

CIPFA

GENDER AND PARTICIPATORY BUDGETING

AT THE HEART OF
PUBLIC SERVICES



DFID Department for
International
Development

CIPFA is the UK's leading accountancy body for public services and we are committed to enhancing the skills and knowledge of public service practitioners around the world, including developing countries.

CIPFA had a Strategic Grant Agreement (SGA) with the Department for International Development (DFID). The agreement commits DFID & CIPFA to raising CIPFA members' and students' awareness of international development issues, particularly the campaign to eradicate poverty in the developing world and the role that finance professionals and sound financial governance can play in meeting this aim.

The funding for this agreement will allow CIPFA to enhance its international profile as an organisation committed to institutional capacity building and the enhancement of the skills and knowledge of public service practitioners globally.

CIPFA is uniquely placed to contribute to the Millennium Development Goals, with the expertise we have accumulated in recent years in contributing to Corporate Governance across UK public services.

As part of this agreement we want to disseminate and promote best practice in public sector financial management. This includes both UK and developing countries best practice that would have applicability and relevance in a wider international context.

Accordingly CIPFA and DFID are launching a Technical Briefing series of International Development best practice. The first of these is on Gender and Participatory Budgeting. This concept was first developed in Australia in the 1980's and has since been adapted and adopted in a number of developing countries. The issues and opportunities arising from an examination of this policy tool will have relevance in both developing and developed economies and we commend it to you.

Hilary Benn
Minister of State for International Development
UK Government
November 2004

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CEX
CIPFA

Gender and participatory budgeting

Introduction

1. The Department for International Development's principal aim is to reduce poverty in poorer countries, in particular through the achievement of the Millennium Development Goals (MDGs) by 2015. The MDGs were established by the international community in September 2000, with 189 nations signing up to their attainment. The key global objective is to halve the proportion of people living in extreme poverty (defined as living on less than US\$1 per day) by 2015. An important element in achieving the MDGs, is for developing countries to prioritise the use of budget resources towards the needs of the poor.
2. Gender and participatory budgeting are two new approaches which can promote the interests of marginalised groups and direct public money to better reflect the needs of the poor. They are increasingly being used in developing countries to give civil society groups or members of a community a means to influence the way public resources are spent. Similar approaches have also been used in the United Kingdom and there is scope for the lessons emerging from developing countries to feed into the further development of such approaches in the United Kingdom.
3. This paper highlights examples of these two initiatives and considers the benefits and challenges they present. It also indicates some of the ways in which members of a professional organisation such as CIPFA might contribute to further research and development in this field.

Gender budgeting

4. Gender budgeting is a tool which is used to analyse budgets from a gender perspective. It considers how government policies and activities impact differently on men, women, children or other groups in society. The way in which budgets are usually formulated can be described as 'gender blind' in that it ignores the different socially determined roles, responsibilities and capabilities of men and women. Under a 'gender blind' budgeting system, less financial resources are generally allocated to women, leaving them at a disadvantage in society and creating gaps in equality.
5. It is accepted within the international development community that fully recognising the role of women and enabling them to realise their potential talents and abilities is crucial to successful poverty reduction. Women comprise half the world's population and a failure to give them equal access to resources and opportunities, limits the contribution they can make to society as a whole. Kofi Annan, Secretary General of the United Nations has stated that: [Gender Budgets Watch, March 2004]
"To educate girls is to reduce poverty. That is the lesson that unites us today. No other policy is as likely to raise economic productivity, lower infant and maternal mortality, improve nutrition and promote health."
6. Gender budget analysis provides accessible information on how budget inequalities

impact negatively on both women and society as a whole. It highlights areas where governments can redress the balance.

Enabling women to develop their potential should serve to promote overall economic growth. For example, research on agricultural productivity in Africa has suggested that reducing gender inequality could significantly increase agricultural yields.

- Researchers have estimated that if women farmers in Kenya had access to the same level of agricultural inputs (seeds, fertilisers, pesticides, etc) and education as men, they could increase their yields by more than 20 per cent.



7. Successful examples of gender budgeting from developing countries include:

South Africa

- Women's Budget Initiative groups, led by civil society organisations, have been set up at the national, provincial and local levels. At the national level, they analyse public expenditure patterns in terms of their likely impact on the economic and social condition of women and track spending on gender-sensitive policy measures, as well as general spending patterns throughout the public sector. The groups also analyse fiscal transfers between different tiers of government to identify whether local spending reflects policy

commitments to gender equity. In addition, they work with senior finance officials in provincial governments to make key indicators for planning and budgeting more gender sensitive.

