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Gender budgeting

Report
Committee on Equal Opportunities for Women and Men
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Summary

The budget is the most important policy instrument of any government. It is through the public budget that the political authorities shape social and economic development, decide priorities for action and determine needs-based redistribution criteria for society. However, public budgets are not gender-neutral in their effects - they affect men and women in different ways, in terms of both revenue and expenditure.

Introducing a gender perspective into all levels of the public budgeting process – “gender budgeting” – is thus becoming an important tool, making it possible to measure the impact of public policies on citizens of different sexes and to restructure revenues and spending so as to reduce socio-economic inequalities between men and women.

Gender budgeting should become a mainstream tool habitually used by all players at all levels in the budgeting process, both in Council of Europe member countries and – to the extent possible – within the Council of Europe itself.

The Parliamentary Assembly should thus invite the Committee of Ministers to draw up a Recommendation to member states on gender budgeting and prepare a gender analysis of the Council of Europe's budget.

The Assembly should resolve to apply gender budgeting to its own expenses.

I. Draft recommendation

1. The budget is the most important policy instrument of any government. It is through the public budget that the political authorities shape social and economic development, decide priorities for action and determine needs-based redistribution criteria for society. However, public budgets are not gender-neutral in their effects - they affect men and women in different ways, in terms of both revenue and expenditure.
2. Introducing a gender perspective into all levels of the public budgeting process – “gender budgeting” – is thus becoming an important tool, making it possible to measure the impact of public policies on citizens of different sexes and to restructure revenues and spending so as to reduce socio-economic inequalities between men and women. Practising gender budgeting is essential if countries, regions and municipalities are not to continue to assume the gender neutrality of their budgets – which in reality are often “gender-blind” and thus inadvertently cause further gender inequalities.
3. Gender budgeting has the added advantages of promoting and increasing accountability, transparency and efficiency. Unfortunately, gender budgeting is not yet a mainstream activity: considered too technical an issue by many of those who fight for equal opportunities for women and men, it is not considered a political priority by many of those who actually draw up, implement and oversee budgets.
4. The Parliamentary Assembly considers that gender budgeting must become a mainstream tool habitually used by all players at all levels in the budgeting process, both in Council of Europe member countries and – to the extent possible – within the Council of Europe itself. It thus welcomes the work of the Council of Europe Steering Committee for Equality between Women and Men (CDEG) on gender budgeting and encourages the Committee of Ministers to make full use of the expertise gathered in and developed by this Committee.
5. The Assembly thus invites the Committee of Ministers to:
 - 5.1. draw up a Recommendation to member states on gender budgeting, with the aim of encouraging the examination of budget processes and objectives by all players at all levels in the budgeting processes of Council of Europe member states (on national, regional and local level) to ensure that women’s and men’s needs and priorities are considered equally;
 - 5.2. prepare a gender analysis of the Council of Europe’s budget and ensure that the needs of women and men (and girls and boys) are targeted equally by the Organisation’s activities.
6. The Assembly resolves to apply gender budgeting to its own expenses.
7. The Assembly calls upon all parliaments of Council of Europe member states to make full use of their specific role in the national budgeting process by demanding gender analyses in the preparation, implementation, audit and evaluation of government budgets and by recalibrating budgets to rectify gender inequities thus discovered.

II. Explanatory memorandum by Mrs Čurdová

1. Introduction

1. Introducing a gender perspective in all levels of the public budgeting process has become a topical issue, addressed by many European and international organisations, and constitutes a major step towards genuine gender equality. This method makes it possible to measure the impact of public policies on citizens of different sexes and to restructure revenues and spending so as to reduce socio-economic inequalities between men and women.

2. In its recommendation on gender mainstreaming,¹ the Committee of Ministers pointed out that "one of the main strategies to achieve effective equality between women and men is gender mainstreaming". This approach entails "the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making. In concrete terms, this implies that the needs, interests, competence and skills of both women and men are taken into account."²

3. Mainstreaming is essential since it brings to light the "gender equality" dimension of any policy or activity. By gauging the extent of any differences between women and men in terms of rights, resources, positions held and representation, it enables improved use of human resources and the definition of better-targeted, more equitable policies. Gender budgeting is one of the most important examples of applied gender mainstreaming.

2. The gender budgeting concept

2.1. Definition

4. The Council of Europe's Steering Committee for Equality between Women and Men (CDEG) defines gender budgeting as "an application of gender mainstreaming in the budgetary process. It means a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality."³

5. This gender perspective is based on application of the gender mainstreaming principle in the budgeting procedure. This entails treating women's priorities and needs on an equal footing with men's and assessing the gender impact of budgetary policies, while making the budgeting process gender responsive at all levels and restructuring revenues and expenditures with the ultimate aim of achieving gender equality.

2.2. Principles

6. Public budgets are not neutral in their effects, since they are used to implement specific policies with implications for society and the economy. It is through the public budget that the political authorities shape social and economic development, decide priorities for action and determine needs-based redistribution criteria for society. These policies accordingly affect men and women in different ways, in terms of both revenue and expenditure.

7. The aim of gender budgeting is not to draw up separate budgets for women, but to take better account of social realities. By stepping up the collection and analysis of gender-disaggregated data and giving an improved insight into the real added value generated by resources earmarked for women and for men, gender budgeting allows more equitable distribution of financial costs and benefits, while fostering more effective use of public funds.

¹ Recommendation No. R (98) 14, adopted at the 643rd meeting of the Ministers' Deputies on 7 October 1998.

² Message from the Committee of Ministers to Steering Committees of the Council of Europe on gender mainstreaming, 628th meeting, 15-16 April 1998.

