

**SUSTAINED WORK AND DEDICATED CAPACITY**  
**IDASA's Experience in Applied Budget Work**  
**in South Africa**

**Helena Hofbauer**

**Case study prepared for the research project**

**Lessons from Civil Society Budget Analysis**  
**and Advocacy Initiatives**

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## CONTENTS

1. <i>Introduction</i> .....	3
2. <i>South Africa and the budget</i> .....	4
2.1 Country profile.....	4
2.2 The budget process .....	5
3. <i>IDASA's mystique: democracy as a mission</i> .....	7
3.1 IDASA's Budget Information Service .....	8
4. <i>BIS' activities and structure</i> .....	9
4.1 Leadership and lifecycle .....	<b>Error! Bookmark not defined.</b>
4.2 Internal dynamics.....	<b>Error! Bookmark not defined.</b>
4.3 Characteristics of BIS' research and analysis .....	<b>Error! Bookmark not defined.</b>
5. <i>The Impact of BIS' budget work: What has been achieved?</i> <b><i>Error! Bookmark not defined.</i></b>	
5.1 The Child Support Grant Program .....	<b>Error! Bookmark not defined.</b>
5.2 The provision of HIV treatment .....	20
5.3 The Africa Budget Project.....	24
6. <i>Challenges and opportunities</i> .....	26
6.1 The development of independent, strong units .....	27
6.2 High-quality research vs. popular information .....	28
6.3 Media relations.....	<b>Error! Bookmark not defined.</b>
6.4 Engagement in advocacy campaigns .....	30
7. <i>Conclusion: Lessons from BIS' work</i> .....	<b>Error! Bookmark not defined.</b>
7.1 The importance of having the right staff .....	31
7.2 Underscoring accuracy .....	32
7.3 Sustained budget work throughout the year.....	32
7.4 Leadership and institutional trends .....	32
7.5 The link between research and advocacy .....	33
Annex 1: List of People Interviewed and Consulted.....	<b>Error! Bookmark not defined.</b>
Annex 2: List of Materials Consulted .....	<b>Error! Bookmark not defined.</b>

# **SUSTAINED WORK AND DEDICATED CAPACITY: IDASA'S EXPERIENCE IN APPLIED BUDGET WORK IN SOUTH AFRICA**

Helena Hofbauer<sup>1</sup>

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## **1. Introduction**

In 2005 the International Budget Project and the Institute for Development Studies from the University of Sussex initiated a joint effort to study the experience of civil society budget work in six countries around the world. In all of these countries—Brazil, Croatia, India, Mexico, South Africa and Uganda—civil society organizations have undertaken budget work for a significant period of time. This report is the study of the South African experience, focusing on the work of the Budget Information Service (BIS), a group nested within the Institute for Democracy in South Africa (IDASA).

BIS was one of the first projects in a developing country to pioneer applied budget work. The main purpose of this review was to distill some of the lessons of BIS' decade of experience in budget work, the dynamics that characterize successful budget work, and its building blocks. It must be mentioned that during the time of the case study's completion, BIS underwent dramatic changes, the scope and results of which are still in process. We cover some of the dynamics that are driving this change so that other groups can learn from these experiences.

In organizations that are not completely dedicated to budget work—as is the case for the majority of groups involved in the topic—the relationship between the whole and the parts defines important aspects of this work. In the words of IDASA's Executive Director, "At the time of the case study, IDASA had as its mission the promotion of sustainable democracy by building institutions, educating citizens, and advocating social justice. In order to carry out its primary objective of building capacity for democracy in government and civil society, and to develop leadership and organizational effectiveness, it operated through a set of specialised programs, one of which was the Budget Information Service. While programmes have an extended life span they are constructs which can and have changed during the life of IDASA as the challenge for sustainable democracy change." This case study focuses on the

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<sup>1</sup> Helena Hofbauer is Executive Director of Fundar, Center for Analysis and Research in Mexico. She investigated IDASA with Jim St. George of the International Budget Project.

work of BIS and not the broader organization of IDASA, nor does it examine closely the relationship between IDASA and BIS.

Without pretending to cover these angles for IDASA's case, this study also analyzes some of the elements that might play important roles in the overall institutional arrangement that surrounds budget work.

## **2. South Africa and the budget**

### **2.1 Country profile**

In 1994 South Africa had its first democratic election, after decades of enduring one of the most notorious regimes: apartheid. Hope and commitment to eradicate inequality and deconstruct discrimination were widespread, and it seemed that even the socioeconomic gap would be bridged. New policies were introduced, and a democratic society and state was implemented.

It is fair to say that, in terms of governance and democratization, radical change has been taking place since 1994. A stable political system has been brought forth in which legitimacy of the state and the rule of law have been important achievements. In 1996 a new constitution was adopted, and since 1994, 789 laws or amendment acts have been introduced to reconfigure the South African society.<sup>2</sup>

Macroeconomic stability has been a key goal, particularly to President Mbeki: the budget deficit has dropped from 9.5 percent of GDP in 1993, to one percent in 2003. The current government celebrates as a major success the fact that such figures had not been seen for the last forty years. It is less stimulating however, that the economy has only grown at an average of 2.8 percent each year.<sup>3</sup> In spite of the creation of new jobs (12 percent more jobs in 2002 compared with 1995), unemployment has been growing at an even steadier pace. The South African government recognizes that

...“two economies” persist in one country. The first is an advanced, sophisticated economy, based on skilled labor, which is becoming more globally competitive. The second is a mainly informal, marginalized, unskilled economy, populated by the unemployed and those unemployable in the formal sector. Despite the impressive gains made in the first economy, the benefits of growth have yet to reach the second economy...<sup>4</sup>

In 1999, a third of the 44.8 million South Africans were estimated to live under the poverty line. 45 percent of female-headed households fell into this category, in comparison to 26 percent of male-headed households. In

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<sup>2</sup> *Towards a ten year review: Synthesis report on implementation of government programmes*, October 2003, Presidency, South Africa, pp. 10-11.

<sup>3</sup> *Ibid.*, pp. 33-35.

<sup>4</sup> *Ibid.*, p. 97.

response to the many urgent social needs, the total public expenditure on social grants has increased 3.5 times between 1995 and 2003, from 10 billion to 34.8 billion Rands. The total number of beneficiaries has augmented from 2.6 to 6.8 million.<sup>5</sup>

Despite the fact that the government has made important progress toward equity and against racial and sex-based discrimination, service delivery and opportunities for all are still distant goals. Satisfactory results regarding the reduction of the social exclusion gap remain elusive. The infant mortality rate has increased through the last ten years, and maternal mortality has remained unaltered—despite efforts to improve access to health services. Furthermore, the HIV prevalence rate has dramatically risen from 0.7 percent in 1990 to 26.5 in 2003, constituting thus the single most important public health challenge in the country.

Substantial challenges also remain at the province and local levels: the capacity to deliver is uneven, and some provinces and local governments struggle to achieve barely acceptable levels of efficiency and policy effectiveness.

According to some of our interviewees, the space for public debate in South Africa has been narrowing, due to the centralization of power in President Mbeki. Priority has been given to having a strong hand for South Africa's transition to democracy, an approach that ironically might have the contrary effect: democratic institutions are not taking roots, or in some cases are even eroding. Criticism and dissenting voices outside of the African National Congress have found it increasingly difficult to find expression. Critique behind closed doors has been well taken, but upholding a publicly critical stance is turning out to be more difficult.

## **2.2 The budget process**

The South African budget<sup>6</sup> is drawn up for each financial year, which ranges from April 1 to March 31 of the following natural year. Since the end of the nineties, South Africa has been characterized by operating within a *Medium Term Expenditure Framework*, which means that the government's spending plans are projected over three years. On an annual basis, the projected spending plans are reviewed, adjusted, and voted on. Despite presenting projections over three years, only the current year is voted on; the two outer years are projected spending plans that will be revised, adjusted, and voted on in each respective fiscal year.

The drafting phase of the South African budget is as closed and inaccessible as that of most countries. Every year, national and provincial departments of

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<sup>5</sup> *Ibid.*, pp. 17-18.

<sup>6</sup> See Budget Information Service, "Understanding the Budget Process", *Budget Brief*, no. 56, Idasa, Cape Town, February 2001. (See <http://www.idasa.org.za/bis/briefs/default.htm>)

government review, adjust, and draw up spending plans on a three year basis. These are collected by the national government, analyzed by review teams—made up of national and provincial treasury officials and sectoral department officers—and integrated into the national budget that will be tabled, by the Minister of Finance, in Parliament.

The budget is debated in Parliament for a short period—committees hold hearings focusing on particular departments, and a general budget debate is held on the floor. After the National Assembly and the National Council of Provinces have voted their approval, the budget is signed into law by the President.