- The Children's Budget Initiative is an analytical exercise which examines the impact of public spending on children. It focuses on five sectors including health and education and monitors how far the government has met commitments to protecting children's rights.



Thailand

- The Thai Government has adopted a policy to ensure gender issues are considered in all its policy development and budget planning work. The initiative is led by the Office of the National Commission on Women's Affairs and there are designated gender focal points line ministries and departments, responsible for integrating a gender perspective into all programmes and activities.

Philippines

- The Asia Foundation, (TAF) a non-profit organisation, is supporting several local communities involved in gender budgeting initiatives. One initiative in Manila involves the implementation of a law, mandating the

allocation and use of the 5 per cent budget of government agencies for gender and development programmes.

8. Gender budgeting requires leadership and political commitment. One of the main perceived problems in implementing gender responsive policies is a general lack of budgetary resources in developing countries. One of the challenges for the international development community therefore, is to persuade governments of the benefits to be realised from a more equitable distribution of resources. There has been a significant shift in government practices concerning gender issues as a result of pressure and lobbying from the donor community. For example:

Yemen

- the Yemeni Government has acknowledged the importance of integrating a gender perspective in the implementation and monitoring of its Poverty Reduction Strategy Paper. Oxfam has been asked to help recruit a gender specialist for the new Poverty Reduction Strategy Monitoring Unit and to provide training on gender budgeting to staff from the Ministry of Finance.
9. Research into gender budgeting initiatives suggests that they are most likely to succeed in situations of political change, for example when there is a new government or a shift in policy. In such circumstances, government officials are likely to be more disposed to taking on board new ideas and to have more enthusiasm about working on these issues.



Participatory budgeting

10. Participatory budgeting is an approach through which an entire community, or particular elements of a community, can participate in the budget process. The level of participation can range from the consultative to the design and execution of budgets. As well as giving disadvantaged populations a voice and promoting the interests of marginalised sections of society, participatory budgeting encourages governments to meet their responsibilities to the people who elected them. Participatory budgeting promotes a more democratic and transparent administration of resources and can assist in avoiding corruption and the mishandling of public funds. It encourages public investment towards society's most pressing needs for the benefit of the greatest number of people.



11. Successful examples of participatory budgeting from developing countries include:

Brazil

- The city of Porto Alegre introduced a system of participatory budgeting in 1989, to engage citizens in the budget process and enhance social inclusion in policy and planning decisions. Strong political leadership for the initiative came from the election of a left-leaning political party – the Workers' Party. There is a high level of citizen involvement in the budget development and approval process and feedback from the public is gathered on how resources are used. The model has been replicated in around 100 cities in Brazil and involves the direct participation of hundreds of thousands of people.

Bolivia

- The 1994 Law of Popular Participation empowered democratically elected municipal councils to design and implement local development policies and programmes with finance transferred from central government. Community-based organisations were empowered to participate in five-year municipal plans and given autonomy over a particular area. They were assigned rights and duties over social, infrastructure and environmental matters. Vigilance Committees were also set up to act as watchdogs on the councils to ensure that community projects and priorities were reflected in their budgets and expenditure.

Kenya

- Action Aid is supporting a project to give local stakeholders the necessary knowledge and skills to monitor budget allocation and

expenditure in the basic education sector. A key aspect of the project is to teach stakeholders how the budgetary process works and enable them to track the disbursement and utilization of funds from the national level to local schools.

Multi-country

- The Civil Society Budget Initiative is led by a multi stakeholder steering committee including DFID, the Swedish Development Association and the World Bank. It provides small grants to communities for training and assistance in setting up and running budget monitoring projects. The main aims of the Initiative are to:
 - strengthen citizen engagement in public budgeting in low income countries;
 - make public budgets more pro poor;
 - encourage greater donor activity in this sector; and
 - incorporate the voices of the poor in the approval of public resources with citizen's feedback and consent.

