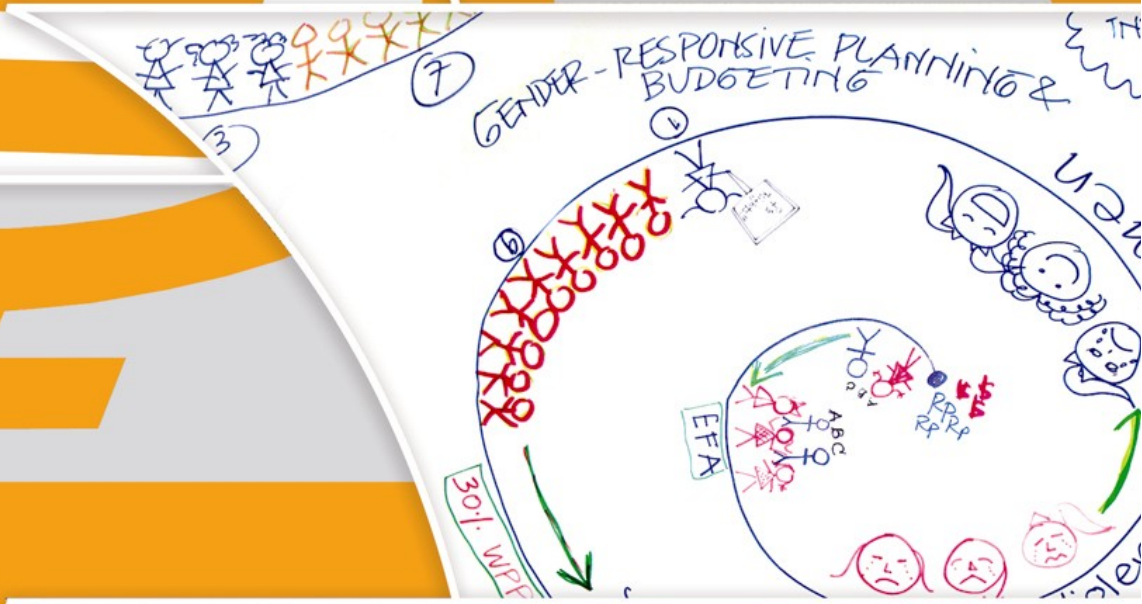


GENDER CAMPUS

THE GLOBAL DEVELOPMENT AGENDA:

TOOLS FOR GENDER SENSITIVE PLANNING AND IMPLEMENTATION

TRAINING MODULE

CORE CONTENT

Financing Gender Equality Priorities

United Nations Development Fund for Women UNIFEM
ITC International Training Centre

UNIFEM is the women's fund at the United Nations. It provides financial and technical assistance to innovative programmes and strategies to foster women's empowerment and gender equality. Using a rights-based approach, UNIFEM focuses on strengthening women's economic security and rights; combating violence and HIV and AIDS among women and girls; promoting gender equality in governance in both conflict and non-conflict situations. It is the executing agency for the EC/UN Partnership at the country level.

The **European Commission** promotes the general interest of the European Union, in particular by presenting proposals for European law, by overseeing the correct implementation of the Treaties and European law, and by carrying out common policies and managing funds. The Commission chairs the Programme Steering Committee for the EC/UN Partnership on Gender Equality for Development and Peace.

The **International Training Centre of the International Labour Organization** contributes to the ILO goal of decent work for women and men by providing training and related services that develop human resources and institutional capabilities. The ITC/ILO manages the www.gendermatters.eu website and on-line learning modules, and makes its practical approach to capacity development for gender mainstreaming available to all EC/UN Partnership partners and stakeholders.

Training Module: Financing Gender Equality Priorities

Gender Campus

Turin, Italy, 2009

www.gendermatters.eu

International Training Centre of the International Labour Organization
Viale Maestri del Lavoro 10
10127 Torino (TO)
Italy
Website: http://gender.itcilo.org/cms

LEARNING CONTENT

OVERVIEW

The first part of the module introduces the rationale for and benefits of increased national and international partnership in order to promote financing of gender equality and women's empowerment.

