

TOOLBOX

FOR BUDGET ANALYSIS

GUIDE

This toolbox contains generic examples, exemplified case stories and key questions to guide a full Budget Analysis and Advocacy Process as described in the BAG's step-by-step design.

KEY BUDGET TERMS:

BUDGET BALANCE, DEFICIT AND SURPLUS: A balanced budget is when a government's total revenue equals its total expenditure for a given fiscal year. When the budget is not in balance, it is either in deficit or surplus. A budget deficit has a negative balance between budget expenditure and budget revenue – i.e. when the government spends more money than it actually has. A budget surplus is a positive balance between budget expenditure and budget revenue i.e. when the government has more funds than it plans to spend.

BUDGET INPUTS: The allocation of money to a particular use in the budget for particular services – e.g. schools.

BUDGET OUTCOMES: The impact on the broader society or economy of budget allocations to a particular programme or sector. For example, the ultimate objective of a school nutrition programme would be to improve children's nutritional status, and thereby their ability to learn in school. Thus, the budget outcome would be changes in children's nutrition status and learning capability.

BUDGET OUTPUTS: Public services provided by government through budget inputs. For example the number of children who received teaching and learning materials during the calendar or financial year.

CAPITAL EXPENDITURE/SPENDING: Spending on an asset that lasts for more than one year is classified as capital expenditure. This includes equipment, land, buildings and legal expenses and other transfer costs associated with property. For capital projects (e.g. building of schools), all associated expenses are considered as capital spending.

CITIZENS BUDGET: A citizens budget is a simplified budget to demonstrate a government's commitment to citizens engagement for involving residence in decisions-making.

CONSUMER PRICE INDEX (CPI): This reflects the price of a representative basket of consumer goods and services.

CURRENT EXPENDITURE/SPENDING: Recurrent expenditure on goods and services that are not transfer payments or capital assets. It includes salaries, rentals, office requirements, the operating expenses of government industries and services, interest and maintenance of capital.

DEBT: Private debt refers to sums that must be repaid by individuals and companies. Interest is normally payable on private debt. National debt is the money owed by the state in its corporate capacity.

DEBT SERVICE COSTS: The interest payable on debt. This excludes the repayment of the amount originally borrowed.

DEFLATOR: A statistical tool used to convert current currency into inflation-adjusted currency, in order to compare prices over time after factoring out the overall effects of inflation.

DIRECT TAXES: Taxes charged on the taxable income of individuals and legal entities.

ECONOMIC GROWTH: Economic growth refers to the increase in the total value of final goods and services produced in a country. Economic growth can be measured by changes in Gross Domestic Product.

EXPENDITURE: Government spending of money, or the amount of money spent.

FISCAL POLICY: Refers to efforts by the government to stimulate the economy directly, through spending or adjusting tax rates.

FISCAL YEAR: The government budgets year. In some countries, the fiscal year is longer than 12 months.

GROSS DOMESTIC PRODUCT (GDP): Total value of final goods and services produced in the country during a calendar year. GDP per person is the simplest overall measure of income in a country.

GROSS NATIONAL PRODUCT (GNP): The GDP plus the total net income from abroad for citizens of that country.

INFLATION: The rate of increase in prices.

INTEREST RATE: The cost of borrowing funds. The interest rate is a percentage of a loan that the lender charges the borrower until the debt is repaid.

MACROECONOMIC POLICY: A broad government policy to ensure economic stability. It includes monetary and fiscal policy, as well as the government's priorities in allocating resources.

MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF): The three-year revenue and expenditure plans of national and state governments. Each year the legislature votes on the projections of the first year. The two outer years are retained as a basis for future planning, while a new third year is added.

MONETARY POLICY: The regulation by a central bank of the money supply and interest rates to control inflation and stabilise currency. By regulating the value of currency, the central bank can affect the amount of money spent by consumers and businesses.

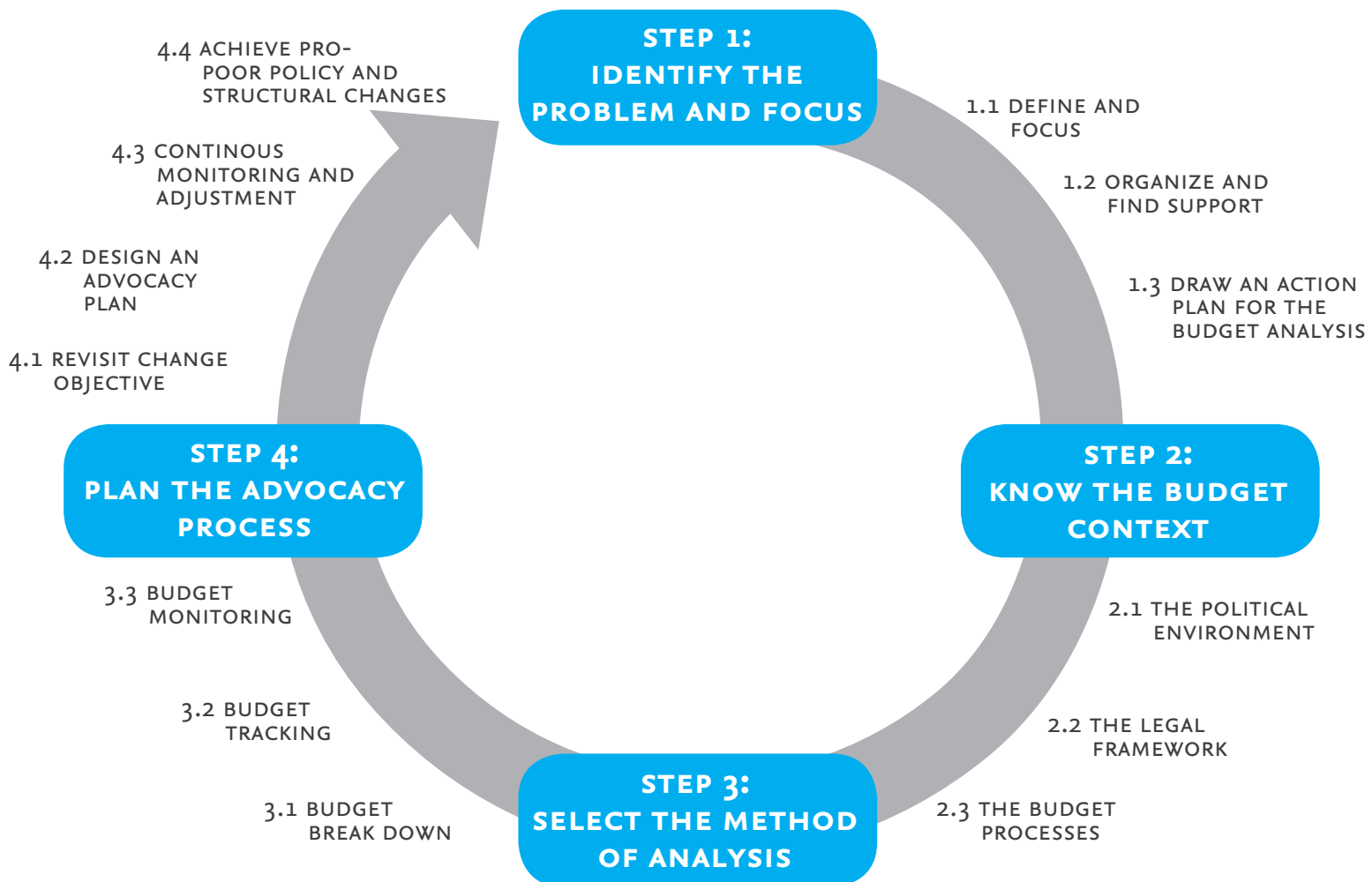
NOMINAL TERMS: Actual monetary value in terms of its purchasing power at current prices. Nominal terms do not take into account the effect of inflation on the real value of money. Government budgets are set in nominal terms and do not adjust totals for inflation.

REAL TERMS: Value measured in terms of the purchasing power of money at a particular time.

REVENUE: The government's annual income collected from taxes on salaries, profits, etc.

BUDGET ANALYSIS GUIDE: STEP 1 - STEP 4

This Toolbox is an integrated part of the BAG STEP 1 – 4 design. It is developed to guide and support your work with relevant explanations and examples of executing a quality Budget Analysis and a successful Advocacy Process.