The South African Parliament has no amendment powers, only being able to vote their approval or disapproval of the budget; the latter would imply an institutional crisis. The budget proposal is thus reviewed within the Portfolio Committees on Finance, as well as other sectoral portfolio committees, and through detailed debate in the National Assembly and National Council of Provinces. Portfolio committees assist this review process by holding public hearings to discuss and table comments on aspects of the Budget. This is one

#### **Budget Transparency in South Africa**

In 2004, the International Budget Project (IBP) released a report on the level of transparency prevalent in South Africa's national budget process. IBP's report was based on a survey conducted in 36 countries. The results for South Africa illustrate that its budget system is quite open, underscoring how a new government can create a transparent and accessible approach to budgeting quite quickly. Its scores are well above the average for all countries examined. Among the areas in which South Africa stands out is the provision of prior year and future information in

the executive's budget documents and in its in-year monitoring reports. In South Africa, commendably, the executive releases both a pre-budget statement and a non-technical "citizens budget."

Its weakest score relates to the comprehensiveness of the information in the executive's budget proposal. In this area, for example, the budget fails to provide any information on the government's quasi-fiscal activities, its financial and non-financial assets, or how alternative macroeconomic assumptions would affect the projections in the budget. Another weak point is performance evaluation, indicating that the quality of performance indicators could be improved. Further, while South Africa scores generally well in the area of "involvement of the legislature," a notable shortcoming is that legislation has not been enacted that would enable the legislature to use its constitutional powers to amend the budget.

For more details, go to <http://www.internationalbudget.org/openbudgets/index.htm>

of the most visible opportunities civil society has to influence the budget—though not necessarily the best, due to Parliament's lack of amendment powers.

### **3. IDASA's mystique: democracy as a mission**

IDASA is a widely acknowledged and respected organization in South Africa. An important part of this perception stems from IDASA's history and the role the organization played prior to democracy.

IDASA was founded at the end of 1986 with the purpose of contributing to a democratic alternative in South Africa and putting an end to the politics of repression and polarization between black and white South Africans. Among its early activities, the facilitation of meetings among prominent Afrikaners and members of the African National Congress (ANC) then in exile, stand out. As such, the roots of the organization date back to the struggle for an inclusive South Africa; it has clear foundations in social justice and equity.

The mystique on the basis of which IDASA was created and worked during its first eight years earned the group an excellent reputation. This reputation has been a crucial element to the work IDASA continues to carry out. After the first democratic election, in 1994, IDASA's focus shifted from promoting a democratic alternative and building bridges to strengthening the creation of a democratic culture and democratic institutions in the country. In the organization's own words, how does IDASA understand democracy and which criteria define its work?

To IDASA, democracy "is not so much about the institutional and procedural norms that are in place, but rather the extent to which those institutional and procedural norms facilitate the ability of citizens to rule equally, or at least participate equally in the governance of the country".<sup>7</sup> In order to contribute to the evolution of South African democracy, IDASA works on the following programs:

- ⇒ All Media Group
- ⇒ Budget Information Service
- ⇒ Center for Governance in Africa
- ⇒ Community and Citizen Empowerment Program
- ⇒ Governance and Aids Program
- ⇒ Local Government Center
- ⇒ Peace Building and Conflict Resolution
- ⇒ Right to Know Program
- ⇒ Southern African Migration project

IDASA has managed to walk the thin line between being too critical and being too accommodating to the government's positions, without losing its legitimacy as an independent organization. This feature, which is present in all the programs of the organization, is of particular relevance to the Budget Information Service.

### **3.1 IDASA'S Budget Information Service**

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<sup>7</sup> For more details go to <http://www.idasa.org.za>.

When Nelson Mandela's presidency started, one major expectation was that the political transition would also entail an economic transition. The main premises were two: on one hand, it was indispensable *to know* what was going on and what was being decided in government. On the other hand, it was crucial *to understand* these processes and decisions.

As a result, in 1995 IDASA's Cape Town office<sup>8</sup> started the Public Information Centre (PIC), which was running three projects:

- The Budget Information Service (BIS)
- The Political Information Monitoring Service (PIMS)
- The Public Opinion Service (POS).

If an economic transition was expected, the prioritization of public resources had to be a crucial part of it. BIS established to evaluate whether the priorities of citizens were reflected in the policy, and if the policy was reflected in the budget. BIS' slogan—"budgets for the poor"—clearly illustrated the fundamental outcome that was expected to come with the South African transition: delivery by the new government. As such, democracy with poverty would be regarded as a poor achievement.

Consequently, one element of BIS' budget work was the ongoing examination of how democracy was being anchored in an economic and social transformation. Within this context, BIS' pro-poor budget work developed two approaches: on one hand, it was relevant to look after social service delivery, particularly health, education and social development; on the other hand, attention had to be paid to specific groups—women, children, people with disabilities, and those affected by the HIV/AIDS pandemic.

BIS' mission statement, as defined for 2005-2007, reads as follows: "BIS is a program within IDASA that advocates for sustainable democracy, poverty alleviation, equity and human rights realization through its research and capacity building activities for legislatures, civil society organizations and government officials on the generation and use of resources, focusing on government budgets".<sup>9</sup>

BIS sees itself as able to make a unique contribution to advancing human rights, decreasing poverty and improving the lives of vulnerable groups through its work. BIS seeks to hold the government accountable for the use of public budgets, and considers civil society participation in governance a vital building block of a sustainable democracy.

It is a shared perspective among different stakeholders, partners, and BIS staff that the Budget Information Service acts as a template advocacy group. BIS produces solid, fact-based information, at the same time standing out for its approach of suggesting rather than criticizing. This approach, combined with its independent character, has ensured that even in government, BIS' work is highly valued. BIS might be saying the same as other advocacy

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<sup>8</sup> Idasa's central office is located in Pretoria.

<sup>9</sup> See BIS Strategic Plan 2005-2007.



groups but backed by evidence and information. This “quiet diplomacy,” based

**What is “quiet diplomacy,” and how relevant is it to budget work?**

“Quiet diplomacy” is not the most common resource among NGOs. It is related to attitude as much as it is to process and method. Taken to its limits, “quiet diplomacy” would mean being able to speak truth to power, straight into the face of government, and not only getting away with it, but also achieving to influence the decision making process. What does it imply? Some relevant elements follow:

- ⇒ Not having a confrontational approach or attitude by definition, but always a disposition to dialogue, discussion, collaboration and “exchange of thoughts” with government officials.
- ⇒ Documenting the issue that is being worked on, from real facts and evidence to policy analysis, in order to frame arguments.
- ⇒ Building and sustaining “channels of communication” with public officials, Congress people and government officials throughout the whole process.
- ⇒ Presenting shortcomings and problems hand in hand with possible solutions and alternatives.
- ⇒ Not resorting to confrontation, but mediating with other groups in order to get the right information into the debate.
- ⇒ Being open to contribute to discussing, implementing or overseeing possible modifications, in a collaborative way.

on process and technical knowledge, has become characteristic of BIS and IDASA overall.

#### **4. BIS’ activities and structure**

The Budget Information Service is one of IDASA’s nine programs. It is headed by a manager—whose role has varied in different moments of BIS’ existence—who coordinates the work of a team of researchers. Each researcher forms part of a unit or a specific initiative in which, most of the time, a complete team is integrated, in order to cover research, administrative needs, training, and networking activities.

BIS has been called by some “a little collection of diverse organizations”, due to the fact that its units operate in a very autonomous and independent manner. Currently, BIS is integrated by:<sup>10</sup>

- ⇒ **Africa Budget Project (ABP):** The ABP is the regional partner of the International Budget Project (IBP) and works to build capacity to participate in the budget process throughout African countries. Over the past five years, ABP has introduced more than 220 NGOs to budget work in Ghana, Zambia, Kenya, Malawi, Nigeria, Tanzania, Burkina Faso, Senegal, Chad, Niger, Rwanda, Mozambique, and Angola,

<sup>10</sup> For more details and access to publications go to <http://www.idasa.org.za/index.asp?page=Programme%5Fdetails%2Easp%3FRID%3D17>

among others. It has also contributed to strengthening the capacities of Parliamentarians in the budget field.

- ⇒ **AIDS Budget Unit (ABU):** The AIDS Budget Unit provides research and analysis on the public finance issues related to the epidemic. It works both with national and provincial budgets, monitoring targeted resources for HIV/AIDS interventions.
- ⇒ **Children’s Budget Unit (CBU):** This unit links the analysis of the budget to structural issues that are crucial for the realization of children’s social and economic rights. It advocates for a better allocation of resources in this regard, and monitors yearly trends and improvements. The CBU has been the inspiration for similar initiatives in over 20 countries, pushing for a consistent discussion about the way in which children should be prioritized in the budget.
- ⇒ **Education Budget Initiative:** This initiative works on analyzing and monitoring national and provincial education budgets, identifying trends of redistribution, equity, and funding norms, among others.
- ⇒ **Sector Budget Analysis:** Its aim is to promote public service policies and budgets needed for the alleviation of poverty, at the same time building capacity regarding those topics in government, Parliament, and civil society organizations.
- ⇒ **Women’s Budget Initiative:** This initiative researches the link between gender, poverty, and budgets, by illustrating the differentiated impact government expenditure has on women and men, girls and boys. The Women’s Budget project has been operating since 1995, and has had a wide-ranging impact on the creation of similar initiatives in over fifty countries around the world.