The module then presents some examples of tools that can be used, first, to estimate the costs of attaining gender equality goals; and second, to plan and monitor expenditures relating to the advancement of gender-sensitive development objectives. This will include (i) a framework for costing MDGs and in particular MDG3, the OECD Gender Marker, so as to facilitate appraisal of the extent to which development aid contributes to gender equality; and (ii) an overview of approaches to and tools for Gender Responsive Budgeting (GRB).

PREREQUISITES

Participants need to be familiar with the basic concepts and approaches relating to the role of gender equality in development, the definition of gender mainstreaming as a strategy, and the principles of aid effectiveness.

OBJECTIVES

This module aims to present the case for the need to emphasise financing for gender equality and to assess how gender responsive budgeting frameworks and tools can be applied and adapted to the various new aid modalities.

In this module participants will:

- ✓ discuss the reasons for and usefulness of costing gender equality priorities;
- ✓ analyse a framework for estimating the cost of achieving MDG 3 at national level;
- ✓ consider the OECD gender equality marker as a tool for tracking aid flows in support of gender equality;
- ✓ review the main approaches and tools offered by Gender Responsive Budgeting (GRB);
- ✓ learn how to use the momentum of Aid Effectiveness to lobby for financial resources for promoting gender equality.

UNIT A. FINANCING FOR GENDER EQUALITY: THE CHALLENGES AHEAD

In the context of the discussions on financing for development and effective aid, there has been growing recognition of the importance of including systematic consideration of gender equality in newer country-based aid modalities such as Sector Wide Approaches and General Budget Support.

This recognition rests primarily on the reaffirmation of the human rights and fundamental freedoms of women, but it is also based on the growing body of evidence that investing in women and girls has a multiplier effect on productivity, efficiency and sustained economic growth.

A multiplier effect occurs when an initial investment or expenditure (e.g. $1 million invested in the development of women's skills and capabilities) produces a cumulative pay-off or yield greater than the initial investment (e.g. economic growth boosted by $1.5 million).

Increasing women's economic empowerment is a key component of realising the Millennium Development Goals (MDGs) and the eradication of poverty. In this context it is essential to recognise that adequate resources need to be allocated, and mechanisms and capacities enhanced, to take full advantage of the multiplier effect.

Ownership of the development process at country level has resulted in a gradual change in the way in which aid is channelled, from donor-driven individual projects to direct support to broader government policies and priorities. This has obvious implications for financing the gender equality agenda.

In this changing context, financing for gender equality confronts some key challenges that we will consider in the following paragraphs, namely:

1. lack of political commitment to and resources available for the gender equality agenda;

2. incoherence between macroeconomic policies of liberalisation and restrictive social spending on the one hand, and commitments to human rights and gender equality on the other; *and*

3. the need for increased external resources to flow towards the gender equality goal[1].

1. Political commitment and resources

At its 52nd session in March 2008, the United Nations Commission on the Status of Women (CSW 52) took up the theme of financing of gender equality and the empowerment of women. In its final report the Commission expressed its concern that "insufficient political commitment and budgetary resources pose obstacles to promoting gender equality and women's empowerment."

This contradicts the commitment made in the Beijing Platform for Action to make available human and financial resources for the empowerment of women. It also holds back efforts by governments to incorporate a gender perspective in the design,

[1] Financing for Gender Equality and the Empowerment of Women (2007) Report of the Experts Group Meeting, 4-7 September, Oslo, Norway, New York: United Nations, Division for the Advancement of Women, EGM/FFGE/2007/REPORT.

development, adoption and execution of all policies and budgetary processes specified in the Beijing Platform of Action.

CSW 52 came to a number of conclusions that highlight the importance of the issue and the most important actions that need to be taken to ensure that gender equality receives appropriate attention in the context of financing for development[2]:

- ✓ Long-term and effective financing of women's and gender-related activities on all levels of society is a prerequisite for attainment of the MDGs and gender equality.

- ✓ Financing for gender equality should target both the process of mainstreaming gender into all aspects of society as well as specific initiatives to uphold women's rights.

- ✓ Financing women's organisations and other civil society groups working to change existing attitudes to gender relations and end all forms of women's discrimination is pivotal.

- ✓ Core and multi-year funding needs to be increased to give organisations working for Gender Equality and Women's Rights financial and organisational stability.

