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BRIEFING

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ECONOMIC, SOCIAL & CULTURAL RIGHTS

Human Rights-Based Budgeting

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Part one of this briefing pack addressed the conceptualisation of human rights budgeting as encompassing two distinct yet interrelated approaches. Namely, human rights-based budgeting and human rights budget analysis. This second briefing brings to light more detail on adopting a rights-based approach to the budget as a proactive means for states, such as the UK, to build systems, frameworks, and budget processes that will progress ESC rights and enable human rights budget scrutiny. [Rights-based approaches](#) have been increasingly advocated as a key means to mainstream human rights considerations in the everyday practice of governmental decision-making. In short, a rights-based or [PANEL approach](#) aims to ensure the budget is:



Adopting a right-based approach to budgeting involves aligning revenue generation, resource allocation, and expenditure strategies with the principles and standards of international human rights law which the respective state has agreed to be bound by. Governments and public bodies must establish and embed numerous practices and processes throughout each fiscal year. Many steps can be taken to further mainstream ESC rights into budgetary processes. Steps considered within this briefing are:

- Measuring and assessing ESC rights needs.
- Setting clear priorities which reflect the identified needs.
- Adopting the use of human rights impact assessments.
- Monitoring and evaluation.
- Progressive taxation.

Building Economic, Social and Cultural Rights into State Budgets

Integrating ESC rights into state budgets requires a comprehensive framework grounded in human rights principles. This process begins with a detailed assessment of human rights needs, identifying disparities and unmet obligations, particularly for marginalised groups. Based on these findings, clear priorities are established, ensuring resources target the most critical areas while promoting equity, inclusivity, and alignment with international human rights law and standards. Human rights impact assessments are then conducted to analyse the potential effects of budget decisions, mitigating risks of perpetuating inequalities. Implementation is paired with robust monitoring to track spending and measure its effectiveness in achieving rights-based goals. Regular evaluation provides critical feedback on outcomes, enabling continuous refinement of priorities and strategies in subsequent budget cycles.

This integrated approach ensures that state budgets address financial considerations and actively advance human rights, creating a transparent, accountable, and inclusive process that empowers communities and reduces inequalities.

i. Assessing ESC Rights' Needs & Priorities

The budget acts as a key means for the government to deliver upon its policies and priorities. Ensuring ESC rights considerations are central to setting and resourcing those policies and priorities is a key tenet of adopting a rights-focused budget. To do so requires a clear understanding and assessment of ESC rights' needs. This, in turn, enables government spending to be directed at priorities formulated and based upon government duties to respect, protect and fulfil ESC rights. In other words, to ensure a state's resources are being used effectively and efficiently for the progressive realisation of ESC rights, it is necessary to build a picture of where limited resources are needed most. This could, for example, [focus on building a clear assessment of each substantive ESC rights contained in the ICESCR](#): adequate food, education, highest attainable standards of physical and mental health, adequate housing, water and sanitation, decent work, adequate social security, and access to cultural activities.

Measuring the rightsholders' enjoyment of ESC rights can be challenging due to the need for extensive and disaggregated data which is often not available particularly with respect to marginalised communities such as undocumented migrants. Still, it is integral to delivering a budget process that adopts targeted, concrete, and deliberate steps for their progressive realisation. In essence, it is a process of gathering and using information (data) to assess the progress or lack of progress on human rights over time. Tools in the UK for identifying and measuring ESC rights needs include but are not limited to:

- International and regional treaty monitoring: Concluding observations, visits of special rapporteurs, individual communications & state reports.
- International human rights indexes (for example the [SERF Index](#)).
- Sustainable Development Goals and other international reporting.
- Domestic (national and local) performance frameworks.

Evidence and support on assessing the levels for ESC rights enjoyments can also be sought from:

- Parliamentary scrutiny.
- Local government and non-departmental public bodies.
- National Human Rights Institutions.
- Civic Society – NGOs, academics, trade unions and the media.
- Rightsholders.

[Equality and Human Rights Commission \(EHRC\): Measurement Framework](#)

Following the work of the EHRC on "[Is Britain Fairer](#)", the methods used to develop the report were developed further into a measurement framework to be adopted by public institutions throughout the UK. It is designed to be comprehensive and inclusive, allowing for assessing progress across these domains. It incorporates disaggregated data to highlight disparities among different demographic groups, such as age, disability, ethnicity, gender, religion or belief, sexual orientation, and socio-

economic status and provides a ready-made framework to build upon and assess the current status of ESC rights across the UK.