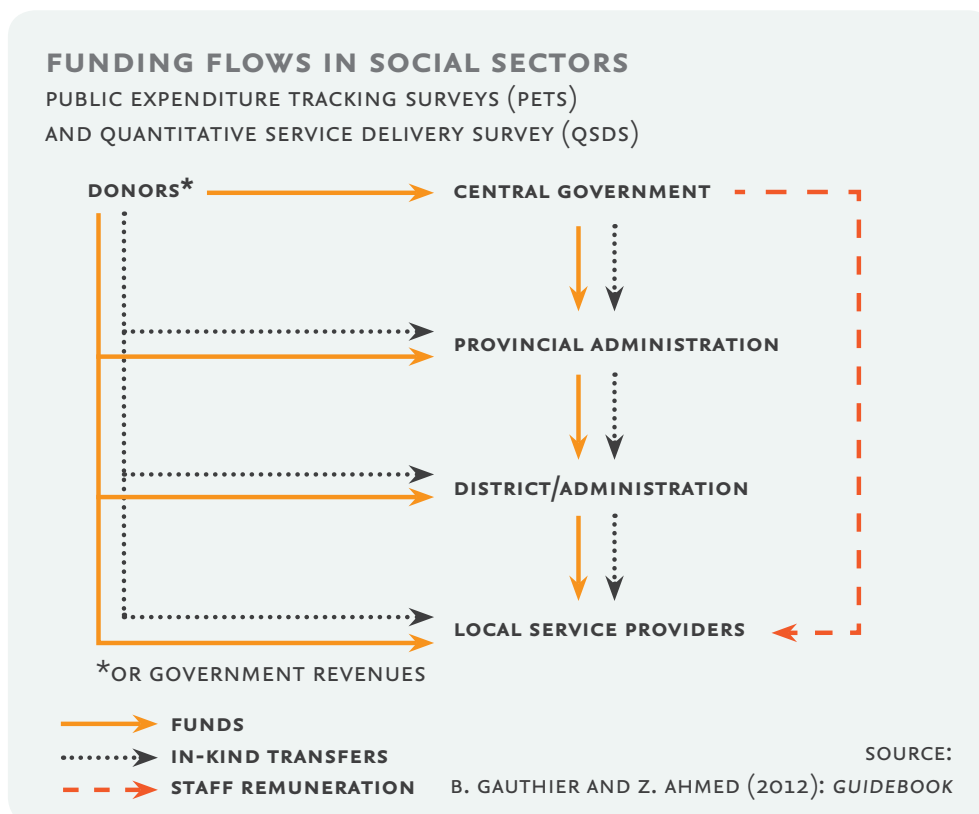


TOOLS FOR STEP 1

IDENTIFY THE PROBLEM AND FOCUS

1.1 DEFINE AND FOCUS YOUR BUDGET INFORMATION

The annual national budget of a country is usually published in a printed version or in an online publication by the Ministry of Finance. Sector ministries have their own sector budgets. Depending on the national legislation these are made public. Likewise provincial and district level administrative units also make annual budgets, as illustrated in figure 1. It is important to assess transparency and the level of detail of the budget data.



Case Story: Identify a specific problem by focusing on a specific level

The quantity and flows of funds between levels of government institutions are different from country to country. To focus and select one or more levels of analysis, it is necessary to understand these flows and the responsibilities of officials at each level.

Here is a case story from Mozambique, where the health sector has a three-tier administrative hierarchy:

- District Directorates of Health (DDH) are responsible for hospitals, health centres and health posts. Their responsibilities include budget management, human resources, medical supplies and supervision of service providers at the district level. DDH reports to the Provincial Directorates of Health (PDH).
- Provincial Directorates of Health (PDH) coordinate health activities in the province. They enjoy considerable autonomy on allocation of staff, medical and non-medical resources and supervision. Provincial directorates are funded by and report to the Ministry of Health (MOH).
- Ministry of Health (MOH) sets the national health policies and overall national annual health budget. It reports to the Ministry of Finance (MOF) and the president. Its funding is determined via an annual negotiation with MOF.

With the exception of hospitals, public health care providers in Mozambique do not receive public funds. User fees charged for consultation services and medicine are the only source of income at the provincial level. In-kind resources (medical and non-medical, drugs and vaccines) are allotted to service providers through a complex administrative and logistical system. The DDH has a central role in distributing in-kind resources to health centres and paying salaries to health workers. Some of these resources are procured directly at the district level through a logistic unit, but other non-wage recurrent resources (e.g. drugs, vaccines and medical equipment) are procured directly by the provincial or central levels.

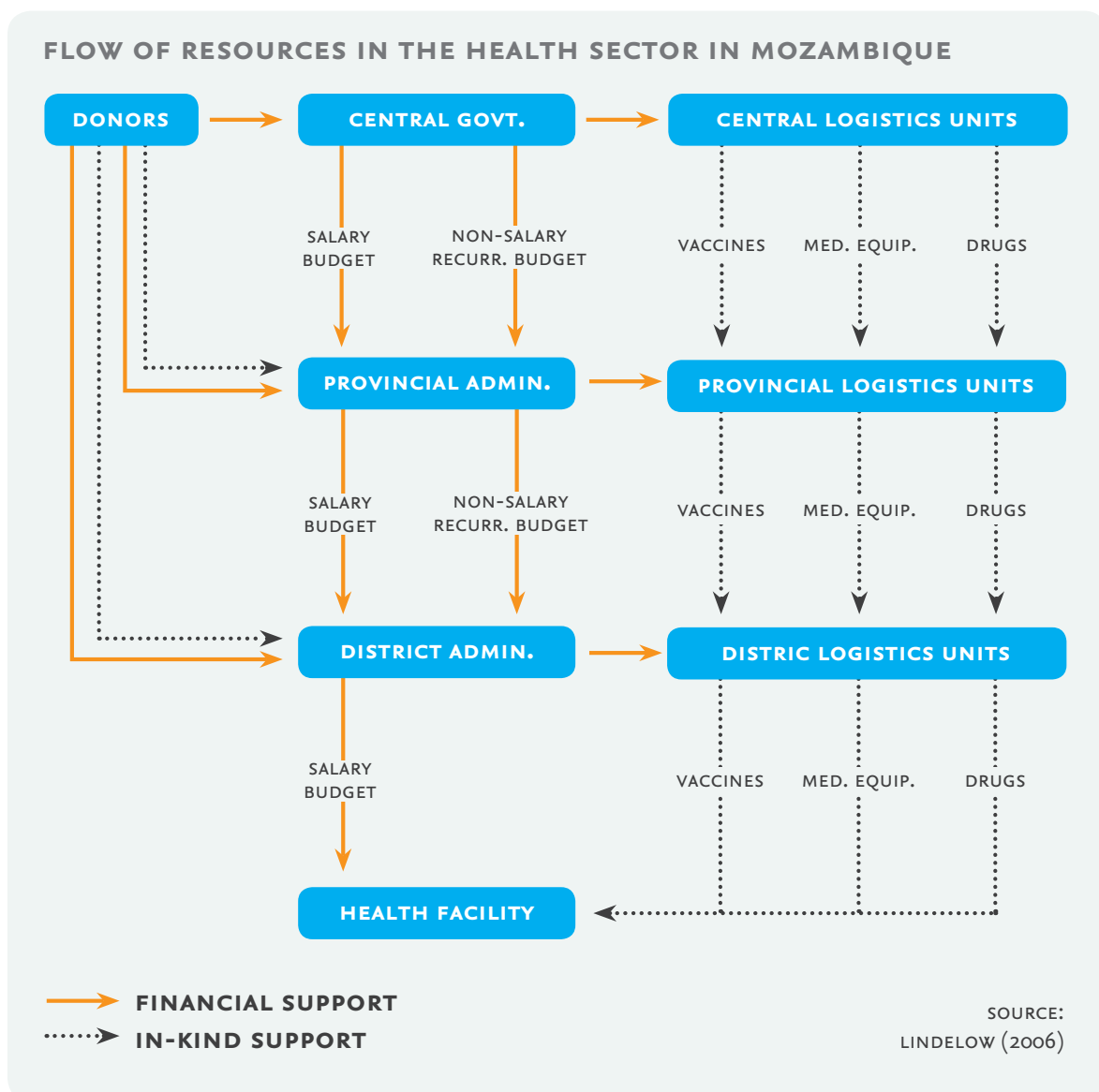
Lesson 1: Financial transfers within a sector can be complex and interrelated and interdependent.

Lesson 2: Focusing on one problem/issue helps create clarity on a subject/problem.

Example: If the focus is on drugs you will track: Donors → Central government → Central logistics unit → Provincial logistic unit → District logistic unit → Health facility.