³ Information document on gender budgeting prepared by the Directorate General for Human Rights, CDEG-GB (2003) 5 rev 3 of 4.3.04.

2.3. Objectives

8. Gender budgeting has three main objectives. First, it seeks to ensure that budget policies are equitable and to foster a reduction in inequalities and equality of opportunity, taking better account of the differing needs of women and men within the economy and society.

9. The second objective is to encourage more effective use of public spending, in keeping with predefined objectives, as regards the distribution of resources and services targeting men and women. Gender budgeting accordingly aims to improve the quality and the efficiency of public services in line with the differing needs of male and female citizens.

10. The third objective is to give people a better grasp of public revenue and expenditure and, hence, ensure greater transparency of public policies implemented by national, regional and local authorities.

3. How gender budgeting functions

3.1. Pointers for a method

11. Preparing a public budget from a gender perspective means:

- determining, on the basis of qualitative and quantitative data, how different citizens benefit from and contribute to public spending and revenues;
- assessing the different consequences for men and women of budgetary policies and of redistribution of resources in terms of money and services, for example;
- ensuring that resources are allocated in an appropriate manner, taking account of the differing needs of women and men;
- ensuring that gender differences are taken into account at the various stages of the budgeting process and in all fields of public action;
- redefining priorities and specific activities by reallocating public spending so as to ensure that equality of opportunity between the sexes is respected in the distribution of resources and public services.

12. The method brings to the fore the need to restructure and redefine public spending, rather than revising the overall budget amount. It entails constant monitoring and regular analysis of the gender aspects of all public policies. Under such an approach the economic situation is addressed not just in pecuniary terms but also from the standpoint of the quality of life. It is for instance recommended that unpaid work (housework and tasks performed by carers, for example) should be taken into account, alongside paid work, in the economic review of policy decisions.

13. Public spending budgets must be analysed in terms of the following basic expenditure categories:⁴ expenditure not directly linked to gender; differentiated expenditure intended for men and women; expenditure specifically linked to equal opportunities programmes and measures.

14. A series of measures that can be taken by any public authority has been defined:⁵

- gender-based assessment of budgetary priorities and allocation of public services;
- gender-based analysis of the distribution of the benefits of expenditure;
- gender-based assessment of expenditure on the various sectoral policies within the budget;
- overall assessment of the budget from a gender perspective, appraising to what extent overall and sectoral public expenditure meets the need to reduce inequalities between men and women;
- incorporation of a gender perspective into the definition of medium- and long-term economic and employment policies;
- an analysis of the impact of public expenditure measures on time use.

⁴ Report on "Gender budgeting – building public budgets from a gender perspective" (2002/2198 (INI)), Rapporteur: Fiorella Ghilardotti, European Parliament, 16 June 2003.

⁵ op. cit. European Parliament report.

3.2. *Success factors*

15. Successful incorporation of the gender perspective first and foremost requires a political commitment, at all levels, to achieving equality between women and men. This entails fostering the political and institutional representation of women in the private and the public sectors, raising public awareness and promoting participation by all the relevant players, since not only local, regional and national authorities, the trade unions, NGOs and researchers, but also European and international organisations must rally round to enable effective implementation of gender mainstreaming at all levels of the budgeting process.

4. **Organisations and states that have introduced gender budgeting initiatives**

4.1. *Organisations*

16. On the basis of the report "Gender mainstreaming - conceptual framework, methodology and presentation of good practices", issued in 1998, the Council of Europe's Steering Committee for Equality between Women and Men (CDEG) has decided to pursue its work to promote new techniques and methods of overcoming the discrimination still suffered by women. In 2002, in the context of an informal group, the committee began some exploratory work to analyse the consequences for women and men of the budgetary distribution of revenues and expenditure. In 2004 a Group of Specialists on Gender Budgeting was set up with the aim of producing a report describing tangible initiatives, so as to raise member states' awareness of the concept. The group held several meetings, and is currently preparing its final report to the CDEG. Gender budgeting will be one of the main subjects of the 6th European Ministerial Conference on equality between women and men, which will be held in Stockholm on 8-9 June 2006.

17. The Congress of Local and Regional Authorities of the Council of Europe (CLRAE), in particular its Committee on Social Cohesion, has decided to launch a project on gender mainstreaming - at the local and regional levels - and local finance. The Congress adopted Resolution 176 and Recommendation 148 (2004) on the subject in May 2004. Both texts encourage gender budgeting initiatives at local and regional level, and invites the Council of Europe to itself apply gender budgeting.

18. In June 2000 the European Commission adopted a Community Framework Strategy on Gender Equality (2001-2005),⁶ which concerns all EU policies and all of the Commission's departments. In May 2003 an Advisory Committee on Equal Opportunities issued a specific opinion on gender budgeting.

19. On 23 January 2003 the European Parliament held a public hearing on "Gender budgeting - the gender perspective in public budgets" and, on 16 June 2003, adopted a report on the subject.⁷

20. The Platform for Action adopted at the United Nations 4th World Conference, held in Beijing in 1995, recommended that governments and other actors systematically review public spending and adjust budgets so as to ensure equality between women and men in access to spending, and also take measures to make gender budgeting an internationally recognised strategy. Since 1998 a task force⁸ has taken numerous initiatives on gender mainstreaming in the budgetary process. A number of reports have been published, including "Mainstreaming Gender Perspectives into Programme Budget Processes within the United Nations System", which includes a study entitled "Phase One Inventory of efforts to mainstream gender perspectives in budget processes in bilateral donors, NGOs, private sector and others". The Economic Commission for Europe (UNECE) has also published a report on "Gender responsive budgets: issues, good practices, and policy options".⁹

⁶ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, 7 June 2000, Com (2000) 335 final.

