



STATE OF FUNDING FOR CHILDREN IN SADC REPORT

The Executive Summary



**The budget is the skeleton of the state, stripped of
all misleading ideologies...**
Joseph Schumpeter, 1918

INTRODUCTION

The *State of Funding for Children in SADC* is a report that investigates the status of resources that are earmarked for children in southern Africa. Commissioned by RIATT-ESA, the study is premised on the understanding that beyond the ratifications of international and regional child rights instruments, as well as promulgation of impeccable laws, realization of children's rights will not be actualized until adequate resources are availed. The study also appreciates that it is the incumbency of the child rights sector to lobby governments for increased fiscal space so that adequate resources are accorded to children. It is this study's persuasion that the prerogative to increase fiscal space for children has never been greater. Poor and vulnerable children and their families have been hard hit by the unabated market failures leading to food, fuel and employment shocks. Having exhausted available coping mechanisms, poor and vulnerable children are also likely to be disproportionately affected by reduced public support as well as the different austerity measures that governments in the region are undertaking.¹The study is considered as action research, wherefrom a plethora of advocacy initiatives will be derived.

The study acknowledges that SADC countries have come a long way in terms of improving national legislation and policies for the promotion, protection and fulfilment of children's rights. The policies and legislation have mainly been influenced by the UNCRC and the ACRWC which SADC countries are party to. Closer to home, the influence of the SADC Minimum Package of Services for OVCY agreed upon by member states in 2011, is increasingly evident in national policy. While SADC countries are at varying stages in terms of policy development, there is evidence that the new policies have resulted in increases in allocations and expenditures in social sectors (health, education, social protection).

MAIN FINDINGS

Disaggregated data Achilles Heel: The Achilles Heel in SADC countries, which has been highlighted in the study limitation is the lack of quality, disaggregated data on actual funding for children's issues. The data is not collected or accessible for analysis. This needs to be resolved as part of the need to monitor the relevant SDGs on children's issues, as well as education, health and social protection.

Sources of child rights financing: The resourcing of programmes targeted for the benefit of children has been through a mix of sources including government, development assistance and to some extent, the private sector. The analysis explored

¹ UNICEF (2011), *Identifying Fiscal Space: Options for Social and Economic Development for Children and Poor Households* in 182, Countries, New York

in this paper focuses on the various contribution of resources by different players to child focused sectors specifically health, education and social protection.

ODA reliance: The analysis reveals a heavy dependence on ODA by most SADC countries. The adoption of health and nutrition policies for the survival and development of children (particularly under-fives), and the development of free primary education policies in some countries in the region, has seen some increases in allocations to this sector. Interestingly the bulk of the resources towards these sectors is from ODA. Government's commitment to fund these sectors remains relatively low as they remain comfortable with dependence on the unsustainable ODA option. Of concern, however is the decreasing levels of ODA to the region over the past 10 years. This situation calls for the need to explore more sustainable sources of resourcing child focused sectors, particularly through domestic resource mobilisation.

Plethora of DRM opportunities: Whilst ODA is dwindling due to exogenous factors, there are a multiplicity of opportunities for domestic resource mobilization. For starters, most countries in southern Africa have a burgeoning middle class in country and overseas. As a result, the number of high net worth individuals is increasing. This is an opportunity for the member states to promote philanthropy, a practice that will enable the middle class to give back to their respective communities of areas of interest. This however is not to say that philanthropy never existed in southern Africa, it did in various forms. The extent of it being systematic and coherent is what would need to be improved.

Untapped private sector: Of concern is the untapped potential of the private sector to meaningfully contribute to children's development. The steady increase in private sector investment and growth in the region offers a window of opportunity for alternative resourcing for child focused sectors. The private sector's role in resourcing is two-fold, through funding of the social sector from profits and through contributing to domestic resources through paying taxes. Another opportunity lies in tapping into the increasing remittances from the diaspora to the region. These recommendations require a conscious effort by the region's governments to focus on developing more sustainable options for resourcing child focused sectors.

