Financing Development for Children in Africa

The state of budget transparency and accountability in the continent
This report is the result of collaboration between the International Budget Partnership (IBP) and the United Nations Children’s Fund (UNICEF). Our collaboration aims to leverage the respective strengths of the two organizations to encourage African governments to improve transparency, participation, and oversight in budget systems. Over time, we hope that such improvements will enable the design and delivery of services to realize the rights of children.

This report was drafted by Anna Schnell and edited by Clive Liddiard. It draws extensively from the global Open Budget Survey 2015 report. We thank IBP’s colleagues at the 102 research institutions and civil society organizations around the world, including in 31 African countries, whose work lays the foundation of the Open Budget Survey and this report.

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Warren Krafchik
Executive Director
International Budget Partnership

Leila Gharagozloo-Pakkala
Regional Director
UNICEF Eastern and Southern Africa

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This report builds on the findings of the Open Budget Survey 2015, by taking a closer look at the 31 African countries included in the survey. It seeks to promote transparency and accountability in the use of government budgets in Africa. The rationale for this report is twofold.

First, Africa is witnessing a historic demographic change. Over the next 35 years, the child population will grow by more than 67 per cent, from 561 million in 2016 to almost 941 million in 2050. As the child population in Africa soars, so investment in these children becomes essential for the future socio-economic development of the continent, as well as for its political stability.

Second, Africa is witnessing a dramatic change in its development financing landscape. In most countries on the continent, domestic resources mobilized through taxation policies now make up the bulk of the funding of national budgets. Future development progress for children in Africa will thus rely primarily on domestic financing channelled through national budgets. Understanding how these resources are invested and maximizing their impact for the growing number of African children requires budget transparency and accountability.

As the biggest source of finance available to any country, government budgets offer the largest scope for investment in children. As Figure E.1 shows, growth in government expenditure in Africa has far outstripped growth in aid. More and more government expenditure is now funded through domestic resources. Now, more than ever before, budgets have the potential to drive development and improve children’s lives – if they are properly managed.

### Why budget transparency and accountability

Experience shows that the most effective way of managing a national budget is through a system that is transparent, open to public engagement, and overseen by robust government institutions. High-quality and timely budget data help government officials plan and implement policies to improve the lives of children. Ensuring that budget data are in the public domain means that parliaments, supreme audit bodies and civil society can provide feedback and help translate policies into practice.

Budget transparency is a core component of good budgeting. This is recognized by various public financial management (PFM) tools and standards, including the Public Expenditure and Financial Accountability Frameworks and the General Comment of the UN Committee on the Rights of the Child concerning Public Budgeting for the Realization of Children’s Rights (General Comment No. 19). Sound government budgeting is also crucial to achieve the Addis Ababa Action Agenda, the Sustainable Development Goals and the

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**Figure E.1: Government Expenditure and Development Assistance Trends in Africa between 2000 and 2014 (in billions of current US$)**

Note: The sample includes 52 countries in continental Africa for which data are available. Sources: UNICEF New York based on OECD (for ODA) and IMF (for government expenditure and GDP).

1 Algeria, Angola, Benin, Botswana, Burkina Faso, Cameroon, Chad, Democratic Republic of the Congo, Egypt, Equatorial Guinea, Ghana, Kenya, Liberia, Malawi, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, São Tomé e Príncipe, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.

Paris Agreement, all of which require significant financial resources and have the potential to transform children’s lives. These resources need to be monitored to ensure that they achieve maximum impact.

What accountable budgets look like

Accountable budgets rest on three pillars: transparency, public participation and formal oversight. Each of these pillars is essential to effective and accountable budgeting. The absence of (or weakness in) one pillar can undermine the entire open budget system. This can have an impact on the delivery of public services – including those that aim to improve the lives of children.

The three pillars should be in evidence throughout the budget cycle. That cycle typically consists of four stages: formulation by the executive, approval by the legislature, execution by the government and oversight by the supreme audit institution and the legislature.

The 2015 survey showed that South Africa, Uganda, and Malawi provide substantial or extensive budget information; however, of these, only South Africa was solid on all three pillars. Uganda scored well for its supreme audit institution and Malawi for its legislature – yet both countries experienced gaps in the other accountability pillars. At the other end of the scale, 18 countries failed to meet the survey’s standard of adequacy on any one pillar, characterized by lack of budget transparency, weak legislatures, weak auditors and little or no opportunity for the public to participate in budget decisions.

Nevertheless, there was evidence of progress in many African countries. An important finding of the Open Budget Survey 2015 was that political will and improved capacity were key drivers in countries that had made the greatest progress towards more open and accountable budget systems.

The state of budget transparency in Africa

The Open Budget Survey 2015 highlights gaps in the amount of budget information that African governments make available to the public (Figure E.2). While recognizing that Malawi, South Africa and Uganda all published substantial amounts of budget information, the report also indicates limited budget transparency in the remaining 28 countries.

The survey measures budget transparency by capturing the budget information that is made publicly available in a timely manner. Countries are scored between 0 and 100 to determine their ranking on the Open Budget Index (OBI).

Budget transparency partly rests on ensuring public access to eight key budget documents – ranging from the Pre-Budget Statement to the Citizens Budget. Two countries – Rwanda and South Africa – already make all eight documents publicly available. However, most governments in Africa (like many

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**FIGURE E.2: BUDGET TRANSPARENCY SCORE IN AFRICA IN 2015 (OPEN BUDGET INDEX)**

- **South Africa**
- **Malawi**
- **Uganda**
- **Sierra Leone**
- **Ghana**
- **Kenya**
- **Botswana**
- **Mali**
- **Namibia**
- **Tanzania**
- **Benin**
- **Cameroon**
- **Senegal**
- **Burkina Faso**
- **Tunisia**
- **Dem. Rep. of Congo**
- **Zambia**
- **Mozambique**
- **Morocco**
- **Liberia**
- **Rwanda**
- **Zimbabwe**
- **São Tomé e Príncipe**
- **Angola**
- **Nigeria**
- **Algeria**
- **Niger**
- **Egypt**
- **Sudan**
- **Chad**
- **Equatorial Guinea**

*Source: 2015 Open Budget Survey.*
others worldwide) produce many budget documents that are either published too late to be useful for civil society engagement or are kept for internal use only. The survey established that countries could significantly improve budget transparency and their OBS rating at little or no cost, through timely publication of existing documents.

The survey also revealed that even when budget documents are published, they often lack sufficient detail. For example, the Executive Budget Proposal, a core document prepared by all the African governments surveyed, on average included less than half of the expected information. Some governments do not even publish this basic document. Publication of more detailed and comprehensive budget documents may be an issue of political will or a matter of government capacity which could be addressed by development or civil society partners.

Gaps in the budget information that is publicly available make it difficult for governments seeking to invest in children to plan, enact, execute and oversee budgets in an effective, efficient, equitable and sustainable way. In the absence of such good budgeting practice, parliaments, supreme audit institutions, civil society and others lack the information they need to hold governments to account on their commitments. These would include the Convention on the Rights of the Child, the African Charter on the Rights and Welfare of the Child, the Addis Ababa Action Agenda, the Sustainable Development Goals, and the Paris Agreement. Closing the gaps in budget information is an important step to ensuring that such commitments are met.

**Trends in budget transparency in Africa**

The Open Budget Survey was undertaken on five occasions in the last ten years (previous rounds were completed in 2006, 2008, 2010 and 2012). A sixth round has been carried out in 2016 for publication in 2017.

Between 2012 and 2015, the average OBI score for the 30 African countries for which comparable data are available increased from 29 to 39 (Figure E.3). The least transparent countries made the greatest gains – the OBI scores of the 19 African countries considered weak performers in 2012 had more than doubled by 2015.

A key driver behind the transparency gains made between 2012 and 2015 is the increase in the number of documents made available to the public in a timely fashion. Among the 30 countries with comparable data, there was a net increase of 25 in the number of budget documents made publicly available between 2012 and 2015.

Since first being included in the survey, the number of African survey countries publishing Executive Budget Proposals has increased by 11, while nine more countries publish Pre-Budget Statements. Also of note is the fact that 15 more countries now publish Citizens Budgets.

The progress that African countries have made is important although many challenges remain, notably in maintaining consistency. OBI scores in seven countries have been volatile, going up one year, only to fall back later. Elsewhere, the pace of reform has often been slow and some countries have regressed, becoming less open. Such conditions create tremendous challenges for those attempting to understand or monitor national budgets and to track the effectiveness of investments for children.

Governments that have made progress have often done so by identifying the budget documents and information they are already producing for internal use and making these available to the public. In these countries, political will, in conjunction with other factors, such as donor support, international standards and civil society pressure, has yielded significant and rapid improvements in budget transparency.

**Opportunities for public participation in budgeting in Africa**

The Open Budget Survey also measures budget participation, by examining the opportunities that governments provide for the public to engage in budget decisions. Among the African countries surveyed in 2015, participation was found to be inadequate at all stages of the budget process: the
average score for participation was just 18 out of 100, below the already low global average of 25.

Even when legislatures, executives and supreme audit bodies have established programmes to engage the public in the budget process, their approaches often fall short of good practice. Lack of public participation denies governments the opportunity to receive valuable input that could help determine better child policies.

Of the 31 African countries surveyed, 29 scored 40 or below on public participation, meaning that the public has little or no say in the budget process. In less than half, governments have established a mechanism for gathering public views that could feed into the Executive’s Budget Proposal. The proportion fell to a third when it came to providing opportunities for the public to have a say in implementation of the budget.

In around a third of the African countries surveyed, legislatures chose not to open budget hearings to the public. When public hearings were held, all too often they created a semblance of public participation, without actually giving citizens a formal voice.

Only three African countries (Botswana, Liberia and Tanzania) have established mechanisms for supreme audit bodies to take complaints and suggestions from the public in order to inform audit programmes. Only three (Botswana, Liberia and Malawi) have mechanisms in place for public participation in audit investigations. None of the African countries surveyed provided detailed feedback to the public on how their input was used in audits.

The results of the survey reveal that most African countries fall considerably short of providing meaningful opportunities for the public to engage in the budget process. However, some countries have introduced reforms to advance public participation. For example, Kenya’s 2012 constitution enshrines the right of citizens to participate during the formulation and approval stages of the budget cycle.

Role and effectiveness of budget oversight institutions in Africa

The formal oversight provided by legislatures and supreme audit institutions plays a fundamental role in the budget process. While civil society can act as an independent watchdog, it cannot take the place of formal oversight bodies. Accordingly, the Open Budget Survey also provides separate scores for the strength of oversight that legislatures and supreme audit bodies are able to provide.

In 2015, the average score for legislative strength among those African countries surveyed was 42 out of 100. This is slightly below the global average of 48. Only seven of the 31 countries scored above 60, a threshold indicating that the legislature has adequate strength to execute its responsibilities. Legislatures in the remaining 24 countries were found to have weak or limited powers to engage in the budget process and fulfil their oversight responsibilities. Legislatures in about a third of the countries have less than six weeks in which to assess and debate the Executive’s Budget Proposal. In several African countries, the legislature either has no access to budget research capacity or else has to rely on external researchers.
The average score for supreme audit institution strength among the 31 countries surveyed was 49 out of 100 – well below the global average of 65. In a little over a third of the African countries, supreme audit bodies have established monitoring systems that are able to provide ongoing, independent evaluations of the audit processes. In many cases, supreme audit institutions do have some discretion in law to undertake audits as they see fit. However, in 13 of the African countries surveyed, the head of the supreme audit institution can be removed without the consent of the legislature or the judiciary. This undermines the independence of the institution.

**Recommendations**

Despite some progress, the vast majority of children in Africa live in countries where governments do not provide enough budget information for the public to understand fully or to monitor how public funds are raised and spent. The right package of reforms for any country will depend on the specific deficiencies in its budget system. Accordingly, IBP has published individual recommendations for each country in the survey, including the 31 countries in Africa.

There are, however, a number of recommendations that are broadly applicable to improving budgeting practices in Africa and ensuring that government spending in key sectors that matter for children is managed effectively.

In addition to the strength of the three pillars of an Open Budget System, the nature and quality of the interaction between them is important for effectiveness. Actors both

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**TABLE E.1: LEGISLATIVE STRENGTH IN AFRICA FROM OPEN BUDGET SURVEY 2015**

<table>
<thead>
<tr>
<th>Adequate (61 or above)</th>
<th>Botswana, Malawi, Mali, Niger, Nigeria, Senegal, South Africa</th>
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<tr>
<td>Limited (between 41 and 60)</td>
<td>Chad, Ghana, Kenya, Rwanda, Uganda</td>
</tr>
<tr>
<td>Weak (40 or less)</td>
<td>Algeria, Angola, Benin, Burkina Faso, Cameroon, DRC, Egypt, Equatorial Guinea, Liberia, Morocco, Mozambique, Namibia, Sierra Leone, Sudan, São Tomé e Príncipe, Tanzania, Tunisia, Zambia, Zimbabwe</td>
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Sources: UNICEF New York based on the Organisation for Economic Co-operation and Development (OECD) (for ODA) and the IMF (for government expenditure and GDP).

Notes: The sample includes 52 countries in continental Africa for which data are available.
within and outside government should promote the development of well-integrated, open budget systems in which all three pillars are functioning well.

**Recommendation 1: Implement general comment no. 19**

The General Comment No. 19 on Public Budgeting for the Realization of Children’s Rights provides an overall framework for governments to invest in children and in the realization of their rights. As African governments take steps to implement it, efforts to improve open budgets should be prioritized as a fundamental step to help governments’ overall efforts to make national budgets more effective, efficient, equitable, and impactful for children. The General Comment should be made available to the public and used as a basis for State Party reporting to the UN Committee on the Rights of the Child. Public budgeting and accountability should also be included in parallel civil society reports to the UN Committee.

**Recommendation 2: Strengthen public financial management systems for children**

All governments should make sure that their public financial management systems generate and utilize relevant knowledge and data throughout the different stages of the budget process, particularly in crucial sectors for children, such as health, education, water and sanitation, nutrition, social protection, and child protection systems. Where possible, government should take actions to implement classification and monitoring systems such as programme budgeting that can enable the tracking of spending and results. In addition, African governments are encouraged to better measure, track and report across the budget cycle public spending on child-related activities and programmes. Budget data should be disaggregated by sub-sector and programme (for example pre-primary education in the education sector), as well as at the subnational level, in order to address prevailing geographical and administrative disparities. Development partners should coordinate activities with governments and assist to make sure that their aid is recorded in national budgets. This is especially critical as external financing in key sectors for children, such as health, education, and water and sanitation, remains significant across the continent.

**Recommendation 3: Publish more budget information, including child-specific information**

Countries should urgently increase the number of budget documents that are published in a timely manner. Countries should enhance the level and variety of detail included in budget documents, including comprehensive information on investments in children. Governments should publish all the data they use to make decisions. Civil society organizations committed to children’s issues should collaborate to strategically advocate for greater transparency.

**Recommendation 4: Institutionalize transparency**

All African survey countries, including those that score above 60, should take care to ensure that good transparency practices are institutionalized – for example, by embedding transparency practices in laws, rules and procedures. Civil society should remain vigilant in its efforts to ensure that governments do not waver in their commitment to more transparent and accountable budget systems, lest important gains in transparency and accountability be reversed. Civil society has a responsibility to analyse available budget data and engage in any opportunities for budget dialogue, as a basis for sustained advocacy for increasingly open budgets. To this end, the capacity of CSOs should be strengthened where possible.

**Recommendation 5: Institutionalize participation, including by child rights advocates and young people**

All actors in African countries should encourage the establishment of formal mechanisms for the public, organizations committed to children’s issues, and young people to participate in budget processes and create ways to integrate resulting input into budget decisions. While any mechanism will need to be adapted to the country context, the innovative approaches documented by the Global Initiative for Fiscal Transparency provide governments with concrete examples of how budget participation can work.

**Recommendation 6: Institutionalize and empower oversight institutions**

All actors should seek to improve legislative capacity to engage with the budget in a meaningful way, by supporting increased access to research and improved analytical capacity, including through the establishment of a specialized budget office. Securing the independence of, and sufficient funding for, the supreme audit institution should be the top priority. In addition, supreme audit institutions should be supported in establishing procedures to monitor audit processes and evaluate individual audits, with the goal of increasing the quality and reliability of the reports they produce.
The Importance of Investing in Children and Budget Transparency

Over the next 40 years, the number of children aged below 18 in Africa will increase by over 60 per cent to almost 1 billion. As the child population grows, so investment in those children will become essential – for their survival and development, for the future socio-economic development of the region and for its political stability. Africa can turn this demographic transition to its advantage by investing in its children – and by making sure that this is done in an equitable way.

The following graphs illustrate the huge demographic transition taking place in Africa. Figure 1.4 shows that the 31 African countries considered in this report contribute substantially to that transition.

The case for investing in children

Investment in children is needed – both in human capital and in essential goods and services that are sustainable, of good quality and accessible to all children, including for protection, nutrition, health and education. The relatively low financial cost of investment during childhood can yield a lifetime of gains for individuals, as well as for society as a whole. Such investment can make an enormous difference in terms of breaking the cycle of poverty and inequality, and at the same time can create economic benefits for African countries. This has been the experience of other regions and countries with changing age structures, lower dependency ratios and an expanded labour force.

Investment in children also has a clear potential to promote political stability, through reduced levels of poverty and marginalization. A number of important international agreements that African (and other) countries have signed up to highlight the vital importance of investing in children (see below), including the Abuja Declaration in 2001 (15% of the national budget for health) and Education for All in 2010 (20% of the national budget for education).

Domestic resource mobilization plays an important role in making investment in children possible. It can contribute to reducing aid dependency and increasing the creditworthiness of countries. Resource mobilization may involve improving tax-administration capacity, harnessing the revenue from natural resources and preventing illicit financial flows. Figure 1.5 shows how public expenditure by the 52 countries on the African continent has increased dramatically over the years – and will continue to do so – compared to development assistance, which has remained relatively constant.

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**FIGURE 1.1: TOTAL POPULATION 0-17 BY REGION (THOUSANDS)**


Making investment in children possible also means improving the way in which the resources mobilized are planned, spent and followed up during the public budget process. This in turn facilitates the mobilization of resources, since an ability to show how well the money is being spent is ultimately what makes it possible to raise additional funds.