The current structure is a direct result of giving meaning to the expression “pro-poor budgets”. As mentioned before, BIS’ pro-poor budget work developed two approaches: examining the social service delivery, particularly health, education, and social development; and paying attention to specific groups—women, children, people with disabilities, and those affected by the HIV/AIDS pandemic.

The revenue available to the South African government is divided between three spheres of government: national, provincial and local. The national share of revenue is used for expenses that affect the whole country, such as foreign affairs, defense, and the office of the President. The provincial governments are primarily responsible for the delivery of critical social services like health and education.

In 1994, provincial governments were extremely weak. It was considered that, in order to improve social service delivery at the provincial level, it was crucial to focus on health, education, and social services at that level. As a result, the **Provincial Fiscal Analysis Unit** was created. This unit was responsible for

carrying out what can be called “core budget work,” following the trends in budget allocations, their dynamics and distribution criteria. Submissions to Parliament were common, as well as lengthy discussions and analysis around the proposal that was tabled by the President. Due to a change in perspective on the part of the government—which turned health, education, and social services back into the national realm—the Provincial Fiscal Analysis Unit was transformed into the sectoral budget work and the education initiative, both of which analyze what happens at all three levels of government.

It is worth noting that, for the last years, there has been no capacity dedicated to structural or systemic budget issues at BIS. Each unit works on its specific topic, and no research activities focus on general topics or trends of the budget process, its overall transparency, opportunities for participation, the responsibilities between government levels, the increasing trend of decentralization, normative regulations, and many other issues.

The offspring of the second approach to “pro-poor budgets,” the AIDS Budget Unit, the Children’s Budget Unit, and the Women’s Budget Initiative, have followed a development that is consistent with their main objectives—dealing with the topics that are crucial for their main audiences in an increasingly specialized way. The case of the Women’s Budget Initiative is worth mentioning, because of a structural change to its operation.

The **Women’s Budget Initiative** (WBI) was started in 1995 as a joint effort by IDASA, the Community Agency for Social Enquiry (CASE), and Parliamentarians. The project was based outside of IDASA—coordinated practically and intellectually by CASE—and drawing into the process high-profile Parliamentarians from the Joint Standing Committee on Finance, academics, non-governmental organizations, independent researchers, and government officials.

During the first years, the WBI carried out research and produced reports, looking at all government departments and agencies. The research combined social statistics, economic data, and budget information in a sophisticated way, in order to illustrate the gender and racial imbalances that had to be addressed—and evaluate the way in which the government was dealing with them.<sup>11</sup> After having completed the round of government agencies, attention was turned to other topics, including local government, donor funding, the various forms of revenue, and particular issues such as employment creation.

In 2003, BIS started to evaluate the need for integrating gender budget work into its own logic and structure. For the first time, a researcher was hired to handle gender issues inside IDASA, and to develop a more comprehensive approach regarding gender issues in the many different areas of BIS’ budget work.<sup>12</sup> Collaboration with CASE and outside researchers continues, but the

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<sup>11</sup> See *The Women’s Budget*, *The Second Women’s Budget*, and *The Third Women’s Budget*. All were edited by Debbie Budlender and published by IDASA in 1996, 1997, and 1998, respectively.

<sup>12</sup> For some of the latest WBI publications, see the collection *Investigating the implications of ten years of democracy for women*, which analyzes government agencies like the Department

project shifted from being an outside coordinated initiative to an institutionally based approach—though its perspective has not been adopted by other areas.

Over the years the broader WBI developed multiple approaches to evaluate the gender-sensitivity of government programs and budgets, its reflection in actual policy implementation, and the evaluation of its impact—serving as an inspiration to many similar initiatives worldwide. The development of previously non-existent methodologies and frameworks of analysis and interpretation has been central to this initiative—pushing the envelope of the conceptual, theoretical, and methodological discussion on budgets and women farther.

The relationship between these units, their responsibilities, and the scope of their work has been changing over time, and redefining itself on both external and internal reasons. During the first years of BIS' existence, part of its efforts were directed toward generating materials and knowledge on the budget system and some of its main characteristics. However, as time went by, the group started to narrow and deepen its focal point, leaving “detached” budget notions behind and favoring a more “hands on” approach to the slogan “budgets for the poor.” Some of the rationale and dynamics of this shift follow.

#### ***4.1 Leadership and lifecycle: the path to consolidation and change***

During the last decade, BIS has followed an interesting life-cycle, which has been closely related to its managers—three from 1994 to 2005. Each of them had his own style, imprinting on BIS a specific pace of development, focus, strategic vision and potential for impact. Two issues are of importance here: the dynamics of BIS' development and the profile of its leadership.

From 1994 until 2001, budget work at IDASA was not only conceptualized and started, but also consolidated to an important extent. Capacities were developed inside BIS, to engage in budget issues, and with Parliament, in order to strengthen the legislature's role in the budget process. During that first period, systemic issues were an important angle to the work of BIS, focusing on the Medium Term Expenditure Framework that was introduced, as well as the devolution of financial responsibilities to the provinces. The pro-poor scope of budget work was developed, and guided the different initiatives and selection of topics that would be worked on.

During 2002 and 2003 the consolidation of some of the programs that today play a crucial role took place: the African Budget Project became a consistent effort, and an HIV/AIDS budget program was strengthened in order to analyze one of South Africa's most critical issues. Given that BIS was growing intensely, strong management for the different units was supported. Due to the lack of amendment powers of the South African Parliament, focus started

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of Safety and Security, the Department of Social Development, the Department of Justice and Constitutional Development, and the Department of Labour.

to shift to the Executive whenever possible. During these years, the organization tried new areas of work like revenue analysis. However, the already established dynamics of BIS and the claims and needs of the existing units made it difficult to invest in building up new knowledge from zero.

From 2004 on, changes at the organizational level took place. Autonomy in the units increased substantially, and their responsibilities grew to encompass fundraising. Each unit of BIS controlled the substantive role of defining the direction of each year's activities, as well as the approach to the legislature, the executive branch of government, and other relevant players. Specialization was taking place in every unit—allowing for a deeper involvement with each topic. Advocacy and networking with other civil society organizations gained in importance but were developed more on a personal or unit basis, rather than institutionally.

The growing independence the different units gained and a lack of core budget activities to bring the whole team together in a sustained way eroded some of the dynamics that had previously existed. The units continued strengthening their role in driving BIS, and a vacuum in leadership evolved. During the second half of 2005 this situation led to a series of redefinitions—driven by senior management at IDASA—that are not yet finished, but which will imply substantial changes as to how IDASA understands budget work and carries it forward.

Throughout these stages, the role that BIS' leadership played was always of crucial importance. Although this is true for the consolidation of any civil society initiative, there are characteristics which are essential to develop a successful budget group like BIS. Budget work is not the common type of civil society activity: It is highly technical, specialized, and speaks the same language as power. As such, it requires knowledge and abilities that are scarce in civil society—and often misunderstood or interpreted as “detached” by civil society itself. As a result, leadership in a budget group requires a complex set of skills, ranging from the intellectual understanding of technical issues, to an in-depth knowledge of politics and the political debate, to the ability to articulate complex issues in ways that resonate with broader civil society. The capacity of imprinting this logic—which combines technical work with networking, all rooted in social justice values—on a team of researchers, and keeping the balance between internal and external pressures for engagement in a variety of issues, is also required.

Both sets of skills are essential, and have a direct impact on how the group develops and ultimately consolidates. The overall institutional logic and leadership constitute a third set of crucial factors. While the unit or program managers play a crucial role, the overall institutional strategy, vision, and leadership must always weave these together into an overall programmatic direction. Different levels of understanding are required, and they must meet at a common spot. If the budget work manager is responsible for ensuring that a highly technical topic (and tool) will be used to promote social justice, the organization as a whole—and its leadership—is responsible for understanding budget work as a central building block of an environment conducive of

democratic, accountable and responsive governments. Its value should not be disregarded, due to its technical nature; the technical sophistication of budget work should rather be underscored as an example of the new role that civil society can play in a democratic environment.

#### **4.2 Internal dynamics**

As detailed above, BIS is currently integrated by a regional project, two sectoral projects, two units that entail work in and outside of South Africa, and one initiative. How do they work together?

The units and initiatives set their own agenda, goals, and objectives, conduct their own strategic planning exercises, and do their own fundraising—the latter of which has led to competition. Each releases its own articles, budgets briefs, newsletters, occasional papers, and research reports. These reports usually consist of elaborated books that deal with extensive details of the findings in a particular field. The units and projects also frame their own arguments, their advocacy strategies, and their partnerships and alliances, strengthening their own position and role within the debate.