Looking East, to China: The rise of China as a formidable player in the development space is still embryonic. This presents with it an opportunity for member states as they seek to bolster their fiscal spaces. China is aggressively pushing to be noticed and to overtake other western powers in collaboration with Africa. As a result, the country's international policy took a departure from the Communist ideology which did not believe in international aid. Now China revised its law and will be able to use aid as a means to enhance its influence globally.

RECOMMENDATIONS

In view of the foregoing analyses, the report makes the following recommendations. The recommendations take a human rights approach that appreciates that the governments are the primary duty bearers for the realization of children's rights. As such, most of the recommendations will be directed to them. The thrust of the recommendations is drawn from a set of principles that guide resourcing for children's rights as articulated in General Comment 19 of the UNCRC. The principles of efficiency, effectiveness, equity, transparency and sustainability.

Data collection: SADC Member States should improve collection, disaggregation and dissemination of budget data through observance of the dictates of UNCRC General Comment No. 5 (2003) on General Measures of Implementation by collecting in real time and sharing budget allocation and utilization data amongst all relevant stakeholders encapsulating all areas of child protection, health and education.

Public spending in children: In light of general comment No. 19 (2016) on public budgeting for the realization of children's rights, SADC Member States are recommended to ensure that public spending on child focused sectors and programs are adequate, equitable, efficient and effective and is undertaken within transparent and inclusive public finance management processes. It is only through increased and improved quality of public spending that SADC member states can sustainably deliver essential services such as health, child protection, education, nutrition and social assistance to all children. The allocation of resources should take note of target 16.5 of the Sustainable Development Goals on substantially reducing corruption and bribery in all their forms, take immediate measures to combat corruption and strengthen institutional capacities to effectively detect and investigate cases of corruption and prosecute the perpetrators, including by strengthening the public financial management system in order to avoid diverting resources from the implementation of the rights of the child.

Consistency with budget benchmarks: With most SADC countries being unable to meet the political commitments they made at regional level, for example the Abuja Declaration on Health and the Dakar Framework for Action on Education for All, there is need for countries to ensure efficient use of existing resources for the child focused sectors.

Exploration of Public Private Partnerships: SADC countries are vulnerable to shocks in the global economy and this tends to affect revenue that can be allocated in the national budget to child focused sectors, often resulting in huge budget deficits.

For instance, Botswana's revenue has been largely affected by reductions in prices of diamonds in previous years, Lesotho and Swaziland have been affected by the reductions in SACU revenue, while Angola has had reduced revenue collections due to downward fluctuations in the price of oil. As a consequence, budget allocations to social services have been affected resulting in a reduction in the delivery of services to children and the youth. Public-Private Partnerships (PPPs) should be explored as a strategy to finance child focused sectors in SADC countries. The implementation of the SADC Industrialisation Strategy by member states should be mindful of the potential of PPPs in developing sustainable resource options for the realisation of children's rights.

Domestic Resource Mobilisation: There is need for the governments to build sustainability for its programmes, especially the free primary education programmes that are being implemented in some SADC countries. Domestic resource mobilisation is critical as a sustainable way of ensuring sustainability in provision of resources for this sector. To promote domestic resource mobilisation member states will need to review their revenue collection mechanism as well adopt strategies that can enable revenue authorities to efficiently and effectively collect taxes from the huge informal sector in the region.

Administration costs over program implementation: Whilst prioritisation of health, education and social protection is evident through comprehensive policies in most SADC countries coupled by efforts to increase budget allocations, more needs to be done in terms of the balance between allocations to recurrent expenditure and programmes. A huge proportion of the resources allocated to the child focused sectors goes to wages and other administration costs, leaving very little for programme implementation. SADC countries need to rationalise expenditure to ensure that available resources are spent efficiently towards budget lines that lead to an improvement in health and education outcomes. This requires adherence to public resource management legislation and the avoidance of mismanagement of resources through corruption.