**Why a transparent and accountable public budget is a game changer**

Transparent and accountable public budgets and budget systems provide important opportunities for efficient and effective planning and execution when it comes to investment in children. In order to make a positive difference to children’s lives, government officials need to be able to identify the resources that are available, planned for and spent. Transparency also provides parliaments, supreme audit institutions and civil society – including children and other people with information about the situation of children – with information to contribute constructively to budget decisions and an assessment of budgets and budget processes. Transparent and accountable budgets and budget systems make it possible to plan, research and draw lessons about the extent to which public budgets contribute to positive outcomes for children.

With information on budgets publicly available, local communities have the chance to demand the necessary services, and to contribute to public financial accountability by tracking the use of public funds and providing feedback. This can contribute to increased efficiency and effectiveness in public spending and can result in improved outcomes for children – and for the whole of society.
That kind of feedback is crucial to the ability of government to exercise financial control and to ensure financial accountability on the part of ministries, departments and agencies. It is also essential for finance ministries to track the success of allocations, so that they can improve spending efficiency in current and future budget cycles. Thus, budget transparency and accountability are considered to lie at the heart of good budgeting and are explicitly recognized in the public financial assessment standards, such as the Public Expenditure and Financial Accountability programme.2

Using evidence from social sector budget briefs and an analysis of the impact of a proposed fuel subsidy reform, parliamentary committees worked to improve the efficiency and equity of expenditure, especially in the poorer northern regions of Ghana. The work included distributing technical and budgetary policy briefings. This contributed to the government’s re-orientation of the national budget to prioritize social protection for the very poorest households. This involved expanding the national cash transfer programme (LEAP) from 77,000 of the poorest households in mid-2014 to 550,000 households by 2018.

When money is not allocated or spent appropriately, effective service delivery is impeded: funds may be spent on the wrong things, for example, or may reach service delivery facilities too late. This can cause irreparable damage: a sick child may go to a clinic that lacks medicines or that has closed.

2 See: https://pefa.org/what-pefa

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**FIGURE 1.4: TOTAL POPULATION 0-17 IN AFRICA (THOUSANDS)**


**FIGURE 1.5: GOVERNMENT EXPENDITURE AND DEVELOPMENT ASSISTANCE TRENDS IN AFRICA, 2000-2021 (IN BILLIONS OF CURRENT US DOLLARS)**

Sources: UNICEF New York based on the Organisation for Economic Co-operation and Development (OECD) (for ODA) and the IMF (for government expenditure and GDP).

Notes: The sample includes 52 countries in continental Africa for which data are available.
due to lack of funding. That child may die or be impaired for life. Making information available on what is spent is vital in identifying such bottlenecks.

Research done by civil society organizations in a range of African countries has shown that there is often a great discrepancy in transparency between government planning and execution: the budget allocation plan may be available, but not the actual spending figures. There may also be a difference in the level of transparency between the central and the local tiers of government (see example of such research in Box 1.2).

States parties should adopt and maintain transparent and efficient public finance mechanisms and systems to ensure value for money when goods and services are purchased to advance child rights.

General Comment no. 19, CRC, paragraph 94

Growing support for public budget transparency, accountability and participation

Over the past few years, the world has seen growing support for the view outlined above – not least in relation to African countries. Cape Verde, Ghana, Ivory Coast, Kenya, Liberia, Malawi, Sierra Leone, South Africa, Tanzania and Tunisia have all joined the Open Government Partnership (OGP). This now includes a total of 69 countries, bringing together governments and civil society to promote transparency, increase civic participation, fight corruption and harness new technologies to strengthen governance. The Extractive Industries Transparency Initiative (EITI) is another example. It promotes the open and accountable management of natural resources related to the oil, gas and mining sectors. The following African countries feature among its implementing members: Burkina Faso, Cameroon, Chad, Ivory Coast, Democratic Republic of Congo (DRC), Ethiopia, Ghana, Guinea, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Republic of the Congo, São Tomé e Príncipe, Senegal, Sierra Leone, Tanzania, Togo and Zambia.

**BOX 1.1: IMPROVING INVESTMENTS IN VULNERABLE CHILDREN IN GHANA**

Using evidence from social sector budget briefs and an analysis of the impact of a proposed fuel subsidy reform, parliamentary committees worked to improve the efficiency and equity of expenditure, especially in the poorer northern regions of Ghana. The work included distributing technical and budgetary policy briefings. This contributed to the government’s re-orientation of the national budget to prioritize social protection for the very poorest households. This involved expanding the national cash transfer programme (LEAP) from 77,000 of the poorest households in mid-2014 to 550,000 households by 2018.


**BOX 1.2: BUDGET TRANSPARENCY AND CHILD NUTRITION**

The study Budget Transparency and Child Nutrition set out to establish the degree of budget transparency and participation in five African countries in relation to one crucial issue of reducing child mortality: nutrition.

A questionnaire was developed and used to conduct the research in Kenya, South Africa, Uganda, Zambia and Zimbabwe. It contained 34 questions on budget transparency in relation to child nutrition-related interventions, and 11 questions on public participation in the governments’ decision making about child nutrition – at the national level and the subnational level in each country. The findings showed that:

On average, less than half of the budget information that would ideally be publicly available is to be found at the national level, and even less at the subnational levels. The countries had higher levels of transparency about policy and planning for child nutrition than about actual expenditure. The lowest-scoring section in the questionnaire was concerned with public participation in government child nutrition decisions.

The study can be downloaded at: [http://at4hr.org/BTCN_Study.html](http://at4hr.org/BTCN_Study.html)

At the international level, the International Monetary Fund (IMF), the Public Expenditure and Financial Accountability programme (PEFA) and the Organisation for Economic Co-operation and Development (OECD) have also embraced open budget systems and practices more fully, through overlapping new initiatives. Yet another example is the Global Initiative for Fiscal Transparency (GIFT), which involves a number of stakeholders in strengthening the architecture of fiscal transparency, by harmonizing different international standards and promoting further consensus on the role of public participation in the budget process.

**For more information about OGP, see:** [http://www.opengovpartnership.org](http://www.opengovpartnership.org)

**For more information, see:** [https://eiti.org/](https://eiti.org/)
Open budgets and children in the AAAA, SDGs and Paris Agreement

In 2015, world leaders gathered on three separate occasions: in Addis Ababa, New York and Paris. There they took decisions on the global challenges of sustainable development and climate change – decisions that could transform the situation of children all over the world. For these initiatives to come to fruition, they all require financial resources. Governments, as well as parliaments and civil society, are now contributing to the realization of these decisions. Transparent and accountable public budgets and budget systems are essential to this work. This is also important as donors tend to be more ready to contribute resources to initiatives that are linked to such systems.

In July 2015, heads of state and government high representatives met in Addis Ababa to address the challenge of financing and creating an environment that is conducive to sustainable development. They adopted the Addis Ababa Action Agenda (AAAA), which was endorsed by the United Nations General Assembly. The AAAA identifies investment in children as an integral part of the sustainable development agenda:

We recognize that investing in children and youth is critical to achieving inclusive, equitable and sustainable development for present and future generations, and we recognize the need to support countries that face particular challenges to make the requisite investments in this area. We reaffirm the vital importance of promoting and protecting the rights of all children, and ensuring that no child is left behind.
Addis Ababa Action Agenda, paragraph 7

The AAAA highlights the importance of strong national independent oversight institutions and of increasing transparency and equal participation in the budgeting process (paragraph 30). In addition, it underlines the importance of promoting peaceful and inclusive societies by emphasizing the following:

In September 2015, representatives of governments met in New York to agree on the Sustainable Development Goals (SDGs). The SDGs, their interim targets and indicators aim to improve the lives of people all over the world. These include children, who are addressed both directly and indirectly throughout the goals.

SDG number 16 is fundamental to financing development for children in Africa. It highlights accountability, transparency and participation in several of its targets and indicators. Accountable and transparent public budgets provide governments and civil society with the kind of information on revenue and spending that they need to develop links to policies on children and to participate constructively in the budget process.

Target 16.6 states: ‘Develop effective, accountable and transparent institutions at all levels.’
- Indicator 16.6.1 ‘Primary government expenditures as a percentage of original approved budget, disaggregated by sector (or by budget codes or similar)’
- Indicator 16.6.2 ‘Proportion of the population satisfied with their last experience of public services.’

In November 2015, the governments of the world met in Paris and adopted the Paris Agreement under the United Nations Framework Convention on Climate Change. The Agreement is a global action plan to avoid climate change by limiting global warming to below 2 °C. Children are disproportionately affected by climate change, which exacerbates poverty and inequities. It makes it harder to break intergenerational cycles of disadvantage; and it slows, or even reverses, development progress.

We recognize that greater transparency is essential and can be provided by publishing timely, comprehensive and forward-looking information on development activities in a common, open, electronic format, as appropriate. Access to reliable data and statistics helps Governments to make informed decisions, and enables all stakeholders to track progress and understand trade-offs, and creates mutual accountability.
Addis Ababa Action Agenda, paragraph 127.

As with the AAAA and the SDGs, the Paris Agreement requires significant financial resources, and the planning and spending of those resources need to be monitored. Transparent and accountable budgets and budget systems can help. A climate change finance architecture that promotes transparent, participatory and accountable national and international systems of decision making, measuring, reporting and verifying funded actions could lead to a more balanced relationship and a deeper partnership between contributors and recipients – and ultimately, to more effective and sustainable efforts to combat climate change.

Realizing the Rights of the Child through open budgets

In July 2016, the United Nations Committee on the Rights of the Child published the General Comment no. 19 on public budgeting for the realization of children’s rights. This General

Comment interprets what is said in article 4 of the Convention on the Rights of the Child (CRC). It applies to all countries of Africa, since all have ratified the Convention.

General Comment no. 19 seeks to ensure states’ respect, promotion, provision, protection and fulfilment of the United Nations Convention on the Rights of the Child. Among other things, it highlights the importance of budget transparency, public participation and oversight institutions in budget processes to achieve the aspiration of article 4 that states shall ‘undertake such measures to the maximum extent of their available resources’.

The focus of the General Comment is on public budget resources, including those that relate to international cooperation. It identifies states’ obligations, and presents recommendations on how to guarantee adequate public budgets through effective, efficient, equitable, transparent and sustainable public revenue and spending related to the rights of the child – and especially to children in vulnerable situations.

The General Comment also refers to two UN resolutions that set out principles of public budgets from a human and child rights perspective. The first is the Human Rights Council resolution ‘Rights of the Child: towards better investment in the rights of the child’ (A/HRC/28/L28, 2015); among other things, it addresses the role of national policies, resource mobilization, transparency, accountability, participation, allocation and spending, child protection systems, international cooperation and follow-up in relation to the rights of the child – and especially to children in vulnerable situations.

States 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, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.

Article 4 of the CRC

This report examines the three pillars of open budgets. It considers: 1) the current state of budget transparency in the African survey countries and how this has changed over time; 2) the degree to which opportunities for public participation in the budget process are present; and 3) the strength of the two formal oversight institutions, the legislature and the supreme audit institution. The 2015 survey provides evidence that any country can establish open and accountable budget systems if there exist the political will and the capacity to do so.

This report seeks to pave the way to positive outcomes for children by promoting greater transparency, accountability and oversight of public budgets in Africa. It considers the topics of transparency, public participation in the budget process, and the strength of formal oversight institutions in Africa. It builds on the 2015 OBS Global Report by taking a closer look at the 31 African countries and by presenting case studies and information that is related to the relevance and importance for children of open budget systems.

For more information on the OBS 2015 see: http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/

Previous surveys were released in 2006, 2008, 2010 and 2012 – and the next Open Budget Survey is expected to be published in December 2017.

The Committee recognizes that budget transparency is a prerequisite for meaningful participation. Transparency means ensuring that user-friendly information is made publicly available in a timely manner in relation to the planning, enactment, execution and follow-up of budgets.

General Comment no. 19, CRC, paragraph 54

This report seeks to pave the way to positive outcomes for children by promoting greater transparency, accountability and oversight of public budgets in Africa. It considers the topics of transparency, public participation in the budget process, and the strength of formal oversight institutions in Africa. It builds on the 2015 OBS Global Report by taking a closer look at the 31 African countries and by presenting case studies and information that is related to the relevance and importance for children of open budget systems.

General Comment no. 19, CRC, paragraph 33

11 For more information on the OBS 2015 see: http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/

12 Questionnaires containing 140 questions are used by civil society researchers in each country to collect the OBS data. The answers to the questions are peer reviewed by experts with substantial working knowledge of budget systems in the relevant country, and governments are also invited to comment on survey findings.
Chapter 2 presents a brief overview of what open budgets are. It covers the three pillars of open budgets – i.e. transparency, participation and oversight; presents some research undertaken for this report that relates to children and public financial management; and offers insights into the methodology of the Open Budget Survey.

Chapters 3 and 4 discuss the findings of the Open Budget Survey that relate to the amount and quality of budget information made available by governments in eight key budget documents. It also presents trends over time in relation to budget transparency.

Chapters 5 and 6 discuss the findings of the Open Budget Survey that pertain to opportunities for public engagement and oversight of legislatures and supreme audit institutions during the budget process.

Chapter 7 offers conclusions and recommendation for various actors that can promote budget transparency, participation and oversight.
Chapter 2

...
Open budgets provide accessible information in a timely manner for all stakeholders, including decision makers within governments, internal government auditors, parliamentarians, supreme audit institutions and civil society. Open budgets also facilitate participation and oversight. In order for governments in Africa to maximize investments in children, it is vital for information about investment in children to reach decision makers at each stage of the budget process.

A well-functioning budget process consists of four main stages (Figure 2.1): 1) formulation, when the executive branch of the government drafts the budget proposal; 2) approval, when the legislature debates, amends and approves the budget proposal; 3) execution, when the administration implements the policies outlined in the budget; and 4) oversight, when the supreme audit institution and legislature assess funds spent on compliance and performance.

The three pillars of open budgets: transparency, participation and oversight

Transparency is an important condition for ensuring that a full budget discussion and appropriate budget monitoring take place throughout the budget process. Transparency is not, however, a sufficient condition. Creating the conditions under which governments ensure that public funds are managed efficiently, effectively and equitably also requires meaningful opportunities for citizens and civil society – including children’s advocates within and outside government – to participate in the budget process. Government financial management systems also need effective formal oversight from the legislature and the national audit office (referred to hereafter as the ‘supreme audit institution’). Budget transparency, public participation in the budget process and effective formal oversight institutions need to work together to create open budget systems. Access to formal and informal spaces where the budget can be influenced will enable people with knowledge of children and children’s advocates, whether within or outside government, to offer decision makers a diversity of views and help them to ensure that budget policies are based on complete information and reflect priorities. Comprehensive budget information will also enable the formal oversight institutions to carry out their mandate of ensuring that public funds are collected and spent in the intended manner. Ultimately, open budgets enable governments to ensure that the policies they promote and adopt are appropriately financed.

States parties should develop and maintain public financial management systems and practices that are open to scrutiny, and information on public resources should be freely available in a timely manner. Transparency contributes to efficiency and combats corruption and mismanagement of public budgets, which in turn increases the public resources available to advance child rights.

General Comment no. 19, CRC, paragraph 62

As mentioned above, accountable budgets rest on three pillars: transparency, public participation and formal oversight. Absence of, or weakness in, any of the pillars can undermine the functioning of the budget system, making it less likely to reflect a nation’s needs and priorities related to children or other people. It can also expose the system to corruption and mismanagement of public funds. When these components are in place, policy is more likely to be matched with public resources, and these resources are more likely to be spent as intended. Some of those important policy commitments to current and future children are the above-mentioned CRC, the ACRWC, the AAAA, the SDGs and the Paris Agreement.

To ensure that public funds are used for investment in children (or other specific purposes), systematic changes need to advance not just transparency, but also participation and formal oversight. The Open Budget Survey explores all three of these dimensions.
The open budget survey methodology

Covering 102 countries, the survey is the largest comparative assessment of the three dimensions of a well-functioning open budget system at the central level of government. Its rigorous methodology was implemented by civil society researchers and was designed to assess whether governments publish the type of budget information that is important to civil society and other oversight actors. The questionnaires – containing 140 questions – are peer reviewed by experts with substantial working knowledge of the budget systems in the relevant country, and governments are invited to comment on survey findings; these are some of the steps the International Budget Partnership (IBP) has taken to ensure the quality and integrity of its survey results. The Open Budget Survey 2015 is the fifth edition of the report.

In addition to IBP’s Open Budget Survey, there are two other international instruments that focus on fiscal transparency: the IMF’s fiscal transparency code and the OECD’s best practice guidelines on budget transparency. A fourth international instrument – the multi-donor collaborative PEFA framework – contains an indicator on budget transparency, though its scope is much broader than transparency. There are several similarities in the guidance contained in these instruments. In fact, many of the indicators contained in the Open Budget Survey are based on standards of fiscal transparency set by the IMF’s fiscal transparency code and the OECD’s best practice guidelines on budget transparency. Furthermore, IBP validates data collected in the Open Budget Survey after reviewing fiscal transparency reports issued by the IMF whenever such reports are available for countries covered in the survey. An important difference between the Open Budget Survey and the IMF’s fiscal transparency reports is the way in which data are collected: while the Open Budget Survey uses citizens (or non-governmental sources) to assess transparency, the IMF collects data for its assessments directly from governments.

For more information on the Open Budget Survey methodology see Annex A.

The methodology of this report

This report is based on the Open Budget Survey 2015 report and concentrates on the 31 African countries included in the survey.

Some preliminary research was conducted on the statistical relationship between African countries’ level of budget transparency and two sets of indicators – one relating to children and the other relating to institutions and governance. The relationships between budget transparency (as measured by the OBI) and a number of development indicators related to children and democracy were tested through simple correlation and a small set of multiple regressions (see Annex B).

Chapter 3 also includes research undertaken to create a measure of public financial management (PFM) strength for use in this report. Data from the PEFA programme were used to create a measure of PFM strength.
Only three of the 31 African countries surveyed provide substantial and extensive budget information to the public. Zero, scant, limited or minimal information is provided in the other 28 countries.