One clear downside to this compartmentalization is that the learning processes, research methodologies, and advocacy partnerships are seldom shared among the BIS team.<sup>13</sup> Each unit works on its own, and views on the intersections that exist among their topics are rarely discussed. Furthermore, if information is shared, it happens more on personal than institutional levels.

Another limit that results from an arrangement that splits budget knowledge into small, topically-oriented teams is that the capacity to work together on overarching issues that have an impact on all topics is diminished. This applies insofar as the autonomy of the parts allows them to decide what to engage in and what to leave untouched. The researchers of the different units and initiatives at BIS come together as a team only at very specific moments of the budget process itself: on Budget Day, when the Executive's Proposal is tabled in Parliament in February; as well as around the Medium Term Budget Policy Statement in November.

The expression used above, "a little collection of diverse organizations," is an apt description when the degree of autonomy of each of the units is analyzed. Their individual capacities are more than the sum of the parts because their strength builds increasingly into their own terrain. BIS, as a unifying program, has been left behind by its parts, as an involuntary effect of growth and strategic decisions oriented toward attending other issues, but which has an impact on the internal structure.

#### **4.3 Characteristics of BIS' research and analysis**

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<sup>13</sup> A recent effort to create cross-cutting teams for training and research has brought limited results, mostly due to the fact that there is no tradition among the units of working in a joint and collaborative way.

Throughout extensive interviews with different stakeholders, partner organizations, government officials, and parliamentary staff, the research produced by BIS' different units and initiatives was always highlighted. Some identified as a crucial asset the fact that BIS produces technical analysis and arguments, without being based in a university. Others found the capacity to link technical analysis to a broader context as the key ingredient to the group's relevance. "Reliable information," "independent view," "accuracy," and "technical strength" are some of the expressions that continually emerged in discussions of BIS' work.

Both the technical solidity of BIS' work as well as its reliability are two elements of utmost importance in the field of budget work. The information BIS produces is unquestioned and serves as an input to every possible argument in which the budget is key. Government officials use their results, as well as Parliamentarians, knowing that the information is flawless.

Within BIS, researchers have been identifying and defining the angles of their projects, and in this way they have fostered specialization. The units that have been working for several years have been at the forefront of creating methodological frameworks which are ambitious and on many occasions far-reaching. Through analyzing the budget and crunching numbers, innovative schemes to relate the results of these activities to specific topics and issues have been tested and proven. The technical capacity that has been developed and integrated is impressive, characterized by skills and knowledge that go deeply into the roots and thematic issues that are at stake in each topic. Some examples follow.

Since 1995, the **Children's Budget Unit** has been using the budget as a monitoring mechanism to evaluate government actions toward South African children. During the first five years, the main effort centered on tracking budget allocations and programs intended to reach children, and highlighting challenges regarding delivery of services. From 2001 on, significant effort has been put into analyzing the legal framework that ensures social and economic child rights in South Africa, and linking this framework to budget analysis. This methodology combines a variety of legal obligations, socioeconomic indicators, budget information, and an analysis of governmental program conceptualization, design, and impact. CBU has also created extensive resources to explain and transmit their approach to others.<sup>14</sup>

The complexity and specialization of the research is evident in the 2004 report CBU produced on monitoring children's socio-economic rights in South Africa. Child poverty is described and analyzed both from a quantitative perspective (using indicators of income and food insecurity) and from a qualitative perspective—based on the views and perceptions of children themselves. As a second step, the obligations of the government are analyzed through the

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<sup>14</sup> See Lerato Kgamphe, *Using Government Budgets as a Monitoring Tool: the Children's Budget Unit in South Africa*, New Tactics in Human Rights, Minneapolis, 2004; Judith Streak (comp.), *Monitoring government budgets to advance child rights: A guide for NGOs*, IDASA, Cape Town, 2003.

South African constitution. After these two backgrounds have been established, the actual analysis of the budget begins and examines specific issues: nutrition, health, social services, and education. The research for each of these topics is comprehensive and covers many different angles—the analysis of constitutional obligations, of the specific right involved, and of the design and budget trend of specific programs and their possible impact.<sup>15</sup>

The **Education Budget Initiative** is another good example of the quality and sophistication of BIS' research. Despite being comprised of only one person, the initiative works steadily on identifying the trends in national and provincial expenditures regarding education, contributing to the crucial debate on equity throughout the system. The research and arguments that are developed are of the highest level, and have had a direct impact on the redistribution mechanisms that govern the education system. The main partners to this initiative are lawyers from the Center for Applied Legal Education and the Teacher's Union, as well as government officials.

Similar paths unfold for every unit and program of BIS. Variations can be identified on the basis of the amount of years that each project has been in place, and the amount of years that specific individuals have formed part of the research team. The sophistication of the research premises and their development clearly increase with time, as well as individual understandings and knowledge of the situation, challenges, government's actions, and budgets, among others. Attention to detail and quality become self-evident after some years, and the level of comfort with complicated discussions increases.

This specialization plays an important role in the increased independence of the projects and initiatives. The more experience a team gains, less need for collaboration and support arises. As experts consolidate their knowledge, it becomes easier to work among themselves than with other units and projects—who also have their own language of expertise and specific concerns. Furthermore, the needs of each sub-group change, shifting from technical budget knowledge to thematically substantive comprehension. Learning how to make sense of the budget becomes much easier than understanding the details of malnutrition and what can prevent it, or the long-term effects of continued use of certain medications.

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<sup>15</sup> See Erika Coetzee and Judith Streak (Eds.), *Monitoring Child Socio-economic Rights in South Africa: Achievements and Challenges*, IDASA, Cape Town, 2004.



A word of caution regarding documentation should be raised. The extensive production of research and materials BIS carries out does not include the documentation of work processes. As such, projects that have benefited from the presence of core staff throughout time have been able to consolidate and further develop their capacities. To the contrary, it has been difficult to carry on with initiatives wherein the lead person has gone.

This is a common trend among budget groups, since the level of specialization that budget work requires is highly appreciated in other places—like government. The documentation of working processes, and the systematization and classification of data that are not released in final products has to be considered as an integral part to the consolidation of long-term capacity, but is seldom granted that importance. This lack of documentation has also made it difficult for other groups to learn in detail about the processes and steps that more experienced organizations, like IDASA, have already been through.

## **5. The impact of BIS' budget work: What has been achieved?**

### ***5.1 The Child Support Grant Program: Improving the benefits for poor children***

#### ***Social security in South Africa***

The South African government has an extensive array of social security programs, which together constitute the main effort to eradicate poverty in the country. Within that arrangement, special attention is paid to children, whose right to social services and social assistance is enshrined in the South African Constitution. The main programs that have been set in place to advance the child's right to social services and social assistance are the following: the Child Support Grant, the Care Dependency Grant, the Foster Care Grant, the Social Relief of Distress Program, the HIV/AIDS Program, the Poverty Relief Program, Transformation of the Child and Youth Care Program, Secure Care Program, Child and Youth Justice Diversion Program, and the State Old Age Pension Program.<sup>16</sup>

It was estimated that five and a half million people in South Africa have been receiving some kind of social security grant. 45 percent of these people were benefiting from the Child Support Grant—the highest share of the total number of social security beneficiaries. The Child Support Grant (CSG) is therefore, the “primary means of social assistance for children.”<sup>17</sup>

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<sup>16</sup> Shaamela Cassiem and Lerato Kgamphe, “Budgeting and service delivery in programmes targeted at the child's right to social services: The case of the Child Support Grant”, in Erika Coetzee and Judith Streak (Eds.), *Monitoring Child Socio-economic Rights in South Africa: Achievements and Challenges*, IDASA, Cape Town, 2004, pp. 181-183.

<sup>17</sup> *Ibid.*, p. 185.

Two important issues arise when considering social security programs in South Africa: eligibility and accessibility. Together, these elements define the coverage social security grants will have.

- ⇒ Eligibility refers to the criteria established to qualify for the grant. It determines who can access the benefit in theory, by leaving out all those who don't meet the established criteria.
- ⇒ Accessibility speaks to the ability to actually access the benefit. It relates more to a question of implementation.

As a result, coverage of social security programs is directly related to the design of the program and to the way in which it is carried out. An additional factor to consider is that different spheres of government are at work regarding social security programs. The national Department of Social Development is responsible for policy formulation and monitoring, while the provincial Social Development Departments are responsible for implementation.

### ***The Children's Budget Unit work around social security programs***

Since the beginning of its activities, CBU has carried out, updated and deepened its analysis regarding social security programs for children. The policies, budgets and implementation of actions by the Welfare Department, which later changed its name to Social Development, have been a sustained aim for the unit.

The State Maintenance Grant was the direct precedent of the Child Support Grant; the former was phased out from 1997 on, while the latter started to be phased in around the same time. The Child Support Grant is a monetary support program, and at its inception each recipient was granted R100 monthly. It was to be limited to children under seven years of age, and targeted the poorest 30 percent of children.