⁷ op. cit. European Parliament report.

⁸ Taskforce on Gender Mainstreaming in Programme Budget Processes of the Inter-Agency Meeting on Women and Gender Equality (IAMWGE).

⁹ United Nations, report by Elisabeth Villagomez, Senior Consultant, Almera Estudios Economicos y Sociales. Regional symposium on mainstreaming gender into economic policies – 28-30 January 2004.

21. The Nordic Council of Ministers has approved a proposal for a project covering a number of issues: awareness-raising and training, research and documentation, exchange of information on national pilot projects. This project, which is targeted in particular at national assemblies, the media, NGOs and researchers, is aimed at enhancing transparency and the pooling of information.

4.2. *Examples of initiatives*

22. A number of initiatives to introduce a gender perspective in the budgeting process have already been taken in Council of Europe member states at both the national and the regional and/or local levels.

23. In Austria, the Ministry of Finance has carried out a study of the gender impact of income-tax law. By introducing a gender perspective, this study showed how income levels diverge between women and men and brought to light the consequences of income tax policy and the differences in the specific rules applicable to women and men. The Federal Government of Austria has since decided to apply gender budgeting to the national budgeting process.

24. In Spain, a first study was undertaken in the Basque Country by the Basque Women's Institute in 2001. It showed the lack of gender-disaggregated statistics and led to a number of recommendations. The Cordoba provincial authorities have recently launched a similar study.

25. In Finland, the network of women members of parliament, having noted that most small firms are managed by women and that tripartite negotiations had favoured big businesses, launched a number of initiatives to ensure that more account would be taken of the needs and interests of small enterprises and to promote the adoption in the state budget of a special micro-loans programme for women entrepreneurs.

26. In Norway, an initiative to introduce a gender perspective in the state budget was taken in 2002. The Ministry of Children and Family Affairs was the first to make gender equality a cross-sectoral concern to be addressed in all of the ministry's activities. The Ministry of Finance has now included a reference to gender responsive budgeting in the government's draft budget (2002-2003).

27. In the United Kingdom, the Women's Budget Group has conducted a gender-based analysis of the budgets of the New Deal programmes for the unemployed. The statistics show a strong imbalance, to women's disadvantage, in the distribution of funding.

28. In Sweden, the government adopted the concept of gender mainstreaming in the nineties, and all ministers are responsible for guaranteeing gender quality in their respective policy fields. Considerable efforts have been made to develop gender-sensitive approaches to the allocation of resources in various policy spheres at the national, regional and local levels. In April 2004, the Swedish Government adopted an action plan on gender mainstreaming in government services 2004-2009, which puts special emphasis on gender budgeting.

29. In Lithuania, a pilot project was introduced on gender budgeting in the health care sector, which led to the adoption of an action plan. The pilot project showed, for example, that women received 1.8 times more resources for cancer prevention than men, while men received 6.7 times more resources for programmes of addiction prevention.

30. On the local level, a number of very interesting and successful gender budgeting projects have been implemented in Gdańsk (Poland) and Basel (Switzerland). The Basel project concluded, for example, more unpaid hours of work were worked than paid hours of work, and that women worked more than men (when both paid and unpaid work were taken into consideration). The Gdańsk project highlighted the lack of programmes for senior citizens (both women and men), the unequal treatment of women and men on the labour market and the low rate of professional activation of women, as well as the problem of long-term unemployment of both women and men.

31. A hearing on the theme of budgeting for gender equality was held by our Committee in Prague on 25 May 2004. The minutes of this hearing are available from the Secretariat¹⁰.

¹⁰ AS/Ega (2004) PV 7 addendum II.

5. Conclusions and recommendations

32. The budget is the most important policy instrument of any government. It is through the public budget that the political authorities shape social and economic development, decide priorities for action and determine needs-based redistribution criteria for society. However, public budgets are not gender-neutral in their effects - they affect men and women in different ways, in terms of both revenue and expenditure.

33. Practising gender budgeting is essential if countries, regions and municipalities – and indeed international organisations - are not to continue to assume the gender neutrality of their budgets – which in reality are often “gender-blind” and thus inadvertently cause further gender inequalities. Gender budgeting has the added advantages of promoting and increasing accountability, transparency and efficiency. Unfortunately, gender budgeting is not yet a mainstream activity: considered too technical an issue by many of those who fight for equal opportunities for women and men, it is not considered a political priority by many of those who actually draw up, implement, and oversee budgets.

34. It is time for the Council of Europe to set an example and push for the full application of gender budgeting both in our 46 member states and in its own budget (to the extent possible). We parliamentarians also have a special role to play, and should demand gender analyses in the preparation, implementation, audit and evaluation of government budgets. We must ensure that budgets are recalibrated to rectify gender inequities thus discovered. The excellent paper prepared by Ms Elizabeth Villagómez (Appendix) can show us how.

APPENDIX

Expert paper prepared by Ms Elizabeth Villagómez, Spain



**REPORT ON GENDER BUDGETING
THE ROLE OF PARLIAMENT**

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11 December, 2004

Introduction

Gender budgeting is a tool for mainstreaming gender into economic and social policy and for ensuring that adequate budgetary provisions are made for gender equality policy. It is also a tool that deals directly with enabling governments to address international and national commitments to women, namely **equality** in the distribution, access and funding of public resources contained in the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and United Nations World Conference on Women (Beijing platform and Beijing+5).