- ✓ Donor countries that have not yet attained the agreed UN target of allocating 0.7% of GNI as aid should do so as a matter of urgency.

- ✓ National development planning needs to incorporate enhanced participation of women and take their concerns actively into account.

- ✓ National women's and civil society organisations should be involved in the whole process including planning, programming, managing, monitoring and evaluation.

- ✓ Donors need to build up the capacity and awareness both of their own staff on gender equality issues in the context of Budget Support (BS) and of those involved in Public Sector Reform.

- ✓ Financing for gender equality and women's empowerment is essential in budget support and sector-specific budget support.

- ✓ Budget support (BS) agreements and national poverty reduction strategies should contain indicators that chart progress towards implementing women's rights and gender equality. These indicators:

    - should be based on gender analysis and gender budget analysis;

    - should be linked to international agreements (such as CEDAW, MDG and Beijing Platform for Action);

    - should go beyond sex-disaggregated data.

[2] Report on the fifty-second session, Commission on the Status of Women (2008)...

2. Coherence between macroeconomic polices and social commitments

The **Conference on Financing for Development (FfD)** ended on 22 March 2002 with the adoption by acclamation of the Monterrey Consensus by the Heads of State and Government present in Monterrey, Mexico. The aim of the Conference was to examine the internationally-agreed development goals adopted during the past decade - and especially the goal of halving the number of people living in absolute poverty by 2015 - for their financial implications and to indicate ways of mobilising the financial resources needed to achieve them.

One of the shortfalls of the Monterrey Consensus is the marginal compatibility between economic policies that emphasise low inflation, market liberalisation and efficiency of capital investment on the one hand, and social commitments to poverty reduction, human rights and gender equality on the other.[3]

The latter commitments often require public investment to support provision of safety nets and stabilise the social imbalances that result from contractions in the economy. Often these downturns in the economy are exacerbated by supply-side policies of low inflation and budgetary restrictions, which rein in spending on public services and social protection.

Given that women help sustain economic and social wellbeing through their non-market activities and unpaid care work, they require specific essential services such as health, energy, education, water and infrastructure. Special efforts are also needed to reach and improve the conditions of the large numbers of women in informal employment, in cross-border trade and those engaged in small farming and food production.[4]

The need to combine sustainable growth and development with reduced inequalities, including gender inequality, has been emphasised by UN Member States and in the Secretary-General's Report on the implementation of the Monterrey Consensus (A/63/179) which notes that "there is a widespread view that there needs to be a better understanding of the role of women in development, moving beyond their roles as caregivers and labourers. Macroeconomic policies should be more encompassing with other distributive policies to achieve gender equality; for example, policies should take into account gender dimensions of tax issues, business cycles, employment and the unpaid 'care economy'."

Example: Policy coherence requires equitable fiscal policies

Policy coherence will require broader and more reliable tax bases, moving away from the trend to relying more and more on indirect taxes, such as sales taxes and user fees which are *regressive* forms of taxation insofar as they cause the burden of taxation to fall more heavily on the poor and women as consumers of basic goods and services. Direct taxes can be progressive – e.g. as income levels rise so do rates of taxation; by contrast indirect taxes are regressive since each consumer pays the same tax or user fee for a good or service - be it food or dental care - irrespective of income level, This means that, for each item purchased, a poorer person will pay a higher percentage of her income in taxes than will a rich person. *Source: Kathleen*

[3] Maria Floro, Nilufer Cagatay, John Willoughby, and Korkut Erturk, (2004). Gender Issues and Concerns in Financing for Development Santo Domingo: INSTRAW Papers.

http://www.un-instraw.org/en/index.php?option=content&task=view&id=838&Itemid=0

[4] Williams (2007) Civil Society and the New Aid Modalities…

Barnett and Caren Grown (2004) Gender Impacts of Government Revenue Collection: The Case of Taxation, London: Commonwealth Secretariat.

The **Follow-up International Conference on Financing for Development** to Review the Implementation of the Monterrey Consensus, held in **Doha**, Qatar, 29 November-2 December 2008, recognised these issues and debated the issue of how development financing can advance gender equality.

