality of public works (e.g. cement concrete layer in streets found to be sub-standard after digging).*

### How is it implemented?

Input tracking gathers information from users/beneficiaries through surveys. This information is then compared with the entitlements or expected inputs and what is actually available.

For example, an input tracking exercise will gather information on:

- *physical observation or inventories of available inputs at facility level for goods such as drugs, school books, furniture, etc.;*
- *shipment/ delivery information of particular inputs, e.g. text books, drugs, etc.;*
- *allocations made to a particular sector, region or project;*

In terms of variables, input tracking usually analyses the availability of a smaller number of key inputs, critical for the quality of service delivery. Input tracking exercises can cover only a few facilities, either a full district sample, or a statistically representative sample basis.

An important feature, as with all social accountability mechanisms, is the dissemination of the findings in the public sphere and their use to influence decision-making. Depending on the goals and the coverage of an input tracking survey, information can be disseminated through information boards, newsletters, radio or press conferences to publicize survey results.

## Who Implements Input Tracking?

Input tracking may be implemented by CSOs at the local, regional and/ or national levels, who undertake a beneficiary survey to shed light on leakages in a given sector. Alternatively, CSOs and communities can work together at the local level to design an input tracking card. This may occur through the initiative of a CSO or within the framework of a donor-financed project. Governments may also find it fruitful to collaborate with CSOs that can help monitor transfers of inputs from central to local levels. In that case, CSOs may be invited to track the whole input delivery process, from initial bidding to final delivery.

**Table 6: Input Tracking strengths and challenges**

<b>Strengths</b>	<b>Challenges</b>
Enhances transparency in the flow of (in-kind) resources from central ministries to facility level	Difficulties in access to information on entitlements, contracts, project documents
Exposes and reduce corruption and mismanagement	Lack of follow-up on the part of government
Improves the delivery of public works/services at a relatively low cost	The process requires time and organizational efforts
Strengthens the capacity of communities in participatory local monitoring	Risk of disinterest among stakeholders if findings are not acted upon

## Child friendly guideline on implementing PET

### Simplified steps to follow

- *Decide on the sector and scope of the tracking exercise. For example, one may decide to track part of the education budget earmarked for rural schools in a particular district or distribution of medicines to health facilities.*
- *Familiarize yourself with the public finance management policy regulating disbursement and flow of funds.*
- *Sensitize and empower communities on how to use effectively PET as a social accountability tool.*
- *Sensitize public officials about the objectives and form of the PET exercise in order to ensure their buy in.*
- *Develop a PET survey questionnaire capturing all the issues you want to cover.*
- *Decide on sampling strategy and sample size.*
- *Administer the questionnaire and complement findings with face to face interviews, focus group discussions as well as review of financial and narrative reports from relevant authorities.*
- *Produce a PET report.*
- *Organize and facilitate an interface meeting with public officials to demand explanation and answers to issues observed.*
- *Follow up the agreed action plan and commitments from the interface meeting.*

### ❖ Citizens and community score cards to monitor delivery of services for children

#### Citizen Report Cards

Citizen “**report cards**” are **public accountability mechanisms** based on citizen surveys of the performance and quality of government services. They allow citizens to monitor state performance. In addition, they:

- Provide quantitative information from the perspective of public service users which can help government agencies make changes and improve service;
- Can assist in prioritizing reform efforts and allocating public resources;
- Aggregate and communicate poor people’s realities to government officials, decision makers, and the public;
- Foster voice, discussion, and debate, and build demand for reform;
- Treat users of public services as clients or customers whose voices matter in the design, delivery, and assessment of government services

## Purpose

Citizen Report Cards are used in situations where demand side data, such as user perceptions on quality and satisfaction with public services is absent. By systematically gathering and disseminating public feedback, CRCs serve as a “surrogate for competition” for state-owned monopolies that lack the incentive to be as responsive as private enterprises to their client’s needs. They are a useful medium through which citizens can credibly and collectively ‘signal’ to agencies about their performance and advocate for change.