If you focus on in-kind support you will track: Donors → Provincial Administration → District Administration → District logistic unit → Health facility.

Or you can jump the provincial level and track directly from donor to district level, depending on the type of in-kind support you are targeting for tracking.

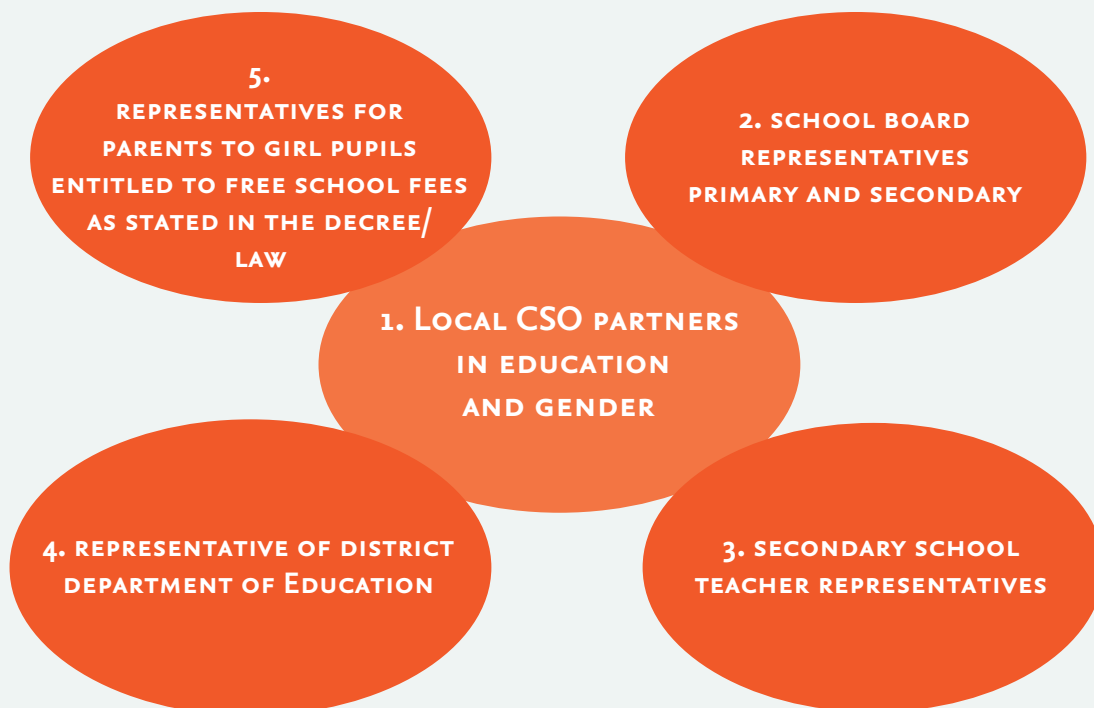


1.2 ORGANIZE AND FIND SUPPORT

A coordination group should be established, including participants from partner organisations and other allies.

EXAMPLE OF A COORDINATION GROUP

LIKELY COMPOSITION OF A COORDINATION GROUP COMPOSED OF 5 STAKEHOLDER ORGANIZATIONS/GROUPS FOR CONDUCTING THE BUDGET ANALYSIS FOR THE EXAMPLE FROM SIERRA LEONE UNDER 1.2 IN THE BAG.



OTHER IMPORTANT STAKEHOLDERS TO INCLUDE IN THE BUDGET ANALYSIS :

- MINISTRY OF FINANCE
- MINISTRY OF LOCAL GOVERNMENT AND DECENTRALIZATION
- MINISTRY OF EDUCATION, DEPARTMENT OF BASIC AND SECONDARY EDUCATION
- HEADMASTERS OF SELECTED PRIMARY SCHOOLS IN DISTRICT
- HEADMASTERS OF ALL SECONDARY SCHOOLS IN DISTRICT
- LOCAL/NATIONAL RESEARCH UNIT/RESEARCH INSTITUTE

1.3. DRAW AN ACTION PLAN FOR THE BUDGET ANALYSIS

ACTION PLAN TEMPLATE

PHASE 1: SELECT	PHASE 2: DEFINE ROLES	PHASE 3: PLANNING	PHASE 4: IMPLEMENTING	PHASE 5: VALIDATION	PHASE 6: ADVOCACY
TIME PERIOD	TIME PERIOD	TIME PERIOD	TIME PERIOD	TIME PERIOD	TIME PERIOD
SELECT STAKEHOLDERS FOR COORDINATION GROUP	DEFINE ROLES AND RESPONSIBILITIES OF CG MEMBERS IN BUDGET ANALYSIS PROCESS	AGREE ON TIMELINE, BUDGET AND TECHNICAL PROPOSAL	FIELD WORK, INTERVIEWS AND DATA COLLECTION	VALIDATION OF FINDINGS AND RECOMMENDATIONS WITH STAKEHOLDERS	START YOUR ADVOCACY PROCESS (BAG: STEP 4)

ACTION PLAN CASE:

GIRLS RIGHT TO FREE SECONDARY EDUCATION IN SIERRA LEONE (BAG: STEP 1)

PHASE 1: SELECT	PHASE 2: DEFINE ROLES	PHASE 3: PLANNING	PHASE 4: IMPLEMENTING	PHASE 5: VALIDATION	PHASE 6: ADVOCACY
1 MONTH		1 MONTH	3 - 4 MONTHS	1 MONTH	6 MONTHS
1. IBIS/Lead NGO	1.1 Facilitate establishment of coordination group	1.2 Prepare timeline, budget and MoU's	1.3 Monitor, imp. process, timeline and budget.	1.4 Facilitate validation process	See BAG: Step 4
2. Research Institutes	2.1 Prepare Budget Analysis ToR	2.2 Prepare Technical Proposal	2.3 + 3.3 Collect national data.	2.4 + 3.4 Organise and facilitate validation sessions including all stakeholders. Finalize report	
3. CSO strategic partner	3.1 Establish Coordination	3.2 Prepare timeline and budget. Lead CG approval process.	Assemble and analyse all data, write report		
4. Local/National partner	4.1 Field work + Linking local and national data		4.2 Link local and national data	4.3 Give inputs to/ validate draft report	
5. Local partner 1 5. Local partner 2 5. Faculty: School, hospital institutes etc.	5.1 Field work local data collection		5.2 Field work local data collection based on Technical proposal	5.3 Give inputs to/ validate draft report	
6. Government institution national	6.1 Validate ToR + MoU provide data		6.2 Provide data	6.3 Give inputs to/ validate draft report	
7. Government institution provincial	7.1 MoU Provide data		7.2 provide data	7.3 Give inputs to/ validate draft report	
8. Government institution local	8.1 MoU Provide data		8.2 Provide data	8.3 Give inputs to/ validate draft report	

TOOLS FOR STEP 2

KNOW THE BUDGET CONTEXT

2.1 THE POLITICAL ENVIRONMENT

In analysing the political environment, an overview of public expenditure as outlined in the Annual National Budget divided in sectors gives an insight in government policies and priorities. The example below is from Croatia.

	1997	%	1998	%	1999	%	PLAN 2000	%
1. GENERAL PUBLIC SERVICE	2182	6,3	3382	8,2	3047	6,4	2572	5,4
2. DEFENCE	6990	20,3	7373	17,8	5617	11,9	4786	10,0
3. LAW AND ORDER	4169	12,1	4251	19,3	4628	9,8	4845	10,2
4. EDUCATION	4050	11,8	4669	11,3	5718	12,1	6501	13,6
5. HEALTH	184	0,5	817	1,9	476	1,0	466	1,0
6. WELFARE	6451	18,8	8025	19,4	11.300	23,9	11.818	24,8
7. HOUSING AND UTILITIES	2069	6,0	2620	6,3	2025	4,3	1550	3,3
8. RECREATION, CULTURE AND SPORT	539	1,6	577	1,4	842	1,8	898	1,9
9. FUEL AND POWER	-	-	-	-	0,7	0,0	0,3	0,0
10. AGRICULTURE, FORESTRY, HUNTING AND FISHING	616	1,8	1103	2,7	1245	2,6	1520	3,2
11. MINING, INDUSTRY AND CONSTRUCTION	692	2,0	729	1,8	2819	6,0	626	1,3
12. TRANSPORT AND COMMUNICATIONS	3433	10,0	4073	9,8	5304	11,2	4558	9,6
13. OTHER ECONOMIC OPERATIONS AND SERVICES	648	1,9	548	1,3	659	1,4	753	1,6
14. EXPENDITURES NOT CLASSIFIED AND THE MAIN GROUPS	2364	6,9	3222	7,8	3694	7,8	6806	14,3
TOTAL EXPENDITURE	34.395	100	41.390	100	47.379	100	47.705	100

MAIN FUNCTIONS OF THE APPROVED NATIONAL BUDGET

1. Show the financial priorities of the government in the fiscal year.
2. Give the state influence on the economic and human development.
3. Control revenue collection and distribute resources.