The outcome document goes far beyond the 2002 Monterrey Consensus as regards gender equality, as it commits participants "to the promotion of gender equality and women's economic empowerment as essential to achieving gender equitable and effective development; takes gender analysis to the wider public management arena; and reaffirms the elimination of gender-based discrimination in all of its forms including in the labour and financial markets as well as, inter alia, in the ownership of assets and property rights."

The conclusions are similar to those expressed by the Accra Agenda for Action (AAA): gender equality should be mainstreamed into all macroeconomic and financial issues so as to promote significant increases in financing for gender equality. The Doha agenda is however broader in that it involves all macroeconomic issues, not just aid policies.

3. Increased external resource flows towards gender equality

In many low-income countries, the financing gap for interventions to promote gender equality and women's empowerment needs to be met through *external* resources. This necessary increase in the flow of external resources to these countries is a particularly significant goal, as it cannot be met through trade and investment liberalisation. In practice foreign direct investment remains concentrated in a small number of countries and trade liberalisation has also led to uneven gains across countries and regions.[5]

Another factor with important gender implications is the global financial crisis, which threatens to throw more of the world's population into poverty, and increases the danger of declining aid commitments.

The long-standing commitment by donor countries to increase overseas development assistance to partner countries to 0.7% of their national income is still not being universally realised. Increases in overseas development assistance are largely due to debt relief grants (mainly to Iraq and Nigeria) and humanitarian aid. Only $3.1 billion of a total of $17.2 billion of sector-allocable bilateral aid has focused on gender equality, with two-thirds of this funding directed to the social sectors, mainly health and education. Fewer funds are allocated to the agriculture, infrastructure and finance sectors, despite their importance for achieving gender equality and the empowerment of women.[6]

This finding is particularly relevant in light of the recent trend in favour of sector-wide approaches or large programmes. If gender equality and women's empowerment objectives are to be met, it is necessary to ensure that these new aid modalities include them as part of their strategies and allocate adequate funding for their realisation,

[5] Karin Christiansen and Andrew Rogerson (2005) "Is the Current Aid Architecture 'Fit for Purpose'?" London: ODI.

[6] OECD (2007). "Gender equality and aid delivery: What has changed in development cooperation agencies since 1999?"

especially within the sectors financed through budget support. The possibility of monitoring bilateral and multilateral aid focused on gender equality objectives and strategies is therefore an important step towards financing of gender equality.

UNIT B. MEASURING THE COSTS OF GENDER EQUALITY

Being able to report on the financial resources devoted to gender equality commitments is a vital component of the accountability of international and national organisations for supporting countries in promotion of gender equality and women's empowerment. With the emphasis on results-based management and budgeting of multilateral organisations such as the United Nations and the World Bank, and their respective commitments to gender equality policies and plans, there remains a clear inability to report on the actual level of resources estimated and earmarked for reinforcing gender equality. Calculation of the required resources is a critical first step in implementing and monitoring the progress of strategies in achieving gender equality and the empowerment of women.

The shift in aid funding from women-specific projects to gender mainstreaming may have also contributed to the inability to demonstrate where money is being allocated, since mainstreaming is linked to funding across all sectors. Most governments do not yet have the ability to generate information on financing requirements and funding gaps relating to achievement of gender equality. There are also challenges to be met in calculating the financial costs of activities to reduce gender inequality since these inequalities are multidimensional and cut across many sectors. There is also often a perception that expenditures on gender equality are not core investments whereas in reality they represent a key contribution to achieving overall development effectiveness.

The implications of new aid modalities for financing gender equality need to be explored to ensure that sufficient resources are allocated to promotion of gender equality and empowerment of women. This will require an estimate of the costs of achieving these goals as well as creation of the required fiscal space in macroeconomic policies. At present the enabling policy environment required to enable national budgets to be increased to include costed investments for gender equality needs to be boosted. Government budgets still remain the most important mechanism for tracking expenditures on financing of gender equality, and accountability for financing of gender equality requires national-level analysis and tools.

Over recent years much work has been done at international, national and local levels to improve capacities to plan and monitor financial allocations favouring gender equality - in terms both of specific interventions to support women's empowerment and of mainstreaming gender priorities in broader programmes - through systematic attention to the different needs, rights and priorities of women and men.