## How can this be implemented?

Specific CRC methodologies may vary depending on the local context. A clear pre-requisite is the availability of local technical capacity to develop the questionnaires, conduct the surveys and analyze results. There are some basic steps that apply to all CRC methodologies.

- Deciding on agencies/ services to be evaluated;
- Identification of scope and key actors that will be involved;
- Design of questionnaires in a manner that is simple enough for ordinary citizens to understand;
- Careful demographic assessment to select the appropriate sample and size for survey;
- Raising awareness of the survey respondents to the process;
- Providing training to the individuals involved in conducting the survey;
- Analyzing the data: compilation and analysis of the responses to survey questionnaires;
- Dissemination of findings with due consideration of the power relationships and political economy of the situation; and,
- Institutionalizing the process of providing citizen feedback to service providers on a periodic basis.

## The content of the Score Card

Score cards could require feedback from actual service users for the following:

- Availability of services
- Access to the service
- Reliability of the service
- Quality of the service
- Satisfaction with service
- Responsiveness of service provider
- Hidden costs: corruption and support systems
- Willingness to pay
- Quality of life

## What are the financial resources required?

The main costs include the preparatory ground work, and conducting focus group discussions. Careful thought needs to be given to the cost of information dissemination and mobilizing citizen groups to actively engage with agencies to work on improvement of service quality. The cost will also depend on the country in which this is being applied, whether the activity is conducted in urban or rural areas.

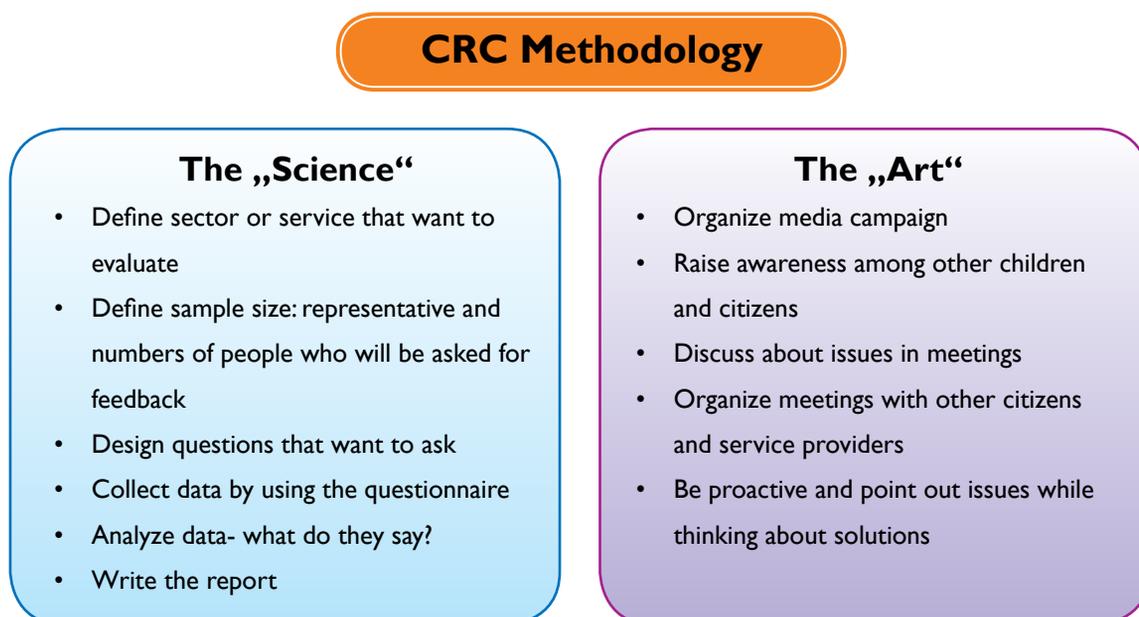
## Child Friendly Guideline on implementing Citizen Reports Cards

The CRC initiative goes through some key phases, however the CRC could be broadly described in two main components which could be defined as “the science” and “the art”.

### Note:

Using the CRC methodology with children and by children requires extensive preparation and tailoring of the methods and tools used for children. When engaging children in process, make sure to involve children in every step from the planning to questionnaire development, data analysis methodology and report writing. Involving children in the process requires trained and skilled facilitators who are familiar with both the CRC methodology as well as working with children.