Thus, it is a tool that can advance various government objectives such as **transparency, efficiency, effectiveness and accountability** in the use and distribution of resources. Its implementation addresses international and national commitments to social and economic rights instruments at the same time that it can work towards consolidating the effectiveness of public policies and economic growth by reducing inequalities in the distribution and the impact of public resources. It is in fact a tool for effectively mainstreaming gender into almost every aspect of economic and social policy by governments and for ensuring that the adequate budgetary provisions are made.

The term “Gender responsive budgeting”, “Gender Budgets”, “Women’s budgets” and “Budget statements for women” refer to a great variety of processes and tools which aim to enable impact evaluation of government budgets in gender terms. During the evolution of these processes and tools, efforts have been focused on auditing government budgets in order to determine its impacts on women and girls differentiated from men and boys. In these appraisals not only expenditure (including transfers such as pensions, family benefits, etc.) is covered, but also income or revenue of government (taxes, prices of public goods including privatised goods, tariffs, etc.) Following the use by the United Nations Development Fund for Women (UNIFEM), the Commonwealth Secretariat, the International Development Research Centre of Canada and others, the term Gender Responsive Budgeting (GRB) will be used here to refer to these processes and tools.

As such the budget is the most important policy instrument that any government uses to carry out its policies in all social and economic areas of a given country, region, or municipality. The participation of the Parliament at various stages of the budgeting process, depending on the different models that will be discussed below, is, in theory, centred on the control, or system of checks and balances, of government and of ensuring good governance in the use and distribution of public funds. The legislative tools that parliamentarians can use in advancing the use of GRB by government can take on many forms.

In the words of Pregs Govender, former chair of the Parliamentary Committee on the Improvement of the Quality of Life and Status of Women in South Africa, the government budget as the main policy executing tool by governments reflects the values of a country –who it values, the work that it values and whom it prizes and who, what and whose work it does not value. The government budget as the main policy executing tool by governments can be used as a powerful instrument to bring about change in any country and to cover the needs of the most unprotected or disadvantaged groups in society.

For parliamentarians, it becomes necessary to make a serious analysis of the issues and the policies that affect inequality situations, directly or indirectly, and to identify how this is reflected in the budget. It also becomes necessary to have profound knowledge of the exact processes (political and administrative) of the approval and execution of the budget (at the national, regional or local levels).

In this paper the main issues arising from the introduction of a gender perspective into the budget as well as the possible changes that need to be made at different stages of the budget cycle and the role of parliamentarians in this process will be examined.

ROLE OF PARLAMENTARIANS IN A GENDER RESPONSIVE BUDGET INITIATIVE¹

Why should parliamentarians be involved?

The Parliament is a body that has the obligation to control or check the government and to approve legislation that can affect the budget process (raise taxes, cut spending, approve new expenditure, etc.) at the same time that it is obliged to legislate around the issues of gender equality.

¹ The material in this section and the following sections has been drawn and adapted from the International Parliamentary Union publication: “Parliament and the Budgetary Process, Including from a Gender Perspective. Regional Seminar for English-Speaking Parliamentarians, Nairobi Kenya” and “Parliament, the Budget and Gender”, Handbook for Parliamentarians No. 6 (IPU, UNDP, World Bank Institute, and UNIFEM). This adaptation was originally conceived for UNFPA by Katrini International and Elizabeth Villagómez.

Although external pressures may also cap or limit budgetary indicators (stability pacts, external monetary or commercial processes or other international monetary institution processes), Parliament has the obligation to discuss about the legality of the issues being adopted and to warn of possible violation of rights of citizens, in particular of women, that can occur.

Approval of budgets by parliamentary bodies is required in most countries although the scope that parliamentarians have in changing any part of the budget through political accords or other means can be more limited depending on the composition of the Parliament and relative power of the committees dealing with these issues (oversight, budget, fiscal, economic policy, etc.).

It is thus important to keep in mind that the ultimate step toward adopting Gender Responsive Budgeting as a common tool within the budgeting process is limited by technical aspects (gender analysis with proper analytical frameworks and data) as well as by political ones.

Governance issues

As mentioned previously, GRB can bring about improvements in various governance issues: accountability, transparency, efficiency and effectiveness

On the political side, the National Parliaments can have a direct influence in the control of the commitments (**accountability**) which Governments have made to protect and ensure women's rights and to advance gender **equality**.

The OECD has defined budget **transparency** as "the full disclosure of all relevant fiscal information in a timely and systematic manner". This disclosure can be imposed or regulated by parliament, including legal provisions to include a gender impact in the annual budget.

The responsibility of parliament with the budget does not end with its adoption. Its oversight and audit functions should be rigorously enforced (**transparency and accountability**). A strong link should exist by constitutional law between the Executive and the Parliament with regard to execution of the budget (**transparency and accountability**).

Parliament should arrange for regular reporting on how ministries spend the money, which can be through various procedures (departmental annual reports, examination of appropriations by parliamentary committees, audit annual accounts of each ministry, etc.) This reporting should be linked to the targets or objectives that policy has set in the different areas including indicators to measure progress made (**efficiency**).

Auditing, documentation of spending and judicial sanctions provided for by law are all possibilities for the Parliament to actively engage in.

Introduction of amendments to the budget

The possibility of amendments will depend, again, on the limitations imposed by party discipline and/or parliamentary composition (having absolute majorities, coalition deals, etc.)

The budget cycle can be influenced by Parliament at this final planning stage through amendments, as well as in the implementation phase through the oversight function (which can be strengthened by working together with civil society groups of women and other groups).

Through specific laws, it can also influence the rest of the stages of the budget cycle (audit and evaluation) and the beginning of the planning stage as some of the examples below show.

