SOCIAL INVESTMENT INITIATIVES IN LATIN AMERICA: LINKING BUDGETS, POVERTY REDUCTION AND CHILDREN'S RIGHTS[1]

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Resumen. *Este artículo examina el vínculo entre los presupuestos, la reducción de pobreza y los derechos de la infancia a través de un análisis de cuatro proyectos de inversión social apoyados por UNICEF en América Latina: Projeto de Olho no Or Orçamento Criança (Brasil), Gasto Social en el Presupuesto (Paraguay), Guatemala Invierte en su Niñez y Adolescencia y el Programa de Inversión Social de Ecuador. La primera sección propone un marco conceptual basado en derechos para*

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influenciar a favor de una mayor inversión social, proporcionando fuertes argumentos éticos y prácticos a favor de la inversión en la infancia. La segunda sección examina el impacto que han tenido estos proyectos sobre las políticas públicas y las asignaciones presupuestarias, enfocándose en tres resultados intermedios clave: desarrollo de metodologías para el análisis y monitoreo presupuestario; la expansión del acceso a la información presupuestaria y fortalecimiento de la vigilancia social; y el fortalecimiento de las instituciones públicas y la sociedad civil. La tercera sección aborda las estrategias de abogacía de los cuatro proyectos. La última sección presenta conclusiones, incluyendo lecciones aprendidas y potenciales obstáculos.

Abstract: *The present paper examines the link between budgets, poverty reduction and child rights, as developed in four UNICEF-supported social investment projects in Latin America: Projeto de Olho no Orçamento Criança (Keeping an eye on the Children's Budget, Brazil), Social Expenditure in the Budget (Paraguay), Guatemala Invests in its Children and Adolescents, and Ecuador's Social Expenditure Project. The first section proposes a conceptual framework for social investment advocacy with a human rights-based approach, providing compelling ethical and practical arguments in favour of investment in children and adolescents and linking social investment with the fulfilment of rights. The second section examines the policy impact of these social investment projects, focusing on three key intermediate results: development of budget analysis and monitoring methodology; increased access to budget information and strengthened social surveillance; and capacity building in state institutions and civil society. The third section addresses the advocacy efforts of the four projects. The final section draws conclusions, including lessons learned and potential challenges.*

1. Introduction

UNICEF's public policy work in Latin America and the Caribbean is largely focused on social investment advocacy. This strategic decision seeks to address the gap between the broad recognition of the rights of children as a normative standard, both through the ratification of the CRC and the approval of national legislation on children's rights, and their effective implementation through policy interventions. Despite the fact that every state in the region recognizes the right of every child to health, education, proper nutrition, and access to drinking water and sanitation, rarely do states allocate sufficient resources for the provision of services that would make the fulfilment of these rights a reality or implement policies to improve service delivery institutions so as to maximize the impact of social investment. Indeed, analysis of national budgets throughout the region has shown that there are considerable deficiencies in terms of the resources that governments allocate to social investment, and specifically to investment in basic services for children[2]. In

[2] According to ECLAC, social expenditure in Latin America as a whole amounts to 13.8% of GDP, or US$540 per capita. However, there are significant disparities between countries,

addition to being insufficient, social expenditure is also highly inefficient and inequitable in the region. Even in countries with high levels of per capita social expenditure, investments in health, education, and social security are not targeted properly and tend to disproportionately benefit the middle classes. A recent inter-agency report on the Millennium Development Goals in Latin America and the Caribbean stresses the crucial importance of not only increasing the volume of social expenditure, but also directing it towards programmes that generate synergies between the goals, transfer resources to excluded populations and increase human capital (United Nations, 2005, p. 302).

Social investment in basic services for children and its importance for development is not a new issue for UNICEF. As early as 1947, in a study commissioned by UNICEF, Sir Hans Singer stressed the impact of investment in nutrition during early childhood on human productivity and economic development (See Jolly, 2005). During the 1980s, UNICEF stressed the importance of investment in children during times of structural adjustment and economic hardship in its study *Adjustment with a Human Face*. In the 1990s, *Development with a Human Face* showed that significant progress in human development was possible even in the absence of economic growth through sound policies that prioritized health and education. More recently, and in line with the Convention on the Rights of the Child (CRC) and the human rights-based approach to programming, UNICEF has persuasively argued that "at a minimum, children need a package of basic social services of good quality health care, education and safe water and adequate sanitation, so that they can grow to their full potential, free of disease, malnutrition, illiteracy and deprivation" (UNICEF, 2002, p. 3). Social investment is a powerful tool to expand access to basic services and improve their quality, and thus reduce poverty and contribute to the fulfilment of children's rights.

This paper will examine the link between budgets, poverty reduction and child rights, as developed in four UNICEF-supported social investment projects in Latin America. The first section proposes a conceptual framework for social investment advocacy with a human rights-based approach, providing compelling ethical and practical arguments in favour of investment in children and adolescents and linking social investment with the fulfilment of rights. The second section examines the policy impact of these social investment projects, focusing on three key intermediate results. The third section addresses the advocacy efforts of the four projects. The final section draws conclusions.

2. Conceptual Framework for Social Investment Advocacy from a Rights-Based Approach

There are compelling arguments of ethical, economic, and political nature that support the need to invest in children. This section will provide an overview of the major arguments, as well as the main connections between social investment and

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with levels approaching or surpassing US$1500 per capita in Argentina and Uruguay, and below US$150 in Paraguay, Ecuador, Guatemala, El Salvador, Nicaragua and Honduras (United Nations, 2005: 300).

human rights, which together form a conceptual framework for social investment advocacy with a human rights-based approach.