- **Education:** Evaluates the availability and quality of educational opportunities for all individuals, ensuring inclusivity and non-discrimination. Assesses educational attainment and skills development necessary for personal and professional growth.
- **Work:** Measures access to decent work, fair wages, and equal opportunities in the labour market. Workplace Conditions: Examines workplace safety, job security, and the presence of discriminatory practices.
- **Living Standards:** Analyses income levels, poverty rates, and economic disparities among different groups. Assesses access to adequate housing, clean water, sanitation, and other essential services.
- **Health:** This area evaluates physical and mental health indicators, including life expectancy and disease prevalence. It also measures the availability and quality of healthcare services for all individuals.

Participation: Measures involvement in political processes, community activities, and public decision-making. Assesses access to and participation in cultural, recreational, and leisure activities.

ii. Monitoring and Evaluation

Interconnected with the above, public budgets through their formulation and implementation should be used to monitor and evaluate the progressive realisation of ESC rights. They are a crucial tool for advocating for human rights' overall arsenal for ESC rights scrutiny. However, to understand the effectiveness and efficacy with which a budget is upholding and progressing ESC rights, [human rights monitoring systems](#) must support their formulation, approval and enactment. Monitoring the progressive realisation of ESC rights enables decision-makers to assess budgetary choices against key [performance indicators](#) based upon and focused on realising human rights. It is an interconnected step that ensures an overall assessment of rights-based needs within society. Adopting a rights-based approach to public budgets and having an ESC rights monitoring system ensures the mobilisation, allocation, and expenditure of public resources are effectively connected to and progress rights outcomes.

iii. Embedding ESC Rights Priorities in Budgetary Decision-Making

Having assessed the progress or lack of progress for different ESC rights and built a clear picture of rightsholders' most pressing needs, adopting a rights-based approach requires clear priorities to be set to drive budgetary decision-making. Priority setting is essential to embedding ESC rights within the budget process because it directly links to the need to uphold the minimum core of ESC rights and ensure 'due priority' is given within the budget to ESC rights-related plans, programmes and projects. Setting clear government priorities is standard practice for good governance and guiding decision-makers at the national, devolved, and local levels. In turn ensuring ESC rights are considered and addressed within the government's publicised priorities is key to ensuring they also drive fiscal decision-making. ESC rights priority setting is therefore crucial for:

- Addressing inequalities between the realisation of ESC rights for different marginalised groups.
- Guaranteeing fundamental core aspects of ESC rights under a state's minimum core obligations.
- Delivering 'due priority' to ESC rights-related policies, programmes and plans.
- Strategic and rights-based use of limited resources.

- Creates a clear link to international and domestic legal obligations / statutory duties.

iv. Conducting Human Rights Impact Assessments

Budgets are often about making tough choices due to the balances required to meet different, often competing priorities. For this reason, a key step to adopt for embedding ESC rights into the budget process is to devise, utilise, and publish [human rights impact assessments](#) (HRIA). HRIAs are a vital tool throughout the budget cycle for identifying, analysing, evaluating, and addressing the potential regressive impacts and effects of budgetary decisions or policies on specific human rights. Further, HRIAs can assess the impact of budgetary choices on particular groups, enabling protection for those most marginalised and disadvantaged. They serve a central role in ensuring decision-making is transparent and accountable and using limited resources to optimally progress ESC rights. Assessments should:

- Align with relevant international and domestic human rights law and standards.
- Be comprehensive, with the participation of all relevant stakeholders. They should include, among other aspects, an analysis of both the distributive and tax consequences on different sectors, as well as on marginalised and disadvantaged groups and, so far as is possible, the adverse effects on other countries.
- Regular, informed, and transparent.
- Subject to independent verification, with public participation in defining risks.
- Have gender, ethnic, racial and age perspectives and estimate differentiated impacts on specific groups. These assessments must consider adopting alternative policies that avoid, or at least reduce and correct, possible adverse effects.
- Consider the implications of increasing public debt including conditionality for public services whilst ensuring that additional funds cannot be acquired by redirecting current budgetary allocations.

v. Progressive Taxation

A further step in adopting a rights-based approach to budgeting is seriously considering the different ways of resource mobilisation including progressive taxation as a key means of meeting the obligation to use the maximum available resources for the progressive realisation of ESC rights. ESC rights advocates have long advocated for progressive tax systems that widen the tax base to ensure those with the broadest shoulders pay their fair share, protect those most marginalised and disadvantaged in society, and challenge aggressive tax avoidance and tax evasion. They are crucial to mobilising adequate resources for ESC rights, enabling democratic self-determination, and ensuring a just and fair fiscal system. As has been highlighted by the [UN Special Rapporteur on Extreme Poverty and Human Rights](#), ‘taxation is a key tool when tackling inequality and for generating the resources necessary for poverty reduction and the realisation of human rights, and can also be used to foster stronger governance, accountability and participation in public affairs’. Further, [a recent resource guide](#) from Amnesty highlights the need to:

- Implement progressive taxation to ensure that individuals and corporations with higher incomes or wealth pay a proportionally higher tax percentage than those with lower incomes to reduce income and wealth inequalities. This can be achieved through numerous means, such as introducing higher marginal tax rates for top earners, implementing wealth taxes, and closing loopholes that disproportionately burden lower-income groups.

- Enhance tax transparency and accountability to ensure the implementation of tax policies can be understood and monitored by publishing detailed budget and tax revenue reports, establishing mechanisms for independent audits of tax systems and government expenditures, and requiring corporations to report their tax contributions publicly.
- Combatting tax evasion and avoidance by strengthening cooperation to address tax havens and illicit financial flows, enforcing penalties for non-compliance by corporations and individuals, and closing loopholes in tax laws that allow aggressive tax planning by multinational corporations.
- Ensuring participation in tax policy development by involving a broad range of stakeholders, including marginalised groups, in designing and reviewing tax policies to ensure they are inclusive and equitable. This can be enhanced by creating and running public consultations on tax reforms and empowering civil society organisations to contribute to tax policy, debates, and analysis.

Human Rights & The Budget Cycle

In the UK as in all nation states the government's budget profoundly impacts the realisation of human rights, including access to healthcare, education, housing, and social security. Yet, while frameworks such as the [Public Sector Equality Duty \(PSED\)](#) promote equality considerations in fiscal decisions, human rights are not systematically embedded into budget processes across the UK meaning that they do not adequately reflect the states human rights obligations. In other words, there is no official framework to consider whether the UK budget is driven by or compliant with its international human rights obligations. Strengthening this integration is vital to ensuring that public policies and financial decisions uphold the UK's domestic and international human rights for everyone across the UK.

The Budget, or Financial Statement, is a statement made to the House of Commons by the Chancellor of the Exchequer on the nation's finances and the Government's proposals for changes to taxation. The Budget also includes the [Office for Budget Responsibility](#) (OBR) economic forecasts. At its most basic, the budget will include:

- How much money the government intends to raise (revenue)
- Where this money will be raised from (sources)
- How the money will be allocated (allocation)
- How the money is spent (expenditure)

The budget itself is, however, only one part of the whole budget process and cycle. The UK budget is a living process through which the government plans the mobilisation, allocation and intended expenditure for the upcoming fiscal year, from April 1 to March 31. In many regards, the UK's national budget is a blueprint for how it will invest in its priorities and manage the economy. Understanding the budget process's key stages, institutions, and outputs is crucial to considering how best to advocate for and embed a rights-based approach throughout the yearly process.

Each stage of the budget cycle presents unique opportunities to embed a human rights-based approach and build a rights-compatible budget cycle. Each stage serves a distinct purpose, from planning and formulating the budget to its approval, enactment, and review. Although these may differ depending on the local, devolved, or national context, recommendations can be interpreted and altered to reflect the

relevant process. Below, each stage of the budget cycle is provided with a brief explanation as to its purpose and key elements before recommendations for ESC rights considerations are offered.

UK Budget: Key Elements

- **Fiscal Rules:** Guidelines that establish limits on government borrowing, spending, and debt to ensure long-term fiscal sustainability and economic stability.
- **Spending Reviews:** The UK Spending Review a government process that sets spending limits for each department and defined the public's expectation for those resources. This can be carried out at any point through the year, every year or for multiple years
- **Annual Budget Statement:** The annual budget is a statement made by the Chancellor of the Exchequer to the House of Commons that outlines the government's plans for the economy, taxes, and resource allocations.
- **Finance Bill:** A piece of legislation that enacts changes to tax laws and public finance measures proposed in the budget statement. It provides the legal basis for implementing budgetary changes.
- **Autumn & Spring Statements:** Interim updates provided by the government on the state of the economy and public finances, outlining any adjustments to fiscal policy since the last annual budget.
- **End of Year Reports:** Reports that assess government spending and performance against budgetary goals for the financial year, ensuring transparency and accountability.

