

# Making Budgets Gender-Sensitive: A Checklist for Programme-Based Aid

**This checklist is meant to assist programme managers and thematic advisors in donor agencies to advance gender equality and women's empowerment within the framework of the Paris Declaration on aid effectiveness. In addition, the checklist is also meant to help asking crucial questions regarding gaps and opportunities for gender mainstreaming in the new aid modalities with a special emphasis on gender responsive budgeting.**

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**"Aid is only effective if it achieves good development results and good development results are not possible if gender inequalities persist, environmental damage is accepted or human rights are abused."**

Mary Robinson, at the workshop "Strengthening the Development Results and Impacts of the Paris Declaration through Work on Gender Equality, Social Exclusion and Human Rights", London, March 2008

## 1. Introduction

Since the Paris Declaration on Aid Effectiveness (March 2005) a new emphasis is laid on efficiency of aid flows for achieving greater development effectiveness. The principles of ownership, harmonization, alignment, managing for development results and accountability build the operational framework of the Paris Declaration. New aid modalities like Joint Assistance Strategies (JAS), Sector Budget Support (SBS), General Budget Support (GBS), or Basket Funds should guarantee alignment with a government's development plans and donor priorities as well as stimulate donors to harmonize their efforts.

Very early, the OECD DAC Gendernet, the European Union and UNIFEM seized the opportunity the PD was providing for a sound gender mainstreaming effort. Several conferences, workshops and meetings were held during the last three years to gather experiences and best practices for engendering the PD. These exchanges lead to consensus on the importance to bring gender equality and women's rights as drivers of change into policy dialogue, donor-partner countries negotiations, and public finance management (PFM).

Helpful for this process is the methodology of **Gender Responsive Budgeting** (GRB) that is already available since the later 1980s and is used now by almost 100 countries of the South and the North. In Austria, since January 2008 a new constitutional law requires gender equality principles in budgets at all governmental levels (communes, provinces, state).<sup>1</sup> Feminist economists<sup>2</sup> have developed several tools of GRB which allow the analysis of budgets in terms of inputs, outputs, outcomes and impact. In addition, budget circulars are used for the integration of gender mainstreaming in financial planning.

This paper intends to provide programme managers and thematic advisors who are involved in policy dialogue, working groups and negotiations for the new aid modalities with a **checklist of questions** that allow identifying gaps and opportunities for the pursuit of gender equality and women's rights. The paper provides also arguments for the importance of gender mainstreaming in the new aid environment. Emphasis is put on the same agreed conventions, declarations and principles that are binding for donor as well as partner countries.

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<sup>1</sup> "Article 7 of the Federal Constitution obliges the Federal Government, the Provinces and the local authorities to equal treatment of women and men in actual fact. The most recent amendment to the Federal Constitution (art. 13(3)) also obliges the same entities to aim at gender equality in the context of budgetary management, and the 2009 federal budget will already include a gender component. Other articles refer to effective implementing arrangements. A recent decision of the Council of Ministers of March 5th, 2008 establishes two guiding instruments for implementing gender mainstreaming in the legislative process and gender budgeting." Fritz, 2008: 7

The German text of the law can be found under:

[http://ris1.bka.gv.at/App/findbgbl.aspx?name=entwurf&format=pdf&docid=COO\\_2026\\_100\\_2\\_346555](http://ris1.bka.gv.at/App/findbgbl.aspx?name=entwurf&format=pdf&docid=COO_2026_100_2_346555)

<sup>2</sup> E.g. Debbie Budlender, Diane Elson, Rhonda Sharp, Irene van Staveren

**Firstly**, an overview of gender-specific questions is presented for the principles of the Paris Declaration. **Secondly**, Gender Responsive Budgeting is explained, followed by an overview of the tools of Gender Responsive Budgeting and a core question. **Thirdly**, gender-relevant questions for the various stages of the budget cycle are brought together. **Fourthly**, a checklist with gender-relevant questions for Sector Budget Support negotiations is presented.

The checklist focuses on process and content and is kept short, concentrating on crucial questions for the enhancement of gender equality and women's empowerment. Several reference documents, which are listed at the end, are used, reflected, and partially adapted for the purpose of this paper.

## 2. Engendering the Paris Declaration

Two main arguments justify the engendering of the Paris Declaration – efficiency and democracy.