Defining poverty

A conceptual framework for rights-based social investment advocacy requires a definition of poverty that is based on the non-fulfilment of rights. Poverty deprives children of their right to survival, health and nutrition, education, protection, and participation, among others. Child poverty is the worst violation of children's rights and income measures fail to capture this rights dimension of poverty. UNICEF therefore adopted a deprivation-based measure of poverty for its *State of the World's Children 2005*. This measure, developed by Gordon, *et al.* (2003), uses severe deprivations of basic human needs (shelter, sanitation, information, water, food, health, and education) as the basis to define child poverty, thus explicitly linking poverty, rights, and access to services. According to this measure of poverty, "a child is living in absolute poverty if he or she suffers from two or more severe deprivations of basic human need" (Gordon *et. al.*, 2003, p. 9). The study's findings are staggering: 37% of children in developing countries (674 million children) are living in absolute poverty (that is to say, they are suffering from two or more severe deprivations). 17% of children in Latin America face this situation. Material deprivation, besides constituting a violation of rights in itself, exposes children to exploitation and abuse (through child labour, for example). It also denies children the right to live in a "protective environment required to ensure that they experience childhood in safety and dignity" (UNICEF 2005, p. 25). The study's results underline the need to improve and expand access to basic services as an effective means to reduce child poverty and protect children from exploitation and abuse. Increased investment in services for children should therefore be considered an essential component of a comprehensive strategy to reduce child poverty.

The ethical argument in favour of social investment

The results of the study by Gordon *et. al.* lend support to the ethical argument in favour of investment in children. This argument considers social investment as an ethical imperative, recognizing that universal human rights (civil, political, economic, social and cultural) should be fundamental to a nation that pursues equality and justice for its citizens. If development is understood as "a process of expanding the real freedoms that people enjoy" (Sen, 1999, p. 36), then addressing the deprivations faced by children should be a major priority for every state. This requires commitment to children's rights and sound public policies, but also considerable financial resources. From this point of view, social investment is an instrument for the implementation of rights, and consequently of justice and wellbeing.

The ethical argument in favour of social investment is closely linked to what Sen calls the constitutive role of freedom in development:

The constitutive role of freedom relates to the importance of substantive freedom in enriching human life. The substantive freedoms include elementary capabilities like being able to avoid such deprivations as starvation, undernourishment, escapable *morbidity and premature mortality, as well as the freedoms associated with being literate and numerate, enjoying political participation and uncensored speech and so on. In this constitutive perspective, development involves expansion of these and other basic freedoms (Sen, 1999, p. 36)*

According to Sen, the principal objective of development should be to increase people's enjoyment of these freedoms. Investment in nutritional programmes, health care, water and sanitation facilities, and quality education is certainly one effective means of increasing the freedoms children enjoy.

Furthermore, states have a legally binding obligation as signatories to the Convention of the Rights of the Child (CRC) to guarantee the economic, social and cultural rights of children, and this carries financial implications. As Article 4 of the CRC states:

States Parties shall undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention. With regard to economic, social and cultural rights, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.

Putting this mandate into practice is perhaps one of the most complex challenges for the fulfilment of children's rights. Although there are many ways of interpreting "to the maximum extent of available resources", a concrete application that fits the institutional and fiscal reality of each country must be found. However, this should never fall below the core rights obligations recognized internationally as absolutely necessary to respect the dignity and rights of people (see UNHCHR, 2004 for further details on core rights obligations and their relation to poverty reduction).

To sum up, the ultimate goal of public policy should be the wellbeing and fulfilment of the rights of all citizens, particularly children, and achieving this goal requires financial resources. Shultz (2002) keenly points out that governments have a threefold duty to respect, protect, and fulfil the economic, social and cultural rights to which their citizens are entitled. Respecting rights implies that governments should not take any measures that block their citizens from enjoying their economic, social and cultural rights. Protecting rights means that governments have a legal duty to prevent rights violations brought about by any non-state actor. Fulfilling rights means that governments have to act proactively in order to ensure that citizens enjoy their economic, social and cultural rights. This proactive action involves passing legislation, designing and implementing policies and programmes, and naturally, allocating sufficient financial resources for the provision of adequate social services.

Instrumental arguments in favour of social investment

Besides this powerful ethical argument there are several practical or instrumental arguments that support investment in children by highlighting the linkages between human development and poverty reduction, economic growth, and democratic governance. These arguments are related to what Sen calls the instrumental role of freedom: in addition to being the primary goal of development, freedom is also its principal means. In Sen's view, different types of freedoms, such as "social opportunities", "political freedoms", and "economic facilities", reinforce and complement each other (Sen, 1999, p. 38). As the following arguments will demonstrate, social investment can have a catalyzing effect on these interactions.

Social investment has positive implications for economic development and productivity, which are based on the complementary links between social and economic policy. On the one hand, social policy-making and implementation has an economic impact. Countries without a healthy and educated population, often the result of low levels of social investment, will face serious constraints introducing know-how and technology (both crucial sources of productivity gains) into their production processes. Greater productivity allows costs to be reduced, leading to lower prices and greater competitiveness in global markets. This in turn stimulates economic growth and increases employment, ultimately improving standards of living. In sum, educated, qualified and healthy workers can better contribute to economic growth, since they are better equipped to assimilate new skills required by a rapidly changing economic environment. On the other hand, economic policy decisions have a considerable social impact. Economic growth and its fair distribution widens the resource base of a society, thus allowing for a sustained increase in investments in people and increases in productivity, which feed back into economic growth. Social investment thus constitutes an instrument of economic growth and productivity gains.