UK Budget: Key Institutions

- **HM Treasury:** The government department responsible for managing public finances, setting fiscal policy, and overseeing economic policy.
- **Office for Budget Responsibility:** An independent body that provides forecasts for the economy and public finances and evaluates the government's performance against fiscal targets.
- **Parliament:** Plays a critical role in scrutinising, debating, and approving budgetary measures proposed by the government. A key body is the Public Accounts Committee which is responsible for examining government expenditure to ensure it is efficient, effective, and economical.
- **National Audit Office:** An independent body that audits government accounts and evaluates the value for money of public spending.

a. Budget Planning & Formulation

Budget formulation represents the most crucial stage of the budget cycle from which to embed ESC rights due to the extent of different ‘policy choices’ available to decision-makers. For example, it questions the level of revenue the state can bring in through taxation and other means, the extent to which the state wishes to run a budget deficit, and how to distribute these resources between different departments and portfolios throughout the public sector. Those responsible for formulating the budget, whether in the HM Treasury or elsewhere, should first ensure that the budget is grounded in policies and plans that have considered an assessment of rights compliance. Initially, public bodies should make a rights-based assessment of current performance against ESC rights standards based on available, disaggregated data to provide a basis for decision-making. Where gaps exist and are identified, resources should be utilised to set up further monitoring to enable evidence-based fiscal decision-making. When developing a budget, policymakers should consider the following questions to ensure compliance with human rights obligations:

- Are the fiscal rules established for the budget year appropriate for enabling adequate mobilisation, allocation and expenditure of public resources to realise ESC rights?
- Is the proposed allocation appropriate and sufficient to guarantee the immediate realisation of rights as protected by minimum core obligations?
- Has the government mobilised the maximum available resources to fund programs crucial for achieving ESC rights and what have been the impact of existing programs in terms of socio-economic outcomes and trends?
- If the budget has increased compared to previous years, does the allocation ensure comparable growth in funding for ESC rights-related areas?
- Does the overall budget reflect adequate prioritisation of ESC rights?
- Are the formulas used to disburse funds to sub-national government units equitable, non-discriminatory, and designed to promote equality among different regions?

Governments may take specific actions during budget formulation that negatively affect their adherence to human rights commitments, such as:

- Introducing a new revenue-raising measure without adequately assessing its impact on different population groups, especially vulnerable ones, and failing to adjust the measure to prevent adverse effects on their rights.
- Capping public expenditures without considering and impact assessing how the cap will affect key human rights-related sectors, such as education and health.
- Failing to cost human rights-related programs, jeopardising their effective implementation adequately.
- Neglecting to prioritise ESC rights-related areas in the budget, leading to insufficient resources for critical programs.
- Reducing allocations for human rights-related programs without assessing the impact of these cuts on essential services and failing to adjust to minimise harm, particularly for vulnerable groups.

b. Budget Approval

The following stage of the budget cycle concerns its parliamentary scrutiny and approval. Budget approval is a critical stage of ensuring adequate oversight of the budget proposals, building upon the pre-budget scrutiny carried out before it enters Parliament and providing the adequate participation of groups within society to enable deliberation upon the budget aims and impacts on human rights

standards. The [OHCHR's guidance](#) emphasises this point by stating, 'in its role of reviewing the budget, and later of assessing its implementation, the legislature plays an essential role in holding the government to account. Many civil society groups also participate in this stage of the budget process by discussing their concerns with various legislature members and even attending and sometimes testifying in legislative hearings related to the budget. Failure by the government and legislature to facilitate civil society involvement in this stage of the budget process may violate the right to participation.' This stage of the process can consequently be viewed as critical to delivering against the principles of accountability and participation as a part of the state's obligations of conduct under international law. Key considerations include:

- Alignment with human rights law and standards: Does the budget comply with national and international human rights commitments, particularly in ensuring the protection and promotion of economic, social, and cultural (ESC) rights?
- Adequacy of allocations: Are the allocations for ESC rights-related areas sufficient to address immediate needs and long-term objectives according to international standards?
- Equity and non-discrimination: Does the budget prioritise vulnerable and marginalised groups to promote equity? Are resource allocations free from discrimination?
- Maximum available resources: Has the government demonstrated transparently that it is using the maximum available resources to fund programs critical to the realisation of ESC rights?
- Transparency and participation: Was the budget development process transparent, and did it include meaningful input from civil society, particularly groups representing marginalised populations?
- Human rights impact assessments: Have potential impacts of the budget been thoroughly evaluated, especially regarding how it will affect disadvantaged groups and whether any measures are needed to mitigate adverse effects?