An increasing number of countries are strengthening their ability to use Gender-Responsive Budgeting (GRB) to track expenditures and Official Development Assistance (ODA) allocations targeted on gender equality priorities.

This Unit presents two tools currently in use in the context of financing for development, namely:

- ✓ the OECD-DAC gender equality marker, that facilitates quantitative monitoring of ODA allocations in support of gender equality;
- ✓ a framework for costing achievement of MDG3.

Gender Responsive Budgeting initiatives and the range of well-tested tools for mainstreaming gender equality issues in budgetary processes at international, national and local levels are presented in Units C and D.

1. The Gender Equality Policy Marker (GEM)

ODA covers on average 5%-10% of the budget of recipient countries and supplements revenues collected through taxes, remittances and trade and investment revenues. Therefore an ability to monitor bilateral and multilateral aid focused on gender equality is a key factor in ensuring that the new aid mechanisms support gender equality targets.

To date the **OECD-Gender Equality Policy Marker** is the only existing consistent system for tracking aid investment in gender equality. The OECD Gender Equality Marker provides an important indicator of aid in support of gender equality as part of donors' Credit Reporting Systems (CRS) on bilateral aid. As part of this reporting system, Development Assistance Committee members are asked to indicate whether or not gender equality is one of the principal objectives of each individual aid activity, which has to comply with the DAC definition of 'gender equality focused' and meet a number of eligibility criteria that emphasise gender analysis in the design of activities. [7]

A simple scoring system is used, ranking activities in relation to their objectives:

2 – Gender equality is the principal objective

1 – Gender equality is a significant objective

0 – Gender equality is not targeted

Guidance on criteria for eligibility, examples, and frequently-asked questions are provided in the CRS reporting directives, to ensure common understanding of the definition among the 16 donors that code ODA disbursements according to this marker. No multilateral institution reports on the marker, and accordingly the DAC Secretariat is encouraging them to introduce the well-defined DAC policy marker methodology to measure their aid in support of gender equality.

In assessing aid in support of gender equality over the period 1999-2003, the OECD concluded that activities in certain sectors – health and education - are more focused on gender equality, mirroring the findings of the studies on SWAps and PRSPs. In particular gender equality habitually receives appreciably less attention in aid support for economic infrastructure, services and the productive sectors, despite that fact that all these sectors have extremely important gender dimensions. UNIFEM's Progress of the World's Women 2008/2009 notes that, of the US$426.8 billion in ODA that donors reported in 2006, just US$7.2 billion is allocated to programmes with gender equality as either a priority or a significant objective. The updated OECD study confirms that allocations to social sectors continue to predominate in gender-marked funds.[8]

Statistics on aid focused on gender equality and women's empowerment by each DAC member are available on the OECD website. The GEM therefore represents a tool for monitoring how shifts in bilateral aid modalities can be linked to financing for gender equality needs and objectives. However, the GEM does not provide information on the actual impact of programmes on gender equality.

[7] http://www.oecd.org/document/6/0,3343,en_2649_34469_37461446_1_1_1_1,00.html

[8] OECD DAC Creditor Reporting Database (2008), Aid in Support of Gender Equality and Women's Empowerment; and OECD (2007) Gender equality and aid delivery: What has changed in development cooperation agencies since 1999?

The Gender Equality Policy Marker (OECD)

DEFINITION An activity should be classified as gender equality focused (score Principal or Significant) if:	It is intended to advance gender equality and women's empowerment or reduce discrimination and inequalities based on sex.
CRITERIA FOR ELIGIBILITY	Gender equality is explicitly promoted in activity documentation through specific measures which: a) reduce social, economic or political power inequalities between women and men, girls and boys; and ensure that women benefit equally with men from the activity, or compensate for past discrimination; *or* b) develop or strengthen gender equality or anti-discrimination policies, legislation or institutions. This approach requires analysis of gender inequalities either separately or as an integral part of agencies' standard procedures.
EXAMPLES OF TYPICAL ACTIVITIES	Examples of activities that could be marked as **principal** objective: ✓ legal literacy for women and girls; ✓ male networks against gender violence; ✓ a social safety-net project which focuses specifically on assisting women and girls as a particularly disadvantaged group in a society; ✓ building-up of the capacity of Ministries of Finance and Planning to incorporate gender equality objectives in national poverty reduction or comparable strategies. ✓ activities that can target women specifically, men specifically or both women and men. Examples of activities that could be marked as significant: ✓ activities which have as their principal objective provision of drinking water to a district or community while at the same time ensuring that women and girls have safe and easy access to the facilities; ✓ a social safety net project which focuses on the community as a whole and ensures that women and girls benefit equally with men and boys.