This reciprocal link between human development and economic growth has been widely documented. Ranis and Stewart in their article "Economic Growth and Human Development in Latin America" examine data from several countries and conclude that "priority should be given to human development to reach a virtuous cycle of growth and higher human development" (Ranis and Stewart, 2002, p. 7). They also find that high social expenditure, along with good economic performance, are crucial for human development success.

Ranis and Stewart examine two causal chains. The first is from economic growth to human development. Here they find that the causal connections between economic growth and human development are not "automatic". That is to say, they depend on many factors, including income and asset distribution, the economy's structure and policy choices. In terms of the impact of social expenditure in the causal chain from economic growth to human development, the authors found that "the share of national resources going to social expenditure almost always proved significantly positive" (Ranis and Stewart, 2002, p. 12).

The second causal chain studied by Ranis and Stewart runs in the opposite direction, from human development to economic growth. Here the authors find significant empirical support for the idea that a healthier and better educated population can better contribute to economic growth. As with the first chain, however, causal connections from human development to economic growth are not "automatic". The authors emphasize that "education, health and nutrition alone…cannot transform an economy" and underline the "quantity and quality of investment, both domestic and foreign, together with the overall policy environment" as crucial factors in the impact that human development can have on economic growth (Ranis and Stewart, 2002, p. 11). Social investment plays a vital role in both causal relationships and is thus an essential means to reinforce the virtuous cycle between human development and economic growth.

Besides the economic argument that support social investment in children and adolescents, there is a highly persuasive political argument. In Latin America, insufficient social investment, high levels of inequality and severe poverty come together to pose a seemingly insurmountable obstacle for the development and consolidation of democracy. This condition of social deprivation, besides weakening the institutional dimension of democracy, also diminishes participation and solidarity, which are essential values for democratic life. Social investment and sustained human development, on the other hand, widen opportunities for broad sectors of the population, opening channels for social mobility and generating stable processes of social integration. From this point of view, social investment contributes to the consolidation of democratic governance.

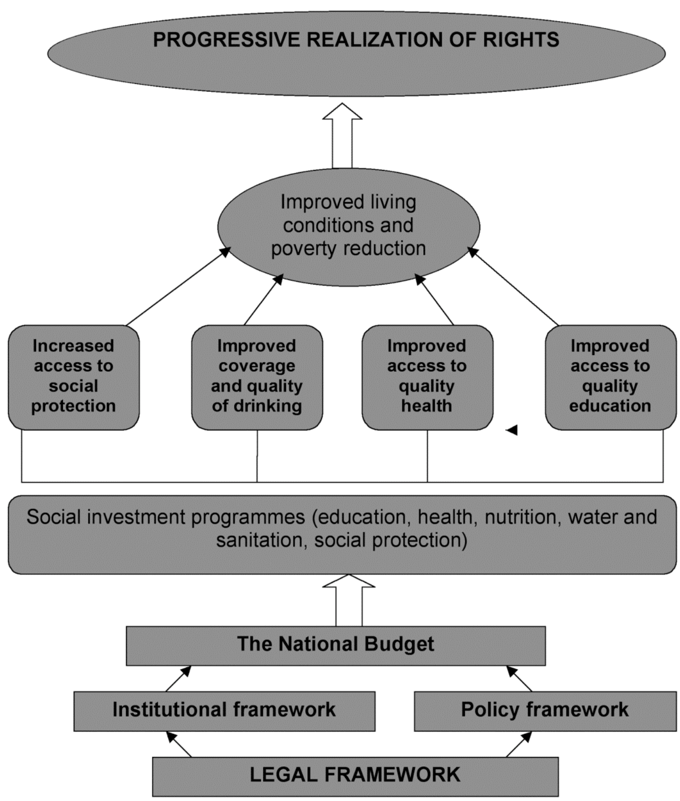
UNDP's groundbreaking report on democracy in Latin America (UNDP, 2004) reinforces this view. The report identifies inequality and poverty as the main deficiencies of the democratic regime in Latin America. One of its major findings is that widespread social discontent in the region, fuelled by high levels of poverty, inequality and social exclusion, has led to crises of governance and a loss of confidence in the political system, which in turn place the democratic regime at risk. The report therefore calls for policies that lead to "integral citizenship" (*ciudadanía integral*), which in addition to the political dimensions of citizenship also encompasses its civil and social dimensions. Social citizenship represents the greatest challenge to Latin America's democracies, since poverty and inequality prevent individuals from fully enjoying their rights and participating in the political system. This notion strongly supports the political argument in favour of social investment. Increased social investment can help create conditions for improved social citizenship through its contribution to poverty reduction and the fulfilment of rights.

Linking social investment with the fulfilment of rights

These ethical, economic and political arguments provide sound support for social investment in children. They emphasize that guaranteeing the rights of children and adolescents, besides constituting a moral and legal responsibility, also has implications for economic and social policies and consequently, for the allocation of a country's financial resources. The volume and use of public resources assigned to ensuring compliance with the rights of children and adolescents are therefore crucial indicators of the priority that states grant to these rights. From this point of view, the national budget represents much more than an accounting exercise—it is the country's most important management tool and reflects how policy priorities are established and public resources allocated. The budget is a major tool for analyzing actions that the state is taking in order to fulfil the rights of its citizens and reveals the government's commitment to effectively implementing the rights of children and adolescents enshrined in the CRC. The budgetary allocation of public resources thus contributes to bridging the gap between the formal recognition of rights and their actual implementation through policy interventions (See Diagram 1, which schematically outlines some connections between the budget and the fulfilment of rights).