The figure below describes the 2 main components of a general CRC methodology:



**Table 7: CRC’s strengths and challenges**

Strengths	Challenges
CRCs can be used to assess either one public service or several services simultaneously. The feedback can be collected from a large population through careful sampling.	CRCs require a well thought out dissemination strategy so that getting public agencies take note of citizen feedback and take the required action to correct weaknesses.
CRCs are quite technical and thus there may not be a need for a major citizen mobilization effort to get the process started	In locations where there is not much technical capacity, CRCs may be difficult to design and implement
Perceived improvements in service quality can be compared over time or across various public agencies involved in service provision.	If there is an error in sampling, the quality of service may not be reflected in the survey results.

## ❖ Community Score Cards

The Community Score Card (CSC) process is a community based monitoring tool that is a hybrid of the techniques of social audit and citizen report cards. Like the citizen report card, the CSC process is an instrument to exact social and public accountability and responsiveness from service providers. By linking service providers to the community, citizens are empowered to provide immediate feedback to service providers.

### Purpose

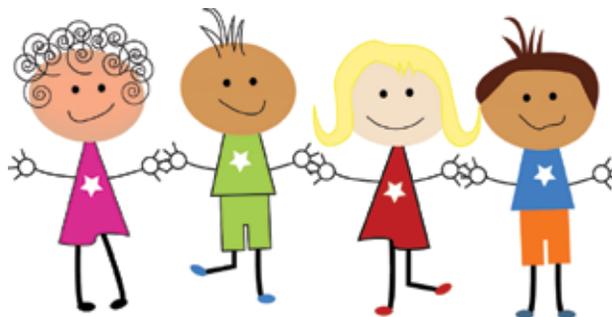
The CSC will help the community members and children to:



## How is CSC implemented?

An effective CSC undertaking requires a combination of the following:

- understanding of the socio-political context of governance and the structure of public finance at a decentralized level,
- technical competence of an intermediary group to facilitate process,
- a strong publicity campaign to ensure maximum participation from the community and other local stakeholders, and
- steps aimed at institutionalizing the practice for iterative civic actions.



The specific **steps** for the CSC process include:

1. Identify the scope of the effort, and the sectors and facilities that are going to be evaluated;
2. Develop the Input Tracking Scorecard -- identify the key inputs that will be tracked;
3. Develop the Community Generated Performance Scorecard -- in consultation with community members, develop the criteria for measuring performance of the facility;
4. Generate Self-Evaluation Scorecard by Facility Staff -- engage with staff at the facility and develop key performance indicators collaboratively;
5. Arrange an “interface” meeting between the users and facility staff to exchange findings and jointly agree on action points;
6. Develop scaling up and institutionalization strategies if appropriate.