The design of the legal powers in the budget process becomes crucial in considering which constraints are to be avoided or overcome in the introduction of amendments. There will be different levels of constraint considering whether these powers are enshrined in the Constitution or if they are based on legislative rules or tradition or conventions.

The multi-year frameworks used by governments (medium-term budget policy formulation), and not only the year to year or annual budget should also concern parliamentarians. The debate of these frameworks becomes another important activity to engage in and can increase the possibilities to introduce, at the outset, a gender perspective.

The legislature's annual review of the budget proposal needs to be anchored in a firm understanding of the medium-term direction of budget policy. ("Parliament, the Budget and Gender", Handbook for Parliamentarians)

Strategies

What can Parliamentarians do to introduce gender responsive budgets in the framework of strengthening their representation functions? In this case we can enumerate a number of “entry-points”, some of which were already touched upon previously, that can allow legislators to ensure that budgets (both expenditure and revenues) do not continue to assume gender neutrality and “inadvertently” cause further gender inequalities at the same time that they will be exercising and strengthening their oversight or control functions.

- The budget should be analysed independently. Detailed knowledge of the budget and its implications is necessary if Parliamentarians are to make informed changes to budgets, including knowledge of its gender impact. Therefore, capacity in research including trained staff in gender and other appropriate resources such as sex disaggregated data should be built up or strengthened within the parliament.
- Parliamentarians should also be concerned about their own knowledge and capacity to understand economic issues in general and budgetary issues in particular. There are a number of civil society groups and research institutes as well as international organisations providing this training that will empower those who seize the opportunity to increase their knowledge.
- The information on which the budget is prepared and presented, in addition to being understood, should be demanded from the executive. Executed or actual spending of annual budgets is, for example, a fundamental piece of information on which budgetary decisions should be made. This is an exercise that also links to the functions of oversight commissions and the communication that it should have with the audit office, usually placed within the finance ministry.
- Legislative committees are an essential part of parliamentary life and as such should be given the legal and other means to carry out their work properly. In the case of the budget, oversight is indeed an important committee, but other financial committees should be set up as well which can include one on gender and budgetary policy. Other possibilities are to introduce public hearings, as mentioned before, increasing the support staff for the analysis, and expanding committee time for discussion in relation to floor debate, thus increasing a more in-depth look at the budget.
- Introduction of reforms to the budget process which may or may not involve all of the points mentioned before depending on present state of development in each country. This includes the timing in which the budget is to be presented and approved, the information that is to come with it (including of course gender impact), expanding committees, strengthening resources, etc.

Finally, Parliamentarians can do much, through all of the previously mentioned entry points and strategies, to take **steps in institutionalising** the practice of gender responsive budgeting. In other words, **the efforts should not be a one-off or depend on the sympathy of a few willing Parliamentarians.** Formal structures across and work with other committees, such as women’s rights or equal opportunities must be put into place and given the proper elements to become an every-day part of parliamentary work. GRB is in fact a tool that can help to achieve an efficient gender mainstreaming process.

Examples

According to The Budget Act for 2000, the French Parliament established for the presentation in subsequent exercises the obligation by government to submit an annex to the draft Budget Act presenting the moneys earmarked to promote gender equality and those that are specifically dedicated to addressing women’s needs. This parliamentary initiative presents a detailed identification and catalogue by each ministerial department and the actions they have taken to foster gender equality or to heighten awareness in addition to programmes specifically targeting various categories of women.

Accountability, Transparency, Efficiency and Equality²

How do governance issues, economic efficiency and the ultimate goal of gender equality link up and work together using gender responsive budgeting as a tool? This section is related to the previous section and expands on the governance issues touched upon there in more depth as well as making the link between GRB and economic efficiency and how equality is achieved.

² This section draws mainly from the UNIFEM brochure “Gender Budget Initiatives”, from the BRIDGE Cutting Edge Pack on Gender Budgets and from the from the IPU publications: “Parliament and the Budgetary Process, Including from a Gender Perspective. Regional Seminar for English-Speaking Parliamentarians, Nairobi Kenya” and “Parliament, the Budget and Gender”, Handbook for Parliamentarians No. 6 (IPU, UNDP, World Bank Institute, and UNIFEM).

Accountability

The recent reviews of progress in achieving gender equality as a result of the major international conferences of the 1990s - including the International Conference on Population and Development, the World Summit for Social Development, and the Fourth World Conference on Women - have shown mixed results. Gender responsive budget initiatives, linking commitments to gender equality to the ways in which governments raise and spend money, provide a concrete way to increase government accountability to all of its population.

“Gender-sensitive budgets are important instruments for making governments accountable to women and ensuring that governments live up to the commitments they have made in international conferences and in a variety of policy statements.” – UNDP, *Budgets As If People Mattered*, 2000

The role of Parliament, as previously stated, is crucial in ensuring that these commitments are met. As the budget reflects the governments priorities and how it intends to achieve different goals and targets, parliamentarians not only have the role of oversight once it is approved, but of making sure that its approval meets with the nationally and internationally acquired commitments to the protection of women’s rights.

According to the IPU Handbook, Parliament has two principal opportunities to hold government to account for its budgetary direction and performance:

- First, *ex ante* scrutiny involves the review of expenditure and revenue proposals tabled by the government during the legislative stage of the budget process. The focus here is on the strategic direction or policy basis of the budget.
- Second, *ex post* scrutiny entails the review of budget implementation on the basis of audit findings. The main task is to determine whether the budget as approved by the legislature was properly implemented, and whether value for money was obtained.