Despite the sound arguments behind social investment and the clear links between the budget and the fulfilment of rights, tensions frequently arise between the implications of a human rights approach to budgetary policy and the realities of fiscal management—that is to say, between the commitments and obligations of the state relative to the fulfilment of rights, and the restrictions posed by fiscal constraints to increased expenditure.[3]

Figure 1: Relationship between the budget and the progressive realization of rights



It is often perceived that the rights approach, and particularly the principle of universality, contradicts the efforts of budget officials seeking to maintain fiscal discipline. In other words, how can the universal provision of certain rights be

[3] The following discussion is based on Norton and Elson (2002).

reconciled with a country's fiscal reality when it is characterized by scarcity and resource limitations? The first answer to this question is normative in character: the objective of all state policy should be the well-being of its citizens, and under these circumstances, fiscal discipline cannot be an end in itself placed above the state's social responsibilities. This basic recognition, however, does not imply that macroeconomic stability should be ignored. The second answer relates to the state's role in fulfilling different categories of rights. The fulfilment of economic, social, and cultural rights, as discussed above, requires active measures from states. States have to pass laws, design and execute policies, and finally, mobilize sufficient financial resources in order to fulfil these rights. This does not mean, however, that the state necessarily has to deliver goods and services directly to rights-holders. For example, policies that contribute to effective and equitable compliance with the right to housing by means of an appropriate regulatory framework and investment plans that facilitate access to housing for vulnerable groups can provide clear evidence of government efforts to make progress in the fulfilment of this right.

Another common perception is the tension between the indivisibility of rights and the need to prioritize expenditures. The principle of indivisibility means that all rights have an equal status and their fulfilment can therefore not be ranked hierarchically. Indivisibility is an attribute of the rights holder, who must be able to enjoy all rights integrally as part of his or her intrinsic human dignity (United Nations, 2003). Indivisibility could be perceived as an obstacle to prioritizing expenditure, yet the rights approach does not unreasonably demand the immediate and simultaneous realization of all human rights. The principle of progressive realization recognizes that full implementation of human rights can be achieved progressively where a lack of resources does not allow for the immediate implementation of all rights. Priorities can be established for practical or managerial reasons, provided that these do not imply any hindrance to the fulfilment of other rights, in accordance with the principle of non-retrogression (UNHCHR, 2004).

The principle of progressive realization can thus help to establish a sequence for the fulfilment of rights which can help identify priorities in the budget allocation process. For example, if a country is still experiencing high infant mortality rates and low rates of elementary school completion, it would not seem reasonable to prioritize investment in the upper stages of secondary education. The principle of progressive realization of economic, social and cultural rights implies that government must be proactive in ensuring that the enjoyment of rights is strengthened in a progressive fashion (See UNHCHR, 2004 for a detailed discussion of the implications of progressive realization). This requires taking deliberate, concrete, and appropriate actions, which is not at all contradictory with the need to define budgetary priorities.

3. The Policy Impact of Social Investment Projects

UNICEF promotes social investment in children as a regional priority in Latin America and the Caribbean. Together with allies and counterparts, UNICEF supports states in translating their political commitments into budgetary policy decisions, while also supporting initiatives to monitor and analyze public expenditure at both the national and local level. These initiatives seek to influence a more equitable and efficient allocation of public resources, as well as increased transparency and participation in social investment decision-making. This section examines the policy impact of four such initiatives: Projeto de Olho no Orçamento Criança (Keeping an eye on the Children's Budget, Brazil), Social Expenditure in the Budget (Paraguay), Guatemala Invests in its Children and Adolescents, and Ecuador's Social Expenditure Project.

The ultimate policy impact that these initiatives seek is obviously an increase in the volume, quality and equity of social expenditure. This goal also involves improving governance and accountability within public sector agencies in charge of executing the social budget. There are also three complementary intermediate results that play an essential role in the success of these projects. First, the four projects have developed and applied methodologies to analyze budgets from a rights approach and have produced clear and user-friendly information about the resources allocated to social expenditure in the national budget and/or the resources required to achieve national or international development goals (National Plans of Action, MDGs, World Fit for Children, etc.). Second, the projects have resulted in increased access to user-friendly budget information, which in turn allows for greater social surveillance of the budget. Finally, the projects have contributed by building capacities in both the public sector and civil society and by providing clear policy recommendations that facilitate improvements in social investment.

Development of budget analysis and monitoring methodology

Budget analysis is a major component of social investment projects. In order to succeed, budget analysis requires accurate and up to date information about the resource allocations that the project is seeking to influence. The four projects examined in this paper have developed and applied budget analysis methodologies that provide them with information about the budgetary allocations they are trying to influence. In Brazil, the Projeto de olho no Orçamento Criança developed a methodology that quantifies investment in children by classifying it into two types of budgetary allocations and is structured in line with the World Fit for Children goals. The first type of allocation refers to expenditures that are specifically directed towards children and adolescents (maternal and child health, primary and secondary education, child protection, etc.). The second type of allocation refers to expenditures that are not focused directly on children, but that carry significant benefits for them. These include water and sanitation programmes and vector control. The methodology proposes indicators for measuring and monitoring these expenditures in the Federal Budget. The findings of the analysis, which is carried out annually, are then classified into three headings based directly on A World Fit For Children (Promoting Healthy Lives and Combating HIV/AIDS, Providing Quality Education and Protecting against Abuse, Exploitation and Violence), and disseminated to policymakers and civil society. This methodology produces clear and user-friendly information about the amount of resources that the federal budget allocates to the fulfilment of children's economic, social and cultural rights (See

Magalhães *et. al.*, 2003, UNICEF Brazil, 2003, and UNICEF Brazil, INESC, Fundação Abrinq, 2004)..