Governments in Africa, as indeed globally, tend not to publish key budget documents; those that are published generally lack important detail.

Low public financial management (PFM) strength seems to be linked to low Open Budget Index (OBI) scores; exceptions are Ghana and Liberia, which have relatively high OBI scores yet low PFM strength. Conversely, Burkina Faso, Tunisia and Rwanda have high PFM strength, but very low OBI scores.

No country automatically performs well or poorly on budget transparency merely on the basis of a particular characteristic or profile; any country can establish an open budget system if the government so chooses.

The 31 African survey countries publish an average of five of the eight key public budget documents. Only Rwanda and South Africa make all eight documents publicly available.

The gaps in budget information make it difficult for those working toward public investment in children to plan, enact, execute and oversee budgets in an effective, efficient and equitable way. Several cost-effective opportunities are readily available that can facilitate good budgeting for children.

The State of Budget Transparency in Africa

This chapter examines the state of budget transparency as of 2015 at the central level of government in the 31 African OBS countries. Using the findings from the subset of 109 questions (out of the global survey’s 140 questions) that comprise the Open Budget Index, it explores transparency with the aim of deepening understanding of relevant challenges and opportunities in the survey countries.

The chapter also describes the survey results for the eight key budget documents that the OBI assesses – i.e. the Pre-Budget Statement, Executive’s Budget Proposal, Enacted Budget, Citizens Budget, In-Year Reports, Mid-Year Review, Year-End Report and Audit Report. These are the documents that governments ought to publish at various points in the budget process, according to international standards and practices. The level of budget transparency in a country may be determined by how many of these documents are published in a timely manner, as well as by their comprehensiveness and accessibility.

Countries are divided into five categories based on their 2015 OBI score. Countries are also categorized according to whether they provide ‘sufficient’ budget information (i.e. a score of 61 or above) or ‘insufficient’ information (i.e. a score of 60 or below). While this cut-off point is not precise, IBP’s experience suggests that it is a reasonable approximation for determining whether countries provide enough budget information to sustain budget monitoring and analysis.

The Open Budget Index 2015 reveals that the great major-
As Figures 3.1 and 3.2 show:

- Six countries provide **scant or no** budget information (OBI scores of 20 or less).
- Ten countries provide **minimal** budget information (OBI scores of 21–40).
- Twelve countries provide **limited** budget information (OBI scores of 41–60); these countries fall short of providing enough detail to permit truly informed budget discussion.
- Malawi and Uganda provide **substantial** information (OBI scores of 61–80); and South Africa provides **extensive** information (an OBI score of 81–100). In these three countries, it is likely that informed budget discussion can take place.

The PFM strength findings are presented below and are also used for the recommendations in Chapter 7.

Figure 3.3 shows that in some African countries, there is a link between low PFM strength and low OBI score. These countries could usefully focus on evidence and policy-based budgeting and share the information with the public. There are however some notable exceptions. Ghana and Liberia have relatively high OBI scores yet low PFM strength. Conversely, Burkina Faso, Tunisia and Rwanda have high PFM strength, but very low OBI scores. It should be noted that the OBI scores used for Burkina Faso, Tunisia and Rwanda are from the 2012 Open Budget Survey, while the 2015 OBI was used in relation to Ghana. The three former countries made gains in OBI scores between those two years.

For countries with low PEFA scores, the variation in OBI scores is large (between 8 and 51). Among the countries with low PFM scores, Ghana and Liberia stand out as having relatively high OBI scores (51 and 43, respectively). Overall, while factors that affect the OBI vary from country to country, in some countries there appears to be a connection between budget transparency and the strength of PFM systems, suggesting the possible existence of a virtuous cycle between improvements in budget transparency and improvements in the way in which countries manage public financial resources.

The African 2015 OBS results, along with the global results and the PFM strength results above, suggest that no country automatically performs well or poorly on budget transparency based solely on a particular characteristic or profile. Any country can readily establish an open budget system if the government so chooses. Good practices can be sought from in-country expertise or expertise in other countries, and the process to develop open budgets can advance a step at a time. Some countries may make great leaps in transparency by making their expenditure data or relevant financial reports to development partners publicly available. Others may advance in transparency by disaggregating budget data, so that what is budgeted for – and what is spent on what – becomes more accessible.

### The characteristics associated with different levels of transparency

The survey allows for a comparison of the results of countries that fall into certain bands, based on their OBI score, and the factors associated with different levels of transparency can guide reform. A few characteristics of the African survey country results are highlighted below.

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15 ibid., 10.
Only one African country performs well on all three pillars of a strong budget accountability system

According to the global survey of 102 countries, there appears to be a relatively strong interrelationship between a country’s transparency score and the other pillars of a strong budget accountability system – public participation in the budget process and the strength of the formal oversight institutions (the legislature and the supreme audit institution). South Africa is the only country that performs well on the OBI in relation to all three pillars; Uganda scores above 60 for its supreme audit institution; and Malawi has a similar score for its legislature oversight. The nature and quality of the interaction between the three pillars of the Open Budget System is important in terms of achieving effectiveness when investing in children (or other specific purposes). Having only one pillar in place is therefore not satisfactory. All three pillars are needed to ensure that the appropriate checks and balances are in place.

FIGURE 3.3: PFM STRENGTH AND OBI SCORE IN AFRICAN COUNTRIES BASED ON OPEN BUDGET INDEX 2015 SCORE

FIGURE 3.2: DISTRIBUTION OF AFRICAN COUNTRIES BASED ON OPEN BUDGET INDEX 2015 SCORE
There is limited budget information in African countries, irrespective of their political system

Twelve of the 31 African countries assessed in the survey provide some budget information to the public, and received Open Budget Index scores between 41 and 60. While these countries make most of the key budget documents available to the public on a timely basis, publishing an average of six of the eight key budget documents, these often lack important detail. Most notably, the Executive’s Budget Proposal they share includes just over half of the information recommended by international good practice. They are therefore classed as providing ‘limited’ information.

The African survey countries that provide limited information include an even mix of democracies and those that have more autocratic regimes. In the OBI 2015, Tunisia made it into this category, with an almost fourfold increase in transparency since 2012. Countries in transition thus also have the potential to make rapid progress.

Countries that provide minimal, scant or no information are economically diverse

Of the African OBI countries, about half (16 out of 31) score 40 or below and provide the public with little – or in some cases no – budget information. The 31 African countries publish an average of five of the eight key budget documents and do not provide nearly enough budget information to allow the public and civil society to analyse and monitor budgets.

Countries in the lower tiers of the African (and indeed the global) OBI are economically diverse. They include the upper-middle-income Algeria and low-income Niger (see Figure 3.5). The latter is among those African countries on the OBI with the lowest income per capita. It should also be noted that several low-income countries are to be found among the best-performing African OBI countries (scoring above 50), such as Ghana, Malawi, Sierra Leone and Uganda.

The public availability of budget documents

Inadequate budget information need not be the norm. There are practical, straightforward steps that underperforming countries can take to make significant advances in transparency – notably by publishing budget documents that most countries already prepare but mainly reserve for internal use only.

International standards and practices identify eight key documents that should be published at different stages of the budget cycle. Publication of these documents enables civil society, the public and different branches of government to monitor and influence budget decisions related to investments in children or other groups. The OBI scores reflect whether central governments make these eight key budget documents available to the public, and whether the data contained in these documents are comprehensive, timely and accessible. Table 3.2 describes these budget documents and notes at which stage of the budget cycle they should be

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17 As measured by gross domestic product per capita in purchasing power parity (PPP) terms for 2014.
Figure 3.4: A Global Picture of Transparency in 2015

Extensive (81-100)
Substantial (61-80)
Limited (41-60)
Minimal (21-40)
Scant or None (0-20)
published. It also shows how many of the 31 African survey countries published each of these documents during the survey period.

To maximize effective public oversight across the entire budget cycle and to promote effective investment in children, countries should publish all eight key budget documents. Two countries – Rwanda and South Africa – already make all eight documents publicly available. Four African survey countries (Chad, Egypt, Equatorial Guinea and Sudan) do not even publish the Executive’s Budget Proposal, a core document that outlines government planned expenditure.

As Figure 3.6 illustrates, trends in the publication status of documents tend to vary according to the level of transparency in a country. For example, among the weaker performers – the African countries that score 40 or below on the OBI – a clear majority of budget documents are not publicly available. By comparison, more than a quarter of documents are not publicly available among countries in the middle tier, while the figure drops to 21 percent for countries in the top tier.

Of the documents that governments do not publish in the

| TABLE 3.2: THE EIGHT KEY BUDGET DOCUMENTS IN THE AFRICAN SURVEY COUNTRIES |
|---|---|---|
| Stage in budget cycle | Budget documents | Number of African countries publishing |
| | | 2012 OBS | 2015 OBS | Change |
| Formulation | Pre-Budget Statement: discloses the broad parameters of country’s fiscal policies in advance of the Executive’s Budget Proposal. It outlines the government’s economic forecast, as well as anticipated revenue, expenditure and debt. | 12 | 16 | 4 |
| | Executive’s Budget Proposal: the document or documents that the executive submits to the legislature for approval. It details the sources of revenue, the allocations to be made to all ministries, proposed policy changes, as well as other information important for understanding a country’s fiscal situation. | 20 | 27 | 7 |
| Approval | Enacted Budget: the budget that has been approved by the legislature. | 28 | 28 | 0 |
| Execution | In-Year Reports: include information on actual revenues collected, actual expenditure, and debt incurred at different intervals in the fiscal year. These reports may be issued on a quarterly or monthly basis. | 20 | 21 | 1 |
| | Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year, including a review of economic assumptions underlying the budget, and an updated forecast of the budget outcome for the fiscal year. | 6 | 8 | 2 |
| | Year-End Report: shows the situation of the government’s accounts at the end of the fiscal year and ideally includes an evaluation of the progress made toward achieving the budget’s policy goals. | 13 | 14 | 1 |
| Oversight | Audit Report: issued by the country’s supreme audit institution, examining the soundness and completeness of the government’s year-end accounts. | 14 | 13 | -1 |
| All Stages | Citizens Budget: a simpler and less technical version of the government’s budget, specifically designed to convey key information to the public. ‘Citizen’ versions of other documents are also desirable. | 7 | 18 | 11 |
African survey countries, almost half are produced but are not made available to the public. While government officials may have access to them, this means that oversight by parliament, the supreme audit institution, as well as civil society working for investment in children, are constrained.

Seven countries (Angola, Cameroon, Chad, Equatorial Guinea, Niger, São Tomé e Príncipe and Sudan) produce nearly 60 percent of the budget documents that are reserved for internal use only. These countries could significantly increase budget transparency and their OBI rating at little or no cost, simply by publishing documents that they already produce. Finally, some documents are published by some countries, but too late to be considered useful to civil society and the public. Liberia, Nigeria, Senegal and Zambia do not publish two documents each within the useful timeframe. These governments could significantly increase transparency by taking steps to publish the documents within the timeframe recommended by international good practice.18

The information contained in budget documents

Even when budget documents are published, they often lack sufficient detail. For example, although Rwanda published all eight budget documents, the country had an OBI score of only 36 because these reports contained limited information. The same is true of many other countries. For instance, all the survey countries prepare the Executive’s Budget Proposal, yet on average this included less than half of the expected information. Gaps in budget information that is publicly available make it difficult for governments seeking to invest in children to plan, enact, execute and oversee budgets in an effective, efficient, equitable and sustainable way. In the absence of such good budgeting practice, parliaments, supreme audit institutions, civil society and others lack the information they need to hold governments to account on their commitments. These would include the Convention on the Rights of the Child, the African Charter on the Rights and Welfare of the Child, the Addis Ababa Action Agenda, the Sustainable Development Goals, and the Paris Agreement. Closing the gaps in budget information is an important step to ensuring that such commitments are met.

Figure 3.7 shows the sub-scores for the usefulness (which encompasses comprehensiveness and accessibility) of the Executive’s Budget Proposal for all countries that publish it.

A lack of transparency in resource mobilization systems can lead to inefficiencies, mismanagement of public finances and corruption. This in turn can lead to insufficient resources being available to spend on the rights of the child. General Comment no. 19, CRC, paragraph 76

Common gaps in budget information include macroeconomic assumptions that underlie budget projections. These include:
- real GDP growth,
- the inflation rate, and
- interest rates.

Budget documents also often omit analysis showing the sensitivity of budget projections to possible changes in macroeconomic assumptions. Such information can help to gauge the possible impact of evolving economic conditions on the budget. For example, the dramatic drop in oil prices since mid-2014 is a reminder of the severe toll that volatile oil prices can take on hydrocarbon revenue-dependent economies – and ultimately their citizens. Without information on macroeconomic assumptions and a sensitivity analysis,
government officials, parliamentarians, civil society and other actors are kept in the dark regarding the impact that a decline in the price of oil might have on revenue, and the extent to which deviations between budget estimates and actual outcomes can be attributed to fluctuations in the price of oil. Changes in revenue have an impact on the resources that are available for investment in children, and as such they are of great importance.

In addition, many governments engage in budgetary practices or take on obligations that can distort the picture of public finances, unless these are disclosed appropriately in relevant budget documents. Examples of this would include the use of extra-budgetary funds, engaging in quasi-fiscal activities, extending tax concessions, or incurring contingent liabilities. This type of information is of particular interest to investors, who consider it important for assessing the risk of investing in a country. An absence of information on these activities, which is typical in countries that provide only ‘limited’ budget data, can raise doubts about a country’s fiscal position and create opportunities for corruption or the mismanagement of public funds.

A final common omission concerns analysis of how the government policy goals guide budget allocations, which is often missing altogether or lacks important detail. An understanding of whether funding for government programmes is meeting the stated goals is crucial to civil society’s ability to influence and monitor the impact of government spending. Countries with lower OBI scores also typically omit expenditure data for government programmes, as well as detailed non-financial data on related results and performance targets. Without this, parliaments, supreme audit institutions, civil society and others lack much of the information needed to hold governments to account for commitments made under their global commitments to the CRC, ACRWC, AAAA, SDGs and Paris Agreement – making it less likely that these will be achieved.

19 Quasi-fiscal activities are any activities undertaken by state-owned banks and enterprises, and sometimes by private sector companies at the direction of the government, where the prices charged are less than usual or less than the ‘market rate’. Examples include subsidized bank loans provided by the central bank or other government-owned banks, and non-commercial public services provided by state-owned enterprises.

20 In December 2014, IBP, in collaboration with the Emerging Markets Investors Alliance (the Alliance), conducted a survey of 10 of the Alliance’s member analysts from different investment houses, the better to understand the private sector’s interest in fiscal transparency.
Chapter 4
Trends In Budget Transparency

KEY FINDINGS

- Budget transparency improved in the 30 African survey countries between 2012 and 2015. In particular, there was significant progress among the countries that were least transparent in 2012.
- The OBI scores of the African survey countries have increased by an average of 17 points from the first year in which they were surveyed. However, in over a third of the countries, the scores have changed very little over the years.
- A key driver behind an improvement in the average level of budget transparency between 2012 and 2015 is an increase in the number of documents that have been made available to the public in a timely fashion.
- Of the 31 African survey countries in the 2015 survey, only South Africa, Malawi and Uganda meet the goal of providing sufficient budget information to allow for the discussion and moderation of budget decisions.
- Impressive progress has been made by some countries, such as the Democratic Republic of Congo and Rwanda.

The evidence clearly shows that an improvement in budget transparency is possible and that substantial progress can be made over a relatively short period of time.

After nearly a decade of conducting its surveys, a wealth of data on how budget transparency has evolved over time and across countries has been amassed. This chapter and the next explore these trends and their causes.

Changes from 2012 to 2015

Between 2012 and 2015, budget transparency improved both globally and specifically in Africa. There have been considerable advances in a number of previously low-performing countries, continuing the patterns found over the past decade. Between 2012 and 2015, governments in the African survey countries disclosed more budget information to the public; this is reflected in a ten-point increase – from 29 to 39 – in the average OBI score of the 30 African survey countries for which there are comparable data.21

Furthermore, the African average masks significant progress among those countries that were least transparent in 2012. Specifically:
- Among the 19 African survey countries considered to be weak performers in 2012 (OBI scores of 40 or less), the average transparency score had more than doubled by 2015.
- Eight of these countries increased their OBI score by 20 points or more: Benin, Burkina Faso, Cameroon, Democratic Republic of Congo, Rwanda, Senegal, Tunisia and Zambia.
- The weakest performers – those with the lowest initial scores – showed the greatest gains: countries that provided little or no information in 2012 (OBI scores of 20 or less) increased their scores by 20 points on average.

These findings confirm not only that improvements in budget transparency are possible, but that substantial progress can be made over a relatively short period of time. This is not so surprising: as was discussed in Chapter 2, significant gains can be achieved simply by publishing new documents, many of which are already produced for internal use. Tunisia and Zambia typify this: their scores improved substantially between 2012 and 2015, largely because they started to publish the Executive’s Budget Proposal, previously only issued for internal use. Another example is Benin, which improved its OBI score by over 40 points by publishing a Pre-Budget Statement, the Executive’s Budget Proposal and In-Year Reports – all of them documents that had formerly been produced only for internal consumption.

Most regions of the world have witnessed progress in transparency. But there has been a particularly large jump among the 27 countries surveyed in Sub-Saharan Africa, where the average OBI score increased by 10 points. Much of this change has been driven by improvements in the eight Francophone African countries covered by the survey.

Improvements since the start of the survey

The overall progress in Africa between 2012 and 2015 should be viewed in the context of the progress witnessed in previous surveys, which has been particularly impressive among countries that were regarded as weak performers. A key driver behind improvement in budget transparency is an increase in the number of documents that are made available to the public in a timely fashion.

