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**Remarks for COMY IV:
Toward transparent and effective budgeting for youth in Africa
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Distinguished Ministers and Others, All Protocols Observed.

On August 12, one of Kenya's presidential contenders announced that if he was elected, he would allocate about US\$700,000 per constituency for low interest loans to support youth to create jobs. Now, the low cost loans might be a good idea, but note something peculiar about this proposal: the idea that the money for youth "empowerment" should be distributed by constituency.

Channeling funds for youth programs through parliamentary constituencies, particularly at a time when Kenya is decentralizing to counties, is curious. It has echoes of Kenya's controversial Constituency Development Fund (CDF), a kitty that is designed to promote local development, but that has often been abused. CDF falls short of sound financial management principles, including fiscal transparency, and a clear line between oversight and execution of funds.

I start with this anecdote because, at the end of the day, the way that money is spent on the youth must be the way that money is spent on anything. And too often, this means that money spent on the youth is not spent as well as it could be around the world, because government spending lacks transparency, public participation, effective oversight, and, of course, accountability.

A key issue for the youth agenda is resource mobilization. But my focus is not so much on mobilizing resources as on how this money is spent. At the same time, if money is well spent, there will be more to go around for our priorities.

Before I go on, let me say a word about our organization, because many of you have probably not heard of us. [slide 2] The International Budget Partnership is a global network of civil society organizations operating in over 100 countries around the world, and over 20 in Africa. We at the IBP secretariat provide support to partner organizations to conduct analysis of issues related to public finance, with a particular focus on transparency and participation. Every 2 years, we produce the Open Budget Index, which attempts to measure objectively how much budget information countries make available to the public. I will say more about this in a moment.

In this presentation, I want to suggest that when we think about spending money in order to benefit the youth, we need to ask four questions, questions which I think link to some of what our youth

presenters said yesterday. [slide 3]

- 1. Is money spent specifically on youth programs the best way to spend money that benefits youth?*
- 2. When we spend money on youth, is that money managed in a transparent manner to ensure that it is spent well?*
- 3. Has government produced plans and targets that demonstrate that it understands the nature of the problem and has a roadmap for solving it?*

4. *Are the youth involved in the design of youth programs and in monitoring their implementation, including the implementation of the budget for these programs?*

Question 1: Is money spent specifically on youth programs the best way to spend money that benefits the youth? [slide 4]

The youth constitute a large share of the population in most African countries. If most of the population of a country was youthful, then any program that benefited the majority would benefit the youth indirectly. That is not quite the case, but we need to take seriously the degree to which youth are better off with special programs than with better policies for society as a whole.

According to the African Youth Charter, you are a youth up to and including the age of 35. When we look at estimates in Africa for the age group from 15-29, the share is around 27 or 28 percent.¹ Obviously, if we include 29-35, the share goes up.

Based on various estimates, the youth population constitutes roughly **one third of the population**, which is a pretty substantial share. Remember, too, that if we are talking about employment policy, for example, then the share is even higher. Why? Because a very large share of the population that is NOT “youthful” in African countries is actually below 15, meaning they are not really part of the labor force (although of course, we know that sometimes they are).

Roughly 40 percent of Africa’s population is under 15, meaning at most 60 percent of the population is in the workforce. So if about 60 percent of the population is working and 30-35 percent of the population is between 15-35, then at least half of the workforce is youthful.²

Thus, when we talk about some of the specific areas where we are particularly concerned about youth, such as unemployment, then youth constitute a majority (or at least a plurality) of those we are talking about. So a national policy to deal with unemployment is a policy to deal with youth unemployment. **At a minimum, this means that governments need to think through what is special about the youth employment problem before introducing programs or policies that are geared primarily at youth unemployment, as opposed to overall unemployment.** And if governments are not “getting it right” on creating employment overall, they are unlikely to get it right when we talk about youth employment specifically.

I am not suggesting there is nothing particular about youth unemployment. There may be, but it cannot be assumed. Around the world, youth unemployment is substantially higher than the general level of unemployment. Some of this is inevitable, however: people with fewer skills and less experience are always going to have a higher rate of unemployment.