In Guatemala, UNICEF and counterparts have established national goals for children in terms of education, health, nutrition and protection. These include providing access to primary education to 658,000 excluded children, providing access to basic health services to 400,000 children under five that are currently excluded from the system, providing nutritional assistance to 600,000 chronically malnourished children and offering integral protection to 500,000 rural adolescents living in extreme poverty. These goals have been used as the basis to quantify the allocations made for child-related programmes and projects in Guatemala's national budget. Costing studies have found that fulfilling these basic commitments between 2004 and 2007 would entail an annual investment of 0.84% of GDP in 2004, progressively increasing to 1.02% in 2007 (UNICEF Guatemala, 2004, p. 25).

In Paraguay the UNDP/UNICEF project "Investing in People: Social Expenditure in the Budget" analyzes the budget using the concept of priority social expenditure. Priority social expenditure includes resources allocated to primary education, primary health care, reduction of extreme poverty and malnutrition, and water and sanitation. The project benefits from a direct link to the Treasury Ministry's Integrated System for Financial Administration, which guarantees real-time access to budgetary information and allows the project to properly monitor the budget from allocation to execution. The project constantly analyzes and monitors social expenditure in the budget and provides clear and user-friendly information in its website and bi-monthly bulletin. In its second bulletin for 2004, for example, the project presented a comparison of the 2003 and 2004 national budgets in terms of social expenditure (Proyecto Gasto Social en el Presupuesto, 2004a). Another important initiative of the project has been a study to estimate the costs of achieving the MDGs in Paraguay. The study found that an additional US$160 million would be required annually until 2015 in order to halve extreme poverty (US$26 million) and malnutrition (US$11.4 million), provide universal access to basic health care (US$28.8 million), provide universal access to primary education (US$25 million), and halve the number of people without access to safe water and sanitation (US$26.9 million for water and US$39 million for sanitation) (Proyecto Gasto Social en el Presupuesto, 2003). These estimates provide a valuable yardstick with which to measure social investment in the country.

UNICEF Ecuador's Social Expenditure Project has also developed and implemented a methodology to analyze and monitor social investment during both the allocation and execution phases of the budget. As is the case in Paraguay, this project also enjoys direct access to the Finance Ministry's budget management system. The methodology focuses on basic social services due to their importance for the fulfilment of rights, their high impact on the living conditions of poor and excluded sectors of the population, and their excellent cost-benefit ratio in terms of poverty reduction. Allocations for basic social services are classified under the nutrition, health, education, and water and sanitation headings, which include the relevant projects and programmes contemplated in the national budget and the resources allocated to each of them. The project also provides relevant information on investment in basic social services as percentage of GDP and of total public expenditure (see UNICEF Ecuador, 2004).

Increased access to budget information and strengthened social surveillance

The development and implementation of these methodologies has resulted in increased access to budget information and a broader awareness among the public sector and civil society of the importance of social investment. This has in turn allowed for greater social surveillance of the budget, which has very positive implications for transparency and accountability. Ecuador's Observatorio de la Política Fiscal (Fiscal Policy Observatory) is probably the region's most institutionalized example of social surveillance of the budget. This organization, supported by UNICEF and UNDP is composed by a group of prominent citizens who are working to achieve a national consensus on the promotion of sustainable fiscal policy as the foundation of economic growth with greater equality, and thus stimulate human development. In order to achieve this, the Observatory monitors and evaluates the management and transparency of public finances, issues public recommendations and makes these known to civil society. It also promotes citizen awareness of public finances and the need for increased accountability on the part of officials managing public funds.

Paraguay's social investment project has also allowed for greater social surveillance of the budget by increasing access to budgetary information and mobilizing public opinion. The project's goal is "to make information on Social Expenditure in the National Budget simple, accessible and transparent to the Paraguayan people". By having this information, Paraguayan citizens are able to "demand the fulfilment of their economic, social and cultural rights…generate informed debates and reach agreements on budget priorities", thus ensuring that the National Budget's resources are "increasingly geared toward improving the living conditions of the entire population and promoting development" (Proyecto Gasto Social en el Presupuesto, 2004c). The project's analysis and findings are widely disseminated through a bi-monthly bulletin, a webpage, direct consultations with policymakers and civil society leaders, and the mass media. This results in increased awareness about social expenditure in the budget among the general public and more transparency in the public sector.

The Projeto de Olho no Orçamento Criança disseminates its children's budget analysis through a periodical bulletin prepared by the Institute for Socioeconomic Studies (INESC), a Brazilian think tank and one of the main partners in the project. According to UNICEF Brazil, "the child budget monitoring activity and its widespread dissemination have…made a decisive contribution to efforts by social movements working in favour of child rights to increase budgetary resources, despite the constrained fiscal environment in Brazil" (UNICEF Brazil, 2003, p. 8). The accurate budget information gathered, analyzed and disseminated by the project has allowed civil society organizations including INESC and Fundação Abrinq to convincingly lobby with the National Congress in favour of funding for children's programmes including Bolsa Escola, PETI (Project for the Elimination of Child

Labour) and for institutions such as the Justice Ministry's Department for Children and Adolescents (UNICEF Brazil, 2003).