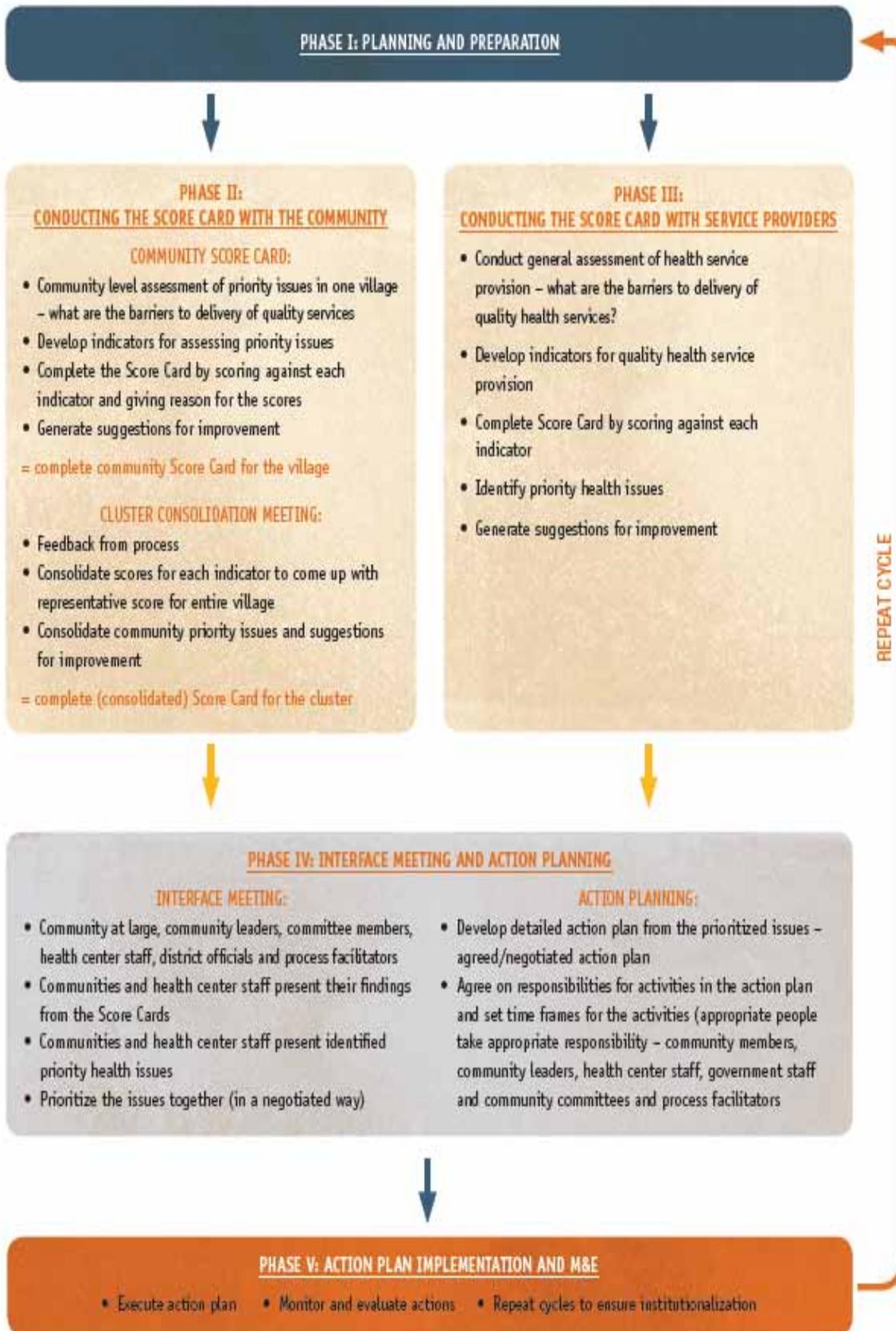
## What are the financial resources required?

The main costs include the preparatory ground work, and conducting focus group discussions. Careful thought needs to be given to the cost of information dissemination and mobilizing citizen groups to actively engage with agencies to work on improvement of service quality. The cost will also depend on the country in which this is being applied, whether the activity is conducted in urban or rural areas.

The figure below shows a diagram of the CSC process and phases<sup>13</sup>:

13. CARE Malawi. “The Community Score Card (CSC): A generic guide for implementing CARE’s CSC process to improve quality of services.” Cooperative for Assistance and Relief Everywhere, Inc., 2013.

## COMMUNITY SCORE CARD PROCESS DIAGRAM



**Table 8: CSC strengths and challenges**

<b>Strengths</b>	<b>Challenges</b>
This approach can be conducted for one public service or several services simultaneously.	CSCs rely on good quality facilitators which may not always be available.
This is a community level process which brings together service providers and users to discuss possible ways of improving service quality.	Reaching out to stakeholders before beginning the score card process is critical, but may not always be feasible.
Perceived improvements in service quality can be compared over time or across various public agencies involved in service provision.	In locations where there is not much local technical capacity, CSCs could be difficult to design and implement.
	CSCs cannot be easily applied to large geographical areas.