CBU undertook several evaluations of the program, inquiring into its accessibility and effectiveness throughout several years. The team was able to illustrate that a lack of administrative capacity on the part of local governments hindered access to the program, having particularly discriminatory effects in rural and undeveloped communities. Their studies also illustrated that the money allocated to the program was not growing in real terms, and that the increases in revenue had not been prioritized to this essential program within the eradication of poverty and inequality efforts in South Africa.

In their 2001 yearly publication,<sup>18</sup> as well as in a Budget Brief, CBU recommended that the age limit of children accessing the social security program be raised from six to fourteen years. Other recommendations urged the government to improve data on the Child Support Grant, maintain the real

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<sup>18</sup> See Shaamela Cassiem and Judith Streak, *Budgeting for child socio-economic rights: Government obligations and the child's right to social security and education*, Idasa, Cape Town, 2001.

value of the budget allocated to social security programs, and allocate resources to improving the distribution of the grant in remote areas.

As in many other occasions, quiet diplomacy was at work. “We stressed to officials that the purpose of the research was not to discredit the government, but rather to help improve policy formulation, budget planning, child advocacy and lobbying, and the delivery of services for children.”<sup>19</sup> Provincial training workshops were conducted among civil society groups, activists, provincial legislatures, and human rights commissions; the study results were widely distributed in electronic and printed format, and opportunities to discuss the findings with government officials were actively pursued.

However, this time BIS also explored a different angle of political action: the building of strategic alliances with other players deeply involved in promoting a stronger Child Support Grant.

***The power of numbers + mobilization: strategic alliances with children’s rights organizations***

In 2002, a crucial ingredient of CBU’s strategy to disseminate its findings and strengthen the overall arguments for a stronger social security plan was to collaborate with a wide spectrum of organizations that lobby for children’s rights. Active networking and coalition building was involved to join a far-reaching campaign with the determination to have an impact on decision makers. CBU worked with groups like the People Participating in Poverty Reduction Project, the National Committee for the Management of Child Abuse and Neglect; the Child Justice Alliance, the Community Law Center; and the Alliance for Children’s Entitlement to Social Security (ACCESS).

As a result of the information that CBU produced and provided to partners, bold arguments were fed into the debate. It became clear that being able to illustrate financial feasibility was one of the strongest points to be made, and budget information as such gained an important place. ACCESS, one of the leading organizations in this struggle, mobilized to deliver a petition to the Minister of Social Development, requesting the extension of the grant to age 18.

The conjunction of ACCESS’ mobilizing power and CBU’s solid information were important ingredients to the success of the campaign, to which several groups committed in a full-fledged way. Their main requests were put into practice by the government in the 2003/04 budget: Total resources were increased in real terms, and the age until which a child could benefit from the Child Support Grant was extended to 14.

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<sup>19</sup> Lerato Kgamphe, *op. cit.*, p. 12.

The Alliance for Children's Entitlement to Social Security (ACCESS) was established in 2001 to increase public awareness and beneficiaries' knowledge around children's social security. ACCESS is an advocacy and networking group that is integrated by more than 1000 children's sector organizations, including community based organizations, faith based organizations, NGOs, social security service providers, academic institutions, and research institutions. Its members are drawn from all nine provinces of South Africa. ACCESS prepares submissions to Parliament and policy reports to the Department of Social Development, always resting on the "collective strength and voices of its members," in order to push for a comprehensive social security policy for South African children.

See [www.aces.org.za](http://www.aces.org.za) and ACCESS: An introduction to the Alliance for Children's Entitlement

Since then, ACCESS and CBU consider themselves to be permanent strategic allies, whose collaboration is not limited to issue-specific efforts. For CBU, nesting their research in broader social movements, which strengthen any possible argument through the power of mobilization, is an element that cannot be disregarded. Their networking and advocacy partners play a crucial role in the way in which CBU understands its research activities.

For ACCESS, a relationship based on similar premises of respect and acknowledgment has been consolidated. CBU is constantly involved in training their member organizations at the provincial level, and takes part at most of ACCESS' activities and workshops. When asked about CBU's documents and information, a project officer of ACCESS was very clear about the partnership that has been formed: "We benefit both of the materials CBU produces, and of the fact that we can request any information we need from them."

By sharing a broad agenda, to which both groups are deeply committed, the strategic nature of their alliance and the need one has for the other become clear and bring the potential of budget analysis into the open.

## **5.2 Feeding budget information into a front page debate: the provision of HIV treatment**

### ***The South African's government policy on HIV/AIDS***

There is no other country in the world which faces as big a challenge in terms of an HIV/AIDS epidemic as South Africa. It has been estimated that 5.3 million adults and children live with HIV/AIDS in South Africa. The prevalence rate rose steadily throughout the nineties, reaching 21.5 percent among adults—according to the Department of Health and UNAIDS.<sup>20</sup>

In the year 2000, the South African government started to develop its Strategy Plan for HIV/AIDS, with the objective of dealing with crucial issues like

<sup>20</sup> Alison Hickey, Nhlanhla Ndlovu and Teresa Guthrie, "South Africa", in Teresa Guthrie and Alison Hickey (Eds.), *Funding the Fight: Budgeting for HIV/AIDS in developing countries*, Idasa, Cape Town, 2004, pp. 102-103.

prevention and treatment. To the surprise of numerous organizations committed to advocating for HIV/AIDS related policies, the government's strategy plan simply ignored core elements. This was particularly the case of the provision of anti-retrovirals (ARVs).

As a result of this omission, the Treatment Action Campaign (TAC) and the AIDS Law Project—two of South Africa's leading HIV/AIDS organizations—organized strong mobilizations and dedicated their sustained effort to challenge the plan the government was putting together. As part of their many strategies, they even reached as far as taking government to the courts for not providing ARV treatment. The failure to provide ARV was plainly unacceptable and had to be reversed.

In 2003, government finally gave in to the pressure, committing to the provision of ARV. As a direct consequence, and in order to be able to comply with this commitment, the Department of Health started to develop a Comprehensive Plan for the Care and Treatment of HIV/AIDS. The issue had turned, rightfully, into a matter of trust and legitimacy of the Mbeki government. It had acquired a high enough profile to push different government agencies to blame each other for the lack of decisive action.

While the Department of Health said that the ARV provision was impossible due to the unavailability of funds, the Ministry of Finance was speedy to allocate R 90 million for that very purpose. Ironically, in spite of being available, the money could not be used—since the Operational Plan was not yet approved and in place. As a result, the money was rolled over to fiscal year 2004/2005.<sup>21</sup>

### ***What was in the budget for HIV/AIDS during those years?***

The struggle of these years and the dispute between the Finance and Health Departments clearly illustrated the relevance of HIV/AIDS budget work. The AIDS Budget Unit (ABU) had devoted its efforts to tracking the money that the national and provincial governments were putting into the fight of the epidemic. ABU was constantly feeding information about expenditure trends and funds availability to public opinion and partner organizations like TAC and the AIDS Law Project, as well as a small number of key government officials.

A series of alarming trends were particularly highlighted: Although resources were available and had been allocated to HIV/AIDS during the past years, important levels of under-spending prevailed. This trend of not spending all that was available was due to a lack of capacity on the part of the provinces. Another reason could be found in conditional grants—the mechanism under which HIV/AIDS resources were distributed among provinces. Conditional grants attach tight strings to the money which, in this case, could only be used

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<sup>21</sup> Roll-over of funds from one fiscal year into another implies that these resources will be an addition to the base of funds for a given sector or activity. In many countries roll-overs are not allowed by the public finance arrangement.

for very specific matters like counseling, prophylactic treatment, and mother-to-child transmission.

ABU had also been reporting this trend to the Health Committee in Parliament, and various stakeholders such as government, civil society organizations, donors, and researchers, in order to push for increased spending and transparent reporting. The Health Committee was empowered by the available expenditure information to become more active in holding the government accountable for this negative trend. All these contributed to the improvement of levels of actual spending, which passed from 36 percent in 2000 to 85 percent in 2002.

The budget 2003/4 brought about another important change. A budget brief by ABU documented an impressive increase in funds being dedicated to HIV/AIDS.<sup>22</sup> This time, there was not only a 75 percent increase in national funds, but also large additional amounts of resources channeled to the provinces, through two different mechanisms: conditional grants and equitable share grants. This particular Budget Brief had one crucial effect: It shifted the focus of advocacy groups to the provinces, underscoring that the important decision-makers were now the provincial treasuries and departments of health.

**Conditional grant funds** are earmarked for specific purposes. Provinces have to deliver specific services and comply with certain requirements. The Department of Health, as such, can apply strict conditions and monitoring requirements to conditional grants for HIV/AIDS, since they are an essential part of the National Integrated Plan for the epidemic.