Definition and mechanisms of accountability

Accountability is an obligation to answer for the execution of one’s assigned responsibilities. Four elements are necessary for accountability to work:

- Persons who have the power to make decisions and to put them into effect
- Objectives or standards that are to be attained by those persons
- An authority to whom the decision maker is answerable
- Some means of calling those responsible for decisions to account

An obligation to answer, to give an account of action taken, is the central core of the concept of accountability. Practices used by legislatures to exercise oversight include:

- Question time
- Interpellations
- Commissions of inquiry
- Special plenary debates
- The consideration of committee reports in the plenary
- Scrutiny of departmental reports
- The annual budget process

Adapted from Murray, C. and L. Nijzink (2002): *Building Representative Democracy: South Africa’s Legislatures and the Constitution*, Cape Town (European Union Parliamentary Support Programme). In IPU Handbook.

Transparency

Gender responsive budget initiatives engage members of civil society in a vital area of political and economic policy debate, especially women, who are generally marginalized from such discussions. They can open up the budget-making process and strengthen economic governance.

A far-reaching understanding of democracy necessarily entails an informed citizenry, able to participate in transparent political processes, as well as mechanisms for accountability.

Despite democratisation, the lack of regulatory frameworks that ensure the right of access to information continues to be a crucial shortcoming. In many developing countries, the absence of useful budget and programmatic information restricts the opportunities to engage with the government in a constructive way.

In some cases, detailed information regarding the allocation of resources to different programmes is only available months after the budget has been approved.

Evaluating the intentions of a government in the field of gender and equity is extremely difficult under such conditions. In order to realise the potential of participation, and influence the political processes of decision-making, closed and discretionary political systems must be transformed.

Gender responsive budgeting has the potential to highlight a series of factors (such as the need for beneficiary incidence and impact data disaggregated by sex, race, ethnicity and age) that are usually not consistently considered when designing policies and allocating resources.

In many cases this tool can illustrate the absence of key information on problems to be tackled – information which ought to be an integral part of any comprehensive policy impact evaluation. This therefore pushes governments to identify and break down their programmatic information and make it more generally available.

Efficiency

Mounting evidence shows that gender inequality leads to major losses in economic efficiency and human development.

Macroeconomic policy can increase, reduce, or leave unchanged the losses to society from gender inequality, primarily through adjustments in fiscal policy, including **both revenues and expenditures**.

Thus gender responsive budget policies can go far to reconcile the objectives of gender equality, human development and economic efficiency.

The challenge of **allocative efficiency** is to bring resources into line with policy priorities, within an overall spending constraint. Budgets and policies may assume that all people are equal and have the same needs and interests. However, the reality is that policies and budgets have different outcomes for different categories of people.

The objective of **operational efficiency** is to manage funds efficiently in order to deliver maximum results. Spending departments should strive to eliminate waste and produce goods and services at a cost that achieves ongoing efficiency gains. Legislatures increasingly consider not only the allocation of money, but also what is to be delivered with that money.

In the context of efficiency, performance based budgeting can serve to keep a better tab on what the money is being spent on and how the money is being spent, thus allowing Parliament and the public in general to also have concrete results to which the money is being applied. The introduction of gender concerns into this type of budgeting is thus easier than in more discretionary or untargeted types of budgeting.

Efficient tax administration is essential for ensuring that a maximum amount of revenues is available within the parameters set by fiscal and tax policies. A challenge in many countries is to strengthen tax morality and stamp out evasion in order to narrow the tax gap –the difference between the potential and actual yield from a particular tax. A stable and predictable flow of income is essential for good operational management of expenditures.

“Recognising gender inequality as an efficiency issue does not mean seeing women as a resource to be used for increasing productivity and growth. Rather the message is that if women themselves have more control over resources there will be gains for society as a whole; but if gender inequality persists, there will be continuing losses for society as a whole.” --Diane Elson, 1999

Equality

Although national budgets may appear to be gender-neutral policy instruments, government expenditures and revenue collection have different impacts on women and men. A rights-based approach to budgeting helps ensure that gender equality becomes both a goal and indicator of economic governance. It becomes a tangible measurement of the implementation of CEDAW and other human rights instruments as well as national legislations.

One of the eight Millennium Development Goals (goal 3) is to 'promote gender equality and empower women', a goal shared by gender responsive budgets and which can be achieved through the use of this tool.

The success of gender responsive budgets is linked to their record in actually changing budgets and policies so that gender equality is promoted. In other words, the question needs to be posed: to what extent have gender sensitive changes occurred to budget policies, allocations and outcomes? It is important to note that while changing budgets and policies might involve more resources, it also involves doing things differently in order to achieve different outcomes for society.

To the extent that performance oriented budgeting supports a climate for government intervention, it opens up spaces for gender responsive budget initiatives to bring about budgetary and policy changes in line with gender equality. Furthermore, the measurement of budgetary and policy impacts allows an assessment of the progress towards gender equality goals.

FUNCTIONAL FRAMEWORK FOR RELATING BUDGETS TO GENDER EQUALITY	
For each ministry or programme selected, the planned and realized inputs, activities, outputs and impacts should be looked at	A gender budget analysis can be conducted, irrespective of whether gender equality has been explicitly specified as a desired outcome and impact of the Ministry or Programme.
Inputs consist of the money appropriated and spent as presented in the Functional or Programme Classification)	Inputs are adequate to achieve gender equality, as well as other, objectives
Activities consist of the services planned and delivered e.g. health services, industrial support services, social transfers, tax collection. (These may not always be well-specified and it may not clear how much money should or did reach the point at which the activities interface with the public. One challenge is to enable the public to monitor the disposition of funding)	Activities are designed to be equally appropriate for women and men and are adequate to achieve gender equality, as well as other, objectives
Outputs consist of the planned and delivered utilisation of the activities e.g. patients treated, businesses supported, incomes increased, taxes collected (Desired Outputs and indicators of them may not always be well-specified- one challenge is to improve specification and to identify sources of relevant statistics)	Outputs are fairly distributed between women and men and are adequate to achieve gender equality, as well as other, objectives
Impacts consist of planned and actual achievements in relation to broader objectives e.g. healthy people, competitive businesses, poverty reduction, sustainable growth of national income	Impacts promote gender equality, as well as other objectives
Source: Based on Diane Elson "Gender Responsive Budget Initiatives: Key Dimensions and Practical Examples" in Gender Budget Initiatives: Strategies, Concepts and Experiences, UNIFEM, NY, 2002	