## SECTION V

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# CASE STUDY ILUSTRATIV PER PARTICIPATORY BUDGETING TOOL

### Involvement of children and young people in the Participatory Budgeting process

A case study from Brazil<sup>14</sup> - BARRA MANSA, BRAZIL: INNOVATIVE EXPERIENCES IN CITIZENSHIP

Barra Mansa, a municipality in the southeast region of Brazil. Its economy revolves around iron and steel, chemical and food industries as well as trade, services and agricultural activity. Barra Mansa has a population of 170,503, over one-quarter of whom are under the age of 14. The Mayor's Office has promoted policies directed at young children with regard to health, education, social advancement and citizenship.

In 1997 the Mayor of Barra Mansa decided to conduct a big consultation process with children and young people to inform their municipal planning process. The objective of the initiative was to raise awareness in children and adolescents of their civic duties, to awaken a feeling of ownership towards the community; to provide opportunities for discussion and decision-making; and, through the formation of a council, to apply part of the municipal budget to carrying out projects and services based on the priorities set by children that participated in neighborhood and district meetings. This same year, following the example of other progressive municipal governments, Barra Mansa adopted *Participatory Budgeting*. This administrative mechanism, until then dedicated exclusively to adults, became the basis for establishing *OP Mirim* and later *OP Joven* or "The Council for Adolescents".

The planning and support for this process involved the Mayor's Office and the Secretary of Education, along with a local NGO, Encomen (Encontro de Meninos e Meninas de Barra Mansa), public and private schools and church representatives, as well as several consultants. A committee to support the project included representatives from the Adults' Participatory Budget Council,

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14. This case study is taken and adapted from the "Children and young people build participatory democracy in Latin American cities: Yves Cabannes. *Environment and Urbanization* 2006 18: 195. DOI: 10.1177/0956247806063973. The online version of this article can be found at: <http://eau.sagepub.com/content/18/1/195>". It used mainly to illustrate how the process of PB can be used not only to facilitate adults engagements in public budgeting and expenditures, but also that involving children and young people actively throughout the process alongside adults can both increase public resources for children, as well as empower them to become responsible citizens of the present and future.

the local government, the school system, a parent and a member of the existing children and adolescents' councils. This committee met weekly to prepare the project, to guide practical questions, to define the operation of the assemblies, to resolve consequent problems and to evaluate the different stages.

## The Process:

**First phase (1997–1998):** Awareness. A number of activities took place in the first year to raise general awareness among children and adults. The department of education held a writing and drawing competition in the municipal schools and the winners went on to become the first children's secretariat in the municipality. The topic of the national budget was included in the school curriculum, starting at the fourth level, with the intent of showing children how public money is collected and utilized. There was also a campaign to make children and their families aware of consumer rights and the importance of tax collection for municipal income.

**Second phase (1998–2000):** Preparation of teaching tools and implementation of the project. In 1998, the municipal team introduced the *OP Mirim* project through strategically placed announcements, posters and flyers. Items such as T-shirts and rulers were used as incentives for children and adolescents to participate. Coordinators, municipal agents, parents, school directors and community leaders organized neighborhood meetings, and community leaders were invited to be *OP Mirim* "agents", who would be trained to work directly with the children and adolescents. One of the great victories was the fact that approximately 100 agents were attracted to the project. Starting with them, a real network of agents as multipliers and hosts of the process was set up.

The *OP Mirim* process involved the following steps:

- ✓ Children and adolescents participated in neighborhood assemblies, electing their "neighborhood delegates" who, in turn, chose the "district delegates" in the district assemblies.
- ✓ The district delegates, gathered in municipal assemblies, chose the 36 councilors, 18 boys and 18 girls. All children aged between nine and 15 could participate and vote in the assembly, but only those in school could be elected delegates or consultants. Those under nine or over 15 could participate, but could not vote or be elected.
- ✓ At each level, concerns were debated and voted on according to the priorities of the delegates and consultants. The young people were surprised by the sheer quantity of demands and priorities raised by their peers: "*The day of the neighborhood plenary . . . there were nearly 1,000 priorities! The district plenaries were like a raffle.*" The challenge for the children elected to the council was to select three priorities for each district: one on a neighborhood scale, another on a district scale and the third on a city scale. The project at that point took place in six city districts, which meant a total of 18 priorities to be dealt with in one year, with a total budget of 150,000 Reals (at that time worth

US\$ 150,000) allocated by the municipal government. The task was a challenge and an educational opportunity – it was known from the beginning that the resources did not come close to meeting the scale of the demand. Choosing priorities based on needs as well as on technical and financial viability had to guide the process, and this motivated everyone to learn.