KEY QUESTIONS:

- WHAT IS MOST IMPORTANT; EDUCATION, HEALTH OR DEFENCE?
- HAS THERE BEEN A CHANGE IN THE PRIORITIES OVER TIME?

Example from the Education sector: Key Actors, National to Local level

Elected members of Government (e.g. members of parliament) have power to approve, amend or introduce new laws relating to education. They can call upon the Minister of Education to account for education policy choices, budgetary allocations and expenses. This means they can influence the budget and call for the changes they think are necessary.

National education officials (at the ministry) develop education policies and prepare the education budget.

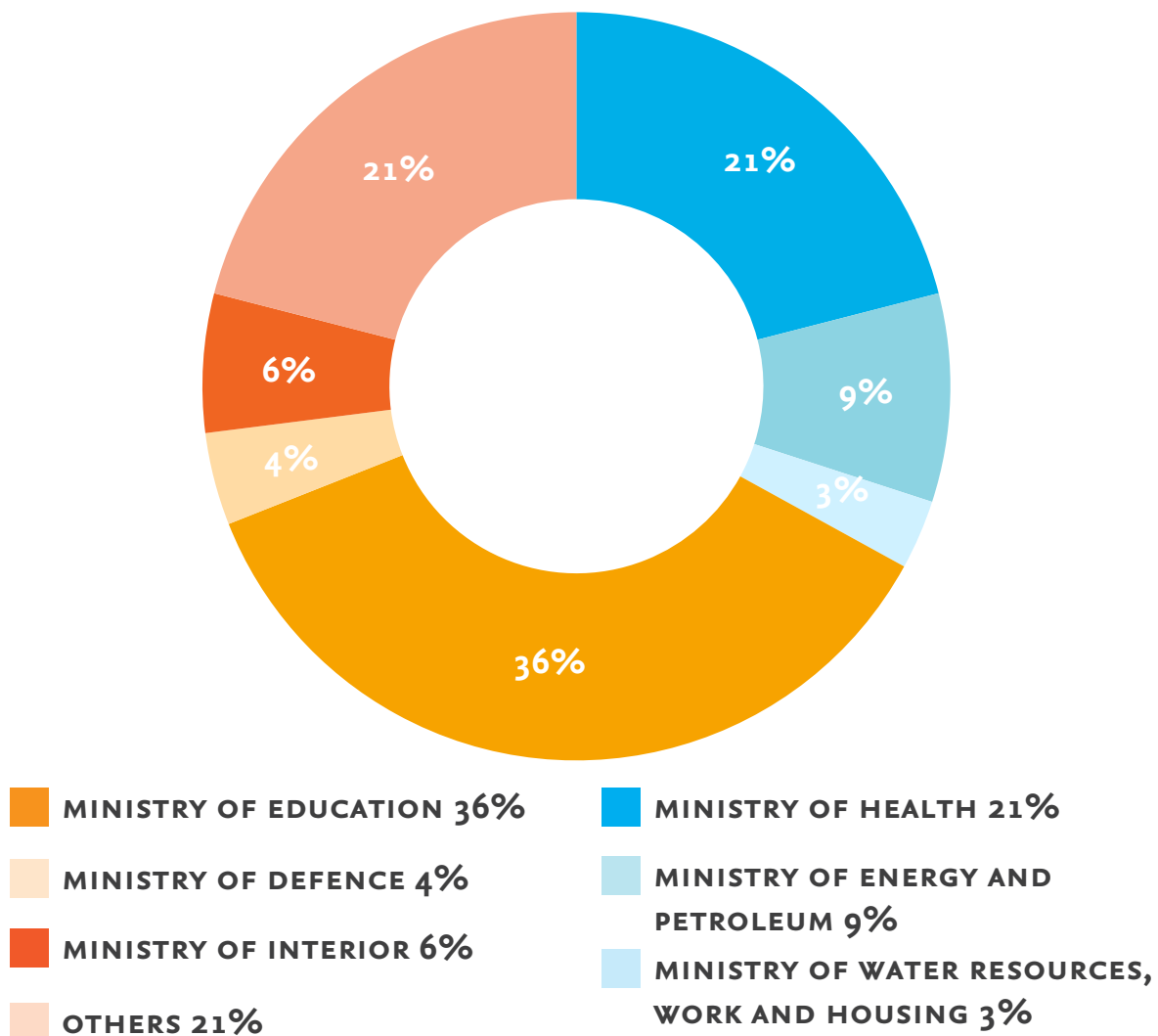
State or district officials (e.g. district education officials) implement government policies and budgets. They are aware of the service delivery processes and identify challenges in the implementation of education policies and budgets.

School governing officials (e.g. head teachers, school management committees or parent-teacher associations) are responsible for the overview of funds at school level. They know the local needs in education, what resources are being received, and what the constraints are.

How does Government spend the money?

The government has no money of its own. Apart from foreign grants, all the revenues come from the general public. The most important source is taxes such as company and income tax. These taxes must be used for services such as education, roads and the police. The example below is from Ghana.

**MINISTRIES GOVERNMENT DEPARTMENTS AND AGENCIES
EXPENDITURE ALLOCATIONS IN GHANA 2014**



2.2 THE LEGAL FRAMEWORK

The legal framework includes national and local legislation as well as international conventions that your country has signed. A thorough analysis of the content of the relevant legislation gives an overview over the concrete obligations of the state that must be reflected in the budgets.

KEY BUDGET DOCUMENTS RELATED TO EACH STEP OF THE BUDGET CYCLE

(See budget cycle on following page)

1. + 2 BUDGET PLANNING AND FORMULATION:	3. BUDGET APPROVAL	4. BUDGET EXECUTION AND MONITORING	5. BUDGET AUDIT
<ul style="list-style-type: none"> EXECUTIVE'S BUDGET PROPOSAL SUPPORTING BUDGET REPORTS 	<ul style="list-style-type: none"> BUDGET LAW REPORTS OF LEGISLATIVE BUDGET COMMITTEES 	<ul style="list-style-type: none"> IN-YEAR REPORTS MID-YEAR REPORTS YEAR-END REPORTS SUPPLEMENTARY BUDGETS 	<ul style="list-style-type: none"> AUDIT REPORTS LEGISLATIVE AUDIT COMMITTEE REPORTS

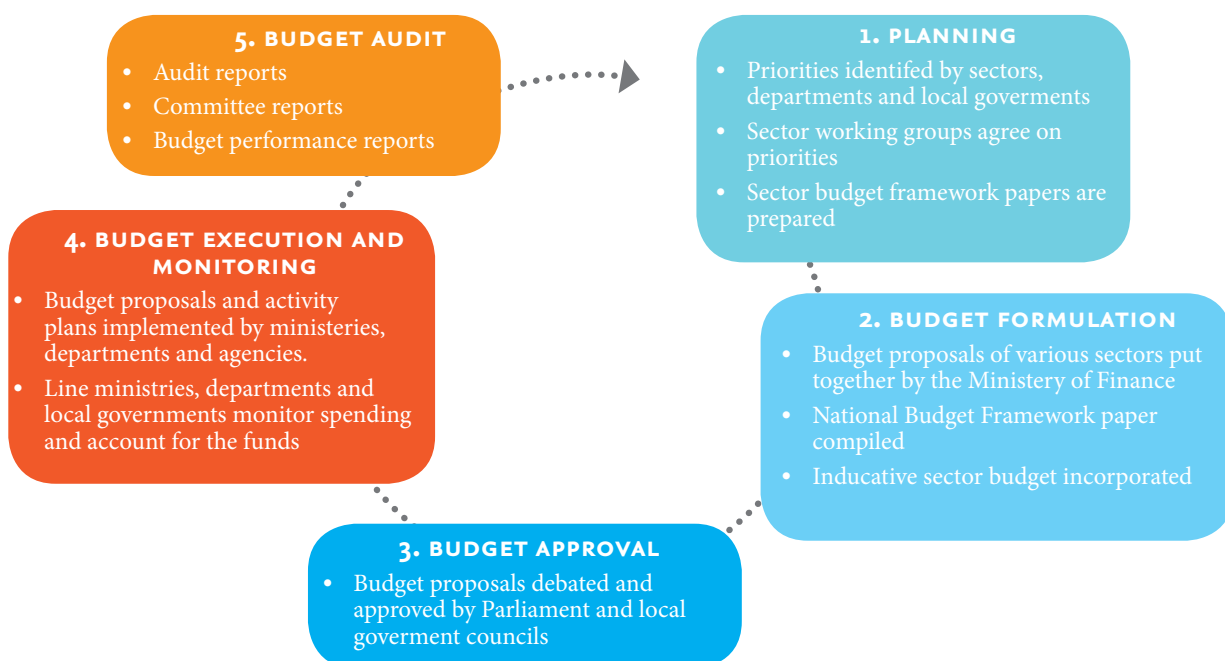
KEY QUESTIONS:

- WHAT IS STATED IN THE CONSTITUTION?
 - DEMOCRATIC PRINCIPLES?
 - RIGHT TO PARTICIPATION?
 - RIGHT TO INFORMATION?
 - WHICH SECTORS ARE MENTIONED? (EDUCATION, HEALTH)
- WHAT IS STATED IN THE LOCAL GOVERNMENT ACT?
- IS THERE A NATIONAL DEVELOPMENT PLAN?
- WHAT ARE THE RULES FOR PUBLIC PARTICIPATION?
- ARE THERE COMPLAINT MECHANISMS?
- WHAT INTERNATIONAL CONVENTIONS ARE RELEVANT AND ARE THEY RESPECTED?

2.2 THE BUDGET PROCESSES

The National Budget Cycle

The approved annual national budget is the most important economic policy document of a state, and the fiscal representation of government plans and goals. The budget processes determines how government will collect revenue and distribute resources to the various ministries and local structures responsible for service delivery. The five principal steps in the budget cycle are outlined below.



The National Budget Calendar

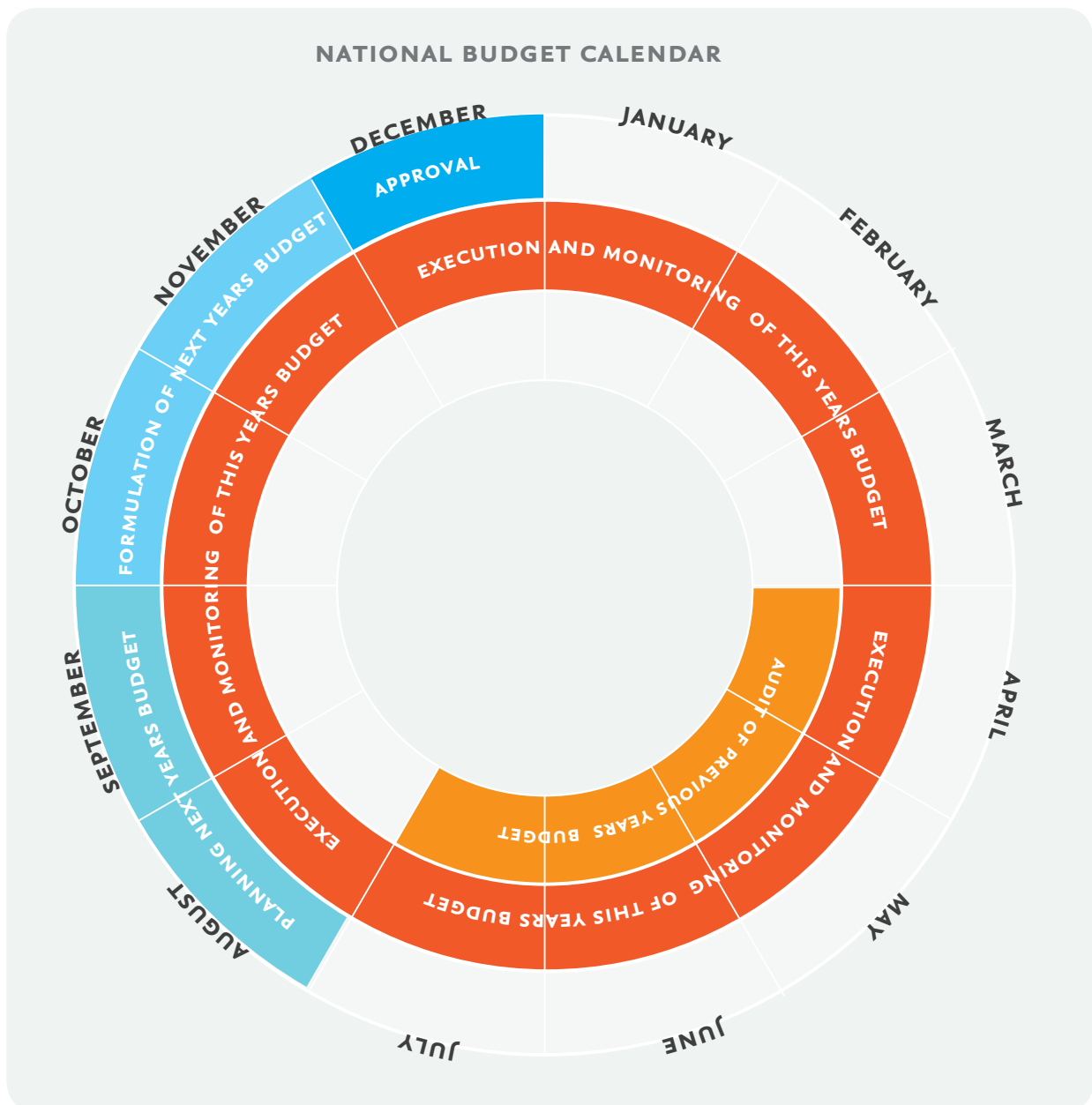
The National Budget Calendar shows the planned budget processes in the fiscal year and is an indicator for where civil society can influence the budget. The budget calendar consists of several phases from initial drafting to the budget approval by Parliament.

During a chronological year the state must administer and perform all 5 elements of the budget cycle:

The **planning (1)**, **formulation (2)** and **approval (3)** of next years budget.

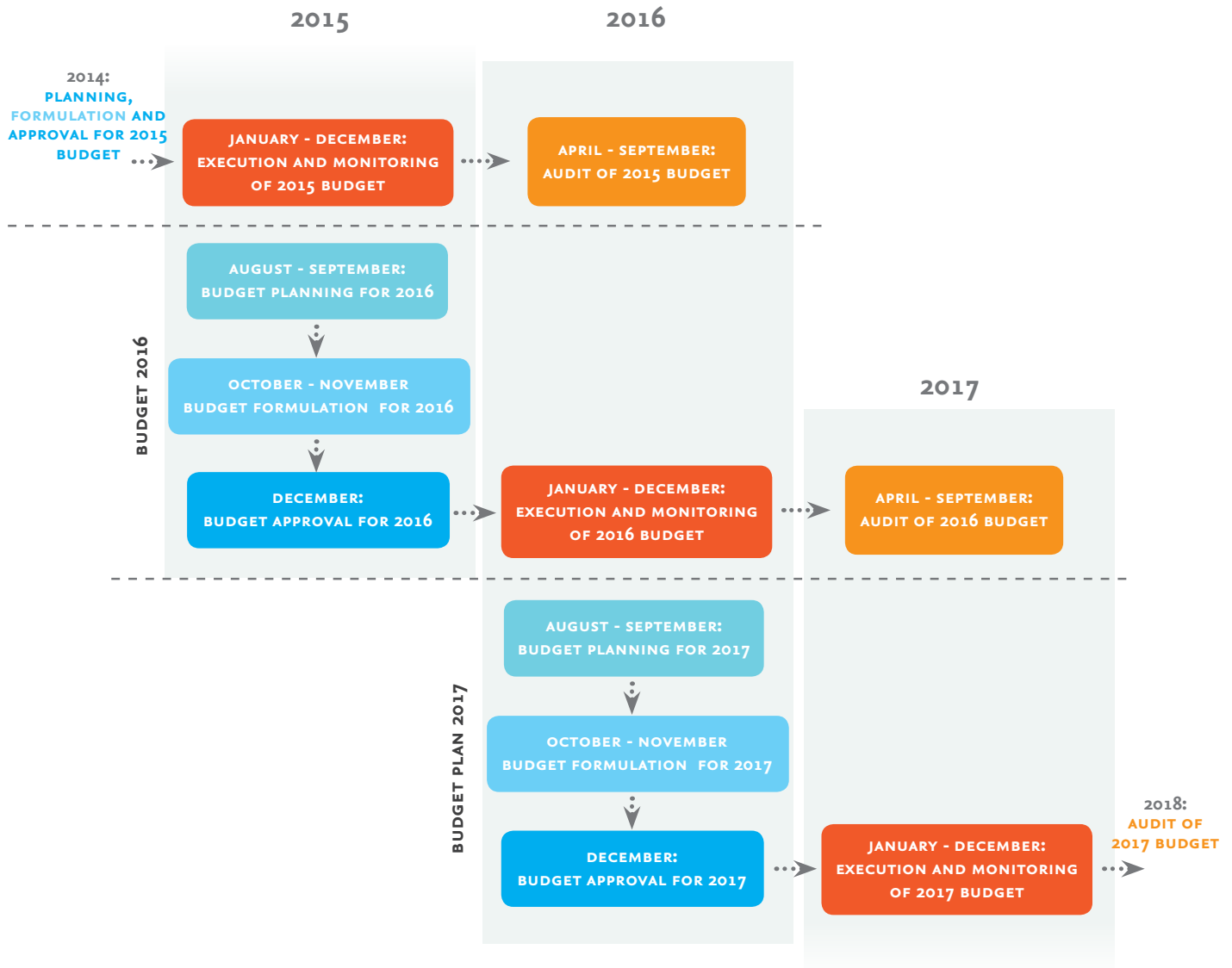
The **execution and monitoring (4)** of the budget for the current year.