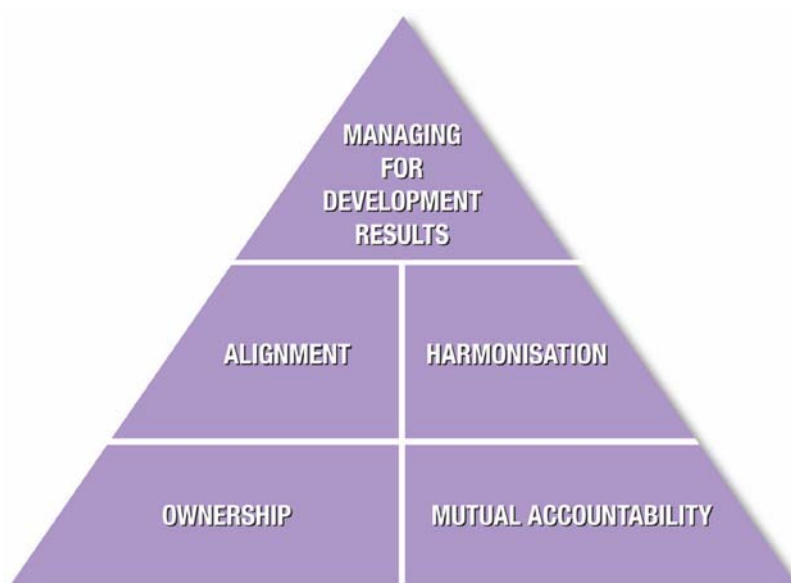
- **Argument of efficiency:** Gender equality and women's empowerment (GE&WE) are powerful multipliers of development efforts. Reducing women's poverty through access to education, improvement of health, broadening economic opportunities with land rights, employment and income, and participation in political decision-making contributes to well-being, quality of life and economic growth. As such, GE & WE respect human rights and do become drivers of sustainable development.
- **Argument of democracy:** The Paris Declaration (PD) contains the valuable principles of national ownership and promotes accountability between donor and partner countries as well as between citizens and the government. Through the inclusion of state and civil society in development planning and budgetary decisions, notably through participatory and gender budgeting processes, needs, interests and entitlements are voiced and incorporated in development strategies, frameworks and accountability mechanisms. The PD builds also on horizontal donor-partner country relationships and thus democratizes development cooperation.

## 3. Gender Equality Questions for Finding the Entry Points in the Principles of Paris Declaration

### Interaction between Paris Declaration principles

Democratic ownership as the basis of the PD requires the inclusion of women's and men's voices in the determination of expected development results and affords efficient accountability mechanisms. The process of alignment between donor and partner countries allows to include commitments to women's human rights which are acknowledged by nearly all nations, for which donor harmonization is a prerequisite. Finally, only through a democratic basis and a true participatory process, agreement about desired development results can be formulated, managed and achieved. For the latter, proof needs to be identified by indicators and reliable statistics.

Figure 1: Interaction between Paris Declaration principles



Source: OECD DAC Gendernet 2008: 2

**Questions for Ownership:**

CONTENT	PROCESS
<ol style="list-style-type: none"> <li>1. Are national development strategies and the PRSP based on global agreements and conventions (MDGs, CEDAW, BPfA)?</li> <li>2. Is GE also addressed in development planning apart from education and health?</li> </ol>	<ol style="list-style-type: none"> <li>3. What is done to increase capacity of stakeholders (ministerial personnel, parliamentarians, non-governmental organisations, media and women's organisations) to address GE&amp;WE as part of the aid and development effectiveness commitments? Are structures in place to assume ownership?</li> <li>4. Is the ministry for GE &amp; WE involved in planning of other line-ministries and their gender focal points (education, health, economics, infrastructure, finances)?</li> <li>5. Are representative and informed women's groups and organisations involved and listened to in policy dialogue?</li> </ol>



### Questions for Alignment:

CONTENT	PROCESS
1. Do activities build on country analysis and include explicit GE strategies?	3. Is existing gender expertise in partner countries used?
2. Is the capacity of finance and sectoral ministries strengthened by the use of gender analysis and are techniques of gender-responsive budgeting applied in public finance management?	4. Does donor-partner country policy dialogue address issues of GE & WE that lead to improved planning and financial allocations for GE & WE?

### Questions for Harmonisation:

CONTENT	PROCESS
1. Do donors address GE & WE as development priority conform with international agreements and conventions?	3. Do decisions regarding the division of labour take up responsibility for GE & WE?
2. What is the scope for developing common donor procedures and approaches to support national women's ministries as well as non-governmental organisations?	4. Are joint studies and learning mechanisms used to increase knowledge regarding the advancement of GE & WE?