TYPES OF BUDGETING AND THE POSSIBILITY OF INTRODUCING A GENDER PERSPECTIVE (TECHNICAL ISSUES)

Types of budgeting³

The evolution of performance oriented budgeting over 50 years or more has resulted in new types of public sector budgets, each with a different focus: performance budgeting, program budgeting, zero based budgeting, output and outcomes budgeting.

These budgets have evolved as distinct forms incorporating new ways of conceptualising and measuring performance, but building on the lessons of what has gone before.

Today governments often utilise more than one budget type. For example, output budgeting may be used in conjunction with a program budget framework.

An understanding of performance oriented budgeting in any form requires acknowledgement that they have not necessarily fully replaced the traditional form of budgeting – ‘line item budgeting’.

However, the common point of departure *for the development of alternative*, performance oriented budgeting, has been the recognition of the limitations of line item budgeting.

In this section the main points regarding each type of budgeting are outlined.

1. Line item budgeting (or incremental budgeting)
2. Performance budgeting
3. Programme budgeting
4. Zero based budgeting
5. Output and Outcomes budgeting

1. Line item budgeting (or incremental budgeting)

- Line items record how much money will be allowed to be spent by a government unit, it focuses on LIMITS to spending.
- Public expenditures for the coming fiscal year are listed as “line items”.
- No information on objectives, efficiency or effectiveness of government programmes.
- Promotes a “continuist” line where budgets are repeated year upon year and so allocation or reallocation is difficult to achieve since existing programmes have priority.
- Control of expenditure inputs.

2. Performance budgeting

- Relationship between what the government does and how much it costs.
- Divides proposed spending into activities and develops workloads and unit cost measures for the activities.
- Focuses on efficiency and less on effectiveness.
- Measurement of performance through indicators allows the introduction of gender concerns.

3. Programme budgeting

- Focuses more on effectiveness of spending.
- Enhances planning, output efficiency and effectiveness.
- Provides information for choosing between competing policies by establishing a link between programme costs and the results of these programmes.
- Programmes include policy objectives, steps to obtain it and measures efficiency and effectiveness based on continuous evaluation which feeds back into the budget process (resource and allocation system).
- Downside: significant resources to set up the system. Makes budget a technical exercise void of the political nature of budgeting.

³ This section is based on Rhonda Sharp Budgeting for Equity, Gender Budget Initiatives within a framework of performance based budgeting, UNIFEM, NY, 2003.

4. Zero based budgeting

- Budgeting system applied in large corporations which set to zero at the beginning of each fiscal year.
- Requires identification of programmes and ranking and justification for each programme in line with objectives and goals of each department or agency.
- Higher ranked programmes are more likely to be financed than those at the bottom.
- The process proves too difficult and complex, especially for those departments or agencies with a range of important objectives.

5. Output and outcomes budgeting

- Type of performance budgeting.
- Much linked to medium term expenditure or budgeting frameworks (MTEF).
- Focuses budget decision making and government accountability on three core issues:
 - i. Outcomes: What influence the government wishes to have on the community by its actions.
 - ii. Outputs: How the government wishes to achieve that influence.
 - iii. Performance indicators: How the government and the community know whether the influence is being achieved in an efficient and effective manner.

6. Implications of performance oriented budgeting for GRB

- Better than line budgeting for assigning expenditure (and revenue) inputs in a systematic way according to gender impacts.
- Since it requires information on the costs of outputs delivered by the department of agency in question, they do require more investment in terms of time and capacity to gather, analyse and deliver a gender impact assessment.
- Too much reliance on available data is a big handicap for gender budgeting.

7. Decentralisation issues

- In a decentralisation context performance budgeting is likely to be used and data is more likely to be missing.
- Indicators on the overall situation of women may be necessary first in order to pinpoint the relevant issues (benchmarking methods).
- Once areas or sectors are pinpointed the effects of current policies or spending are analysed in order to propose changes.

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IPU, Handbook: Parliament, the Budget and Gender Joachim Wehner and Winnie Byanyima MP (No. 6 in the series Handbooks for Parliamentarians), International Parliamentary Union in collaboration with UNDP, World Bank Institute and UNIFEM.

IPU Parliament and the Budgetary Process, Including from a Gender Perspective. Regional Seminar for English-Speaking Parliamentarians, Nairobi Kenya, 2001.

Cutting Edge Pack on Gender And Budgets, BRIDGE (gender – development) Institute of Development Studies, University of Sussex, UK, 2003.

Budgeting for Equity: Gender Budget Initiatives within a Framework of Performance Oriented Budgeting, Rhonda Sharp, UNIFEM, 2003.

Gender Budgets Make Cents: Understanding Gender Responsive Budgets⁴, Budlender, D., Elson, D., Hewitt, G. and Mukhopadhyay, T. , Commonwealth Secretariat, 2002

UNIFEM brochure “Gender Budget Initiatives”, 2001.