The **audit (5)** of last years annual budget.



Below is an example of the planned budget processes over 3 years. Looking at the 2016 Budget, the planning starts in August 2015 and terminates with an audit in September 2017.

EXAMPLE OF 3-YEAR NATIONAL BUDGET CALENDAR



KEY QUESTIONS:

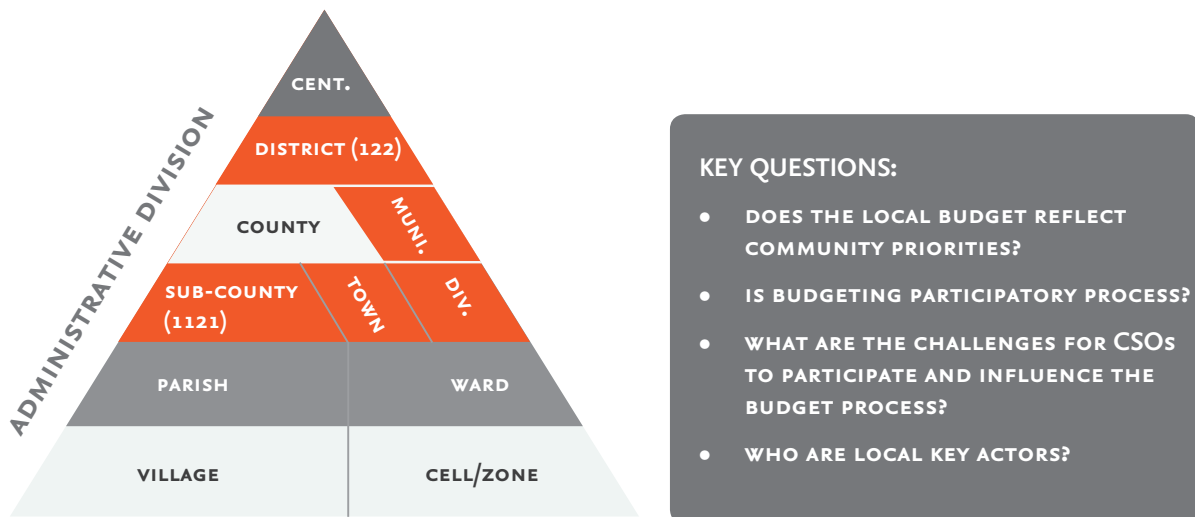
- HOW IS THE CALENDAR IN YOUR COUNTRY?
- WHERE CAN CSOs HAVE INFLUENCE?
- WHAT ARE THE CHALLENGES FOR CSOs TO PARTICIPATE AND INFLUENCE THE BUDGET PROCESS?

The Local Government Budget Calendar

The main source of local government funds stems from the national government approved budget and reaches local government through a series of vertical transfer processes of both cash and equipment.

Local Governments budget processes are ideally open and participatory, but citizens’ access to budgetary information is often restricted and can in it self constitute an issue for advocacy. Civil society is closer to the duty-bearers at local level and must engage actively in the planning and budgeting processes to get their voice heard and their inputs included and acted upon in the local plans and budgets and to play an active role in monitor their implementation.

The example of the Administrative Division and the related local budget calendar below is from Uganda.



LOCAL BUDGET CALENDAR



TOOLS FOR STEP 3

SELECT THE METHOD OF ANALYSIS

Depending on your selected problem and the focus of your budget analysis, there can be many ways to conduct a methodical budget analysis. In the following you will get a brief presentation of three standard budget analytical tools that each has its advantages and disadvantages.

3.1 BUDGET BREAKDOWN

To conduct a budget breakdown of a particular budget, it is important to look at both the income and expenditure sides.

Table 1: Education Financing – National Level

Fill in data for this year and previous years, and if possible, forecasts for future years.

YEAR	EDUCATION SECTOR ALLOCATION AS % OF NATIONAL BUDGET	EDUCATION SECTOR TOTAL BUDGET ALLOCATION IN LOCAL CURRENCY OR US\$	BASIC EDUCATION ALLOCATION AS % OF EDUCATION BUDGET	% OF EDUCATION ALLOCATION COVERED BY TAX REVENUE	% OF EDUCATION ALLOCATION COVERED BY AID TO EDUCATION

Table 2: Distribution of Education Sector Budget as a percentage between types/levels of education

Fill in the data from the education sector budget in your country. Please change/elaborate on the columns/ budget lines according to the contents and structure in the existing budget.

BUDGET LINE FOR TYPE OR LEVEL OF EDUCATION	%
EARLY CHILDHOOD EDUCATION	
PRIMARY EDUCATION	
BASIC/NON-FORMAL EDUCATION (YOUTH & ADULTS)	
TVSD/VOCATIONAL EDUCATION	
SECONDARY EDUCATION	
TERTIARY EDUCATION	
OTHERS	

KEY QUESTIONS:

- DO THE ALLOCATED RESOURCES INCREASE/ DECREASE COMPARED WITH PREVIOUS YEARS?
- DO THE ALLOCATIONS REFLECT THE GOVERNMENTS POLICY PRIORITIES AND PROMISES?
- IS THERE A DISCRIMINATION OR EXCLUSION OF A CERTAIN TYPE OR LEVEL OF EDUCATION?
- WHAT % OF TOTAL EDUCATION BUDGET ALLOCATED FOR SERVICE DELIVERY? (INFRASTRUCTURE AND TEACHING MATERIALS)
- HAVE SERVICE DELIVERY AGENCIES IMPLEMENTED ACCORDING TO CONTRACTS IN TERMS OF QUANTITY AND QUALITY
- HAVE THEY SPENT ALL THEIR FUNDS FOR THE YEAR, OR WERE FUNDS LEFT OVER FROM PREVIOUS YEARS?

3.2 BUDGET TRACKING

The second type of a standard analytical tool is to conduct a budget tracking analysis. A budget tracking analysis can both be a relative small and limited analysis of flows of funds between different budget levels, or a more extensive surveys of end-user delivery of basic services. It is necessary to outline the focus and objective of using this tool clearly as it can be quite extensive and resource demanding.

Public Expenditure Tracking Surveys (PETS)

PETS is a tool designed to assess performance in basic service delivery and measure leaks/corruption. The method traces the amount that was originally allocated at national level by government or donor through each level of government, to see what share of the funds reach their final destination. One of the main objectives is to provide evidence of leakage on the different levels of the service provider chain. PETS could be carried out by civil society organizations but require collaboration from authorities to make it more likely that recommendations are translated into government reforms.

PETS are typically designed to look at the following factors:

- Characteristics of the public service/programme (size, infrastructure, number of clients/users, etc.)
- Financing (level of budget allocated to the service/programme, sources and efficiency in flow of funds)
- Inputs (levels of human and material resources) and;
- Outputs (the quantity and quality of goods delivered).