The **Equitable Share grants** were introduced in the budget 2002/3 and had two main purposes: to ensure that health services in general are strengthened and to give provinces the option to pay for care and treatment, including the provision of ARV. As opposed to the conditional grants, the provinces are free to use equitable share grants as they deem appropriate. This means that the national government has no control over how the funds will be allocated, since priorities will be identified by each individual province.

Alison Hickey and Nhlanhla Ndlovu, "What does Budget 2003/4 allocate for HIV/AIDS?", *Budget Briefs*, no. 127, 25 March 2003, pp. 5, 10-11.

### ***Post-2003 trends: commitment vs. capacity***

The national budget 2004/5 corresponded to the fiscal year in which ARVs had to begin to be rolled out. Given the government's commitment and the Comprehensive Plan for the Care and Treatment of HIV/AIDS, ABU produced an in-depth occasional paper dealing with the budget for HIV/AIDS.<sup>23</sup> This

<sup>22</sup> Alison Hickey and Nhlabhla Ndlovu, "What does Budget 2003/4 allocate for HIV/AIDS?", *Budget Briefs*, no. 127, 25 March 2003.

<sup>23</sup> See Alison Hickey, "New allocations for ARV treatment: An analysis of 2004/5 national budget from an HIV/AIDS perspective", *Occasional Papers*, IDASA, Cape Town, 31 May 2004.

paper laid out several issues of interest and concern that had to be followed up closely:

1. An important addition of resources had been made to the provincial equitable shares, parts of which could again be used for HIV/AIDS purposes. Their main objective was, first and foremost, to strengthen health services so that they could cope with the impact of the epidemic. As such, these funds were to increase the capacity of provincial governments to carry out their health related obligations;
2. Important amounts of resources were being allocated to providing ARV treatment, and these registered an outstanding projected growth rate throughout the following two years (presented as part of the MTEF). ARV funds were channeled to the provinces via conditional grants.
3. Similarly, funds dedicated to the provision of ARV treatment in the HIV/AIDS directorate budget also increased rapidly.

By producing this analysis and releasing the information, the AIDS Budget Unit played a crucial role in informing: that resources for initiating ARV treatment were indeed available, where and under what modality the money had been allocated, and what were some of the challenges to spending them. ABU clearly highlighted potential problems with implementation and roll-out of ARVs, given the different levels of spending capacities each of the provinces had had before.

Together with the AIDS Law Project, the Treatment Action Campaign, the Health Systems Trust, Center for Health Policy, the Open Democracy Advice Center, the UCT School of Public Health and Family Medicine, Public Service Accountability Monitor and Médicines Sans Frontiers, ABU<sup>24</sup> was able to monitor, illustrate and demand solutions to many of the problems that emerged during this and subsequent years of ARV treatment provision.

The immediate problem continued to be the delay in the provision of ARV, this time due to the inability to prescribe and monitor the treatment without having specific capacities at least in certain clinics. The accreditation process clinics had to go through, as well as the training that had to be provided by the Department of Health, took too long.

Once accreditation had been obtained, ARV continued to be unavailable, since the government had failed to start, in a timely fashion, the tender process to have the drugs in stock. Clinics that had successfully concluded the upgrading process to qualify for ARV distribution and treatment centers could not proceed, despite the fact that ARV funds were located at the provincial level. The reason for this was that the national government was expecting provinces to pay for medicines that would be tendered for at the national level. As a result, some provinces started to purchase their own

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<sup>24</sup> These groups constituted the Joint Civil Society Monitoring Forum, which meets on a regular basis to discuss the problems that arise regarding policy and implementation, both at the national and provincial levels.

drugs, distrusting any effort on part of the national government to procure ARV.

Throughout all this passage, ABU's information and knowledge about the HIV/AIDS budget demonstrated clearly that the problem was not lack of money—even to overcome some of the capacity issues—but rather a lack of political will (despite broad public statements). Money was available, the Comprehensive Plan was in place and still the provision of ARV suffered one delay after another.

The AIDS Budget Unit, which started by analyzing and monitoring the level of allocation of funds devoted to the government's commitment regarding the epidemic, has shifted from asking if government funding for the epidemic is enough, to examining funding channels and operational efficiency of HIV programs. Attention has been increasingly granted to what happens once the money has been allocated to a certain program. Furthermore, ABU has expanded its work to the sub-national level, at the same time working throughout the Southern African region. Like other BIS units, they are currently engaged in the development of much more ambitious approaches and methodologies, such as the national AIDS spending assessment.

### ***5.3 The Africa Budget Project: An example of successful promotion of budget work***

The Africa Budget Project (ABP) “works to build capacity in civil society and legislatures to participate effectively in budget processes in support of poverty alleviation in Africa.” Its main activities include training and workshops, joint research, networking and facilitation of contact between organizations, technical assistance, interaction with international organizations, and an exchange program.

The Africa Budget Project was established to be the regional partner of the International Budget Project in 2000 and has worked since then with an incredible amount of organizations throughout the continent. In the beginning, the project was focusing mostly on Anglophone countries, with particular emphasis on Ghana, Kenya, Uganda and Zimbabwe, among others. In the last three years, consistent efforts have been made to reach out to French and Portuguese-speaking countries, in an attempt to put budget analysis into the agenda of civil societies and strengthen their capacities to involve in the topic in a consistent and meaningful way.

The project handles a variety of publications, which present research results, articles, budgets briefs, conference reports, occasional papers, and the Africa Budget Watch—a regional newsletter on budget issues. Besides the wide array of products and work behind of them, the Africa Budget Project's activities stand for an innovative approach to strengthen civil society's budget capacities on a South-South basis.



### ***Building the capacity of civil society's budget work:***

Budget work is growing fast in Africa, as a vibrant area of civil society's work. A good part of this growth has been due to the African Budget Project's activities in nurturing and supporting nascent efforts around the continent. Over the past four years, the Africa Budget Project has introduced more than 220 organizations across Africa to budget work. The ABP has run numerous workshops in Ghana, Zambia, Kenya, Malawi, Nigeria, Tanzania, Burkina Faso, Senegal, Chad, Niger, Rwanda, Ivory Coast, Mozambique, and Angola, among others. Although civil society receives clear priority, some training has also been provided to parliamentarians and parliamentary staff, in Nigeria, Zambia, Niger, and Malawi.

The ABP's efforts have led to the development of a core group of African organizations involved in budget work. Despite the fact that not all the groups are currently engaged in budget-related activities, research, or advocacy, the project has made a clear case of analyzing and illustrating ways in which budget work can strengthen their current agendas. As a result, a network of reliable and trained partners has emerged, with the capacity to engage in different projects—like the ones mentioned below—or to push for greater transparency, accountability, and participation in budget issues in their countries.

During the past years, trainings had been structured as a general introduction to budget work; at the end of 2005 a training guide consisting of different modules, which can be adapted and used as needed, was published. This material pulls together ABP's experience with training throughout the country, laying out simple and accessible ways to start engaging in budget issues. Its main purpose is to transfer initial technical skills, at the same time opening up the budget process and opportunities for participation to civil society.

### ***How does ABP conduct research activities?***

In order to promote budget work and make budget knowledge accessible and useful in countries where it is not yet spreading roots, an *ad hoc* strategy had to be designed. The Africa Budget Project decided that it needed to accumulate a basis of knowledge if it wanted to bring new groups into this area of work. As such, the first step for such a purpose would always be research, conducted in South Africa, analyzed and finally adapted to other environments.

This was the case of the budget transparency study, which was initially applied only to South Africa, in order then to be conducted in five countries (in 2003)<sup>25</sup> and in 9 countries (in 2005).<sup>26</sup> All of the participating groups were trained and their capacities built up and monitored, so as to reach a uniform and comparable research product. The research process meant that in each

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<sup>25</sup> Alta Fölscher, *Budget Transparency and Participation: Five African Case Studies*, Cape Town, Idasa, 2003.

<sup>26</sup> Marritt Claassens and Albert Van Zyl, *Budget Transparency and Participation 2: Nine African Case Studies*, Cape Town, Idasa, 2005.

country, the group responsible for the study would have to find budgetary information and documentation, collate the different pieces, conduct interviews with public officials, and analyze the findings. In itself, fulfilling the steps of the process was a crucial learning tool: It allowed groups that had no previous experience in budget work to approach the topic in a systematic way, at the same time counting on the assistance and support of BIS. For those that were already working on budget issues, the initiative added value to what they had to say, placing them in the middle of a regional effort.

Other topics that ABP has engaged are fiscal decentralization<sup>27</sup>—which will be focusing mostly on francophone Africa—the involvement of civil society in the development of Poverty Reduction Strategy Papers, and the role of Parliament in the budget process. In each case, ABP leads the effort, setting the tune based on South African evidence and knowledge, and commissioning its partners to research into their local situation.

### ***Relevance of ABP's work***

The African Budget Project has worked during the last six years on introducing civil society to budget issues throughout the continent. Reaching out to over 220 groups, and getting at least ten percent of them to work on concrete initiatives, has to be considered an important achievement. Furthermore, the possibility of having dedicated capacities devoted to strengthening a network on budget issues in Africa is by far a success.