Citizenry engagement in budgeting processes: The budget formulation stage is key in the determination of priorities and allocation in a national budget. The budget process can be strengthened by incorporating child and youth sensitive budgeting and promoting their participation in the budget process. It is important to make sure that children and youth are involved in the strategic planning and identification of needs stage of the budget process. For the SADC OVCY Framework and the MPS, their accountability is difficult since they are programmatic instruments. The SADC secretariat has however established a robust monitoring, evaluation, accountability and learning framework which should help member states in being accountable.

Need for a SADC Protocol for Children: this will build on the momentum created by the MPS. Since a protocol will be more binding, it will create opportunity for greater

commitment by the member states to children's rights. The rationale for this protocol is in Annexure.

Strengthening Community Based Responses: Reduced allocations to child focused programmes (either due to dwindling donor funds or low revenues) will limit the services provided to children. Vulnerable families will be mostly affected due to poverty. Available resources should also be directed towards creating opportunities for community-based responses that promote income generation for vulnerable households, in order to give children in the region a better chance of enjoying basic rights and by doing so ease the burden of poverty.

Child Centric Budgeting: Where huge budget deficits occur in the different countries in the region, available resources in most cases are disbursed to finance recurrent expenditure as opposed to child focused programmes. This means that provision of services to children is compromised as a result of the budget deficits. Governments should prioritise disbursements towards child focused programmes and adopt austerity measures for other expenditure related to administration such as vehicles, and travel.

Ensuring value for money: An efficient system of resource use which looks at the specific needs of specific children and by doing so inform the provision of the appropriate basket of goods, is necessary in SADC countries. This approach will free resources towards critical needs for children in different circumstances and by doing so promote equitable distribution of resources.

CONCLUSION

The report has shown that all Member States in SADC have ratified international children's instruments such as the UNCRC as well as the ACRWC at continental level. Most of the Member States have even gone further to domesticating the provisions of these instruments into national laws and policies. This applies to the SADC MPS as well. Most Member States have policies that encapsulate the provisions of the MPS. The call of this report however is that having good laws and policies is not good enough. There should be a lucid and deliberate public investment in the implementation of those policies so that every child regardless of context, accesses quality services.

The Achilles Heel in SADC countries, which has been highlighted in the study as a limitation, is the lack of quality, disaggregated data on actual funding for children's issues. The data is not collected or accessible for analysis. This needs to be resolved as part of the need to monitor the relevant SDGs on children's issues, as well as education, health and social protection.

In spite of the fact that about sixty percent SADC member states are considered by the World Bank as middle income, these states are not doing enough to ensure that

no child is left behind in education, health and social protection. In fact, countries such as Namibia and South Africa have been considered to have highest unequal societies in the world. It means that there is a yawning gap in quality of services for children across the divide. The report showed that data on actual expenditures by member states is not readily available. This is no coincidence. It speaks to the lack of transparency on the utilization of the scarce resources. Lack of transparency will inhibit accountability. Financial and human resources and skills for children are grossly inadequate amid reports of corruption and in some cases weak priority setting, and too many Member States rely heavily on short term donor driven project funding that is not sustainable.

The report further showed that whilst ODA is dwindling, there are a plethora of opportunities for domestic resource mobilization. For starters, most countries in southern Africa have a burgeoning middle class in country and overseas. As a result, the number of high net worth individuals is increasing. This is an opportunity for the member states to promote philanthropy, a practice that will enable the middle class to give back to their respective communities of areas of interest. This however is not to say that philanthropy never existed in southern Africa, it did in various forms. The extent of it being systematic and coherent is what would need to be improved.

The rise of China as a formidable player in the development space is still embryonic. This presents with it an opportunity for member states as they seek to bolster their fiscal spaces. China is aggressively pushing to be noticed and to overtake other western powers in collaboration with Africa. As a result, the country's international policy took a departure from the Communist ideology which did not believe in international aid. Now China revised its law and will be able to use aid as a means to enhance its influence globally.