21 As noted in Chapter 2, the average OBI score for all 31 countries in the survey in 2015 is 38. That is, the country added to the survey in 2015 (Sudan) brought the average score down from 39 to 38 (or, more precisely, from 38.93 to 38.01).
By far the greatest progress has been made in those countries that were least transparent to begin with. Also the trend among countries in the middle of the transparency spectrum (those that previously provided limited information) has been more positive than among those that already provided significant or extensive information. This can be illustrated by examining the progress of the 13 African countries for which comparable data exist since the first round of the survey, held in 2006. Of the 30 African countries surveyed in 2012, 12 saw a sharp increase in their OBI score in 2015 (of more than 10 points): Benin (44 points), Zambia (35), Cameroon (34), Senegal (33), Tunisia (31), Rwanda (28), DRC (21), Burkina Faso (20), Zimbabwe (15), Niger (13), Malawi (13) and Sierra Leone (13). If we consider an increase of more than 5 points, Nigeria (8) and Algeria (6) can also be added to the list. These improvements provide increased opportunities for stakeholders to contribute constructively to efficient, effective and equitable investment for children.

The overall trends are also encouraging. The African countries surveyed have seen their scores increase by an average of 17 points since the first year in which they were assessed (or in some cases from the earliest year for which there are comparable data) through to 2015. However, the average increase obscures considerable variation.

The 13 countries are: Angola, Botswana, Burkina Faso, Chad, Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, South Africa, Uganda and Zambia.

For a minority of countries, the global survey data from the year they first joined the survey are not comparable to the data collected in later years. In those cases, changes over time discussed in this study start from the earliest year for which comparable data are available instead of from the year in which a country was first surveyed.
data are available, there was a net gain in the number of documents published on time between 2012 and 2015. There was a net positive change in the publication status of six of the eight key budget documents; the two exceptions were Enacted Budgets (no net change) and Audit Reports (a decline of one).24

There was a net increase of seven in the number of Executive’s Budget Proposals published, and a net increase of four in Pre-Budget Statements. Taken together, this means that countries have significantly increased the amount of information made available to the public during the formulation stage of the budget. Unfortunately, however, the Executive’s Budget Proposal remains unavailable to the public in Chad, Egypt, Equatorial Guinea and Sudan.

From 2010 to 2012, there was a net increase of 10 documents published by African governments. This builds on more modest increases in the net number of documents published from 2008 to 2010. The cumulative effect is substantial. Altogether there has been a net gain of 49 in the number of budget documents published by the African countries since they have been included in the survey.

Promisingly, the publications gap has closed significantly for certain documents. The number of governments publishing a Citizens Budget, for example, has more than doubled: the 2015 survey reports that 18 governments in Africa now publish a Citizens Budget, compared to only seven in 2012, which itself was slightly higher than in previous rounds of the survey.

Moving towards adequate information

It is important to recognize the gains made in budget transparency. However, many of the budget publications

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24 For the 2015 global survey, IBP revised the accepted timeframe for the public availability of both the Year-End Report and the Audit Report, which could explain some of the lack of progress found regarding their publication. Previously, both documents were considered publicly available if they were published within 24 months of the end of the fiscal year to which the report refers. According to the revised standards, the Year-End Report and Audit Report should be published within 12 months and 18 months of the end of the fiscal year, respectively.
Countries in Francophone Africa have continued to make considerable improvements in budget transparency over the past three years – an acceleration of a trend first observed and described in the 2012 Open Budget Survey. From 2012 to 2015:

- The average OBI score for the eight countries surveyed increased by just over 20 points – from 14 to 35. Gains were substantial in every country surveyed, with the exception of Chad.
- The greatest improvements were observed in Benin, where the government has made impressive progress on budget transparency. Benin published five of the eight key budget documents, including the Executive’s Budget Proposal and the Citizens Budget for the first time, resulting in a 44-point increase in the country’s OBI score.
- Significant improvements were also observed in Burkina Faso, Cameroon, Democratic Republic of Congo and Senegal, where a total of seven budget documents that were previously not available to the public are now published in a timely manner. The OBI score for each country increased by 20 points or more.
- Furthermore, the governments of Niger and Mali have each published additional documents that were previously not available to the public. Niger now publishes the Executive’s Budget Proposal and the Pre-Budget Statement, while Mali publishes the Pre-Budget Statement.

The progress observed in Francophone Africa highlights the role that regional bodies can play in supporting improvements in budget transparency. In 2009 and 2011, the West African Economic and Monetary Union and the Central African Economic and Monetary Community, respectively, adopted directives on public financial management. These new directives take account of international standards on public financial management and promote the rigorous, efficient and transparent management of public finances. Thus, many of the principles are in line with the standards reflected in the survey. The gradual implementation of the directives in recent years stands out as one of the key drivers behind the gains observed in transparency in the region. Indeed, many countries in the region have already translated the provisions of the directives into their national legislation. These include legal adjustments in Senegal, Mali and Burkina Faso to bring those countries more in line with the transparency directives of the West African Economic and Monetary Union. Countries in the region have also strengthened their parliaments with annual pre-budget debates, and have increased the powers of supreme audit institutions. Also, as reflected in their OBI scores, the countries began to implement the laws on the statute books.

In addition to the role of the regional bodies, events at country level have also played a role in the movement toward greater transparency. Civil society organizations in the region have played a significant role in getting governments to publish more budget information. For instance, in Niger, the advocacy activities of Alternatives Espace Citoyens helped bring about publication of the 2014 Executive’s Budget Proposal for the first time since 2008. In addition, the Senegalese government was motivated to undertake reforms to improve transparency in part by Mali’s moderately strong performance in earlier rounds of the survey; that is, Senegal strove to keep up with its neighbour. Finally, development partners such as the European Union have been active in promoting transparency in the region.

Despite impressive progress, others still fall short of international standards for open budgets. Thus, relatively few countries have been able to increase the availability of budget information to the point where it meets international standards. But many more have shown marked progress and are now providing moderate (but still inadequate) amounts of budget information, compared to the scant levels that they provided when first surveyed. For instance, of the 12 African survey countries that scored between 41 and 60 in 2015, more than half had been among the weakest countries (with OBI scores of 40 or below) when first surveyed.

Impressive progress has been made by countries that are still considered quite weak. For instance, the Democratic Republic of Congo, which increased its OBI score from 1 when it joined the survey in 2008 to 39 in 2015. Other countries, such as Liberia and Rwanda, have seen similarly large improvements;

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25 The countries included: Benin, Burkina Faso, Cameroon, Chad, Democratic Republic of Congo, Niger, Mali and Senegal.
26 See: http://www.uemoa.int/Documents/actes/directive_01_2009_CM_UEMOA.pdf
global OBS data, shows that there is clear scope for countries to provide sufficient information to the public. Recent IBP research, based on the Executive’s Budget Proposal, which was previously produced for internal use only. Tunisia also published a Citizens Budget for the first time in 2014.

Following the January 2011 revolution, increased space for civil society activity, coupled with opportunities to engage with reform-minded officials, opened up a channel for a core group of civil society organizations to encourage the government to pursue budget transparency reforms. One example was the creation of a joint commission in March 2013 to discuss budget transparency and accountability reforms. The commission comprised officials from the Finance Ministry and civil society organizations and aimed at creating a synergy between stakeholders in terms of the finance law and the Citizens Budget, and at boosting the open budget data project MIZANIATOUNA (our budget).

International financial institutions and multi-stakeholder efforts also played a role in improving budget transparency. The World Bank, for example, highlighted publication of the Executive’s Budget Proposal and the Citizens Budget as priority reforms for the new government. Furthermore, in December 2013, the Tunisian government submitted its letter of intent to join the Open Government Partnership and later committed itself to publishing all eight key budget documents in its OGP National Action Plan. This is just one example of how the eligibility criteria for the OGP, which include fiscal transparency indicators drawn from the Open Budget Survey, are promoting budget transparency.

In the process of preparing the new action plan for OGP 2016–2018, the finance minister will take into consideration the creation of subnational recommendations to improve decentralization and fiscal reforms at the regional and local levels.

yet, progress notwithstanding, they still provide far less information than the public needs to be fully informed on the budgets of their countries.

This reality underscores the importance of consistent internal and external pressure for greater budget transparency. Even in many countries that have achieved notable gains, governments still do not provide sufficient information to enable civil society, oversight institutions and members of the public to participate effectively in budget processes and to hold governments accountable for their use of public money. In many cases, meaningful improvements in transparency require more than the publication of new documents: they entail enhancing the level and variety of detail included in published documents. Domestic actors should continue to demand greater transparency from their governments, even when some progress on budget transparency has been achieved. External actors should explore the types of assistance that governments might need to support further improvements in transparency, and should liaise with domestic actors to provide the necessary financial and technical resources to support these advances.

A key challenge is to move countries up to the next level – from providing insufficient information to providing sufficient information to the public. Recent IBP research, based on the global OBS data, shows that there is clear scope for countries in the middle-category level to improve their scores both by increasing the number of documents they publish and by improving the comprehensiveness of those documents that they already publish. It is recommended that governments undertake the following actions to move up to the next level:

- Identify which of the eight documents a country does not publish.
- For unpublished documents, determine which are actually being produced for internal purposes and which are published late. Documents produced for internal purposes are perfect candidates for publication.
- For documents that are released too late, it is important to determine whether the delay is a function of the country’s budget process and law, or whether it reflects poor performance by the agency in charge. The latter problem may be easier to address in the short term than one that requires fundamental changes to the country’s budget process.
- For the documents that a country already publishes, the key question is how their comprehensiveness can be improved. Here it is useful to compare the content of these documents to that of countries with OBS scores of 61 to 80, the next category up.
- It is important to determine whether the country is producing the information, but just failing to make it public. For instance, a country that produces a macroeconomic forecast must make assumptions about inflation,

Tunisia first participated in the Open Budget Survey in 2012, scoring just 11 on the Open Budget Index. Since then, budget transparency in the country has improved markedly: between 2012 and 2015, Tunisia’s OBS score almost quadrupled, increasing from 11 to 42. This increase is in large part attributable to publication of the Executive’s Budget Proposal, which was previously produced for internal use only. Tunisia also published a Citizens Budget for the first time in 2014.

BOX 4.2: CASE STUDIES ON INCREASES IN TRANSPARENCY - TUNISIA

Tunisia and external pressure for greater budget transparency. The World Bank, for example, highlighted publication of the Executive’s Budget Proposal and the Citizens Budget as priority reforms for the new government. Furthermore, in December 2013, the Tunisian government submitted its letter of intent to join the Open Government Partnership and later committed itself to publishing all eight key budget documents in its OGP National Action Plan. This is just one example of how the eligibility criteria for the OGP, which include fiscal transparency indicators drawn from the Open Budget Survey, are promoting budget transparency.

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MIZANIATOUNA (our budget).

International financial institutions and multi-stakeholder efforts also played a role in improving budget transparency. The World Bank, for example, highlighted publication of the Executive’s Budget Proposal and the Citizens Budget as priority reforms for the new government. Furthermore, in December 2013, the Tunisian government submitted its letter of intent to join the Open Government Partnership and later committed itself to publishing all eight key budget documents in its OGP National Action Plan. This is just one example of how the eligibility criteria for the OGP, which include fiscal transparency indicators drawn from the Open Budget Survey, are promoting budget transparency.

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- It is important to determine whether the country is producing the information, but just failing to make it public. For instance, a country that produces a macroeconomic forecast must make assumptions about inflation,
economic growth and other factors in order to make the projection, even if it does not make all that information available to the public. The goal in such circumstances is to identify the obstacle that prevents the information from being made public, and to determine if it can be removed.

In other cases, the country may not be producing certain information. Again, the goal is to identify the obstacles that are preventing the country from producing the information that international standards indicate is needed to provide a full picture of a country’s fiscal condition. Is there a capacity constraint that technical assistance could help to overcome? Are there legal issues that would require a change in the law to address the problem? (In some countries, a document is published only if it is required by the budget law.)

Governments can also examine the answers to the 140 questions of the OBS and make a plan to address specific tasks in order to increase their country’s level of transparency. Furthermore, comparisons can be made with the OBS scores and answers of other countries, and best practices sought from those that do well in relation to specific questions. A related challenge is also to maintain the gains that a country makes in the availability of budget information, so that they serve as a basis for further progress. The survey finds that many countries have difficulty holding onto gains that have been made, or are failing to make the type of progress that most other countries surveyed are capable of.

**Interrupted progress**

Some countries witness an erosion of transparency between surveys, while others seem stuck and unable to progress. There were dips in transparency between 2012 and 2015 in nine countries, including top scorers South Africa and Uganda, as well as Mozambique, which dropped more than eight points (Figure 4.5). Countries that exhibit continuing low levels of transparency include Algeria, Chad and Equatorial Guinea, which have been ranked among the least transparent countries (OBI scores of 20 or less) since they joined the survey – though they have seen some modest recent progress.

**Volatility in the publication of documents**

Often, the transparency paths countries take are not linear. The global survey shows that countries can make substantial gains, only to fall back subsequently. Countries that regress can later return to better transparency practices (see the example of Ghana in Table 4.3). Furthermore, while lack of progress in some survey countries reflects unchanging practices, in others a steady score may mask significant volatility in the publication of documents.

This phenomenon of volatility can be illustrated by examining changes in the budget documents published by select countries. Table 4.3 presents Ghana as an example, showing the publication status of its budget documents over time. In each case, the publication status of the Citizens Budget and of the Year-End Report has changed four times over the five rounds of the survey. Regarding the Year-End Report, it was not produced in 2006; was prepared for internal use in 2008; was publicly available in 2010; was not produced in 2012; and was publicly available in 2015. The In-Year Reports and Mid-Year Review also changed status several times. Yet Ghana’s OBI score did not change markedly between the 2008 and 2015 surveys, ranging between 50 and 54, as the benefits of newly published documents were offset by those documents whose publication ceased.

Similar volatility in the publication status of documents has been observed in other countries. Altogether, two or more documents have changed status at least three times over multiple rounds of the Open Budget Survey in the following eight African countries: Angola, Cameroon, Egypt, Ghana, Liberia, Nigeria, Rwanda and São Tomé e Príncipe.

This volatility in the publication of budget documents creates a special set of challenges. For instance, if the availability of budget information is not sustained over time, it dilutes the incentives for citizens, civil society and the media to cultivate

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**TABLE 4.1: NET CHANGE IN THE NUMBER OF BUDGET DOCUMENTS PUBLISHED (2012 VS 2015)**

<table>
<thead>
<tr>
<th>Budget documents</th>
<th>Number of countries publishing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012 OBS</td>
</tr>
<tr>
<td>Pre-Budget Statement</td>
<td></td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>20</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>28</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>20</td>
</tr>
<tr>
<td>Mid-Year Review</td>
<td>6</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>13</td>
</tr>
<tr>
<td>Audit Report</td>
<td>14</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
</tr>
</tbody>
</table>

**TABLE 4.2: AFRICAN COUNTRIES PUBLISHING A CITIZENS BUDGET**

<table>
<thead>
<tr>
<th>Category</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produced a Citizens Budget in OBS 2012 and OBS 2015</td>
<td>Botswana, Kenya, Mali, Morocco, South Africa, Tanzania</td>
</tr>
<tr>
<td>Produced a Citizens Budget in OBS 2015 but not OBS 2012</td>
<td>Angola, Benin, Dem. Rep. of Congo, Ghana, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Sierra Leone, São Tomé e Príncipe, Tunisia</td>
</tr>
<tr>
<td>Produced a Citizens Budget in OBS 2012 but not OBS 2015</td>
<td>Uganda</td>
</tr>
<tr>
<td>Did not Produce a Citizens Budget in OBS 2012 or OBS 2015</td>
<td>Algeria, Burkina Faso, Cameroon, Chad, Egypt, Equatorial Guinea, Liberia, Malawi, Niger, Zambia, Zimbabwe</td>
</tr>
</tbody>
</table>
an awareness of the budget and to develop the know-how to effectively engage with government on budget issues. Furthermore, this volatility requires domestic and external actors to devote time to advocating for governments to reinstate the publication of documents, rather than using information in the public domain to conduct sophisticated budget analysis and oversight, and to build the necessary skills to do so.

Causes of regression and volatility

Regression in budget transparency, even if only temporary, impedes continued progress toward expanding the availability of budget information worldwide. While hardly definitive, this report presents initial hypotheses on some of the causes underlying these challenges (in part based on the research cited earlier concerning the conditions that lead to increases in transparency internationally); in doing so, it also presents some initial thinking on the appropriate responses.

The causes underlying regression are sometimes obvious, but they can be more nuanced. The separate causes treated below may also be interconnected.

Changing political circumstances, including political instability

Under fluid political circumstances, the publication of documents may be interrupted due to the priorities of new leadership or a reshuffle within the ministries responsible for producing and publishing the documents. The regression in budget transparency observed in Egypt in 2012, for example, was likely driven by the prevailing political circumstances in the country.

Changing bureaucratic practices

Transparency practices can be controlled by bureaucrats who are either subject to little internal or external pressure, or are fairly impervious to it. Insufficient pressure for budget information, or in some cases pressure from the executive to withhold it, coupled with a weak institutional or legal framework for the publication of documents (including a public timetable for production and publication), may result in government officials simply suspending the production of budget documents. Government officials might also lack the technical skills or resources to meet international standards on transparency more effectively and to publish the full range of budget documents on a sustained basis. As an example, the Democratic Republic of Congo did not produce a Citizens Budget at the time of the 2008 Open Budget Survey; then it published one for the 2010 survey; it did not produce one for 2012; but then again published one for the

FIGURE 4.5: AFRICAN COUNTRIES EXPERIENCING DECREASES IN OBI SCORE FROM 2012 OBS TO 2015 OBS

<table>
<thead>
<tr>
<th>Country</th>
<th>2012 OBI Score</th>
<th>2015 OBI Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>-2.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Botswana</td>
<td>-2.4</td>
<td>-1.1</td>
</tr>
<tr>
<td>Kenya</td>
<td>-1.1</td>
<td>-1.1</td>
</tr>
<tr>
<td>Liberia</td>
<td>-5.2</td>
<td>-9.1</td>
</tr>
<tr>
<td>Mozambique</td>
<td>-8.6</td>
<td>-8.8</td>
</tr>
<tr>
<td>Namibia</td>
<td>-8.8</td>
<td>-11.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>-11.1</td>
<td>-11.1</td>
</tr>
<tr>
<td>Tanzania</td>
<td>-11.1</td>
<td>-11.1</td>
</tr>
<tr>
<td>Uganda</td>
<td>-25</td>
<td>-25</td>
</tr>
</tbody>
</table>

TABLE 4.3: VOLATILITY IN DOCUMENT PUBLICATION IN GHANA (2006 TO 2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>Not Prod.</td>
<td>Internal Use</td>
<td>Published</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td></td>
<td></td>
<td>Internal Use</td>
<td>Published</td>
<td></td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>Not Prod.</td>
<td>Internal Use</td>
<td>Internal Use</td>
<td>Published</td>
<td></td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Prod.</td>
<td>Internal Use</td>
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<tr>
<td>In-Year Reports</td>
<td>Not Prod.</td>
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<td>Mid-Year Review</td>
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<td>Year-End Report</td>
<td>Not Prod.</td>
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<tr>
<td>Audit Report</td>
<td>Not Prod.</td>
<td>Internal Use</td>
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Not Produced, Internal Use, Published
2015 survey. The lack of a legal requirement in the country to publish a Citizens Budget contributed to this volatility in publication.