EXAMPLE: HOW TO CARRY OUT A PETS SURVEY

1. Planning and consultation

- Survey objectives should be closely related to planned advocacy processes.
- A power analysis assessing the stakeholders and their likely position should be conducted.
- Government should be involved for ownership and recommendations translated into government reforms.

2. Assessment of data availability

- An assessment of the data readily available will lead to the final choice of tracking flows.

3. Design of questionnaires

- Questionnaires must be tailored to the context of the country.

4. Training of partners (data collectors) in a pilot phases

- Questionnaires can be tested simultaneously in the pilot phase.

5. PETS Survey implementation

- The survey should ideally be carried out two to three months after the end of the fiscal year .

6. Data analysis, report writing and advocacy planning.

- Data cleaning and analysis should be done shortly after the end of data collection.
- Verification workshops for Civil Society and government feedback to the final report is a way to boost stakeholder ownership.
- Information collected should be analyzed and used for advocacy planning/preparation of an Advocacy Action Plan.
- Results should be disseminated among government as well as CSOs, following the Advocacy Action Plan.

3.3 BUDGET MONITORING: SCORECARDS AND SOCIAL AUDIT

The use of scorecards is a method which generally involves users evaluating or assessing the quality of services provided (using scorecards) followed up by face-to-face meetings between users and providers. Here the objective will typically be to agree on main conclusions with a view to arriving at an action plan or similar for follow-up where relevant. Another important step is to publish and disseminate the information collected

The community scorecard is a participatory community-based approach for assessing government services. It involves different stakeholders to find out:

- If inputs primed have actually reached the final destination?
- How community members grade performance of a service?
- How frontline service providers grade their own performance?
- What can be done to overcome service delivery problems?

Scorecards are useful to gather information about a specific service and facility, for example the teaching quality in a school. For the scorecard process to succeed, it is necessary that at least one of the following stakeholders, like service providers, local government and community members are willing to participate.

Example of Community Scorecard

COMMUNITY SCORECARD: SCHOOL NAME						
WHAT TO MEASURE (INDICATOR)	SCORE 1-5					REMARKS
	1	2	3	4	5	
A. POSITIVE ATTITUDE OF TEACHERS						
B. MANAGEMENT PROVIDED BY HEADMASTER						
C. CLEANLINESS OF CLASSROOMS						
D. TEACHERS' PREPAREDNESS FOR CLASS						
E. TEACHERS' ABILITY TO MAINTAIN ATTENTION OF LEARNERS						
F. DISCIPLINED BEHAVIOUR OF LEARNERS						

The method is relatively simple, inexpensive and can be conducted in a short period of time (for example 3 to 6 weeks). It can be repeated and institutionalised as a regular means for citizens/communities to provide feedback to government service providers. The scorecard process can directly inform planning for future service delivery. When successful, this method builds confidence of citizens/community members and service providers to tackle problems constructively and generate solutions.

HOW TO PRODUCE COMMUNITY GENERATED SCORECARDS

1. Community gathers and facilitators (local and external) divide participants into focus groups. Each group should have a mix of members based on age, gender, and occupation.
2. Focus groups brainstorm to develop performance criteria with which to evaluate the facility and services. Facilitators must use appropriate guiding or 'lead-in' questions to facilitate the discussion and assist the groups to organize criteria into performance indicators.
3. The community generated performance indicators need to be measurable or observable and prioritized. The final number of indicators should not exceed 5-8.
4. Focus groups give relative scores for each of the indicators. A scale of 1- 5 or 1-100 is usually used for scoring, with the higher score being 'better'.
5. Facilitators ask for reasons behind scores, low and high. This provides valuable information and useful anecdotes regarding service delivery.
6. Focus groups come up with their own suggestions for improvements. This is the last task during the community gathering. The next stages of the process are feedback and responsiveness.

Social audit

A social audit is a way of measuring and improving an organization's social and ethical performance. It narrows gaps between visions, goals and reality, between efficiency and effectiveness. Social Audits uses participatory methods to investigate whether larger government projects have been implemented as planned. One area they focus on is to see if there are gaps between the plan and what was actually delivered or constructed. They also look at who was involved in implementing a project and what they got paid for. Social auditing values the voice of stakeholders, including marginalized and poor groups whose voices are rarely heard.

The method is useful for strengthening accountability and transparency, and enhances local governance.

1. Assessing the physical and financial gaps between needs and resources available for local development.
2. Creating awareness among beneficiaries and providers of local social and productive services.
3. Increasing efficacy and effectiveness of local development programmes.
4. Scrutiny of various policy decisions, keeping in view stakeholder interests and priorities, particularly of rural poor.
5. Estimation of the opportunity cost for stakeholders of not getting timely access to public services.

Case Story: Kenya

In Kenya, civil society networks joined in a Social Audit Team and carried out a social audit. They quickly realised that something was missing – the dam project! This dam had been allocated funds in the previous year's budget, but the construction had not started after a year. After tracking the money, they discovered that the Area Chief had colluded with some of the committee members to swindle the dam funds. With support from ActionAid Kenya and national NGOs, the Social Audit Team made great achievements in the district, as the swindled funds were returned after political pressure, and new measures for accountability were enacted. The de-centralised fund managers and the line ministries are now much more careful and play by the rules, when it comes to allocating and implementing budgets.

STEPS OF A SOCIAL AUDIT

1. Choose the programs and agencies for audit.
2. Analyse the administrative structure of these programs.
3. Look for information on programs under audit: access to accounting records (cash books, wage rolls), technical project records (engineers measurements books) and managerial records (fund utilization certificate)
4. Sort the information, so it is clearly summarized in a matrix or a simple chart.
5. Bring information to the communities for public hearings.
 - Talk to workers and people in the community and visit the project site.
 - Collect the new information.
6. Follow up.

EXAMPLE: USING ICT TO PROMOTE ACCOUNTABILITY

In east Africa, an ambitious initiative called Huduma (Swahili for 'service') invites citizens to submit reports on problems with public service delivery, in the categories of health, education, governance, infrastructure, water and justice. Reports can be submitted via SMS text, by e-mail and by using the web platform. The concept is that citizens and NGOs work together with the government to formulate service charters, which contain details about public service delivery. When there are breakdowns in the public service, Huduma amplifies citizens' voices and the partner NGOs become their champions. The model is an effort to scale up evidence-based advocacy across an entire region.

TOOLS FOR STEP 4

PLAN THE ADVOCACY PROCESS

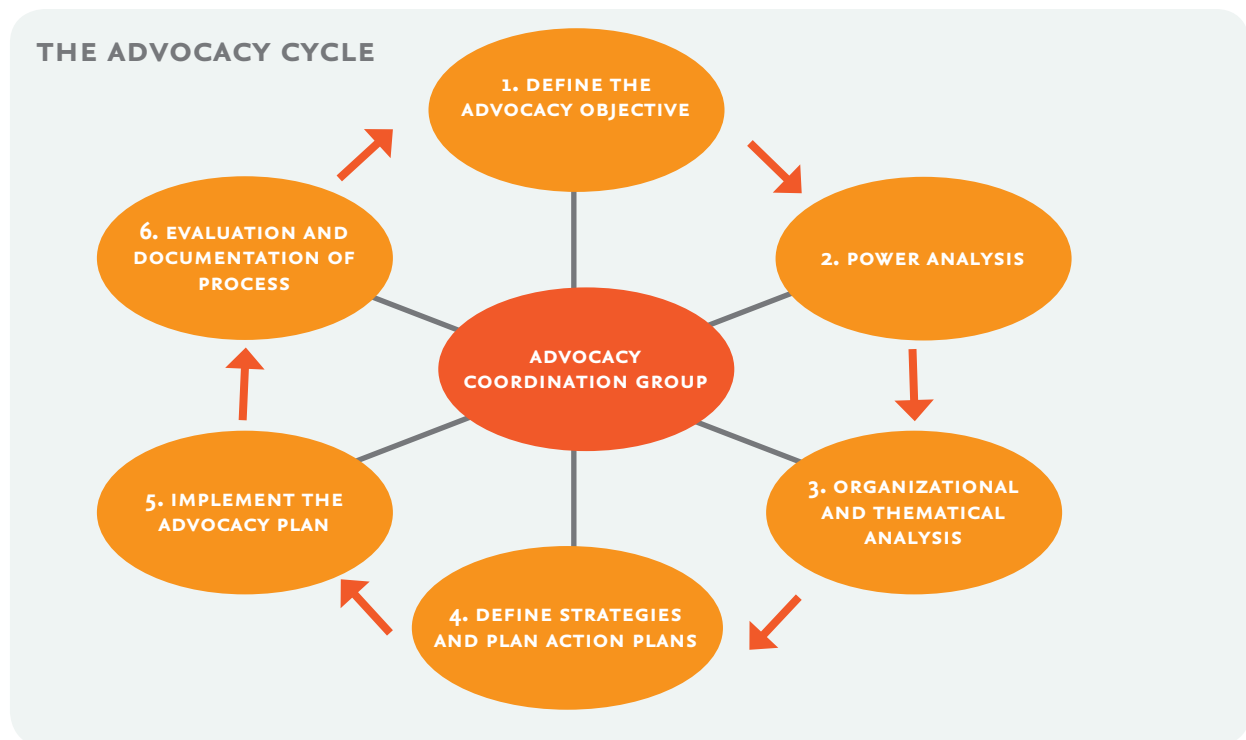
4.1 REVISIT CHANGE OBJECTIVE/ADVOCACY TARGET IF RELEVANT

Similar to the establishment of the Budget Analysis Group in STEP 1, it is important to organize and find support for the planning and implementation of the Advocacy Process.