The World Bank finds that around the world the level of youth unemployment is about double the general rate of unemployment. So consider this: if a country has an unemployment rate of 8 percent, its youth unemployment rate is likely to be around 16 percent. If the general

¹ <http://blogs.worldbank.org/developmenttalk/youth-bulge-a-demographic-dividend-or-a-demographic-bomb-in-developing-countries>

² Although we sometimes think it is, this is not a new phenomenon: in Kenya for example, and even using the restrictive definition of youth as 15-24 year olds, from the 1970s to the 1990s, they constituted about half of the working age population (30-69).

unemployment rate drops to 4 percent, youth unemployment would on average be 8 percent. That tells you how powerful getting your overall employment policies right is for youth unemployment. Few youth-specific programs will ever be able to lower unemployment by such large figures.

But of course, when we rely on broad programs to create jobs, we then need to produce disaggregated data on who got those jobs so that it would be clear that youth are benefiting. This is infrequently done, but is possible to do. For example, South Africa's Expanded Public Works Program, started in 2004, is a program for everyone, but its reports break out jobs created for youth, women, and people with disabilities.³

Question 2: Is money that is specifically channeled to youth programs used transparently and used well? [slide 5]

It is not easy to give a definitive answer to this question across Africa. Or rather, it is easier to give an answer to the first part of the question than the second. Because we often do not know how the money was used, we can say that it is not transparent.

This problem is not unique to the budget for youth programs. Across Africa, across sectors, and even across the world, budget transparency is weak. Remember that I mentioned one of the things we do at the IBP is to coordinate the Open Budget Index which tries to measure budget transparency globally. [show slide 6] In 2010, the global average score across 94 countries was 42 out of 100 points on our Open Budget Index. The Sub-Saharan African average was 28 out of 100 points.⁴ So, on the whole, Africa lags behind.

However, Africa has also set records in budget transparency. In 2010, South Africa was the most transparent country assessed. **Although they are less transparent than South Africa, countries like Uganda, Ghana, Botswana, Namibia, Kenya, Malawi and Tanzania are still above the international average.** So these countries should be recognized for going farther than others.

Now it is because these countries release more information and make more of an effort that I am also going to touch on areas of weakness in their budget processes and their youth policies. But please keep in mind that if I mention challenges in a country like Ghana or South Africa, that is because this is a country that is doing relatively well, but could still do better. We are highlighting them because we believe they are the ones that have a track record that suggests they can show leadership on this issue.

We have been talking in general about the budget, but not the budget for youth programs specifically. In Ghana, a coalition of youth organizations that we work with tried to look at the budget for youth programs last year. They struggled to find basic data. For example, Ghana's budget is not disaggregated sufficiently to distinguish between spending on youth programs and sports.⁵

³ Community Agency for Social Enquiry, Youth Budget Review, July 2006.

http://www.case.org.za/images/docs/youth_budget_report.pdf. Also see

http://www.epwp.gov.za/downloads/Q4_2011-12_Annexure_A-E.pdf.

⁴ http://internationalbudget.org/wp-content/uploads/2011/06/2010_Full_Report-English.pdf

⁵ http://img.modernghana.com/images/content/report_content/youth_budget_watch__2012.pdf

Recently, this same youth coalition asked for budget information from the National Youth Employment Program in Ghana, but were initially told they could not have this because they were not from a government agency. They were later told it was possible, but they have been following a long process to try to get additional information about actual expenditures for the NYEP that has taken nearly two months so far with no results.

In the absence of a Right to Information law in many African countries, many organizations seeking budget information have to shuffle from office to office trying to get basic budget data. If they get it at all, it can take several months. Often, they still do not get what they asked for.

This problem is not unique to Ghana. As I said, you are likely to have better luck getting this type of information in Ghana than you would in most other countries. So that is indicative of the larger problem: lack of transparency and accountability in the use of public funds, including funds focused on youth programs and initiatives.