**Easing of scrutiny or incentives from international development partners**

Shifting priorities among international development partners may contribute to fewer technical or financial resources being available to support the production and publication of documents, and this may result in insufficient implementation capacity. In addition, a decline in the amount of aid that is conditional upon a country making or sustaining improvements in its budget transparency may weaken the incentives to sustain gains and reduce the political will for such reforms. São Tomé e Príncipe is an example of a country where the approval of assistance from the World Bank was linked to actions that the country needed to take to achieve improvements in budget transparency.

To enable meaningful participation in the budget process, the Committee stresses the importance of ensuring that States parties have in place legislation and policies for freedom of information that include, or at a minimum do not exclude, children and child rights advocates from the right to access key budgetary documents such as pre-budget statements, budget proposals, enacted budgets, midterm reports, in-year reports and audit reports. General Comment no. 19, CRC, paragraph 55

**Easing of scrutiny from civil society and the public**

Once budget processes become more transparent, pressure from civil society can ease as the transparency agenda is considered to have been accomplished. Facing less pressure, some countries may revert to less transparent practices, in part due to the bureaucratic discretion mentioned above. Also, if civil society and citizens fail to use or pay attention to the budget information provided, perhaps because they lack the necessary skills, broad-based pressure to keep up publication may be weak. In Egypt, for example, the regime change led to a limited space for civil society to pursue a budget transparency agenda.

### Table 4.4: Transparency in Budget Legislation for a Selection of African OBS Countries

| Countries with no mention of transparency in budget legislation | Algeria, Botswana, Cameroon, Chad, Mozambique, Namibia, Niger, Sudan |
| Countries with limited mention of transparency in budget legislation | Angola, Ghana, São Tomé and Príncipe, Tanzania, Zambia |
| Countries with extensive mention of transparency in budget legislation | Burkina Faso, Kenya, Liberia, Mali, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Uganda |

*Note: for Nigeria at least some of the transparency clauses are found in fiscal responsibility or access to information legislation, rather than in the main budget laws.*

**Responses to regression and volatility**

One way to limit bureaucratic discretion, and to diminish the role of the inevitable waxing and waning of political pressure, is to enshrine budget transparency practices in law.

A recent IBP paper investigates whether legal provisions for budget transparency lead to greater budget transparency practices. While the findings are not entirely conclusive, they do show that the introduction of strong legal transparency provisions is associated with improvements in budget transparency in a number of countries (albeit with a delay in some cases). For example, Liberia’s OBI score increased by 40 points between the 2008 and 2012 rounds of the survey, following passage of the Public Finance Management Regulations for Public Finance Management Act in 2009. The paper also provides the information contained in the following table about African countries.

Most encouragingly, the paper shows that when laws specify which documents should be published, the likelihood of a country publishing those documents increases. Thus, legal transparency provisions that are specific and provide detailed information on which documents should be published and when can play a role in institutionalizing transparency reforms.

When it comes to countries stuck at the very bottom, the limited civic space typically permitted in these countries also suggests that external actors may best placed to encourage reforms. However, external actors may also be least influential in such countries, especially those with oil resource revenues that act as a buffer against development partner pressure.

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Opportunities for Public Participation in Budgeting in Africa

KEY FINDINGS

- Opportunities for public participation are limited in the African countries surveyed and in some cases are absent altogether.
- Of the 31 African countries surveyed, 29 provide at best minimal opportunities for the public to engage in the budget process.
- Five countries hold public hearings on the macro-economic framework and the individual budgets of administrative units. Eight other countries hold more limited hearings, while the legislatures of 18 countries choose not to open hearings on the budget to the public at all.
- Fourteen countries have established mechanisms to seek public views on the Executive’s Budget Proposal.
- Participation is poor at all stages of the budget process in the African survey countries, and existing approaches often fall short of good practice.
- Only Botswana, Liberia and Tanzania have established supreme audit institutions with complaints and suggestion mechanisms for the public to inform audit programmes.
- Botswana, Liberia and Malawi are the only countries to have developed mechanisms for public participation in audit investigations.
- None of the African survey countries provide detailed feedback to the public on how their input has been used in audits.

Greater access to information without the formal opportunity to use that information to influence policy threatens to undermine the positive effects of greater transparency. This chapter includes a case study from Kenya that illustrates how governments can implement innovative effective mechanisms to facilitate the public’s input on the budget.

Creating the conditions under which governments are consistently held accountable for managing public funds entails more than establishing transparent budget systems. Government must also provide meaningful opportunities for parliament, civil society and others to participate in the budget process. This chapter examines the extent of public participation in African budget processes. It is based on the findings of the 16 questions on participation in the Open Budget Survey.

Experience shows that broad and effective participation in budget processes by the public exposes decision makers to a valuable range of information and views, and helps to ensure that budget decisions reflect national priorities. In terms of investment in children, such information and views can come from various advocates and organizations working with or representing children or others with knowledge of their situation, ideas and wishes. It is also important for children themselves to understand budget processes and to directly contribute whenever possible.

Global support for public participation

Prior to 2012, few international standard-setters acknowledged participation as a key component of a well-functioning budget system, and none provided standards or guidelines on what constitutes good practice in terms of public participation in national budget systems. The survey questions set by IBP in the Open Budget Survey 2012 were therefore a first attempt to articulate a set of guidelines on how participation in the budget process at the national level ought to be structured.

The Committee recognizes that a number of States have experience in engaging children in meaningful participation in different parts of the budget process. It encourages States parties to share such experiences and identify good practices that are appropriate to their contexts.

General Comment no. 19, CRC, paragraph 56

Concurrent with IBP’s work on the 2012 survey, the Global Initiative for Fiscal Transparency (GIFT), issued 10 high-level principles on fiscal transparency, including one that enshrines a citizen’s right to constructive opportunities to participate in budget policymaking. These principles were subsequently endorsed in a resolution adopted by the United Nations 33 IBP and London School of Economics (2016) The Impacts of Fiscal Openness, available at: http://www.internationalbudget.org/publications/the-impacts-of-fiscal-openness—a-review-of-the-evidence/. This was the first systematic review of the impacts of ‘fiscal openness’ interventions in 38 empirical studies published between 1991 and early 2015. It concludes that only a handful of the studies investigated the role of specific components of budget transparency and found desirable impacts of fiscal transparency or participation on budgeting in the form of reduced corruption, enhanced electoral accountability, and improved allocation of resources. The study further found that evidence on resource allocation and service delivery mainly considers participatory mechanisms. More research is needed.
There is growing consensus that public participation is an essential component of a well-functioning, accountable budget system. International standard-setting bodies, such as the IMF and the OECD, have strengthened their support for participation in the budget process as a complement to their transparency standards. The OECD has issued its ‘Principles on Budgetary Governance’, which include specific language on the need for budget debates to be ‘inclusive, participative, and realistic’. Additionally, in its 2014 Fiscal Transparency Code, the IMF encourages ‘government [to] provide … citizens with an accessible summary of the implications of budget policies and an opportunity to participate in budget deliberations’. The language in both documents regarding participation is new.

At the same time, GIFT has expanded its work programme on participation and has begun to document practical and meaningful examples of public participation from around the world. It intends to use these case studies to develop guidelines for public participation and a menu of good practice for participation in the budget process. GIFT’s work aims to help the international community understand questions such as who should participate in the budget process, how participatory mechanisms should be structured, and how public participation should fit into the overall accountability framework.

### Measuring opportunities for public participation

In the context of developing knowledge and norms on good public participation practices, it is important to understand what is, and what is not, measured in the survey when it refers to public participation. There are 16 survey indicators on public participation. These primarily assess whether governments are creating the necessary conditions for structured, direct participation between the public and the government (including the executive, the legislature and the supreme audit institution) during the formal national budget process:

The survey indicators examining budget participation are subject to certain limitations. They do not, for example, measure the quality of public participation or its impact on the budget process. Thus, findings from the survey do not assess whether budget outcomes have improved as a result of the implementation of particular public participation mechanisms. Furthermore, the survey does not distinguish between elite and mass-based participation, and does not consider what groups of people are participating – young or old, those advocating for investment in children or other specific purposes.

States parties are obliged to establish public accountability mechanisms that allow civil society, including children, to monitor outcomes of public spending.

General Comment no. 19, Paragraph 102

As a result, the survey recognizes two types of participation mechanisms: those that rely on the involvement of policy experts but do not create space for broader public input, such as advisory councils; and those that are designed to harness feedback from the public more directly. Finally, the survey only assesses direct, formal participation mechanisms. It does not, therefore, examine the extent to which citizens and civil society can affect budgets through advocacy campaigns and other initiatives undertaken outside the formal budget process.
Public participation in Africa

Findings from the Open Budget Survey 2015 show that opportunities for public participation are limited and, in some cases, completely absent. On average, the 31 African countries score a mere 18 out of 100 on participation. As many as 29 out of the 31 countries (about 94 per cent), score 40 or below on public participation, meaning that they provide at best minimal opportunities for the public to engage in the budget process. Thus, in the vast majority of survey countries, citizens have little or no say in the budget process.

Furthermore, while participation is a necessary complement to budget transparency in order to bring about greater government accountability, the results from the 2015 survey indicate that greater disclosure of budget information is typically not accompanied by meaningful opportunities to participate in the budget process. The OBI scores for Malawi, South Africa and Uganda exceed 60; however, only South Africa scores adequately on providing opportunities for public participation. Malawi and Uganda score 65 and 62 on the OBI, respectively, but just 44 and 23 on public participation.

A lack of formal opportunities for people to participate in the budget process threatens to undermine the positive effects of greater transparency. If people have greater access to information but no formal opportunities to use it to influ-

BOX 5.2: PRINCIPLES OF PUBLIC PARTICIPATION IN FISCAL POLICY BY THE GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY (GIFT)

According to the GIFT principles for public participation in fiscal policy, public authorities should ensure that citizens and other non-state actors have effective opportunities to participate directly in public debate and discussion with respect to the design, implementation and review of fiscal policies, based on the following interdependent principles:

1. **Openness.** Provide full information on, and be responsive to, the purpose, scope, constraints, intended outcomes, process and timelines, as well as the expected and actual results of public participation.
2. **Inclusiveness.** Proactively use multiple mechanisms to reach out to engage citizens and non-state actors.
3. **Respect for self-expression.** Allow and support individuals and communities, including those directly affected, to articulate their interests in their own ways, and to choose the means of engagement that they prefer, while recognizing that there may be groups that have sufficient standing to speak on behalf of others.
4. **Timeliness.** Allow sufficient time in the budget and policy cycles for the public to provide inputs in each phase; engage early while a range of options is still open; and, where desirable, allow for more than one round of engagement.
5. **Accessibility.** Facilitate public participation in general by disseminating complete fiscal information and all other relevant data, in formats and using mechanisms that are easy for all to access, understand, and to use, re-use and transform, namely in open data formats.
6. **Transparency.** Support each public engagement by providing all relevant information, highlighting and informing key policy objectives, options, choices and trade-offs, identifying potential social, economic and environmental impacts, and incorporating a diversity of perspectives; provide timely and specific feedback on public inputs and how they have been incorporated (or not) in official policy or advice.
7. **Proportionality.** Use a mix of engagement mechanisms proportionate to the scale and impact of the issue or policy concerned.
8. **Sustainability.** All state and non-state entities conduct on-going and regular engagement to increase knowledge sharing and mutual trust over time; institutionalize public participation wherever appropriate and effective, ensuring that the feedback provided leads to revision of the fiscal policy decisions; and regularly review and evaluate experience to improve future engagement.
9. **Complementarity.** Ensure that mechanisms for public participation and citizen engagement complement and increase the effectiveness of existing governance and accountability systems.
10. **Reciprocity.** All state and non-state entities that take part in public engagement activities should be open about their mission, the interests they seek to advance, and whom they represent; they should commit to and observe all agreed rules for engagement; and they should cooperate to achieve the objectives of the engagement.

process, even though such informal engagement may, at times, have more influence than formal engagement. Understanding of how to measure the extent and quality of public participation in the budget process is still at an early stage. The survey’s indicators thus help to inform the more detailed set of guidelines and principles for good practice that GIFT is developing. As a more nuanced understanding emerges of what effective participation in the budget process looks like, so the survey indicators on public participation are likely to be refined.
ence policy, their ability to hold government to account is significantly diminished. The public and others may also be less inclined to push for transparency if it lacks opportunities to use the information to influence decisions. In some cases, informal opportunities to participate may, to some degree, fill in for formal opportunities. But these informal opportunities can also be taken away arbitrarily (decision makers can simply decide not to engage in informal discussions, for instance). As a result, formal and informal opportunities to participate should be viewed as complementary and synergistic, not as substitutes for each other.

**Opportunities for public participation with different government actors**

The 2015 survey finds that participation is inadequate at all stages of the budget process in the African survey countries. Even when legislatures, executives and supreme audit institutions have established programmes to engage the public in the budget process, their approaches often fall short of good practice. Without participation mechanisms that span the entire budget process and that truly give citizens a voice, governments will remain unable to harness fully the positive impact that public participation can have on budget decisions – such as those related to investment in policies and programmes related to children.

**Participation and the legislature**

Public participation can augment legislative oversight by...
bringing to the budget deliberations new knowledge and information on what should be prioritized in terms of investment in children or other specific purposes. Testimony and analysis from economists and civil society, among others, can supplement budget analysis conducted by the legislature and its supporting institutions; if multiple perspectives are taken into account, legislative decision making should be stronger.

The results of the African survey countries show that in 18 of the 31 countries, legislatures choose not to open hearings on the budget to the public at all. These include hearings on the macroeconomic and fiscal framework presented in the budget and on the individual budgets of central government ministries, departments and agencies.

Furthermore, even when they are open to the public, these public hearings all too often create the appearance of public participation without actually giving citizens a formal voice. The public can testify at hearings on the macroeconomic framework in less than a third of the African survey countries; and the proportion is almost the same when it comes to hearings on the individual budgets of government administrative units. The public testify in both types of legislative hearings in only five of the 31 countries – Malawi, South Africa, Uganda, Zambia and Zimbabwe. There is limited value in allowing the public to listen to legislative debates without providing them with an opportunity to speak.

**Participation and the Executive**

In less than half\(^{39}\) of the African countries surveyed has the executive established a mechanism to identify the public’s perspectives on budget priorities, so that these can be taken into account when formulating the Executive’s Budget Proposal. This figure falls to a third\(^{40}\) when it comes to seeking public input on implementation of the budget.

Many of the mechanisms to engage the public are not widely used or accessible. Creating an environment where the public is provided with accessible opportunities to participate, and where its feedback is reflected in government decisions, remains an objective that most executive branches fail to achieve.

In the few countries where the executive has taken steps to establish meaningful mechanisms in the budget formulation and execution stages, experience has shown that a variety of approaches, tailored to the countries themselves, can be implemented to harness citizen input. An example of this is found in Kenya (see case study 3).
Participation and the supreme audit institution

Only a few of the 31 African survey countries have created supreme audit institutions that offer some space for public participation; the vast majority do not enable public dialogue. Results from the survey show that there are only three African survey countries that have established supreme audit institutions with mechanisms for the public to submit complaints or provide suggestions – Botswana, Liberia and Tanzania. There are also only three countries – Botswana, Liberia and Malawi – that have developed mechanisms that allow the public to participate as respondents or witnesses in audit investigations. None of the countries provide detailed feedback to the public on how their input has been used to influence audit programmes or Audit Reports.

Feedback from the public on audit issues can often take place using online tools, although facilitating citizen engagement in audit investigations may require more direct engagement. Supreme audit institutions should not shy away from engaging members of the public in their investigations as respondents or witnesses, and should move beyond their typical practice of restricting discussion to the officials responsible for administering programmes.

Public participation in the audit process can enhance the capacity of supreme audit institutions. The public can extend the auditor’s geographic scope to remote areas that are harder or more expensive to reach, and can expose cases of corruption when vested interests in government are reluctant to do so.

Examples of public participation

There are few examples of strong public participation mechanisms. However, some countries do stand out for having established innovative programmes to incorporate the public into the national budget process. These include Kenya. GIFT has commissioned a series of case studies to document novel practices in public engagement. The case study of Kenya is summarized in Box 5.4, with some expanded points based on discussions with the authors and information collected through the Open Budget Survey questionnaire.

Improving public participation

The results of the survey reveal that most countries fall short in providing meaningful opportunities for the public to engage in the budget process. However, the Kenyan case study above illustrates that governments can implement effective mechanisms to facilitate the public’s input into the budget. Moreover, while any participation mechanism needs to be tailored to the specific country context, the case of Kenya provides an innovative example of how a mechanism can be structured.
In Kenya, the constitution and other statutory laws have formally established participation mechanisms during both budget formulation and approval (with the executive and legislature, respectively). These mechanisms offer citizens and civil society two broad opportunities to influence the policies and priorities that are ultimately reflected in the approved national budget.

First, during the early stages of budget formulation, under the law there is a mechanism for the public to participate in the development of the Pre-Budget Statement (called the Budget Policy Statement in Kenya). The Finance Ministry organizes public hearings, mainly at the national level, on sectors such as health, education, public safety and agriculture. Citizens have the opportunity – albeit limited – to offer input on the content of the Budget Policy Statement before it is presented to the legislature. During these sector hearings, civil society and citizens are invited to ask questions and make suggestions and recommendations on the content of the Budget Policy Statement. In this way, citizens have an opportunity to influence budget policies and priorities before the Finance Ministry develops the draft budget.