Although perhaps too recent to show significant results in terms of social surveillance of the budget, UNICEF Guatemala's social investment project proposes three mechanisms conducive to transparency and accountability in the planning and execution stages of social expenditure. The project calls for decentralized planning of actions and resource allocations through municipal and departmental plans for children and adolescents. Bringing social expenditure planning to the local level facilitates greater community awareness and surveillance. Similarly, during the execution phase the project proposes that resources be channelled through municipalities, which would then be in charge of distributing the financial resources to local institutions and monitoring investments. Finally, the project proposes that the executed expenditures should be disseminated via public access to the state's Integrated System for Financial Administration in order to ensure social surveillance (UNICEF Guatemala, 2004a).

Capacity building in state institutions and civil society

In order for increased social investment to result in efficient, participative and rights-based policies and programmes, it is often necessary to complement budget monitoring and social mobilization with capacity building activities with state institutions and civil society. In addition to social investment advocacy, the promotion of good governance is required to ensure that social investment positively impacts the lives of children and their families. The four projects examined in this paper include a capacity building component and provide clear and concrete policy recommendations on increasing and improving social expenditure.

UNICEF Brazil, along with the Fundação João Pinheiro, has contributed to the Projeto de Olho no Orçamento Criança, with a Municipal Kit designed to help child rights actors and ordinary citizens demystify the budget process and influence municipal budgets in favour of children's rights. The Municipal Kit emerged as a response to three problems: the complex and confusing nature of budget information, the difficulty of accessing budget information, and the widespread belief that it is "impossible to decipher the technical and financial details of the budget process" (UNICEF Brazil, 2003, p. 10). It contains five booklets, which cover such topics as understanding the public spending process, the role of the budget as a planning tool and a political instrument, and deciphering budgetary language and building citizenship. The kit also guides citizens on steps they can take so that their demands are addressed in the municipal budget and relies on both simple, user-friendly language and technically sound analysis and recommendations.

UNICEF Guatemala has also produced a valuable tool for local level budget work, designed to assist municipal development councils in determining the needs of children at municipal level, establishing feasible goals in education, health, nutrition and protection, and estimating the financial resources required to reach the goals for 2004-2007 (See UNICEF Guatemala, 2004, pp. 30-37). The planning tool guides municipal authorities in an easy to follow step by step planning process with the end result being a budget table that lists the annual goals, their cost, how much of the cost can be covered through the municipal budget, and finally the amount that needs to be financed through other public resources or non-governmental funding.

Capacity building in Paraguay and Ecuador has taken place at the national level. In Ecuador the Social Expenditure Project has strengthened civil society capacity to monitor the budget and demand accountability through its support to the Fiscal Policy Observatory and also through the organization of annual budget dialogues between civil society and government. In terms of capacity building with the public sector, the project worked closely with the Technical Secretariat of the Social Front[4] to draw up the 2005 Social Budget proposal and in the ongoing monitoring of social investment. The Project has also lent technical support to the Budget Commission of the National Congress, including the provision of budget management and analysis software, training in budget analysis methodology and reporting, and facilitating meetings and joint work with other key actors in the budget process (UNICEF Ecuador, 2004b). In Paraguay, the project has also provided technical assistance to several government agencies, including the Social Action Secretariat and the Ministry of Public Health and Social Welfare, for which it carried out a study to determine the costs involved in childbirth, as an input for a proposed programme to provide free health care to pregnant women (Proyecto Gasto Social en el Presupuesto, 2004a). The project's support was also requested by the government for the preparation of the 2005 social budget. In addition to these direct collaborations, the project also provides constant policy recommendations, which have included a detailed investment plan for the achievement of the MDGs and a meticulous analysis of the factors that prevent increased social investment in the country, along with recommended policies to overcome these obstacles (Proyecto Gasto Social en el Presupuesto, 2004b). In terms of activities with civil society, the project organized a National Forum to discuss social expenditure in the 2005 budget, which brought together the Treasury Ministry, members of the legislature, civil society leaders, and journalists.

Impact on resource allocation

In addition to these intermediate results, which constitute a significant achievement in themselves, the positive impact of these projects on budget allocations for social investment has been felt in all four cases. In Ecuador, an additional US$40 million for social expenditure was included in the 2005 National Budget thanks in large part to UNICEF advocacy. Paraguay's 2005 National Budget saw a 3% increase (US$70 million) in social investment as compared to 2004. The Secretary of the Treasury publicly acknowledged the key role that the project played in this increase in social investment. In addition to this increase, the 2005 budget, for the first time ever, included funds (US$3 million) for a National Nutritional Assistance Plan, which will benefit 35,000 undernourished children under five and pregnant women. Also, the government has formally committed to progressively increasing the priority of social expenditure so that it accounts for 50% of total public expenditure by 2008 and has

[4] The Social Front is essentially Ecuador's Social Cabinet.

improved the implementation of the social budget (Proyecto Gasto Social en la Infancia, 2004d). Brazil saw a major expansion in expenditure on children, which increased by 42% in real terms between 1998 and 2001. During the same period, the investment in children, quantified using the project's rights based methodology, increased from 3.4% to 5.2% of federal spending (Magalhães, *et. al.*, 2003). In Guatemala, impacts at the national level included a 21% increase in resources allocated to the universalizing basic education and a 3.6% increase in funds to extend health coverage, both in 2004. At local level, as of the end of 2004, 15 municipalities had approved and were in the process of implementing municipal investment policies (an additional 60 were in the process of approving policies). Each of these municipalities has committed US$500,000 to social investment (UNICEF Guatemala, 2004b). As can be seen, these four social investment projects have had significant intermediate results as well as a considerable impact on the financial resources allocated to social expenditure. However, increasing attention will need to be paid to the efficiency, equity and accountability of social expenditure if these results are to be sustainable.