Participation through auditing

12. A variety of projects have developed participatory auditing as an innovative way to engage citizens in monitoring the quality of service delivery and actual budgetary spending. Examples include the Vigilance Committees noted in the Bolivian project above and:

India

- Jan Sunwai (people's hearings) were introduced by a small community based organisation in Rajasthan in 1994. The

process involves extensive research into suspected corruption in local development projects and any spending discrepancies are reported and the responsible officials required to make repayments.

13. The Brazilian experience has demonstrated some very tangible results which have contributed to the overall goal of poverty reduction. In Porto Alegre, between 1989 and 1996, the number of households with access to water services increased from 80 per cent to some 90 per cent. A World Bank study found that tax revenue increased by nearly 50 per cent, which was attributed to tax-payers being more motivated to pay because of greater budget transparency. In addition, an opinion survey found that 85 per cent of city residents either had been active in the budget process or considered it positive.
14. One of the key factors which contributed to success in Brazil was a relatively sophisticated level of organisational capacity within the public sector, enabling the government to manage a large-scale participatory programme. The general budget monitoring processes in Brazil are broadly equivalent to those of an advanced economy in terms of sophistication and capacity, facilitating the tracking of particular types of expenditure. Where such conditions do not exist, successful participatory budgeting will be more difficult to achieve.
15. The Brazilian project also enjoyed strong and committed political leadership with an

agenda driven by a strong pro-poor perspective. Both participatory and gender budgeting require political commitment and the success of these types of initiative has historically depended on pro-poor political parties gaining power.

16. Participatory budgeting carries the risk of increasing pressure on budgetary resources if public demand for expenditure is allowed to outstrip available funds. If not carefully managed, there is a risk that the budget will be set at an unrealistic and unachievable level to appease popular opinion. However, this risk can be mitigated by focusing participation on priority setting and the reallocation of existing funds, rather than on the need for more funds.
17. Research carried out on the Brazil project also indicated that women may not participate as much as men due to their multiple responsibilities. The poorest among the poor may also be at a disadvantage as they do not have the resources to participate and they are more likely to be concerned with survival issues such as income generation and jobs rather than service issues such as health, education or utilities.



United Kingdom context

18. The United Kingdom is beginning to develop gender and participatory budgeting initiatives at both national and local level and these are likely to expand as lessons are learned and experience gained.
19. Examples of current United Kingdom initiatives include:

HM Treasury

- HM Treasury is undertaking a six-month pilot project, analysing national expenditure on a gender basis. The project aims to identify what value is added by gender budget analysis and develop a cost effective methodology for such work. The project involves analysing all aspects of the budget, with reference to the differential impact on men, women, boys and girls.

Birmingham

- Birmingham City Council established a Neighbourhood Renewal Strategy, in April 2002, setting out a detailed programme to address the needs of the city's most deprived areas. The strategy includes a framework to enable consultation on needs and priorities at the local level. The Council identified the need to improve flows of information about what works in what circumstances and introduced the "Flourishing Neighbourhoods" agenda to promote such lesson learning. The project's community framework has similarities to the Porte Allegre model in Brazil in that its participatory planning processes are intended to directly benefit impoverished areas and address the most

pressing needs of the local community.

20. Many other local authorities throughout the United Kingdom are also engaging in wider consultation with local taxpayers and the business community to obtain views on local needs and priorities and feedback on the performance of public services.
21. In addition, many multilateral players in the development arena are increasingly beginning to assess the gender balance of their own policies. For example:
- Oxfam has undertaken a gender mapping exercise, analysing staff development budgets to assess how gender issues are taken into account; and
 - The World Bank and the United Nations have begun to institutionalise gender analysis in their budgets.

Potential role for CIPFA members

22. Both gender and participatory budget initiatives could benefit from the public financial management expertise of CIPFA members.

In the international context

23. The growing range of gender and participatory budget initiatives in developing countries offer opportunities for CIPFA members to provide training and support. There is a growing interest among multilateral agencies in using these budgetary tools and more projects are likely to emerge in this field. Support will be needed by both the governments and civil society organisations to take gender and participatory budget initiatives forward.