It might be necessary to revisit the change objective based on the information and findings from the budget analysis, to ensure that the change objective/advocacy target is offering a realistic and clear alternative or solution to the identified problem or if it needs adjustment.

An **Advocacy Process Coordination Group** should be established as an extension of the Budget Analysis Coordination Group, including partner organisations and other allies e.g. representative of the media.

The Budget Analysis has covered step 1–3 of the Advocacy Cycle (see below). Now it is time to plan for the advocacy process following the next steps in the Advocacy Cycle. As a first activity the group must enter step 4 in the Advocacy Cycle: Define strategies and develop action plans.



Steps for defining Advocacy Strategies and an Advocacy Plan:

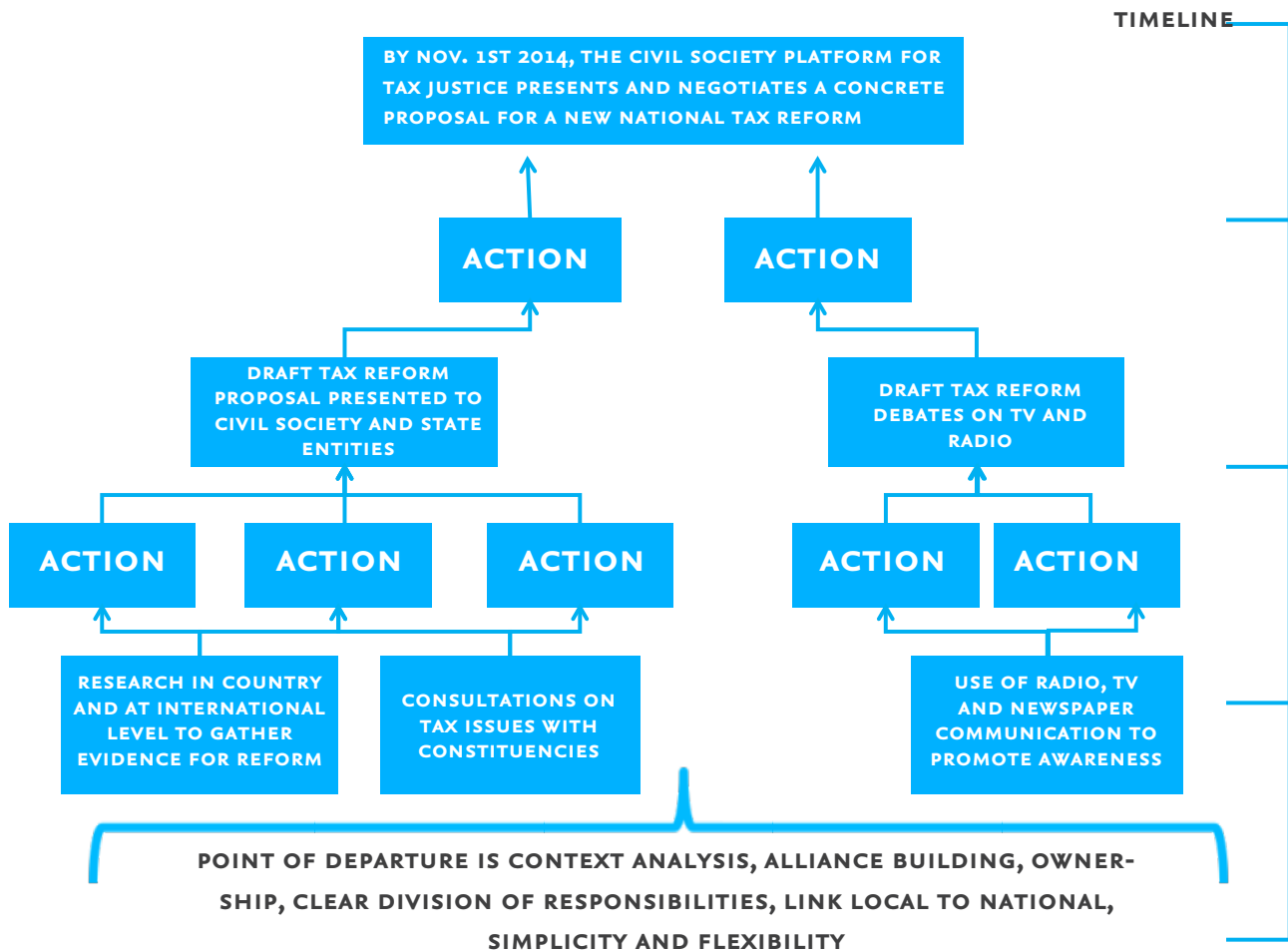
- Extension of the Coordination Group: Establish alliances according to Power Analysis.
- Seek support from research, INGO's, medias of communication, bi- and multilaterals etc.
- Define differentiated influencing strategies (see template below).
- Define activities, timing and division of responsibilities related to each strategy.
- Establish strategic collaboration with television, radios, newspapers etc.
- Conflict Analysis. Prevent conflicts by foreseeing stakeholders' reactions.
- Dialogue, irony, satire, creativity, happenings, demonstrations.
- Plan (unexpected) answers and actions.

4.2 DESIGN AN ADVOCACY ACTION PLAN

In the BAG Step 4 you find the Matrix for guiding you through the Advocacy Planning. Below an example illustrating how to make the Matrix works in practice to achieve the following Advocacy Target/Change Objective.

EXAMPLE OF ADVOCACY TARGET/CHANGE OBJECTIVE:

“By November 1st 2014, the Civil Society Platform for Tax Justice presents and negotiates a concrete proposal for a new Tax reform in the country“.



4.3. CONTINUOUS MONITORING AND ADJUSTMENT

Implementing the advocacy plan contains various action levels including:

- Continuous monitoring and adjustment of strategies and plans.
- Constant communication between coalition members and with constituencies.
- Public meetings, dialogue, irony, satire, manifestations.
- Negotiations with decisions maker. Be clear about non-negotiables.

4.4. ACHIEVE PRO-POOR POLICY AND STRUCTURAL CHANGES

In the struggle for achieving pro-poor policy and structural changes, advocacy must be looked upon as a cyclic and forward moving process. Therefore evaluation of the Advocacy process must include: Analysis of successful and failed strategies, publishing of advocacy results, and thorough documentation of lessons learned.

KEY REFERENCES²:

PUBLICATIONS

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- Democracy – Justice and Accountability at the Local Level: <http://www.actionaid.org/publications/democracy-justice-and-accountability-local-level---hrba-governance-resources>
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Public Expenditure Tracking Surveys (PETS) and Quantitative Service Delivery Survey (QSDS) Guidebook Bernard Gauthier and Zafar Ahmed: http://www.google.dk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=oCCcQFjAB&url=http%3A%2F%2Fpets.prognoz.com%2Fprod%2FGetGuidelinesDocFile.ashx%3Fdata%3D1&ei=vXiaVfakDoWssAHGk4_IBQ&usg=AFQjCNFEedQ23JW4SyPUhOk_3nnZuhjNe9Q&bvm=bv.96952980,d.bGg

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PETS film: <http://youtu.be/X4shDrmICBY>

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Accounts and Accountability. Right to Information Movement in Rajasthan. This film is produced for UNESCO by the Public Service Broadcasting Trust (PSBT): http://www.unesco.org/archives/multimedia/index.php?s=films_details&id_page=33&id_film=1990

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² From IBIS Budget Analysis and Budget Tracking Course 2014