The biggest challenge for the project, in words of its coordinator, is the overwhelming poverty agenda of the continent, as well as the widespread nature of fiscal issues—all of which could be worked on from a budget perspective. The demand for the support and training that ABP provides is growing, but ABP itself is not growing so fast. But developing methodologies and strategic approaches to nurture that demand has been a crucial step, allowing the construction of a slowly developing network. The sole possibility of resorting to such a network, and making it operational through specific initiatives, puts the budget discussion on the continent in a different perspective.

## **6. Challenges and opportunities**

This case study has the purpose of identifying, for the benefit of fellow budget groups, elements of successful budget work, and how they can be improved, strengthened, and broadened. As such, the structure, development, dynamics, and characteristics of BIS' work lay out a series of issues that can be viewed as challenges and corresponding opportunities for improvement.

The challenges and opportunities that follow are neither unidentified issues, nor unexplored paths within BIS and other budget groups. They are, however,

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<sup>27</sup> The starting point was the Occasional Paper "Understanding fiscal decentralisation in South Africa", published in July 2005.

areas and issues that would benefit from additional attention, since the ability to effectively influence policy to a higher degree might be directly related to them.

### **6.1 The development of independent, strong units: Pull together vs. spin-off**

During most interviews with BIS staff and researchers, a tension between two conflicting views continued arising: For some, the independence and autonomy that units were allowed to develop facilitated creativity and specialization. For others, the absence of a strategic core, a dedicated research director that drives and helps define an overall perspective, has originated silos and isolation—and ultimately, the collapse of BIS as described in these pages. In addition, the accumulation of decision-making and fundraising power in each unit has contributed negatively in two ways: on one hand, it has led to competition among the units; on the other, it has contributed to breaking down a coherent and shared vision of what BIS—and crucial budget issues—should be.

According to outside stakeholders, BIS has no profile, but only specific units do. From their perspective, BIS should sort out its overall message and present a stronger, more unified image. Another vision implies the contrary: Let strong units spin off, turn into their own, specifically oriented organizations, and work on the issues of their concern. Under such a scheme, the units would get involved more deeply in the creation of specialized knowledge, the development of innovative methodologies, technical tools, and issue-specific advocacy strategies.

The question about which way to go has no self-evident answer; but it is directly related to the growth dynamic BIS followed. When BIS first engaged in budget work, it “discovered” the field of public finances and expenditures, and put most of its effort into trying to make that world accessible to others. That goal, which can be described as centering on the budget as a topic in itself, has been left behind for a long time, at least by BIS. Right now the units are trying to ensure that public policies and budgets are adequate and that implementation takes place in duly fashion and with the right results.

This is, ultimately, what applied budget analysis is about: to ensure that the budget delivers in practice. As such, it is not only a question of how to make the budget transparent or how to open up institutional spaces for participation. Those are *strategies* to get into the real issues that affect people. It is about how to use the budget as a tool to influence the policy process. In metaphoric terms, this is *budget work in motion*.

In order to get there, specialization is crucial. It is impossible to analyze the adequacy of a sectoral budget, if the specific issues that are at stake are ignored. Investing human and financial resources in thematically-oriented projects—which over time mature, amass technical expertise, knowledge, and consolidate advocacy and networking capacities—is thus inevitable.

While specialization is inevitable, the isolation of different units, projects or efforts is not; neither is the increasing absence of clarity regarding core competencies at the center—in order to have an overall “budget agenda.” There is however another crucial element to which BIS’ story points, which is tightly coupled to specialization: While obtaining the funding for topics that use budget analysis as a tool becomes easier, securing funds needed for “core budget work” becomes increasingly difficult. Once the vision of a budget group is divided into sectoral analysis, systemic budget issues and work are far less appealing.

## **6.2 High quality research vs. popular information**

It is in the nature of dedicated budget groups that analyze and monitor national expenditures to accumulate knowledge and technical capacities. Technical knowledge is a key ingredient in the process of stripping the government from its absolute domain over budget issues, and leveraging civil society’s capacities to influence and participate in the process.

Even when budget groups focus on promoting wide-ranging schemes of participation or involvement, there must always be someone who actually understands and interprets the technicalities. However, the technical expert is seldom the best for communicating, in simple terms, with the public in general. As such, a tension between amassing technical and in-depth knowledge, and making that information useful to a broader audience is always latent.

At BIS, every unit has one major piece of research that has to be completed during the year, and that will be published in the form of a book. During the same year, Occasional Papers and Budget Briefs will be released, and a wide number of workshops will be run, in order to explain and illustrate the findings. Some units also release guides and handbooks for working on specific issues. With few exceptions, these products are put together by the researchers of each unit.

BIS’ books range between 200 and 300 pages and entail long discussions and analysis. The “Occasional Papers”, which are a more “informal release” of parts of the research results, seem to follow a similar line. The language of both books and Occasional Papers is more consistent with research than advocacy.

Whoever engages in context-specific issues that appear on the political agenda for short periods of time usually needs more succinct and to-the-point information. Parliamentarians, CSOs, and the media find little space and time to make full use of the books. Nevertheless, BIS’ units organize their yearly work around the publication of these books.

Despite the variety of formats, most outside stakeholders are ambivalent about the ways in which BIS releases its findings and translates them for wider audiences. BIS’ books and “Occasional Papers” are considered to be too “inaccessible” and technical. “Budget Briefs” seem to be, by far, the most user-friendly reading material, identified by most outsiders as “highly useful.” Several of them are released throughout the year, many around politically

relevant dates. Some of them continue to be too long to be a budget brief,<sup>28</sup> while others present their findings in very simple terms and limited space (3-4 pages).

If reaching a wider audience is to be the goal, what would be some of the issues that needed to be addressed?

First, the agenda of the units should not be circumscribed to a research product. The utility of budget work does not lie in the production of books.<sup>29</sup> Books are needed to establish the solidity and seriousness of the work and the arguments—for those who might oppose them. Partners and other stakeholders, who already trust and rely on BIS' information, need a more constant and politically timed (and tuned) release of short pieces of information. The political timing is as relevant as the shortness in this argument.

Regarding political timing, a person with an integral overview of BIS' work and keen attention to the political process would be needed. This person would have to understand the nature of the research, while mapping in a fine-tuned way the political opportunities and needs that arise throughout the year. The compartmentalization of BIS and the vacuum of a core that concentrates the work of the different units contribute negatively to the current dissemination strategy.

Regarding shortness, the idea of making each researcher responsible for the production of their own materials, without a good editing process, has negative effects on the political work. Short, strategic and politically oriented releases should never be replaced or obviated by long, technically detailed documents.

### **6.3 Media relations**

Media seems to be of secondary importance to BIS. Every researcher mentioned, at certain points, the media, and being covered in newspapers and radio. But media didn't appear to be a consistent part of advocacy or dissemination strategies. Nor is there a consistent filing effort or systematization of the coverage that BIS gets. Somehow, the media seems to have been discarded, not necessarily by choice, but due to lack of carefulness and the predominance of a research agenda. According to one unit member, "it would be great to have a media strategy, but we have not developed one in practice."

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<sup>28</sup> For instance, some budget briefs are up to almost 30 pages long. See Penny Parenzee, "A Gendered Look at Poverty Relief Funds", *Budget Briefs*, no. 129, IDASA, Cape Town, 29 April 2003; and Nhlanhla Ndlovu, "HIV/AIDS expenditure in the 2004/5 provincial budgets: Trends in budget allocation and spending", *Budget Briefs*, no. 147, IDASA, Cape Town, 19 October 2004. Both budget briefs present relevant information but miss the "briefness" that would be required to adequately correspond their name.

<sup>29</sup> It should be mentioned that, despite the effort that each team puts into the production of their yearly book, they themselves recognize the budget briefs as the most useful publications.

To what extent is a media strategy needed? Is media presence required to carry out successful civil society budget work? Is it possible to refer to this as a universal truth, regardless of the conditions of different countries and the strategies adopted by diverse organizations?

The immediate response is yes. Media is crucial, and it should be a permanently-considered player by budget groups. It even is so for BIS, despite the fact that BIS has no media strategy. In most of BIS' cases, it is their partners who do the media work, who put the issues on the front page, and who press the government into action—and thus elevate the profile of the issues with which BIS is concerned.

If BIS is satisfied with contributing to placing an issue on the front page, despite not being in the spotlight, the current strategy is probably enough. It is certainly consistent with the concept of “quiet diplomacy,” even though it might imply missing some invaluable opportunities. But if BIS should want to increase its own profile and media presence, timeliness, and succinctness must be thoroughly considered. The contribution of an extremely talented group of researchers could thus be greatly increased.