### Questions for Mutual Accountability:

CONTENT	PROCESS
1. Are civil society and women's organisations supported to fulfil their 'challenge role'?	3. In what ways and by whom is "progress" assessed; are gender analysis and gender auditing systems used?
2. Are parliamentarians and other nationally accountable actors as well as decentralised levels of government informed about the cost of persistent gender inequalities and discrimination against women?	4. How robust are donors' own internal accountability mechanisms related to gender equality and women's empowerment commitments (staff incentives, proportion of aid invested in gender equality and women's empowerment at country level)?

### Questions for Managing for Development Results:

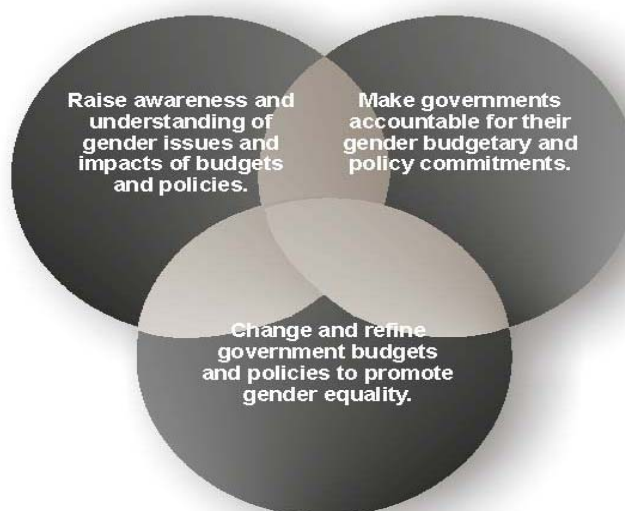
CONTENT	PROCESS
1. Are poor women and men benefiting from increased aid flows?	3. Is there adequate support for sex-disaggregated data and gender-specific indicators in country statistical, monitoring and evaluation systems?
2. Are PAFs transparent and do they include measurable results indicators for GE & WE?	4. Are changes in the level of GE – positive and negative – monitored and used for policy dialogue?

## 4. Gender Responsive Budgeting

*"Gender budgeting is 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."* Council of Europe, 2005

Gender Responsive Budgeting aims at mainstreaming gender into public finance. GRB does not mean separate women's budgets, but that general budgets include a GE perspective. This means that not households are the target of public finances, rather the differential needs and interests of women and men are used as basis of revenue-raising and public spending. Importantly, GRB acknowledges the relevance of unpaid work, especially care work that usually is disregarded in national accounting systems and the GDP.

Figure 2: Goals of Gender Responsive Budgeting



Source: Sharp, R. 2003: 18

The above mentioned goals of awareness creation, accountability and adjustment of budgets for the purpose of gender equality are interlinked and mutually supportive to each other. Besides its analytical benefit, GRB serves also **awareness of and advocacy for women's rights, transparency and monitoring of development results, and policy design.**

GRB is also about allocating money for activities that **eliminate gender barriers** to public services and private sector investments. As such, GRB is a tool for social change.

Gender budgeting initiatives can be located **inside or outside a government**: inside government, specialized sections in the ministry of finance, for gender equality or sectoral line ministries can initiate a GRB process. Outside government, women's groups or other civil society organisations, research centres, or groups in the parliament may engage for GRB. A **good practice** is when civil society (including women's groups), researchers and government officials together decide on issues, methods and implementation. The coverage of a budget analysis depends on **political will**, available **expertise**, available **data**, and, not to forget, on available **finances** for the activity.

**Example: How can budget advocacy effectively combine with gender analysis of budgets and political organisation and citizens' participation strategies?**

With capacity building, civil society organisations can understand and influence budget policy and make demands for the end of corruption and for equality and transparency. Through regular collective analysis, technical assistance and training, Asia Foundation-funded work aims to achieve this in three Indonesian cities, involving 13 NGOs, unions and movements.

One partner, the Urban Poverty Coalition (UPC), has taken the Mayor of Jakarta to court for not disclosing information about where the funds intended for flood victims had been spent. UPC - with its members including urban slum dwellers, street vendors and pedicab drivers - won the case. Another partner, the research NGO Bandung Institute for Government Studies (BIGS), has focused its budget work on housing problems in slum areas. By bringing in community organisers to work with slum dwellers on their concerns and solutions, their engagement with government on housing problems and solutions is more relevant and has more impact.

Women's groups such as Koalisi and Komnas Perempuan are planning to propose specific budget allocations and reforms affecting health, justice and other sectors in the anti-domestic violence bill currently under discussion in Parliament. Koalisi is also working on building basic budget literacy in its civic education work. Bringing women's organisations together with broader-based NGOs without a gender focus has strengthened the political impact of these women's groups and in turn encouraged the other NGOs to consider women's needs when encouraging citizen participation.