- ✓ The “caravans of citizenship” were an important part of this learning. These were visits to the different neighborhoods by the young councilors, which helped them to acquire a better knowledge of the city. Through discussions about their visits, the young citizens could choose priorities in a more informed way.

These features of the process – the training of agents, the assemblies in the neighborhoods, districts and the municipality, and the formation of the council, as well as the “caravans of citizenship” – have been repeated every year since 1998. The process has also included the involvement of two child councilors in the municipal council.

**Third phase:** Transition and the development of a new political culture (2001–2003). In 2001, a change in municipal administration resulted in a new administrative model in Barra Mansa, and the municipality was divided into 17 units of planning. This had implications for how the *OP Mirim* process was carried out, and several members of the municipal government held internal meetings of evaluation and met with some child consultants to discuss and promote changes in the project. Those responsible for *OP Mirim* looked for support from residents’ associations, which had an important role in the new government. The rules and criteria of the project underwent changes based on both the internal evaluation and the meetings with the child consultants. As of September 2002, children were elected from each of the 17 units of planning, rather than based on neighborhood assemblies, and the final council consisted of 17 child councilors. Gender equity ceased to be a criterion. The budgetary allocation from the municipality was divided equally among the 17 units of planning, its use in each case to be determined by the full council. This approach, which does not take into account the disparities between different parts of the city, was intended to be a temporary measure until the units of planning had been classified in terms of quality of life.

*OP Mirim* today remains an instrument of participatory administration, despite its lack of legal status in municipal law. The fact that a change of administration did not extinguish the project is a testament to the fact that the population, and the children and young people of the municipality, have taken on the project as their own, making it difficult for any public agent to put an end to it. The commitment of the children, along with the visibility of the project, both locally and more broadly, was decisive for the continuity of *OP Mirim*.

## SECTION VI

### BIBLIOGRAPHY / FURTHER READING

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# SECTION VII

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## GLOSSARY

**State budget** is a financial plan of action that shows projected income and expenditures over a given period

**Budget Legal Framework in Albania** includes the organic budget law no. 9936, date 26.6.2008 “*For the managing of the budgetary system in the Republic of Albania*” as the main law, followed by other legal acts/sub-acts based on which the yearly budget is prepared, approved, implemented and monitored.

**Organic budget law** provides the general framework of principles, rules and procedures of the budget process.

**Yearly budget law** defines the amounts of revenues and expenditure forecasted for one year.

**Central government units** are executive, legislative and juridical power units created by law that have as their main activity fulfillment of the central government functions.

**Local government units**, are local government institutions created by law that have as their main activity fulfillment of the local government functions within a territory.

**Special funds units** are units created by law to exercise specific functions of the central and local government.

**GDP (Gross Domestic Product)** is the total value of final goods and services produced in a country during a year.

**Inflation** means increase in the general level of prices of goods and services over a period.

**Fiscal Policy** refers to government policy actions that affect overall revenues and spending. One of the primary means by which the government influences the economy.

**Annual Financial Statement (AFS)** is the core budget document listing the estimated receipts and disbursements by the State for the financial year.

**Revenue deficit** refers to the excess of revenue expenditure over revenue receipts.

**Expenditures** are the expenses, 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

**Capital Budget** consists of capital receipts and capital payments.

**Receipts Budget** provides details of tax and non-tax revenue receipts and capital receipts and explains the estimates.

**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.

**Consolidated Fund** contains all revenues received by Government, loans raised and receipts from recoveries of loans granted by it.

**Contingency Fund**, as its name suggests, is an emergency fund of a fixed amount created for spending when Parliament is not in session

**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.

**Detailed Demands for Grants** further elaborate the provisions included in the Demands for Grants as well as the actual expenditure during the previous year

**Outputs/Outcomes:** Assess the performance of government programs by examining whether they have delivered the desired outputs and outcomes.



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