#### **6.4 Engagement in advocacy campaigns**

During an initial meeting with BIS staff, one of the researchers stated: “To say that our research is the most important factor to success would be misleading. Advocacy plays a crucial role...” Budget work without advocacy faces the threat of never reaching beyond the shelf of a small group of researchers and specialists. Civil society budget work should always be driven by a social change agenda, in order to ensure breaking out of small elites. However, to groups who are not based at grassroots level and work on national policy analysis, this has been a big challenge. BIS is not an exception to this.

BIS has worked consistently in finding ways to network with social movements that are of relevance to their agenda, engage with decision makers in “quiet diplomacy,” and bolster the arguments of those who are at the forefront of lobbying. Every unit in BIS has defined its own advocacy strategies and objectives, and has succeeded in establishing meaningful, operational, and strategic partnerships.

Despite the effort and increased attention that is being paid to networking and advocacy-oriented research, there has been little effort to integrate a coherent and well-planned strategy for BIS itself.<sup>30</sup> The impact of BIS' work has certainly developed throughout the years. But given the quality of the research, impact could be furthered even more. Based on the comments and opinions of many partner organizations and outside stakeholders, more active

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<sup>30</sup> As mentioned before, BIS made the effort of putting together a research team and a training team, in order to better capitalize the work of the whole organization. Regardless of the limited success of these teams to break across the different units, it is significant that the establishment of an advocacy team was not considered.

involvement by BIS would be welcome. BIS could be more proactive in sharing their research results and making them relevant to broader civil society. Going a step farther, BIS could use its knowledge and analysis of social justice issues to move civil society's arguments or define the agenda, rather than just responding to requests.

## **7. Conclusion: Lessons from BIS' work**

BIS is one of the most experienced budget groups around the world. It has played an active role in defining the concept of civil society budget work in developing countries, and has contributed substantial methodological and conceptual innovations to the field. BIS has served as an inspiration to many other groups, and has helped develop their potential by lending support, advice and technical capacities—not only through the Africa Budget Project, but also due to its Women's Budget Initiative, the Children's Budget, and efforts targeting specific issues, like HIV/AIDS.

BIS is facing several major challenges while this case study is being completed, partly because of internal and structural issues, but to a great extent also due to the lifecycles that civil society organizations experience. At the moment, it is unclear to what extent, and under what form, BIS will continue to carry out the work it has specialized in. Regardless of the different options BIS and IDASA have to address the current challenges, their resolution does not affect or undermine the elements that throughout the last ten years have contributed to successful budget work in South Africa.

Some of the current challenges point to important lessons that other organizations can bear in mind, at the same time of illustrating issues and core dynamics or decisions that should be considered. BIS has served as an example to many, and can even now, under extreme circumstances, contribute to the development of similar groups around the world.

### ***7.1 The importance of having the right staff***

BIS would never have had the slightest chance of being what it is without its staff. This statement might sound self-evident, since no organization can come to life without the people that constitute it. But there is a difference between staffing a group and getting the right staff. BIS' team is diverse, in the best of senses: some of them are hard-core researchers, trying to find the ultimate methodology or conceptual frame to disentangle the problems at heart of the topics on which each unit focuses. Others have an activist's profile, longing for the connection between research and grass-roots. Still others excel at training. But all of them are dedicated, committed, passionate about what they are doing, and passionate about social justice and democratization in South Africa. Underscoring the importance of the principles behind the team is crucial in terms of positive lessons to be learned.

## **7.2 Underscoring accuracy**

BIS' attention to details and unmistakable information has been a constant obsession. Despite knowing more than anybody else about the budget issues they work with, there has never been the temptation to relax or lower the standard that was set. Throughout the years, BIS' reputation as a reliable and solid source of information and analysis has been confirmed once and again, and that has given an incredible weight to their arguments. Accuracy and attention to detail are issues that should never be underestimated by any group engaging in budget work.

## **7.3 Sustained budget work throughout the year**

Another central lesson of BIS' work is the need to work at budget issues in a sustained and systematic way. BIS has a team of researchers who are constantly dedicated to budget issues, revising not only the budget that is tabled, and with it the MTEF projections, but also the budget that is actually being executed, expenditure trends, legal framework provisions, policy design, and implementation plans, among others. The information that is produced by BIS, and the capacity to engage at any level in order to further arguments and improve issues that might be affecting the services and programs that should benefit people, only comes as a result of sustained, uninterrupted budget work. Budget groups need to be able to engage at any moment of the budget cycle and any moment of political relevance.

The Children's Budget Unit did not limit itself to analyze the budget that was tabled by the government regarding the Child Support Grant. It analyzed the program design, implementation, and the effects its conditions had on those who should be benefiting from social security. CBU engaged on a continued basis with these arguments, the groups that were actively advocating for modifications and the government agencies responsible for carrying out the program. The AIDS Budget Unit helped Parliament to articulate its demands regarding an improved level of spending at the provincial level. Similarly, they worked after the budget for the provision of ARVs had been approved to illustrate some of the norms that defined the application of additional funds. They helped illustrate the discussion of why ARVs were not being rolled out, and what could be done to reverse this negative trend.

These kinds of arguments and activities, which have the potential to influence not only the allocation of resources, but the way in which they are spent, and the rules or programmatic design that should apply to them, can only stem from dedicated, uninterrupted capacity.

## **7.4 Lifecycle trends: leadership and institutional consolidation**

All civil society organizations are created in particular political and historical moments and depend, to a large extent, on the mystique and conceptualization of their leaders. In the case of BIS, as a program of a



broader organization, there is more than one force at play. The leadership of IDASA as a group, which falls into the hands of its board and its executive director, is one of these forces. The management of BIS, which has been changing during the last five years, plays a role that is even more important.

Regardless of where IDASA as a whole might be at this moment, BIS is certainly at a crossroads. Its nature and goals might change drastically in the near future, despite the unquestionable evidence of the crucial character of the work BIS carries out. Its focus might be diluted and the level of specialization reached by its team might be lost. What are the lessons that can be drawn from this?

First of all, leadership is crucial. The capacity of maintaining unity, collaboration, a shared perspective on policy goals and advocacy objectives is crucial. It requires committed and capable leaders, and a team that is involved in a shared perspective of what BIS should be. These features were gradually lost during the last three to four years of BIS' existence. As BIS grew, the ability to integrate the parts became challenged, and each of the units began to increase in autonomy, decision making, and power—unbalancing the whole.

Second, budget work has limits, and once they are reached, thematic specialization appears on the horizon. It is only possible to dedicate so much effort to the budget itself, before it becomes evident that a broader picture is necessary. This is not a negative trend. But it poses the question of what to do once specialized teams have developed around specific topics. Should they grow into their own programs and be allowed to carry out their potential? How should that happen in an organization like IDASA, within which BIS is only one program among others? What impact has such a development on the logic of IDASA itself? Does it challenge the institutional development, coherence, and strategy? Considering, for instance, that IDASA has an AIDS and governance program, which has little contact with the AIDS Budget Unit, these questions gain relevance.

### ***7.5 The link between research and advocacy***

One of the clearest lessons from the CBU and ABU cases, is that the best way to make budget analysis useful is by linking it to wide-ranging advocacy activities. Finding a group that is equally strong in research as in advocacy is very rare. Most of the time, civil society organizations specialize in either of them—but not in both. And covering both fields might not be needed, as long as somebody, with a politically tuned strategic vision, ensures that research and advocacy meet.

In this sense, investing as much time in planning what to do with research, as in developing it, is one of the key lessons that have to be learned. Broad coalitions, that have amassed lobbying power and the capacity to bring the government to the table—and the people to the streets—are crucial ingredients to make our findings useful to the widest public possible. Working

with them requires consistent efforts, building up trust and confidence, and sharing common goals. Achieving this is as important as producing reliable, unquestionable information.

## **Annex 1: List of People Interviewed and Consulted**

Shun Govender—BIS manager (until August 2005)  
Shaamela Cassiem, Judith Streak and Christina Nomdo—Children’s Budget Unit  
Nhlanhla Ndlovu, Teresa Guthrie—AIDS Budget Unit  
Russell Wildeman—Education  
Alexandra Vennekens—Sector Budget Initiative  
Penny Parenzee—Women’s Budget project  
Marritt Claassens and Len Verwey—Africa Budget Project  
Vincent Williams, Manager IDASA Cape Town  
Paul Graham, Director, IDASA (only via email)

Jan Hofmeyer, Democracy Development Foundation  
Erica Coetzee, consultant  
Marcella Naidoo, Black Sash  
Adele Wildschut, Director-Catholic Welfare and Development  
Mr. Ralane, Committee of Finance, Parliament  
Mr. Henry Ekstein, Committee of Finance, Parliament  
Debbie Budlender, CASE  
Albert van Zyl, Budget Office, Provincial Treasury  
Fatima Hassan, AIDS Law Project  
Gary Hawes—Ford Foundation South Africa  
Albert Dlwengu—ACCESS  
Alison Hickey—Budget Office, Provincial Treasury  
Warren Krafchik—International Budget Project

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