CIPFA's expertise at the local government level where many such initiatives occur is particularly relevant. Ways in which CIPFA members might be able to help include:

- building general capacity and knowledge about the budgetary process;
- advising groups wishing to participate in audit projects by helping them monitor the audit's impact and interpret and disseminate audit reports;
- sharing current best practice in budget formulation, implementation, auditing and reporting to encourage a transparent process;
- training accountants and other government finance staff;

In the United Kingdom context

24. Gender and participatory budgeting initiatives are at a relatively early stage in the United Kingdom. CIPFA may be able to participate in their development by:
- evaluating experiences to date and sharing useful lessons;
 - designing and implementing new initiatives; and
 - providing training and capacity building support to local groups involved in such initiatives.

Further reading

IDS Working Paper 138; Bringing Citizen Voice and Client Focus into Service Delivery, July 2001, Anne Marie Goetz and John Gaventa
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Halving world poverty by 2015: economic growth, equity and security, DFID, September 2000
Poverty elimination and the empowerment of

women, DFID, September 2000

Gender and Local Governance, SNV- Netherlands Development Organisation, April 2001, Annetter Evertzen

Reference guide on gender, SNV/Netherlands Development Organisation, Update, July 2003

Gender Budgets Makes Cents; Understanding gender responsive budgets, Commonwealth Secretariat, January 2002, Debbie Budlender; Diane Elson; Guy Hewit and Tanni Mukhopadhyay

Gender Budgets Watch, Zimbabwe Women's Resource Centre & Network, March 2004

Civil Society Budget Initiative; Strengthening Citizen Engagement in Public Budget Management, Civil Society Department, July 2003

Strengthening Participation in Public Expenditure Management: Policy Recommendations for Key Stakeholders, Policy Brief No 22 OECD, 2002, Jeremy Heimans

The People's Budget? Politics, Power, Popular Participation and Pro-Poor Economic Policy, American University, Washington, March 2004, Deborah A. Brautigam

What Does the Collapse of the Cancun Ministerial Mean for Women's Rights in Development, World Trade Organisation's 5th Ministerial Conference, October 2003, Alison Symington

"Flourishing Neighbourhoods": Birmingham's Neighbourhood Renewal Strategy 2003/04

The People's Budget; Deborah A. Brautigam; International Development Programme. American University, Washington

Labor Notes; Brazil's Workers Party Tries 'Participatory Budgeting'; October 2002

Strategic Grant Agreement with DFID

CIPFA signed a strategic agreement with the UK Department for International Development (DFID) in mid 2003. Strategic Grant Agreements are a new development tool of DFID's. They are jointly negotiated agreements between DFID and new partners from within UK civil society, for whom international development is not their primary focus. SGAs aim to contribute to a stronger, better informed and more effective UK community for international development.

For further information about DFID and its work, including Strategic Grant Agreements check: <http://www.dfid.gov.uk/>

CIPFA International

CIPFA encourages an international membership, but unlike commercially oriented accountancy bodies, it recognises that each public sector is unique and therefore common approaches to professional education are more difficult to achieve. This is why CIPFA has developed a specialist education and training programme capable of adaptation to local circumstances.

The Institute is the only specialist public sector accountancy body that is a member of the International Federation of Accountants. CIPFA therefore would be pleased to provide support, through twinning or other arrangements, to organisations in other countries which have similar interests to CIPFA and which might either wish to join IFAC or would like to develop their own public sector specialist interests.

CIPFA has worked in the UK and abroad with public service officials from the following countries:

Africa

- Botswana
- Eritrea
- Ethiopia
- Kenya
- Lesotho
- Malawi
- Mauritius
- Nigeria
- South Africa
- Tanzania
- Uganda
- Zambia

Middle East

- Bahrain
- Kuwait
- Palestine
- Yemen

Central and Eastern Europe

- Bosnia and Herzegovina
- Bulgaria
- Czech Republic
- Croatia
- Estonia
- Hungary
- Latvia
- Lithuania
- Macedonia
- Poland
- Republic of Srpska
- Russian Federation
- Serbia
- Slovakia
- Turkey
- Ukraine

Asia

- Bangladesh
- Cambodia
- Hong Kong
- Indonesia
- Pakistan
- Papua/New Guinea
- Sri Lanka
- Vietnam
- West Indies
- South Pacific Islands

A number of resources highlighting CIPFA's international work are also available on our website <http://www.cipfa.org.uk/international/>

For further information about CIPFA's International Development work check our website

<http://www.cipfa.org.uk/international/development.cfm> or contact Christine New International Development Manager Christine.new@cipfa.org or 020 7543 5610.

www.cipfa.org.uk

CIPFA

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