Some civil society organizations have developed innovative ways to leverage this opportunity in order to influence revenue and expenditure priorities. The Institute of Economic Affairs, for example, undertakes public consultations across the country and prepares a Citizen’s Alternative Budget. This is then presented at the public hearings to inform the preparation of the Budget Policy Statement.

The second opportunity for civil society and citizens to influence budget policies and allocations occurs when the legislature’s Budget and Appropriations Committee considers the Executive’s Budget Proposal. The two-month period during which the legislature debates and amends the draft budget proposal provides an opportunity for the public to influence the content of the budget. During this period, civil society can make submissions to the committee at public hearings in Nairobi, through memoranda, email or presentations.

**BOX 5.4: PARTICIPATION IN KENYA**

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**BOX 5.5: SOCIAL AUDIT OF CONDITIONS IN SCHOOLS**

A social audit is a participatory way of investigating whether government programmes have been implemented as planned. They are conducted not by supreme audit institutions, but by civil society, in collaboration with government officials, and can provide alternative information to the work of a supreme audit institution or to a government’s own internal audits. Findings that reveal differences between what was planned and delivered in relation to a programme provide evidence of problems or failure to meet standards. The findings are presented to and discussed with government officials.

A social audit on school conditions was conducted in the province of Gauteng, South Africa, in 2015. It was carried out among 500 students and their teachers, parents and grandparents in more than 200 schools accommodating around 200,000 students. The basis for the social audit was the law on Minimum Norms and Standards for School Infrastructure, which contains binding timeframes and standards for water, sanitation, electricity, libraries and laboratories in schools.

The community auditors were trained in the laws and research methods relevant to the audit. They then worked in teams of 2–5 and spent 1–2 hours surveying the schools, interviewing students, teachers and principals, and recording data. The social audit revealed a sanitation crisis in schools, overcrowding, unsafe schools and classroom conditions, and the exclusion of students with disabilities. By contrast, virtually all schools had access to water, electricity and a nutrition centre. Based on the findings, a number of demands were formulated and raised with the communities, the school leadership, the provincial government and the media.


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41 The full report can be downloaded at: http://www.fiscaltransparency.net/wp-content/themes/enfold/includes/gift_embedded/en/resource_open.php?idToOpen=20151006129
Role and Effectiveness of Budget Oversight Institutions in Africa

The executive, the supreme audit institution and the legislature all play essential roles in a well-functioning budget system. While the executive takes the lead in formulating and implementing the budget, the legislature can play a significant role in amending the executive’s budgetary proposals; meanwhile, the legislature and the supreme audit institution can both provide sustained and systematic oversight to ensure that funds are spent as intended and meet national priorities. Civil society plays an important role as an independent watchdog, but cannot replace the fundamental role of formal oversight institutions in the budget process. In fact, to a significant extent, effective civil society engagement – including by children’s advocates – depends on effective oversight institutions.

Oversight and the legislature

Legislatures play an essential role in ensuring that public funds are collected and spent in a manner that reflects national priorities – a role that is often enshrined in a nation’s constitution. While the extent of the legislature’s involvement in the budget process varies from country to country, it can potentially play a significant role during all four stages of the budget cycle. In most countries, legislatures are responsible for approving the budget proposed by the executive and for holding the government to account for its performance in executing the budget. In some countries, legislatures also play a role in the budget process prior to the submission of the Executive’s Budget Proposal. Furthermore, legislatures typically have a role to play toward the end of the budget cycle, scrutinizing Audit Reports and assessing whether the executive has complied with the supreme audit institution’s recommendations.

There is considerable room for improvement in terms of the role and effectiveness of budget oversight institutions in the African survey countries. Deficiencies in this regard undermine the entire budget accountability system in the countries concerned.

KEY FINDINGS

- More than two-thirds of the African countries surveyed in 2015 had legislatures with weak or limited powers to actively engage in the budget process and fulfil their oversight responsibilities.
- Legislatures in 61 per cent of the African survey countries face severe limitations in their capacity to influence and oversee the budget.
- Legislatures in 13 of the 31 countries have less than eight weeks in which to assess and debate the Executive’s Budget Proposal.
- In 20 of the 31 countries, the legislature has little opportunity to shape budget priorities prior to the budget being tabled in parliament.
- In Algeria, Angola, Egypt, Senegal, Equatorial Guinea and Mozambique, the legislature either has no access to research capacity or has to rely on external researchers to carry out the research.
- Only 12 of the 31 countries have established supreme audit institution monitoring systems to provide on-going, independent evaluations of their audit processes.
- In the vast majority of African survey countries, the supreme audit institutions have some discretion in law to undertake those audits they wish; however, this is not the case in Equatorial Guinea or Zimbabwe.
- In a little under two-thirds of the African survey countries, a branch of government other than the executive (e.g. the legislature or the judiciary) gives final consent before the head of the supreme audit institution can be removed from office.
- The OBS 2015 finds the average strength of the supreme audit institutions in the African survey countries to be 49 out of 100.

The balance of power between the executive and the legislature with respect to influence over the budget varies from country to country, depending on national laws, customs and other factors. The Open Budget Survey includes 11 questions to assess the strength of the legislature throughout the budget process. The survey measures legislative strength based on the legislature’s access to research and its analytical capacity; its involvement in the budget process prior to the submission of the Executive’s Budget Proposal; its scope to
amend the Executive’s Budget Proposal; and the extent to which the executive can circumvent the legislature in making changes to the Enacted Budget during budget implementation. The greater the strength of the legislature as measured by these indicators, the more likely it is that it will be in a position to play an influential and constructive role in the budget process.

In the 2015 survey, the average score for legislative strength in the African survey countries was 42 out of 100. This indicates that, on average, the strength of legislatures in survey countries is limited. More than three-quarters of the countries surveyed have legislatures with weak or limited powers to engage actively in the budget process and fulfil their oversight responsibilities. Specifically:

- Only seven of the countries are considered to have legislatures that have adequate (or better) influence over budget processes, scoring 61 or more.
- Five of the countries have legislatures with limited influence, scoring between 41 and 60.
- Nineteen have legislatures with weak influence, scoring 40 or less.

Thus, in 61 per cent of the African survey countries, legislatures face severe difficulties in their ability to oversee the budget (this is slightly below the global average of 65 per cent). This undermines the entire budget accountability system in those countries.

The influence of legislatures over the budget varies across the budget cycle, even among countries where the legislature is considered to have adequate powers. The global survey found that legislative powers were strongest during the approval stage. This is unsurprising: in many countries, the legislature’s responsibility to approve the national budget is enshrined in law and is seen as a core responsibility of the institution. Still, legislatures in far too many countries lack sufficient time to thoroughly review and analyse the draft budget. For example, legislatures in 13 of the 31 African survey countries have less than eight weeks in which to assess and debate the Executive’s Budget Proposal. In one of the countries, Egypt, the legislature did not receive the draft budget because it had been dissolved.

The role of the legislature is comparably weak during the other parts of the budget cycle. In 20 of the 31 countries, the legislature has little opportunity to shape budget priorities before the budget is tabled in parliament. In these countries, consultations on budget priorities between the executive and the legislature during the formulation of the budget are either non-existent or are restricted to a limited number of legislators, while debates on budget policy prior to the tabling of the Executive’s Budget Proposal do not form part of the budget process. In countries where the legislature lacks the authority to amend the Executive’s Budget Proposal or where such authority is severely constrained, including by lack of time to review the proposal, the formulation stage is effectively the legislature’s only meaningful opportunity to influence the budget.

Furthermore, those legislatures with limited or weak powers...
often face significant constraints on their ability to perform adequate oversight during budget implementation. In those countries, the executive can arbitrarily change the budget approved by the legislature without consulting the legislature or seeking its approval. Therefore, actual spending can deviate significantly from the spending plan authorized by the legislature. In a large majority of survey countries, the executive can circumvent the Enacted Budget by redistributing funds between ministries, spending excess revenue, or spending amounts set aside in contingency funds, all without first seeking the legislature’s approval.

In addition to informing readers about parliamentary processes, the guide provides recommendations on how to include child participation in committees and promote parliamentary debate on child-relevant issues, including in relation to public budgeting.

The guide may be found at: http://www.comminit.com/governance-africa/content/unicef-guide-working-parliaments

Oversight and the supreme audit institution

A country’s national audit office, or supreme audit institution, is responsible for ensuring that the national budget is implemented in accordance with existing laws and regulations.

Dedicated audits in relation to the rights of the child can assist States in evaluating and improving public revenue mobilization and spending on children. States parties should make the audit reports accessible and publicly available in a timely manner. General Comment no. 19, CRC, paragraph 107

In order to guarantee appropriate and effective positions for supreme audit institutions (not least in relation to audits that concern children), their independence needs to be guaranteed. In the African countries surveyed, less than 40 per cent (12 of the 31) have established supreme audit institution monitoring systems to provide on-going, independent evaluations of their audit processes. In the vast majority of African survey countries, the supreme audit institutions have some kind of discretion in law to undertake audits if they wish to; however, this is not the case in Equatorial Guinea or Zimbabwe. Moreover, in less than 60 per cent of African
survey countries, a branch of government other than the executive (e.g. the legislature or the judiciary) needs to give final consent before the head of the supreme audit institution can be removed from office.

The survey uses four indicators to measure the strength of supreme audit institutions. These consider whether the conditions necessary for effective oversight are present, including independence from the executive, systems to ensure the quality of individual audits, and sufficient funding. Independence is measured on the basis of factors such as who has the power to remove the head of the supreme audit institution and determine its budget, as well as the level of discretion provided to the supreme audit institution under the law to audit whatever it wishes. The survey also examines whether supreme audit institutions have established an independent quality assurance system to assess and improve the quality of their Audit Reports. Finally, the survey considers whether the supreme audit institution has adequate resources to fulfil its mandate.

The Open Budget Survey 2015 found that the average strength of supreme audit institutions in the African survey countries was 49 out of 100. Specifically:

- Botswana, South Africa, Sierra Leone, Ghana, Chad, Uganda, Kenya and Namibia scored 61 or more, placing them in the ‘adequate’ category. While supreme audit institutions in these countries generally enjoy independence from the executive and have access to adequate resources to carry out their work, improving their quality assurance systems could further bolster the reliability of the reports they produce.

- Fifteen countries scored between 41 and 60, placing them in the ‘limited’ category. The vast majority of these supreme audit institutions have not established an independent quality assurance system, or else their systems have serious deficiencies that undermine their effectiveness. Furthermore, supreme audit institutions in these countries often lack sufficient funding to enable them to exercise their mandate in a meaningful way. The countries are: Tunisia, Egypt, Senegal, Mali, Niger, Burkina Faso, Benin, Niger, Nigeria, DRC, Tanzania, Zambia, Malawi, Mozambique and São Tomé e Príncipe.

- Algeria, Liberia, Cameroon, Rwanda, Angola, Zimbabwe, Morocco, Sudan and Equatorial Guinea scored 40 or less, placing them in the ‘weak’ category. In these countries, important conditions for effective oversight are missing. They often lack full independence from the executive and sufficient funding, as well as quality assurance systems. Other aspects of the accountability framework, including

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**FIGURE 6.2: COUNTRIES GROUPED BY SUPREME AUDIT INSTITUTION STRENGTH**