**VeneKlasen, L., 2002, 'Highlights from a citizen/gender budget advocacy project in Indonesia', Paper for Just Associates, Source: Bridge, Gender & Budgets, Cutting Edge Pack, Ch.4.3.**



## 5. GRB Tools with Gender-relevant Questions

For the gender analysis of a budget, several tools have been developed, which are not a blueprint, do not need to be used completely, and certainly should be adjusted to country contexts. Below, these tools, distinguished by pre-budget (revenue) and post-budget (expenditures) process, are presented together with the key question they want to address.

### Tools for Effective Gender Budgeting

#### A. Tools for Analyzing Budget Revenues

There has been little progress in developing tools for analyzing the gender impact of government revenues. Future development of these tools is likely to focus on direct taxes (e.g., income tax), indirect taxes (e.g., sales tax), and user fees:

- **Gender-disaggregated tax incidence analysis:** This research technique examines both direct and indirect taxes in order to calculate how much taxation is paid by different individuals or households. The impact of direct taxes requires disaggregating the data by taxpayer. Gender-disaggregated consumption data can be used to analyze the impact of indirect taxes on women and men.

*Question: How are women and men affected differently by the kind of revenues raised by governments such as direct (income, corporate taxes) and indirect taxes (value added tax)?*

- **Gender-disaggregated analysis of user charges/fees:** This tool tracks the impact user fees have on women and men. Given that women generally earn less than men, these fees can affect women differently than men.

*Question: How are women and men affected differently by user fees?*

- **Gender-disaggregated analysis of the government's debt:** The differential impact of a government's debt is the most difficult to estimate.

*Question: How will future debt burden be borne by women and men?*

#### B. Tools for Analyzing Budget Expenditures

- **Gender-disaggregated public expenditure incidence analysis.** This research tool compares public expenditure for a given program to reveal the distribution of expenditure between women and men, girls and boys.

*Question: How are women and men benefiting from expenditure on public services, e.g. education, health units or agricultural extension services?*

- **Gender-aware policy appraisal.** This tool questions the assumption that policies are "gender-neutral" in their effects and asks instead:

*Question: In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequalities? How do policies and programmes reflect women's and men's different needs and priorities? Are women's rights as stipulated in the CEDAW and mentioned in the country-specific CEDAW recommendations taken into account?*



- **Gender-disaggregated beneficiary assessments.** This tool is used to ask actual or potential beneficiaries from both sexes the extent to which government policies and programs match their priorities or needs.
  - **Gender-disaggregated Public Expenditure Benefit Incidence Analyses:**

*Question: How are women and men benefiting from expenditure on public services, e.g. education, health units or agricultural extension services?*
  - **Gender-disaggregated Beneficiary Assessments of Public Service Delivery and Budget Priorities:**

*Question: How do public investments in infrastructure and the provision of public services address women's and men's different needs and priorities?*
- **Gender-disaggregated analysis of the impact of the budget on time use:** This tool looks at the relationship between the national budget and the way time is used in households. This tool ensures that the time spent by women in unpaid work is accounted for in policy analysis. It relies on time use studies implemented at the national level.

*Question: How do expenditures impact differently on women's and men's time use?*
- **Gender-aware budget statement:** This tool requires a high degree of commitment and coordination throughout the public sector as ministries or departments undertake an assessment of the gender impact of their line budgets and how expenditures affect gender equality using a variety of indicators.

*Question: Does the government provide information on the actions to reduce gender inequalities in the annual budget statements?*

**Examples of indicators:**

- share of total expenditure targeted to gender equality programmes;
- gender balance in public sector employment;
- share of expenditure devoted to women's priority needs from public services;
- share of expenditure on income transfers devoted to women's priorities;
- gender balance in business support provided by ministries of trade and industry;
- gender balance in public sector contracts;
- gender balance of government committees;
- gender balance in training programmes



## 6. Integrating Gender Responsive Budgeting into the Budget Process

Any budgetary planning involves several steps: budget preparation, approval, execution, audit and evaluation. For the budget process/cycle it is important to see whether legislation, guidelines for the various ministries, gender-specific language, resources, staff, and auditing procedures are in place. The table below presents an overview of the critical elements for a gender responsive budget process.