The youth programs we know something about have certainly had their share of problems. Even in countries that are among the best performers on the continent in terms of transparency, audit reports have in recent years revealed problems of questionable expenditure, high staff costs, and misguided priorities. In Kenya, a part of the Kazi Kwa Vijana (Work for Youth) funding was suspended by the World Bank after questions were raised about the way some Ksh 33 million (about US\$400,000) had been used.⁶ A government audit (KENAO) into Kenya's Youth Enterprise Development Fund in 2008 revealed widespread financial irregularities; in 2012, an internal audit also found numerous irregularities involving millions of KSh, leading YEDF to suspend 8 staff members this past May.⁷

South Africa's National Youth Development Agency received a clean audit report last year, but even still, there were concerns about poor financial management (affecting 67 million Rand of spending, or US\$8million), high staff costs (over a third of the budget), and very high spending on one-off events rather than areas that may have a more substantial impact on the lives of youth (more than a quarter of the budget on the World Festival of Youth and Students).⁸

If these are the concerns from countries that are fairly transparent and serious about youth programs, what is happening elsewhere? The concern is that by and large we don't really know.

Question 3: Has government produced plans and targets that are linked to budgets? [slide 7]

Here is another area where our assessments suggest considerable weakness. For example, the Open Budget Index 2010 asks whether the "budget or any supporting budget documentation contain performance indicators for expenditure programs?" [slide 8] Around the world, the average score on this question is 28 out of 100 points. This reflects the fact that 51 out of 94 countries provide no

⁶ <http://www.capitalfm.co.ke/eblog/2011/10/25/world-bank-statement-on-kazi-kwa-vijana/>

⁷ http://marsgroupkenya.org/YOUTH_FUND/NATIONAL_AUDIT.pdf#6739; <http://emmanuel-ed.blogspot.com/2012/05/statement-by-nysa-on-youth-fund-scandal.html>;

<http://www.youthfund.go.ke/index.php/news/147-statement-on-allegations-of-corruption-at-the-youth-enterprise-development-fund>

⁸ <http://www.news24.com/SouthAfrica/Politics/NYDA-gets-second-clean-audit-20110929>

performance indicators of any kind. 16 of 24 countries in Africa also score a 0 on this question. Not surprisingly, when there are no indicators, there are also no targets.

Nevertheless, once again, there are some world beaters from the continent that score far above the global average, including South Africa, Ghana, Uganda, Namibia, Malawi and Tanzania.

When we think about a process for budgeting for youth that would include targets and be linked to the budget, I think it is useful to start with an analysis done some years ago in South Africa to look at the effectiveness of youth budgeting.⁹ The report laid out five steps one would go through to evaluate whether the budget pays adequate attention to the youth. I have slightly adapted these simple steps, which I think represent a good starting point: [slide 9]

1. Analyze the situation of youth in the country
2. Assess the extent to which the policies and programmes of government address the situation and needs highlighted in the previous step, and propose new policies as needed
3. Assess (at the beginning of the budget year) whether adequate funds (budget) have been allocated to implement the youth-friendly aspects of government policies and programmes identified in the previous step.
4. Measure and assess, at the end of the budget year, whether the allocated funds were spent as planned and who they reached
5. Assess (after several years) whether the situation described in the first step has improved.

I took a look at the Uganda Youth Policy from 2001 to see how it fared against these criteria. I chose Uganda because Uganda does particularly well on overall transparency and on the use of indicators in the budget process.

The Ugandan Youth Policy document starts with a historical review and then a situation analysis. This seems to correspond to point 1 above, but then I noticed that the first section is called “Youth Population.” In this section, youth are defined as those between 15-19, which is quite a restrictive definition. But when we get to the section on the government’s youth policy, the definition is now defined as 12 to 30 years old! So we have a situation analysis that is not really linked to the policy.

When we get to the priority areas for action, the first of these is Education, Training and Capacity Building. That is a good place to start, but I note that the first action point is “Advocate for increased accessibility to Education both formal and non-formal and career guidance.” Since this is a government policy, it is hard to understand why the government should be “advocating” instead of “doing.” But this is often what youth ministries end up doing, because they don’t have the authority to command other ministries to move with them. But if the target for action is only to advocate, it is hard to judge whether they have succeeded or failed in their task and who to hold to account.

Many countries do Step I, but, like Uganda, their situation analysis is often poorly linked to the policies they settle on. But it is at Step 2 that governments really start to deviate from the 5 steps

⁹ Community Agency for Social Enquiry, Youth Budget Review, July 2006.
http://www.case.org.za/images/docs/youth_budget_report.pdf

above, because many national youth policies fail to review existing government programmes and whether they serve the youth. After the situation analysis, one should review existing policies, such as existing employment policies, and explain specifically why they do not work for the youth. Where necessary, new policies should then be proposed.