4. Advocating for social investment: alliances and messages

This section examines the advocacy and communication components of the four projects. The discussion will address two important dimensions of the advocacy process: building alliances with key social and political actors, and developing effective and basic messages to advocate for increased investment in children. Fostering alliances and partnerships with the government and civil society.

The four projects have managed to establish solid alliances with relevant state institutions, based on a proper identification of the main actors in the budget process. In all four cases, advocacy efforts have been carefully designed in order to obtain access to budgetary information and to influence the allocation of financial resources in favour of increased social investment. In Ecuador and Paraguay, advocacy efforts have effectively targeted the social ministries, finance and/or treasury ministries, and prominent members of the legislature (especially members of the budget commission). In Paraguay advocacy with members of the legislature was key in securing funds for the nutrition programme mentioned above. In Ecuador, successful advocacy with the Ministry of Economics and Finance during the early phases of the project contributed to securing access to the government's budgetary data. As Luis Iturralde, who was then Minister of Economics and Finance recalls: "UNICEF opened our eyes to how social expenditure works and what the different categories in the national budget correspond to. Thanks to UNICEF's presentations we began to understand how the budget works and that is why we signed an agreement to transfer the relevant data" (UNICEF Ecuador, 2003, p. 31).

Another notable example of successful advocacy with the government is Brazil's "Plano Presidente Amigo da Criança 2004-2007". This plan, to which President Lula da Silva has committed his government's efforts, seeks to fulfil sixteen goals based on *A World Fit for Children*. These challenges are to be addressed through 200 policy initiatives carried out by different ministries and coordinated by an inter-ministerial commission. The plan includes a budget component of R$55.9 billion over 2004-2007 (Government of Brazil, 2003). In the case of Guatemala, the impact of advocacy efforts with municipal level authorities was crucial to secure the approval and implementation of municipal development plans, which include a resource allocation component.

Advocacy efforts in all four cases have also identified and targeted other actors who, although perhaps less directly involved with the budget, still play an important part in influencing public opinion during the budget process. These include political parties, economic analysts, the private sector, academic institutions, and civil society organizations, to name a few. The work of the Fiscal Policy Observatory in Ecuador, which brings together economic analysts, journalist and respected members of civil society constitutes an outstanding example of this type of advocacy. In terms of advocacy with the private sector, a prominent Ecuadorian business leader recognized that thanks to UNICEF's advocacy work, the private sector became more conscious of its responsibilities (UNICEF Ecuador, 2003). UNICEF Brazil in examining the lessons learned from Orçamento Criança, cites the mobilization of civil society as a "critical factor in the creation of an adequate environment for the fulfilment of the rights of children and adolescents" (Magalhães *et. al.*, 2003, p. 27). For civil society to play its role, however, it requires relevant and up to date information about the budget, and training in how to use it for advocacy purposes. The project has responded to these needs by providing user-friendly information through its budget analyses and by building civil society capacity. In Guatemala, the decentralized nature of the project allows for increased participation of grass roots organizations and the community at large in the budget process. In Paraguay three significant non-governmental advocacy targets have been the advertising industry, specialized journalists and the body that coordinates human rights NGOs in the country.

Finally, another level of advocacy work in these projects has involved a more direct and participative work with society at large, in order to raise awareness and make social investment an important issue of national debate. This has included organizing forums and workshops and publishing and distributing newsletters and educational materials. In this regard, the annual national forums for the discussion of social investment carried out in Paraguay and Ecuador (see above) constitute valuable experiences in bringing budgets closer to people. Likewise, the municipal emphasis of UNICEF Guatemala's social investment focus allows for participatory work with society at large. Finally, Brazil's Municipal Kit, also described above, is an excellent example of educational material that provides the public with the necessary knowledge and tools to become more involved in the budget process.

Developing and delivering effective messages about social investment

Effective advocacy requires clear and audience-friendly messages about the need for greater social investment for the fulfilment of children's rights. The four projects have successfully translated budgetary information into more accessible language and messages well suited to illustrating the budget's impact on children's lives to the lay public. This has been accomplished through budget analysis methodologies that manage to make complex budgetary information accessible to the general public, but also through effective communications campaigns.