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Number of Countries

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak (0-40)</td>
<td>14</td>
</tr>
<tr>
<td>Limited (41-60)</td>
<td>9</td>
</tr>
<tr>
<td>Adequate (61-100)</td>
<td>8</td>
</tr>
</tbody>
</table>
```
transparency, the extent of public participation in the budget process, and the strength of the legislature, also tend to be lacking in these countries.

**Open budget systems**

A consistent theme of this report is that efficient, effective, equitable and accountable budget systems rest on three pillars: budget transparency, opportunities for the public to participate in the budget process, and strong formal oversight institutions. The absence of any one of these pillars weakens the rest of the system. The survey results show that very few countries perform well on all three components.

Specifically, in the African survey countries:

- South Africa, Malawi and Uganda provide substantial or extensive budget information; of these, only South Africa scores above 60 for public participation, oversight by the legislature, and oversight by the supreme audit institution.
- Of the 31 African survey countries, 18 fail to meet the survey’s standard of adequacy (scores above 60) on any one pillar.
- Seven of the countries fall into the weak-performing category (with scores of 40 or less) across all measures. That is, these countries perform weakly on the transparency pillar, the participation pillar, and the oversight pillar alike. In these countries, the entire Open Budget System is deficient, creating opportunities for the mismanagement of funds and corruption. The African survey countries in this group consist of Algeria, Angola, Equatorial Guinea, Liberia, Morocco, Sudan and Zimbabwe.

The Committee underlines the fact that supreme audit institutions should be independent from the State and should have a mandate to access the information and resources needed to audit and report on child-related budgets in an independent, accountable and transparent manner.

General Comment no. 19, CRC, paragraph 108
In most countries of Africa, the financing of the SDGs for children will predominantly come from national budgets. Those goals and commitments are more likely to be realized if countries establish strong national open budget systems. The right package of reforms for any country depends on the particular gaps in its budget system. Based on the Global Open Budget Survey 2015, IBP has published individual country summaries that include tailored recommendations for each country surveyed. The findings also lead to some general recommendations that apply to different categories of countries and to actors engaged in more than one country. This chapter summarizes those broad lessons with a focus on children and Africa, by making recommendations related to:

1. Implementing General Comment no. 19
2. Strengthening public financial management systems
3. Publishing more information
4. Institutionalizing transparency
5. Institutionalizing participation
6. Institutionalizing and empowering oversight institutions

A key trend over the past decade has been towards acceptance of transparency and more open budgets with concrete steps taken in many countries. Despite progress, however, the vast majority of children in Africa live in countries where governments do not provide sufficient budget information for the public to fully understand or monitor how public funds are raised or spent.

Of the 31 African countries surveyed, only three provide sufficient information to sustain budget monitoring and discussion. The remaining 28 fall into two groups:

- Sixteen are considered weak performers, with OBI scores of 40 or less. The paucity of published budget documents in these countries means that the public is largely left in the dark about budget policies, despite their importance to national well-being.
- Twelve publish a limited amount of budget information, with OBI scores of between 41 and 60. In these countries, insufficient detail in published budget documents limits the ability of civil society and the public to assess the overall fiscal health of a country and to evaluate the effectiveness of government policies.

Recommendation 1: Implement general comment no. 19

General Comment no. 19 on Public Budgeting for the Realization of Children’s Rights provides an overall framework for governments to invest in children and in the realization of their rights. As African governments take steps to implement it, efforts to improve open budgets should be prioritized as a fundamental step to help governments’ overall efforts to make national budgets effective, efficient, equitable, and impactfull for children. The General Comment should be made available to the public and used as a basis for State Party reporting to the UN Committee on the Rights of the Child. Public budgeting and accountability should also be included in parallel civil society reports to the UN Committee.

Recommendation 2: Strengthen public financial management systems for children

A strong public financial management (PFM) system is a foundation for transparent budgets and budget processes that make room for participation and oversight. Countries that have stronger PFM systems – such as Burkina Faso, Tunisia and Rwanda – should both sustain and improve the reliability of their information, and should make sure that investment in children is made visible and accessible in budgets and budget processes. Those with weaker PFM systems could seek support to strengthen systems that also incorporate reliable and vital information related to children (e.g. Senegal and Sudan). Although Ghana and Liberia are examples of countries with weaker PFM systems that manage to be relatively transparent with their budgets, longer-term sustainability would no doubt be reinforced with improved financial management.

To fulfil commitments to children, governments should ensure that PFM systems consider, among other things, knowledge and data on:

- national goals, targets and indicators related to children;
- relevant policies, strategies, plans and/or programmes that are, or should be, in place to achieve these targets;
- the availability, allocation and expenditure of resources to implement these initiatives;
- the efficiency and effectiveness of the spending;
- how equitably public funds are distributed, planned for and spent;

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42 Open Budget Survey Country Summaries for all 102 countries surveyed are available at www.openbudgetsurvey.org
lessons learned from gathering facts on the situation, participatory processes, evaluations and audits.

**BOX 7.1: GENERATING NEW BUDGET INFORMATION THAT LINKS SPENDING AND OUTCOMES IN UGANDA**

As donors phased out budget support for social sectors in Uganda, so there was increasing pressure to use available public resources more effectively. To this end, the Budget Monitoring and Accountability Unit (BMAU) within the Ministry of Finance developed a system to link performance monitoring with higher strategic outcomes. As a result, the government moved away from a focus on delivering outputs to capturing the impact of the budget on social outcomes, including for children. Through this new approach, called ‘Rethinking Public Finance for Children: Monitoring for Results’, the budget system generates new information on budget performance which is helping remove implementation bottlenecks, enhancing transparency and accountability, and improving service delivery.


All governments should make sure that their PFM systems generate and utilize relevant knowledge and data throughout the different stages of the budget process, particularly in crucial sectors for children, such as health, education, water and sanitation (WASH), nutrition, social protection, and child protection systems. Where possible, governments should take actions to introduce classification and monitoring systems, such as programme budgeting to track spending and results. In addition, African governments are encouraged to better measure, track and report on public spending on child-related activities and programmes. Budget data should be disaggregated by sub-sector and programme (for example pre-primary education in the education sector), as well as at the subnational level, in order to address prevailing geographical disparities.

Development partners should, whenever possible, channel aid through government budget systems, for example, by using budget support mechanisms of different kinds. When this is not possible, development partners should ensure that the systems and procedures utilized for their projects and programmes are compatible with those of recipient government budget systems. For example, development partners should ensure that aid-financed activities are captured in the relevant sector’s medium-term plan and expenditure framework, and that information on commitments and disbursements is provided to government in formats and at times that facilitate their inclusion in budget documents. This is especially critical as external financing in key sectors for children, such as health, education, and WASH, remains significant in many countries across the continent.

**Recommendation 3: Publish more information, including child-specific information**

Information and data on investments in sectors that are crucial for children should be included in key documents to be produced and published throughout the budget process. Countries should urgently increase the number of budget documents that are published in a timely manner. Governments should prioritize the publication of documents that are already produced for internal use, which can be made available at little or no extra cost. Furthermore, all countries should publish the Executive’s Budget Proposal, a nation’s most important policy document. Despite progress, Chad, Egypt, Equatorial Guinea and Sudan still do not publish this vital document.

Countries should enhance the level and variety of detail included in budget documents, including comprehensive information on investments in children. Critical issues that should be incorporated in these budget documents include:

- macroeconomic assumptions for the budget year, including GDP, inflation and population growth;
- tax and other revenue projections;
- debt composition;

**BOX 7.2: DISCLOSING PUBLIC INVESTMENTS IN CHILD PROTECTION IN TANZANIA**

To understand the size and type of public investments in the child protection system, the Ministry of Finance of Tanzania, together with UNICEF, carried out a Public Expenditure Identification Survey, which included participatory workshops with officials in 12 randomly selected districts to map out child protection-related services and corresponding budget lines, as well as interviews with officials from central agencies to identify relevant allocations at the central level. The new information on spending trends led to a series of recommendations to raise awareness, improve the policy environment and transform planning and budgeting practices, including the full integration of child protection into national budget and policy review processes.

expenditure data for all government programmes;
- detailed information on off-budget activities, such as extra-budgetary funds and quasi-fiscal activities;
- description of inter-governmental fiscal transfers, including formulas; and
- non-financial data on programme performance.

Many governments already produce some of this information, and so improving transparency is often just a matter of making it publicly available. In other cases, governments may not be generating the information, even for their own use. Some governments may prefer to defer publishing additional information until they are comfortable with the quality of the data; however, governments should publish all the data they use to make decisions.43

Support provided by development partners to improve budget transparency will also vary according to country circumstances and challenges. In poorly performing countries, development partners could encourage governments to publish budget documents that they already produce for internal use. In countries that publish a limited amount of budget information, development partners could offer assistance to support improvement in the scope and quality of published documents.

Civil society organizations committed to children’s issues should collaborate to strategically advocate for greater transparency as central to the fulfilment of national and international commitments to children. Key issues include urging government to increase the quantity and improve the quality of published budget documents, asserting public rights to information and participation, and emphasizing the contribution that open budgets make to good governance and national development.

Investors are particularly well placed to motivate governments to present more information in budget documents, since the absence of certain data may be perceived as a signal of undisclosed fiscal weakness and may discourage investment.

**Recommendation 4: Institutionalize transparency**

Measures should be adopted that will ensure that gains in transparency are not reversed, giving particular attention to maintaining and improving the quantity and quality of published budget documents. Preserving gains will help to ensure that budget transparency remains on a positive trajectory and improves incrementally. All African survey countries, including those that score above 60, should ensure that good transparency practices are institutionalized – for example, by embedding transparency practices in laws, rules and procedures.

**Recommendation 5: Institutionalize participation, including by child rights advocates and young people**

Greater budget transparency is essential if governments are to be held to account for how they raise and spend public funds in relation to children, as well as other purposes. Yet transparency is just one element of a robust open budget system. Formal spaces for public participation in the budget process are also essential for accountable budget systems. Such spaces allow people with knowledge of children to contribute to discussion of budget priorities.

Civil society should remain vigilant in its efforts to ensure that governments do not waver in their commitment to more transparent and accountable budget systems, lest important gains in transparency and accountability be reversed. Civil society has a responsibility to analyse available budget data and engage in any opportunities for budget dialogue, as a basis for sustained advocacy for increasingly open budgets.

**BOX 7.3: SOCIAL BUDGETING AND INTELLIGENCE REPORTING IN KENYA**

The Ministry of State for Planning, National Development and Vision 2030 developed Social Intelligence Reporting – a tool that enables the government and civil society to track budget allocations to support the realization of child rights through social services – and institutionalized it in 23 districts. The collective intelligence of communities has identified budget inefficiencies in social services, along with solutions, thus providing real-time budget tracking information and helping to improve the size and quality of services that affect children. For instance, in Kwale County, a budget was allocated to sanitation for the first time in fiscal year 2015/16 while allocations to education rose by 81 per cent from the previous year, reaching nearly US$10 million.


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43 Countries should, of course, strive to improve data quality, but they should not use concerns about the quality of data they are nonetheless using for decision making as an excuse for not publishing this information. In these situations, countries should still publish the data, but could also include an explanation of the data’s possible shortcomings.
participate in the budget process, the potential impact of greater transparency is weakened: to hold governments to account, the public needs both information and opportunities to participate.

All actors in African countries should encourage the establishment of formal mechanisms for public organizations committed to children’s issues and young people to participate in budget processes and create ways to integrate resulting input into budget decisions. While any mechanism will need to be adapted to the country context, the innovative approaches documented by the Global Initiative for Fiscal Transparency provide governments with concrete examples of how budget participation can work. In particular:

- The executive branch should develop mechanisms such as participatory budgeting and social audits to obtain public input during the formulation and implementation of the budget.
- Legislatures should establish open hearings on the budget, during which the public is permitted to testify.
- Supreme audit institutions should establish fraud hotlines and citizen audit request systems to make their audit functions more relevant to citizens.

Recommendation 6: Institutionalize and empower oversight institutions

The survey results show that oversight institutions tend to have greater scope and authority than citizens and civil society to fulfill the role of holding government to account and protecting public resources. Still, formal oversight institutions face severe limitations in many countries. Legislatures, for example, often lack adequate access to research and the analytical capacity to engage meaningfully with the budget, which increases the likelihood that the legislature will merely rubber-stamp the budget during the approval stage. Furthermore, while several of the supreme audit institutions are assured of their independence from the executive, most have not established procedures to evaluate and increase the quality of their Audit Reports.

All actors should seek to improve legislative capacity to engage with the budget in a meaningful way, by supporting increased access to research and improved analytical capacity, including through the establishment of a specialized budget office – particularly in relation to what is needed (and what is being done) to fulfill the commitments to children. Securing the independence of, and sufficient funding for, the supreme audit institution should be the top priority. In addition, supreme audit institutions should be supported in establishing procedures to monitor audit processes and evaluate individual audits, with the goal of increasing the quality and reliability of the reports they produce.
In addition to the strength of the three pillars of an Open Budget System, the nature and quality of the interaction between them is important for effectiveness. Actors both within and outside government should promote the development of well-integrated, open budget systems in which all three pillars are functioning well.

The challenge for all actors – domestic and external, government and non-government – is to translate the global discourse, which now almost universally endorses the essential role of accountable budget systems, into real and sustained improvements for children and others at the national level. Strong and coordinated efforts to implement the recommendations outlined above could lead rapidly to the establishment of many more fully transparent and accountable budget systems. Such systems, in turn, would improve the collection and allocation of scarce national resources that are crucial to realizing government commitments to children and future generations.

IBP and UNICEF look forward to collaborating with all stakeholders in Africa on initiatives to improve transparency and accountability in order to maximise financing for development for children on the continent.

Looking forward

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**BOX 7.6: CREATING A NATIONAL BUDGET OBSERVATORY TO MONITOR AND IMPROVE THE EFFECTIVENESS OF SOCIAL SPENDING IN SENEGAL**

The Ministry of Economy, Finance and Planning (MoEFP) in Senegal established a National Social Budget Observatory as part of its monitoring of the implementation of the new and ambitious development strategy (Plan Senegal Emergent or PSE), since there was no mechanism to monitor financial commitments. At the same time, other parts of the government carried out the first ever analysis of social spending. The Observatory was launched in September 2015 at an official ceremony, which included a presentation of the Analysis of Public Expenditure in the Social Sectors 2006–13. In 2016, the Observatory moved into a new phase to begin training Parliamentarians and line ministry staff on conducting social budget analysis. In addition to institutionalizing the routine monitoring of social spending within the MoEFP, the Observatory equipped Parliamentarians with a Social Budget Analysis Bulletin to inform their deliberations on the 2016 budget law, which led to increase in public investments in key child-related sectors in line with the PSE. At the same time, the Observatory continues to support the Parliament with its budget oversight function and social sector ministries with relevant and timely information in developing their annual and multiannual budgets.


**BOX 7.7: TRAINING AND ADVOCACY TO EVALUATE SPENDING FOR CHILDREN AND INSTITUTIONALIZE PARLIAMENTARY BUDGET MONITORING IN GAMBIA**

Training programmes that targeted representatives of the Ministry of Finance, social sector ministries and the National Assembly were held to increase the capacity of key stakeholders to implement child-focused policy, expenditure and impact analyses, as well as to help establish the Budget Observatory Platform within the National Assembly. As a result, the government is now designing comprehensive child-focused budget studies (public expenditure reviews and tracking surveys, benefit incidence analysis) to improve the quality of its spending, while the National Assembly has strengthened its budget oversight role.

Implementing the Open Budget Survey 2015 and calculating the Open Budget Index and other scores

The Open Budget Survey assesses the three components of a budget accountability system: public availability of budget information; the degree to which governments provide opportunities for the public to participate in the budget process; and the strength of formal oversight institutions, including the legislature and the national audit office (referred to here as the ‘supreme audit institution’).

The majority of the survey questions assess what occurs in practice, rather than what is required by law.

The survey assesses the public availability of budget information by considering the timely release and the content of eight key budget documents that all countries should issue at various points in the budget process, according to generally accepted good practice criteria for public financial management. Many of these criteria are drawn from those developed by multilateral organizations, such as the IMF’s Code of Good Practices on Fiscal Transparency, the Public Expenditure and Finance Accountability initiative (whose lead partner is the World Bank), the OECD’s Best Practices for Fiscal Transparency, and the International Organization of Supreme Audit Institutions’ Lima Declaration of Guidelines on Auditing Precepts. The strength of such guidelines lies in their universal applicability to different budget systems around the world, including countries with different income levels.

The Open Budget Survey 2015 was a collaborative research process in which IBP worked with civil society partners in 102 countries over 18 months. The 102 countries covered all regions of the world and all income levels.

The Open Budget Survey 2015 was the fifth round; earlier rounds were completed in 2006, 2008, 2010 and 2012. The survey is typically conducted biennially. However, IBP delayed the most recent round by one year in order to undertake a series of improvements to the survey questions and to deploy a new online platform to collect survey results.

The open budget questionnaire

The results for each country in the 2015 survey are drawn from a questionnaire containing 140 questions that is completed by researchers typically based in the country surveyed. Almost all the researchers responsible for completing the questionnaire are from academic institutions or civil society organizations. Although the mandates and areas of interest of the research groups vary widely, all have a common interest in promoting transparent and responsive budgeting practices in their countries. Most of the researchers belong to organizations that focus largely on budget issues.

Most of the survey questions require researchers to choose from five responses. Responses ‘a’ or ‘b’ describe best or good practice, with ‘a’ indicating that the standard is fully met or exceeded, and ‘b’ indicating that the basic requirements of the standard have been largely met. Response ‘c’ corresponds to minimal efforts to attain the relevant standard; ‘d’ indicates that the standard is not met at all. An ‘e’ response indicates that the standard is not applicable – for example, when an OECD country is asked about the foreign aid it receives. Certain questions, however, have only three possible responses: ‘a’ (standard met), ‘b’ (standard not met), or ‘c’ (not applicable).

Once completed, the questionnaire responses are quantified. For the questions with five response options, an ‘a’ receives a numeric score of 100; a ‘b’ receives 67; ‘c’ gets 33; and ‘d’ attracts 0. Questions receiving an ‘e’ are not included in the country’s aggregated scores. For the questions with three response options, ‘a’ receives 100; ‘b’ receives 0; and ‘c’ responses are not included in the aggregated score.

The research process

For the 2015 survey, researchers began collecting data for the survey in May 2014 and completed the questionnaire for their country by the end of June 2014. The Open Budget Survey 2015 thus assesses only events, activities or developments that occurred up to 30 June 2014; any actions occurring after this date are not accounted for in the 2015 survey results.
All responses to the survey questions are supported by evidence. This includes citations from budget documents; the country’s laws; or interviews with government officials, legislators or experts on the country’s budget process. Throughout the research process, IBP staff assisted the researchers in following the survey methodology, particularly the guidelines for answering survey questions.

Upon completion, IBP staff members analysed and discussed each questionnaire with the individual researchers over a three- to six-month period. IBP sought to ensure that all questions were answered in a manner that was internally consistent within each country, and consistent across all survey countries. The answers were also cross-checked against published budget documents and reports on fiscal transparency issued by international institutions, such as the IMF, World Bank and the OECD.

Each questionnaire was then reviewed by an anonymous peer reviewer who has substantial working knowledge of the budget systems in the relevant country. The peer reviewers, who were not associated with the government of the country they reviewed, were identified through searches of bibliographies, professional contacts, the internet and past IBP conference records.

IBP also invited the governments of nearly all survey countries to comment on the draft survey results. The decision to invite a government to comment on the draft results was made after consulting with the relevant research organization responsible for the survey. IBP made a major effort to encourage governments to comment on the draft results; many governments that did not initially respond to IBP letters were contacted on five or six separate occasions. Of the 98 governments that IBP contacted, 53 commented on the survey results for their country. These comments can be seen in their entirety in the relevant questionnaires at www.openbudgetsurvey.org.

IBP reviewed peer reviewer comments to ensure that they were consistent with the study’s methodology. Any peer reviewer comments that were inconsistent were removed, and the remaining comments were then shared with researchers. Researchers responded to comments from peer reviewers and their government, if applicable, and IBP referred any conflicting answers, in order to ensure the consistency of assumptions across countries in selecting answers.

**The Open Budget Index**

The Open Budget Index assigns each country a score from 0 to 100, based on a simple average of the numerical value of each of the responses to the 109 questions in the questionnaire that assess the public availability of budget information. A country’s OBI score reflects the timeliness and comprehensiveness of publicly available budget information in the eight key budget documents.

**Measures for oversight institutions and public participation**

The 31 survey questions that are not used to calculate the OBI assess the opportunities for public engagement during the budget process and the oversight capacity of legislatures.

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**TABLE A.1: MEASURING THE TIMELY RELEASE OF INFORMATION TO THE PUBLIC THROUGHOUT THE BUDGET PROCESS**

<table>
<thead>
<tr>
<th>Budget Document</th>
<th>Release Deadlines for “Publicly Available” Documents</th>
<th>2015 Survey Questions*</th>
<th>Number of Questions per Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>Must be released at least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration.</td>