The real question we need to ask is whether these youth policies have any money behind them. In other words, does the government get to Step 3 as described above: assessing whether there is adequate funding for youth programmes. The answer is often no.

Uganda's policy does have a mention of the budget: "Lobby for integration of youth concerns into central and local levels, planning and budgetary provisions." Again the language seems to be one of advocacy rather than doing. But there is no further mention of any budget for implementing any of the activities mentioned in this document. Nor does it contain any indicators or targets against which to measure success.

Again, we should not be too hard on Uganda, because Uganda is the second-most transparent country in our survey, and it has also shown great improvements over time [Show slide and show E. African improvements]. In general, Uganda produces very detailed planning and budget documents and makes many of them available in soft copy, although these could be released in a more timely fashion. If Uganda's youth policy is not as strong as it should be, other countries either have no policy or do not make them available on line.

The same holds for Ghana, another country at the top of the continent in transparency and linking the budget to performance indicators. Ghana's 2010 National Youth Policy is publicly available. The policy states that the government will "provide adequate resources for sustainable youth development." This is an important commitment.

Yet the policy itself provides no costing and no action plan. I am told that an action plan is under discussion, but two years after producing the policy, it has not been published. Although the Policy calls for a review after five years, it does not contain specific objectives that can be measured so it is not clear how to review it.

Again it is important to note that countries like Ghana and Uganda make policies and make them available. Some other countries do neither, so we cannot even know if they have thought about the issues affecting youth or how to deal with them, let alone tried to set targets that can be linked to the budget.

And of course, it is hard to get to Steps 4 and Steps 5 if we don't get through Steps 1-3.

Question 4: Are the youth involved in programs designed to benefit them, either in the formulation or the implementation and monitoring stages? [slide 11]

The general perception is that youth are not incorporated in the process of developing or implementing programs to the extent that they should be. An international review of national youth policies in 2005 concluded that one of the key challenges around the world was "lack of sufficient participation of all stakeholders (especially youth and youth organizations) in the process of formulation... and strategies as well as plans for implementing and evaluating integrated national

youth policies.”¹⁰ The same report found that Kenya and South Africa had made efforts to increase youth participation in the formulation of policies, but this was exceptional.

I want to focus on an area that gets less attention, which is the role of youth in monitoring the implementation of programs and budgets for youth. [slide 12]

An area where youth could be more involved is in working more closely with national audit offices, or Supreme Audit Institutions. Audit reports are an important source of information on how well youth initiatives spend money. Some audit offices have begun to open up to the public in recent years, requesting information from the public on areas that are in need of audit (South Korea), and agreeing to conduct joint audits with citizens (India). In South Korea, citizens are empowered both to review audit requests from the public and even to conduct audits at local level.¹¹

This global opening up of audit institutions presents a particular opportunity for youth. Skilling youth and bringing them into an official audit process is a good way to both achieve a goal of many youth programs—providing employable skills—and to ensure that these programs are more effectively run. Youth beneficiaries often have good information about what ails the implementation of programs, such as the challenges that they confront in accessing work or loans. This is information that can help auditors to do their jobs. At the same time, learning to evaluate programs rigorously is certainly a marketable skill for youth.

Conclusion

So where does this leave us? As COMY IV and the African Union commit to a renewed focus on youth, we must demand that the next generation of youth-oriented programs are sufficiently linked to national policies that are geared toward broad improvements in welfare, are transparent and well-managed, are established with clear plans and targets, and involve youth directly in formulation and implementation.

Africa has produced a number of countries that are leading the continent and the world in transparency and linking budgets to plans and targets, but there is still a long way to go. Even those countries that are above average that I have highlighted, such as South Africa, Ghana, Uganda and Kenya, can do more. I hope that these countries will show great leadership in making their budgeting processes more open and transparent in general, and specifically when it comes to youth programmes.

¹⁰ International Council on Youth Policy and GTZ, “COMPARATIVE ANALYSIS OF NATIONAL YOUTH POLICIES,” 2005.

¹¹ Albert van Zyl, Vivek Ramkumar and Paolo de Renzio, “Responding to challenges of Supreme Audit Institutions: Can legislatures and civil society help?” U4 Issue 2009:1.