c. Budget Execution

Once the budget has received legislative approval, the cycle moves on to its execution. For example, governments may fail to collect the projected revenue, thus leaving fewer resources than planned to be spent on ESC rights realisation. Or, either through deliberate or unintentional practice, budget allocations may not be used in full, leaving 'underspend' within the budget, which is reallocated to non-ESC rights areas or saved within 'rainy day' funds. Ultimately, even when resources are allocated to appropriate policies to achieve specific rights outcomes, how each governmental department or public authority executes and expends this resource will dictate the outcomes achieved. So much so, 'in many ways, a [government's expenditure](#) reveals more about its compliance with its human rights obligations than allocations'. For this reason, 'ministries [governmental departments] should have sound expenditure management processes in place, to ensure that funds are released and spent on time, efficiently and effectively, and so on'. In discussing the obligation of MAR, states must seek to monitor and report on 'value for money' and the overall effectiveness and operational efficiency of spending in meeting the proposed outcomes through the execution of the budget. A rights-based approach to executing the budget presents an analytical and technical exercise of scrutinising individual budgetary allocations and how they have been spent, underspent, reallocated, or potentially wasted.

- Ensure effective expenditure management: Government departments should have robust processes to manage and track expenditures efficiently and effectively, ensuring funds are released and spent on time and appropriately.

- **Monitor and report on budget execution:** Regularly assess the effectiveness and operational efficiency of spending to ensure it meets proposed outcomes.
- **Facilitate civil society involvement:** Involve civic society and other external actors in monitoring and oversight to provide analysis and ensure accountability.
- **Publish in-year and mid-year reports:** Enhance transparency by producing monthly in-year reports and a comprehensive mid-year report to track budget spending and revenue trends.
- **Where necessary, divert expenditure to areas where concerns are raised on the meeting of minimum core obligations.**

d. Budget Review

The final stage of the budget cycle is often coined the ‘budget review’ stage and is concerned with embedding in-depth oversight and, thus, accountability through the process. Explored through the principle of accountability, budget oversight is paramount to protecting and promoting human rights, ensuring that government funds are allocated and spent in ways that fulfil obligations under national and international human rights laws. Effective oversight mechanisms, including legislative scrutiny, independent audits, and civil society participation, help to ensure transparency and accountability in fiscal governance. By monitoring how budgets are planned and executed whilst utilising human rights compliant indicators, oversight bodies can identify and address potential misallocations or mismanagement of resources that could undermine the provision of essential services like healthcare, education, and social welfare. It is particularly crucial for marginalised and vulnerable groups who rely on these services for their basic needs and rights. Consequently, it forms a key aspect of understanding compliance with rights obligations. Moreover, budget oversight can help prevent corruption and the misappropriation of funds, which often disproportionately affect the poor and disenfranchised. During the audit stage of the budget process, governments should rely on and cooperative with the following to ensure alignment with human rights obligations:

Role of the Supreme Audit Institution (in the UK this is the National Audit Office)

- **Human rights compliance:** SAIs should expand their focus beyond narrow financial laws and evaluate the government’s adherence to human rights obligations as part of their audit mandate.
- **Capacity building:** Many SAIs are unfamiliar with the human rights framework and its application. Efforts must be made to train these institutions to integrate human rights considerations into their auditing practices.
- **Legal and institutional framework:** Ensure that SAIs operate independently and have the authority to assess whether budget formulation and execution comply with financial and human rights laws.

Engagement with the Legislature (UK Parliament)

- **Accountability mechanism:** SAIs should submit audit reports to the legislature for review and action, as international best practices recommend.
- **Human rights oversight:** Legislatures should utilise these reports to assess whether the budget meets human rights norms and standards, holding the government accountable for any failures.
- **Improving legislative practices:** Strengthen legislatures' capacity to engage meaningfully with SAI findings, fostering a culture of accountability in budget oversight.

Involvement of National Human Rights Institutions (NHRIs) & Civic Society

- **Mandate alignment:** NHRIs should actively evaluate government budgets for compliance with human rights obligations, using their established mandate to assess systemic issues.
- **Collaboration:** Partner with SAIs and other oversight bodies to integrate human rights analyses into broader financial and performance audits.

Embedding human rights within budget design and execution transforms fiscal policy from a technical exercise to a framework for realising people's rights. By integrating assessment, participation, and accountability throughout the budget cycle, governments can ensure that public resources are directed where they are most needed. The next briefing builds on this by focusing on budget analysis and scrutiny, showing how civil society, national institutions and other actors can assess and hold governments accountable for the human rights impact of fiscal decisions.

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