<td>54-58, Table 3-pbs</td>
<td>6</td>
</tr>
<tr>
<td>Executive’s Budget Proposal and supporting documents</td>
<td>Must be released while the legislature is still considering it and before it is approved. In no case would a proposal released after the legislature has approved it be considered “publicly available.”</td>
<td>1-53, Table 3-ebp</td>
<td>54</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>Must be released no later than three months after the budget is approved by the legislature.</td>
<td>59-63, Table 3-eb</td>
<td>6</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Must be published within the same timeframe as the underlying document. For example, a Citizens Budget for the Executive’s Budget Proposal must be released while the legislature is still considering the Executive’s Budget Proposal and before it is approved.</td>
<td>64-67</td>
<td>4</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>Must be released no later than three months after the reporting period ends.</td>
<td>68-75, Table 3-iyr</td>
<td>9</td>
</tr>
<tr>
<td>Mid-Year Review</td>
<td>Must be released no later than three months after the reporting period ends.</td>
<td>76-83, Table 3-myr</td>
<td>9</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>Must be released no later than 12 months after the end of the fiscal year (the reporting period).</td>
<td>84-96, Table 3-yr</td>
<td>14</td>
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<tr>
<td>Audit Report</td>
<td>Must be released no later than 18 months after the end of the fiscal year (the reporting period).</td>
<td>97-102, Table 3-ar</td>
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</tr>
</tbody>
</table>

* Along with the 102 numbered questions used to assess the eight key budget documents, Table 3 of the Survey questionnaire also contains questions on seven of the eight documents. These are denoted by the acronym for the document. For example, Table 3-pbs refers to the question from Table 3 pertaining to the Pre-Budget Statement.
and supreme audit institutions (SAIs). To gain an overall sense of the extent to which governments include the public in budget decision making and monitoring and the ‘strength’ of the oversight institutions, the responses to the questions on each – public participation, legislatures and SAIs – were averaged. Thus each area is given a separate score. Compared to the OBI, these measures are less comprehensive (with far fewer questions in each area) and thus, rather than a detailed assessment, provide more of an indication of the state of public participation, legislatures and SAIs.

**Weighting the relative importance of key budget documents and implications for scores**

As mentioned above, each country’s OBI 2015 score is calculated from a subset of 109 survey questions. Though each of the eight key budget documents assessed may have a different number of questions related to it, the OBI score is a simple average of all 109 questions. In calculating the OBI score, no method of explicit weighting was used.

Though using a simple average is clear, it implicitly gives more weight to certain budget documents than others. In particular, 54 of the 109 OBI questions assess the public availability and comprehensiveness of the Executive’s Budget Proposal, and thus are key determinants of a country’s overall OBI score. In contrast, the Citizens Budget and the Enacted Budget are the focus of only four and six questions, respectively.

This implicit weighting is justified. From a civil society perspective, the Executive’s Budget Proposal is the most important budget document, as it lays out the government’s budget policy objectives and plans for the upcoming year. It typically provides details on government fiscal policies not available in any other document. Access to this information is critical for civil society to understand and influence the budget prior to its approval, and to have as a resource throughout the year. That said, one of the changes IBP introduced to the questionnaire was to increase the emphasis on the other seven budget documents, reflecting their role in ensuring that sufficient information is provided throughout the budget cycle.

<table>
<thead>
<tr>
<th>Indicator Measured</th>
<th>2015 Survey Question Numbers</th>
<th>Number of Questions per Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Engagement in the Budget Process</td>
<td>114, 119-133</td>
<td>16</td>
</tr>
<tr>
<td>Strength of the Legislature</td>
<td>103-113</td>
<td>11</td>
</tr>
<tr>
<td>Strength of the Supreme Audit Institution</td>
<td>115-118</td>
<td>4</td>
</tr>
</tbody>
</table>

Further information

This annex presents a basic description of the methodology used in producing the Open Budget Survey 2015. For further information on the Open Budget Survey and its methodology, contact IBP at info@internationalbudget.org
Relationship between the Open Budget Index 2015 and development indicators in Africa

For the purpose of this report, the relationships between budget transparency, as measured through the Open Budget Index (OBI), and a number of development indicators related to children and democracy were tested through simple correlation and a small set of multiple regressions. The results are presented below.

OBI 2015 and indicators on institutions and governance in Africa

The 12 indicators included in the research that relate to institutions and governance showed expected relationships both globally and in Africa. Those indicators related to regime type and institutions are largely correlated with budget transparency – both globally and in Africa. Among the strongest relationships were those with indicators for democracy, press freedom and regulatory quality.

OBI 2015 and indicators related to revenue streams

The relationship between OBI and the four indicators related to revenue streams in Africa was also examined. Of these revenue stream indicators, oil dependence is correlated with OBI: an increase in oil revenue tends to suggest that a country is less likely to practise budget transparency. Interestingly, this does not hold true for all types of revenue dependency: an increase in reliance on mineral or aid revenue bears little relation to budget transparency. Overall wealth, as measured by GDP per capita, also has no significant relationship to budget transparency.

OBI 2015 and indicators related to children in Africa

The 15 human development outcome measures included in the research showed no clear pattern of correlation with OBI. However, though not significant, the correlation between OBI and some human development indicators does show the expected direction. This is the case, for example, with mortality rate (for both infants and under-5s), improved water source and open defecation. Moreover, the findings for these indicators are significant when the whole sample of countries surveyed in the world is used. The full table of results can be found below.

OBI 2015 and social spending in Africa

No clear relationship could be determined between fiscal transparency and social spending on health and education as a percentage of overall expenditure. When OBI scores were paired with various types of social spending, no clear pattern emerged. One exception to this was a possible relationship between the reliability of health budget estimates and fiscal transparency. In other words, if a country spent much more or much less on its health programmes than was envisaged in its original budget, it was likely to have received a lower OBI score. However, it should be borne in mind that this result came from a small sample size.

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44 The 12 indicators on institutions and governance are: Political Stability and Absence of Violence/Terrorism (WGI); Autocracy Score (Polity IV); Combined Political Rights and Civil Liberties (Freedom House); Combined Polity Score (Polity IV); Control of Corruption (WGI); Corruption Perceptions Index (Transparency International); Democracy Index (Economist Intelligence Unit); Democracy Score (Polity IV); Polity Durability Score (Polity IV); Press Freedom Score (Freedom House); and Regulatory Quality (WGI); Rule of Law (WGI). The four indicators related to revenue streams (all WGI) are: Mineral Rents (% of GDP); Net ODA Received (% of GNI); Oil Rents (% of GDP); and Total Natural Resources Rents (% of GDP).

45 The four indicators related to revenue streams (all WGI) are: Mineral Rents (% of GDP); Net ODA Received (% of GNI); Oil Rents (% of GDP); and Total Natural Resources Rents (% of GDP).

46 The 15 indicators related to children (all WGI) are: Births attended by skilled health staff (% of total); Children out of school (% of primary school age); Immunization, DPT (% of children aged 12–23 months); Immunization, measles (% of children aged 12–23 months); Improved sanitation facilities (% of population with access); Improved water source, urban (% of urban population with access); Mortality rate, infant (per 1,000 live births); Mortality rate, under-5 (per 1,000); People practising open defecation (% of population); Prevalence of severe wasting, weight for height (% of children under 5); Prevalence of stunting, height for age (% of children under 5); School enrolment, primary (1st net); Survival rate to the last grade of primary education, both sexes (%); Use of insecticide-treated bed nets (% of under-5 population); and Vitamin A supplementation coverage rate (% of children aged 6–59 months).
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*Significant at alpha = .05
**Significant at alpha = .01

Note: As a general rule, indicators are aligned to events that took place in 2014, as the 2015 OBS measures budget transparency largely over that year.
a This variable is used for 2009 due to substantial data gaps in later years.
b These results do not substantively change for African countries or the full set of countries when an average of (ODAT/GNI) over 2010–14 is used.
c This variable is used for 2012 due to substantial data gaps in later years.
d Budget figures taken from budget documents related to OBS 2012. Thus, correlation is for OBI score 2012. |(actual/budgeted)-1|.
e Budget figures taken from budget documents related to OBS 2012. Thus, correlation is for OBI score 2012. |(actual/budgeted)-1|. 
## Annex C: The Public Availability of Budget Documents in Africa

<table>
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<tr>
<th>Country</th>
<th>Pre-Budget Statement</th>
<th>Executive’s Budget Proposal</th>
<th>Enacted Budget</th>
<th>Citizens Budget</th>
<th>In-Year Reports</th>
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Key:
- **Available To The Public**
- **Published Late**
- **Available for Internal Use**
- **Not Produced**
### Annex D: Transparency, Public Participation, and the Strength of Oversight Institutions in Africa

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Annex E. Key recommendations from General comment No. 19 on public budgeting for the realization of children’s rights (article 4)

This annex provides a summary of some of the main implementation recommendations issued by the Committee on the Rights of the Child in General Comment No. 19, which was issued in July 2016. Only the key actions are listed, which are extracted from Part V. “Implementation of the rights of the child in public budgets” and organized according to the budget cycle.

A. Planning

1. Assessing the situation

States parties are urged to:

a. Periodically review the mandates and resources of statistical bodies and systems for the collection, processing, analysis and dissemination of child-related demographics and other relevant data;

b. Ensure that available information on the situation of children is disaggregated in useful ways considering different groups of children and the principle of non-discrimination in article 2 of the Convention;

c. Make user-friendly information and disaggregated data on the situation of children available in a timely manner to public officials of the executive and members of the legislatures involved in budgeting at the national and subnational levels, as well as to civil society, including children;

d. Establish and maintain a database of all policies and resources affecting children so that those involved in implementing and monitoring the corresponding programmes and services have ongoing access to objective and reliable information.

States parties should investigate past and potential impacts of budget decisions on children, by:

a. Conducting audits, evaluations and studies of the impact on children of past public revenue collection, budget allocations and expenditures;

b. Consulting with children, their caregivers and those working for their rights, and giving the results serious consideration in budget decisions;

c. Reviewing existing, or creating new, mechanisms to consult regularly with children throughout the budget year;

d. Using new technologies to support effective budget planning in relation to children’s rights.

2. Legislation, policies and programmes

States parties should conduct child rights impact assessments of all legislation, policies and programmes, including those of a macroeconomic and fiscal nature, in order to ensure that they do not undermine the realization of children’s rights.

The Committee emphasizes the importance of States parties making cost estimates of proposed legislation, policies and programmes that affect children, in order to ascertain the level of financial resources needed and to enable budget planners and the relevant decision makers in the executive and the legislature to make informed decisions on the resources needed for their implementation.

3. Mobilizing resources

States parties should mobilize the full extent of their available resources in a way that is consistent with their obligations of implementation, by:

a. Conducting child rights impact assessments of legislation and policies pertaining to resource mobilization;

b. Reviewing and ensuring that policies and formulas for the division of revenue, both vertical (between different levels of the State) and horizontal (between units at the same level), support and enhance equality among children in different geographical regions;

c. Reviewing and strengthening their capacity to formulate
and manage tax legislation, policies and systems, including the signing of agreements between countries to avoid tax evasion;

d. Safeguarding the resources available to advance children’s rights by preventing wastage of resources due to inefficiency or mismanagement and combating corrupt or illicit practices at all levels;

e. Applying the budget principles set out in section IV in all resource mobilization strategies;

f. Ensuring that their sources of revenue, spending and liabilities lead to the realization of children’s rights for current and future generations.

4. Formulating budgets

Pre-budget statements and budget proposals provide powerful vehicles for States to translate their commitments to the rights of the child into concrete priorities and plans at the national and subnational levels. States parties should prepare their budget-related statements and proposals in such a way as to enable effective comparisons and monitoring of budgets relating to children, by:

a. Adhering to internationally agreed budget classification systems such as functional (sector or subsector), economic (current and capital expenses), administrative (ministry, department, agency) and programme breakdowns (if programme-based budgeting is used), to the extent that they are compliant with children’s rights;

b. Reviewing their administrative guidelines and procedures for the formulation of pre-budget statements and budget proposals, such as standardized worksheets and instructions regarding which stakeholders to consult, in order to ensure that they are in line with the present general comment;

c. Further reviewing their classification systems to ensure that they include budget lines and codes that at a minimum disaggregate budget information in line with all the categories listed in paragraph 84 below;

d. Ensuring that their budget lines and codes correspond at the national and subnational levels;

e. Publishing pre-budget statements and budget proposals that are user-friendly, timely and accessible to legislatures, children and child rights advocates.

Pre-budget statements and budget proposals convey essential information about how a State plans to meet its child rights obligations. States parties should use their pre-budget statements and budget proposals to:

a. Explain how legislation, policies and programmes affecting children will be funded and implemented;

b. Identify which budget allocations directly target children;

c. Identify which budget allocations indirectly affect children;

d. Present findings from evaluations and audits regarding the impact of past budgets on children;

e. Detail recent or upcoming measures taken to advance children’s rights;

f. Present financial data and explanatory text regarding the past, present and forecasted resources available for spending on the rights of the child, as well as actual expenditures;

Set performance targets linking child-related programme goals to budget allocations and actual expenditures, to allow monitoring of outcomes and impacts on children, including those in vulnerable situations.

Pre-budget statements and budget proposals are important sources of information for child rights-related organizations, children and their caregivers. States parties should enhance their accountability to people within their jurisdictions by producing such user-friendly and accessible information and disseminating it to the public.

Clear budget classification systems provide a basis for States and other entities to monitor how budget allocations and actual expenditures affecting children are managed in relation to the budget principles. This calls for budget lines and codes which, at a minimum, disaggregate all planned, enacted, revised and actual expenditures that directly affect children, by:

a. Age, recognizing that the definition of age cohorts will differ from State to State;

b. Gender;

c. Geographical area, for example, by subnational unit;

d. Current, and possible future, categories of children in vulnerable situations;

e. Source of revenue, be it national, subnational, regional or international;

f. Responsible units, such as departments, ministries or agencies at the national and subnational levels.

B. Enacting

1. Legislators’ scrutiny of budget proposals

The Committee underlines the importance of legislators at the national and subnational levels having access to detailed, user-friendly information about the situation of children and a clear understanding of how budget proposals aim to improve children’s well-being and advance their rights.

Legislatures at the national and subnational levels also require adequate time, resources and autonomy to scrutinize budget proposals from a child rights perspective and, where necessary, to undertake or commission analyses or research to shed light on the implications of budget allocations for
different groups of children.

For the oversight role of legislatures to serve the best interests of children, members of legislative bodies and their committees should have the authority to question, review and, where necessary, request amendments to budget proposals, to ensure that they advance the rights of the child in a way that is consistent with the general principles of the Convention and the budget principles.

States parties should contribute so that members of legislatures are adequately prepared to analyse and debate the impact of budget proposals on all children prior to enacting budget legislation, by seeing that national and subnational legislatures, including relevant legislative committees:

a. Have access to information about the situation of children that is easy to understand and use;

b. Have clear explanations from the executive on how legislation, policies and programmes directly or indirectly affecting children are translated into budget lines;

c. Have sufficient time within the budget process to receive the budget proposal, review and debate it, and suggest amendments related to children before the enactment;

d. Have the capacity to independently undertake or commission analyses that highlight the implications of budget proposals on the rights of the child;

e. Are able to hold hearings regarding the budget proposal with stakeholders within the State, including civil society, child advocates and children themselves;

f. Have the necessary resources, for example through a legislatures’ budget office, to undertake oversight activities such as those outlined in (a) to (e) above.

States parties should produce and disseminate national and subnational budget documents during the enactment stage that:

a. Classify budget information in a way that is consistent and easy to understand;

b. Facilitate analysis and monitoring by being compatible with other budget proposals and expenditure reports;

c. Include publications or budget summaries that are accessible to children and child rights advocates, legislatures and civil society.

2. Enactment of budget by legislatures

The Committee underlines the need for budgets enacted by the legislature to be classified in such a way as to enable comparisons between planned and actual expenditures and the monitoring of budget implementation in relation to child rights.

The enacted budget is regarded as a public document that is essential not only to the State and legislatures at the national and subnational levels, but should also be accessible to civil society, including children and child rights advocates.

C. Executing

1. Transfer and spending of available resources

The Committee underlines the fact that States parties have a duty to uncover and remedy the root causes of ineffective and inefficient public spending, for example, poor quality of goods or services, inadequate financial management or procurement systems, leakages, untimely transfers, unclear roles and responsibilities, poor absorptive capacity, weak budget information systems and corruption. When States parties waste or mismanage resources aimed at advancing child rights, they have an obligation to explain why this has occurred and show how the causes have been addressed.

During the budget year, policies and programmes aimed at children may not reach all intended beneficiaries as planned or may lead to unintended results. States parties should monitor the outcomes of expenditures during the execution stage so that they can intervene and take rapid corrective action when necessary.

2. In-year reporting on the budget

States parties should regularly monitor and report on budgets relating to children in a manner that enables States and oversight bodies to track progress in advancing children’s rights as set out in the enacted budget.

The Committee emphasizes the importance of budget reports being made publicly available in a timely manner and highlighting deviations between the enacted, revised and actual revenues and expenditures in relation to legislation, policies and programmes affecting children.

3. Executing the budget

States parties should monitor and analyse the revenue collection, reach and outputs of actual expenditures for different groups of children during the budget year and from year to year, for example in terms of the availability, quality, accessibility and equitable distribution of services.

States parties should monitor and publicly report on the implementation of enacted budgets on a regular basis, including:

a. Making comparisons between what was budgeted and what was actually spent at different administrative levels across different social sectors;
b. Publishing a comprehensive midterm report that covers actual expenditures made, revenues mobilized, and debt incurred half way into the budget year;
c. Publishing more frequent, for example monthly or quarterly, in-year reports.

States parties are obliged to establish public accountability mechanisms that allow civil society, including children, to monitor outcomes of public spending.

States parties should have internal control and audit processes in place to ensure that rules and procedures are followed in relation to actual expenditures related to children’s rights, and that accounting and reporting processes are adhered to.

D. Follow-up

1. Year-end reports and evaluations

The Committee emphasizes that States parties, in their year-end reports, should provide comprehensive information on all revenue collected and actual expenditures that affect children’s rights. States parties should release user-friendly reports to national and subnational legislatures and make year-end reports and evaluations accessible and publicly available in a timely manner.

Evaluations and other types of analyses of budgets undertaken by the State and independent evaluation bodies can offer valuable insight into the impact of revenue collection and actual spending on the situation of different groups of children, especially those in vulnerable situations.

2. Audits

Supreme audit institutions play an essential role in the budget process by verifying whether public revenue collection and spending takes place in accordance with the enacted budget. Audits may investigate the efficiency or effectiveness of expenditures and focus on specific sectors, government structures of the State or cross-cutting issues. Dedicated audits in relation to the rights of the child can assist States in evaluating and improving public revenue mobilization and spending on children. States parties should make the audit reports accessible and publicly available in a timely manner.

The Committee underlines the fact that supreme audit institutions should be independent from the State and should have a mandate to access the information and resources needed to audit and report on child-related budgets in an independent, accountable and transparent manner.

States parties should support the oversight role of the supreme audit institutions in relation to public revenue collection and spending on the rights of the child by:
a. Presenting comprehensive annual accounts to the supreme audit institutions in a timely manner;
b. Ensuring that resources are available for the supreme audit institutions to undertake audits in relation to the rights of the child;
c. Providing public responses to audits related to the impact of actual expenditures on children’s rights, including how the State addresses audit findings and recommendations;
d. Ensuring that State officials have the capacity to appear before committees of the legislature to respond to concerns raised in audit reports pertaining to child rights.

Civil society, including children, can make important contributions to the audit of public expenditures. States parties are encouraged to support and empower civil society to participate in the evaluation and audit of actual expenditures relating to children’s rights, by:
a. Establishing public accountability mechanisms for this purpose and reviewing them regularly to ensure that they are accessible, participatory and effective;
b. Ensuring that State officials have the capacity to respond in an informed way to the findings of civil society and independent bodies that monitor and audit public expenditures relevant to children.

States parties should use audits of previous public resource mobilization, budget allocations and expenditures related to child rights to inform the next planning stage of the budget process.
Annex F. Method used to calculate the PFM strength

For the purposes of this report, the Public Expenditure and Financial Assessment (PEFA) data and Open Budget Index (OBI) scores were used to calculate the PFM strength.

PEFA monitors and measures the performance of a country’s PFM systems. The assessment is based on 28 performance indicators (PI), which are further disaggregated into dimensions.¹² These indicator dimensions are measured against a four-point ordinal scale from A to D. For the purposes of our analysis, we assigned a numerical score as follows:¹³

A=4, B=3, C=2, D=1, NR/NA/NU= ‘.’

PMF strength in this report = An average of all PEFA indicator dimensions from PI-5 to PI-28.

PEFA data are collected by consultants recruited by development partners interested in the assessment. They are aided by a secretariat based at the World Bank. The consultants visit the country that is under assessment and work closely with the government to conduct the research. For the purposes of this report, OBI 2012 scores were correlated with PEFA data for 2010, 2011 and 2012 at the country level (Kenya, Liberia, Mali, Malawi, Rwanda, Senegal, Sierra Leone, Sudan, Tunisia, Uganda and Zimbabwe). OBI 2015 scores were correlated with PEFA data for 2013, 2014 and 2015 (Botswana, Burkina Faso, Ghana, Mozambique, Niger, São Tomé e Príncipe and Tanzania).

This report analysed 18 of the 31 African survey countries (those with overlapping PEFA and OBI), and categorized them according to their PFM strength, with ‘Low’ indicating a score of 1–2.4; ‘Medium’ – 2.5–2.9; and ‘Strong’ – 3–4.
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For more information from the International Budget Partnership, contact info@internationalbudget.org or visit www.internationalbudget.org

For more information from UNICEF, contact Jean Dupraz (jdupraz@unicef.org) and Matthew Cummins (mcummins@unicef.org)