<b>Integrating Gender Responsive Budgeting into the Budget Process<sup>3</sup></b>	
<b>State of Budget Process</b>	<b>Potential</b>
<b>Budget Preparation</b>	<ol style="list-style-type: none"> <li>1. Gender-specific budget <b>initiatives</b> set forth in the budget policy.</li> <li>2. Gender policies incorporated into overall budget <b>guidelines and instructions</b> from the central budget office.</li> <li>3. Gender-specific <b>priorities</b> set for budget allocations within departments for specific agencies.</li> </ol>
<b>Budget Approval</b>	<ol style="list-style-type: none"> <li>1. Creation of specific gender guidelines for expenditure and revenue <b>legislation</b> in the overall framework for legislative decision-making.</li> <li>2. Integration of gender-specific <b>language</b> in legislation establishing new programs and agencies.</li> <li>3. Use of gender-responsive budgeting <b>guidelines</b> in allocating discretionary <b>resources</b>.</li> <li>4. Incorporation of gender <b>outcomes into fiscal notes</b> accompanying new spending and revenue legislation.</li> </ol>
<b>Budget Execution</b>	<ol style="list-style-type: none"> <li>1. Creation of <b>guidelines for spending</b> where there is discretion given to departments by legislative bodies.</li> <li>2. Development of gender <b>guidelines for outsourcing, procurement, and grant disbursement</b>.</li> <li>3. Implementation of gender goals in <b>staffing</b>.</li> </ol>
<b>Audit and Evaluation</b>	<ol style="list-style-type: none"> <li>1. Incorporation of a gender dimension into <b>financial audits</b> that focus on expenditures and compliance.</li> <li>2. Incorporation of a gender dimension into <b>performance audits</b> that focus on outputs and outcomes.</li> <li>3. <b>Audit for compliance</b> with gender goals and guidelines.</li> </ol>

<sup>3</sup> See Sharp, 2003.

## 7. Checklist of GRB Related Questions for Sector Budget Support Negotiations

Sector Budget Support (SBS) is for many donors more attractive than General Budget Support as the former allows for concrete policy analysis, specific, also MDG-relevant goal setting, for targeting and output indicators. Policy statements, expenditure planning and performance monitoring are already developed mechanisms for SBS and can be elaborated with questions regarding gender equality as development outcome.

Below, a checklist<sup>4</sup> with GRB questions is presented that distinguishes process and content questions with regard to budget negotiations in which donors are involved. The questions are core to public finance management and are categorized as to sector policy, Mid-term Expenditure Framework (MTEF) and performance monitoring (monitoring for development results).

	SECTOR POLICY	Mid-term Expenditure Framework (MTEF) <sup>5</sup>	PERFORMANCE MONITORING
<b>PROCESS QUESTIONS</b>	<p>Are gender actors (state/NGO/Donor) involved in policy formulation and are the involved timely?</p> <p>Have GRB instruments been used (gender-aware beneficiary assessment of priorities, policy appraisal, time-use analysis)?</p>	<p>Are gender actors (state/NGO/Donor) involved in the MTEF?</p> <p>Have GRB instruments been used for drawing up the MTEF?</p>	<p>Are gender actors (state/NGO/Donor) involved in monitoring?</p> <p>Are information and monitoring systems accessible for gender actors, especially for women's organisations?</p> <p>Are accountability systems in place that allow adjustment of policy and expenditures?</p>
<b>CONTENT QUESTIONS</b>	<p>Is the relationship between GE and poverty reduction taken into account?</p> <p>Does the policy use sex-disaggregated data?</p> <p>Does policy planning take into account the removal of gender-barriers and forms of discrimination?</p>	<p>Is a commitment towards GE&amp;WE stated in the overall policy of the MTEF?</p> <p>Is the MTEF gender-aware in terms of inputs, outputs, outcome and impact? Are gender indicators used?</p> <p>Is GE applied as cross-cutting issue and/or as sector?</p>	<p>Are gender indicators and sex-disaggregated data used for monitoring of outputs and outcomes?</p> <p>Can improvements regarding GE &amp; WE be traced through the performance monitoring?</p>

<sup>4</sup> See EX Gender Help Desk, 2006.

<sup>5</sup> The MTEF is a system for planning actions and programming spending over a three- to five-year period. It allows predictability and thus better planning and is often linked to the PRSP. However, MTEFs are not yet used in all countries and where they are used, they are often 'work in progress'.

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## 9. Abbreviations

BPfA	Beijing Platform for Action
CEDAW	Convention on the Elimination of All Forms of Discrimination Against women
GBS	General Budget Support
GDP	Gross Domestic Product
GE & WE	Gender Equality and Women's Empowerment
GRB	Gender Responsive Budgeting
MfDR	Managing for Development Results
MTEF	Mid-term Expenditure Framework
PAF	Performance Assessment Framework
PD	Paris Declaration
PFM	Public Finance Management
PRSP	Poverty Reduction Strategy Paper
SBS	Sector Budget Support