WEB Resources

<http://alize.finances.gouv.fr/budget/jaune01/4232.pdf>,
<http://alize.finances.gouv.fr/budget/plf2002/jaunes02/1801.pdf>,
<http://alize.finances.gouv.fr/budget/plf2003/jaunes03/1001.pdf>, and

⁴ Gender Budget Makes More Cents is a follow-up complementary book which includes a wealth of specific country experiences. Both downloadable in English at <http://www.gender-budgets.org> and <http://www.siyanda.org/index.htm>.

<http://alize.finances.gouv.fr/budget/plf2004/jaunes04/811.pdf> French Ministry of Economy Yellow papers on the advancement of women (2001, 2002, 2003, 2004).

<http://www.oecd.org/dataoecd/33/13/1905258.pdf> Best practices for budgetary transparency from the OECD

www.gender-budgets.org web site of the UNIFEM-IDRC-Commonwealth Secretariat initiative including various links and documents

<http://www.olis.oecd.org/olis/2001/doc.nsf/87fae4004d4fa67ac125685d005300b3/c1256985004c66e3c1256a5300380be4?OpenDocument> The document on the questionnaire to budget officers on gender

<http://ocde.dyndns.org/> This web-site is an OECD-World Bank project which includes information for more than 60 countries (including many African ones) on formulation, budget execution accounting, control and monitoring systems, budget documentation and performance management. fiscal relations among levels of government, and. special relationships/issues.

http://www.sfgov.org/site/dosw_page.asp?id=19795 The City and County of San Francisco Department on the Status of Women Gender Analysis guidelines

http://hdr.undp.org/docs/publications/background_papers/2002/Bakker_2002.pdf Background paper for Human Development Report 2002 on Fiscal Policy, Accountability and Voice: The Example of Gender Responsive Budget Initiatives for the Poverty Eradication and Democracy in the Developing World report

<http://www.ipu.org/english/surveys.htm> and <http://www.ipu.org/english/handbks.htm#budget> International Parliamentary Union reports on the series of regional and national seminars on Parliament and the Budgetary Process, Including from a Gender Perspective (Bamako, Manila and Nairobi) and the Handbook: Parliament, the Budget and Gender (these are NOT downloadable and are available for purchase). There are other reports available dealing with the budget process, but not on gender.

http://www.emakunde.es/actualidad/presupuestos/indice_.htm Basque Country initiative materials in Spanish including digital library of various documents in English and Spanish and some also in Basque.

Reporting committee: Committee on Equal Opportunities for Women and Men

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Members of the Committee: Mrs Minodora **Cliveti** (Chairperson), Mrs Rosmarie **Zapfl-Helbling** (1st Vice-Chairperson), Mrs Anna **Čurdová** (2nd Vice-Chairperson), Mrs Svetlana Smirnova (3rd Vice-Chairperson), Ms Birgitta Ahlqvist, Mrs Edita Angyalová, Mrs Željka Antunović, Mrs Aneliya **Atanassova**, Mr John **Austin**, Mr Oleksiy Baburin, Mr Denis Badré (alternate: Mr Jean-Guy **Branger**), Mrs Gülsün **Bilgehan**, Mrs Marida Bolognesi, Mrs Mimount **Bousakla**, Mrs Grazyna Ciemniak, Mrs Ingrida **Circene**, Mr Brendan Daly, Mrs Krystyna Doktorowicz, Mrs Lydie **Err**, Mrs Catherine **Fautrier**, Mrs Maria Emelina **Fernández Soriano**, Ms Sonia Fertuzinhos, Mrs Margrét Frímannsdóttir, Mr Guiseppe Gaburro, Mrs Alena Gajdůšková, Mr Pierre Goldberg, Mrs Claude Greff, Mrs Arlette Grosskost, Ms Gultakin Hadjiyeva, Mrs Carina **Hägg**, Mr Poul-Henrik Hedeboe, Mr Ilie Ilașcu, Mrs Halide Incekara, Mrs Eleonora **Katseli**, Baroness Knight of Collingtree (alternate: Ms Chris **McCafferty**), Mrs Monika Kryemadhi, Mrs Minna Lintonen, Mrs Danguté Mikutienė, Mrs Fausta Morganti, Mrs Christine **Muttonen**, Mrs Hermine Naghdalyan, Mr Hilmo Neimarlija, Mrs Vera Oskina, Mr Ibrahim **Özal**, Mr Padilla, Mrs Patrizia Paoletti Tangheroni (alternate: Mr Gianpietro **Scherini**), Ms Elsa **Papadimitriou**, Ms Riorita Patereu, Mrs Fatma **Pehlivan**, Mrs Antigoni Pericleous-Papadopoulos, Mr Leo Platvoet, Mrs Majda Potrata, Mr Jeffrey Pullicino Orlando, Ms Valentina Radulović-Šćepanović, Mr Andrea **Rigoni**, Ms Maria de Belém Roseira, Mrs Claudia Roth, Mrs Marlene Rupprecht (alternate: Ms Christine **Lucyga**), Mrs Rodica-Mihaela Stănoiu, Mrs Darinka **Stantcheva**, Mrs Rita Streb-Hesse, Mr Michal Stuligrosz, Ms Agnes Vadai, Mr Vagif Vakilov, Mrs Ruth-Gaby **Vermot-Mangold**, Mrs Betty Williams, Mrs Jenny Willott (alternate: Mr Bob **Laxton**), Ms Karin S. Woldseth, Mrs Gisela Wurm, Mr Andrej Zernovski.

N.B. The names of the members who took part in the meeting are printed in bold.

Secretaries of the Committee: Ms Kleinsorge, Ms Affholder, Ms Devaux