UNICEF Ecuador recognizes the essential role that effective communication has played in its social investment project and highlights the role of simple advocacy messages: "The ability to present arguments and statistical data in a simple fashion that the lay public can easily understand, made it possible to transmit the messages to members of the government and civil society…The importance of replacing institutional lingo with clear arguments, transmitted in simple language and backed by solid and reliable information also became apparent" (UNICEF Ecuador, 2003, p. 26). Paraguay's social investment project has relied on a communications campaign, which besides providing powerful, yet simple, messages about social investment, also has a high visual impact. This campaign includes posters, brochures, bulletins and an excellent website. One of the project's brochures, for example, combines attractive photographs depicting the benefits of increased social investment, with simple yet powerful messages about the project's work. One particularly effective section of the brochure concretely describes how achieving the MDGs would benefit the country's inhabitants:

> Meeting the Millennium Development Goals in Paraguay means that by 2015, at least:
>
> - 578,000 Paraguayans will be out of extreme poverty conditions
> - 133,000 children who are currently out of the formal educational system will have access to Basic Education
> - 140 women will not die from causes related to complications during birth labor and delivery each year
> - More than 2,500,000 Paraguayans will have access to drinking water, and consequently, will have better hygiene and health conditions (Proyecto Gasto Social en el Presupuesto, 2004c)

UNICEF Guatemala's social investment proposal also benefits from striking messages and attractive design. One aspect worth mentioning from this publication is that for each goal, it sharply contrasts the costs of not investing in children with the benefits of doing so.

To sum up, as the experience of these projects shows, the task of advocating for greater social investment in children requires an effective communication and social mobilization strategy that targets relevant actors both in government and in civil society and delivers key messages about the budget and its implications for poverty reduction and human rights in accessible, but technically sound, terms.

5. Conclusion

This paper has provided a conceptual framework for social investment supported by ethical, political and economic arguments and linking social investment with the fulfilment of economic, social and cultural rights. This conceptual framework emphasizes the wide-ranging potential of social investment and its importance for the fulfilment of the economic, social and cultural rights of children. In terms of the policy impact of social investment projects in Latin America, the paper has highlighted three significant intermediate results, as well as the actual impact that these projects have had on budget allocations for social investment. The paper has also examined the advocacy efforts of these four projects, focusing on the importance of fostering alliances with key actors and institutions in government and civil society and delivering effective messages about the importance of social investment.

There are several policy recommendations that follow from the analysis of the four projects examined in this paper. There are at least six lessons learned that these initiatives have in common, and which should be considered when designing social investment projects:

- *Evidence based advocacy*: In all cases, social investment advocacy was evidence-based and relied on official and updated information about the budget and social expenditure. This required an adequate methodology with which to analyze and monitor social expenditure so as to produce technically sound and user-friendly evidence to support the case for increased investment.
- *Clear conceptual framework*: The four projects had a clear conceptual framework and strong arguments to support the need for increased investment in children, consistent with the country's economic, social and political context. In each case, the need for increased social investment was convincingly justified.
- *Clear and feasible intermediate results*: The four cases highlight the need for intermediate, or process results in addition to final impact results. Influencing in favour of increased investment in children is a long-term process, and it can be years until its final impact is felt. It is therefore important to have clear and feasible intermediate results.
- *Capacity building component*: Capacity development played a crucial role in all four cases. Capacity development contributes to the sustainability of these processes and their impact, and plays an essential role in improving the efficiency and equity of social investment.
- *Identification of stakeholders*: All of the projects benefited from an effective identification of stakeholders, which allowed for the establishment of alliances in favour of increased social investment with both the government and civil society.
- *Effective communication campaign*: Each of the four projects developed convincing and technically sound messages that were accessible to the general public, thus contributing to a greater awareness of the need for increased investment in children.

In addition to these lessons learned, there are several *challenges* that social investment projects should address (see Table 1). First, social investment initiatives often have to face a limited availability of budget data, which is often accompanied by an inadequate disaggregation of social indicators. Second, social investment is a politically sensitive issue due, among other factors, to its implications for fiscal policy. Strategies must therefore be carefully designed and implemented so as to properly address political resistance. Third, institutional weaknesses in the public sector may hinder social investment work. These may include a lack of coordination between state institutions in charge of allocating and implementing the social budget, frequent personnel changes in ministries and other state institutions, or low capacity to properly target and/or implement social expenditure. Finally, since linking human rights and budgets is a relatively new development and requires excellent technical knowledge of both human rights and fiscal and budgetary policy, it is often necessary to strengthen the capacity of civil society organizations, political actors and the donor community.

Table 1: Potential Challenges and Strategies to Address them

Challenges	Possible Strategies
Limited availability of social and financial data	• Strengthening capacity of national statistical institutions/offices • Lobbying for more disaggregation of budget data and social indicators
Political sensitivity	• Stressing that projects are a joint effort with the government and not a critical external assessment of its budget policy • Identifying key stakeholders in the public sector and designing and implementing an adequate advocacy campaign to gain their support • Linking the initiative with major policies on the government's agenda • Stressing the potential benefits that the initiative would represent for the government (i.e. increased public perception of transparency, improved social services, etc.)
Institutional weaknesses in the public sector	• Capacity building and technical support with relevant institutions • Establishing contact with mid-level government officials, who are less likely to rotate often • Working at different levels of government, building upon existing institutional capacities and garnering the support of a broad range of public sector institutions • Experience exchange with other countries and with the donor community
Limited capacity of civil society organizations, political actors,	• Building literacy on policy issues in general, and budget issues in particular,

and the donor community for social investment advocacy	among civil society • Building alliances with academic institutions • Strengthening capacities by bringing in external expertise • Exchange of good practices and lessons learned

The potential of increased, more efficient, and more equitable social investment for poverty reduction and the fulfilment of rights is immense. Plainly stated, reducing child poverty and fulfilling children's rights requires financial resources, and as these projects show, social investment advocacy is a highly effective means of mobilizing resources for these purposes. In order to bring about effective change, the rights of children and adolescents must be placed at the centre of public policy, and of budgetary policy in particular. Social investment projects can greatly contribute to this goal.

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