N.B. Support to women's equality organisations and institutions would rate, by definition, as a principal objective.

Source: OECD DAC Creditor Reporting Database (2008), Aid in Support of Gender Equality and Women's Empowerment, Paris: OECD; (2007) Gender equality and aid delivery: What has changed in development cooperation agencies since 1999?

In the tables and charts below will be found an example of the Gender Equality Marker applied by the German cooperation agency. Indeed the information below shows the amounts scanned in 2004 and 2005 and the corresponding amounts targeted on gender equality.

Example: The Gender Equality Marker applied (Germany)

Gender equality focus of donor's aid programme

USD million

	2004	2005
Principal objective	**93**	**215**
Significant objective	**1532**	**1498**
Not targeted	1104	2901
Not screened	1491	0
Total sector-allocable aid	**4220**	**4614**
Gender equality focused aid (2)	**60%**	**37%**
Memo:		
Total non sector-allocable aid	1425	4670
Aid to Women's equality (3)	12	48

Notes:
*Principal means gender equality was an explicit objective of the activity and fundamental to its design. Significant means gender equality was an important, but secondary, objective of the activity. Not targeted means that the activity was screened for promoting gender equality, but was found to take no account of it. Not all activities have been screened against the gender marker: the coverage ratio for sector-allocable activities is 83%.

**Statistics on gender focus exclude non sector-allocable aid since several members do not apply the gender marker on these forms of aid. This category includes programme assistance, debt relief and emergency aid.

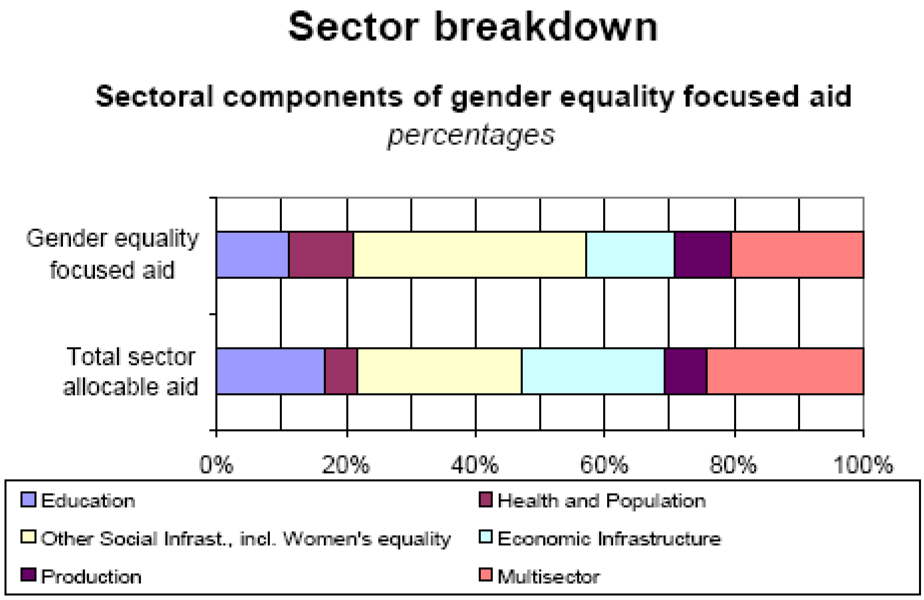
Source: OECD/DAC (2007). Statistics based on DAC Members' reporting on the Gender Equality Policy Marker, 2004 - 2005. Creditor Reporting System database. OECD-DAC Secretariat (http://www.oecd.org/dac/stats/crs)

In the table above it can be seen that the amounts mainly or partly targeting gender equality accounted for 60% of the total amount scanned. In 2005, the percentage of gender-equality-focused aid dropped to 37% of the total, but this can be explained by the fact that a major proportion of aid was not scanned during the previous year.

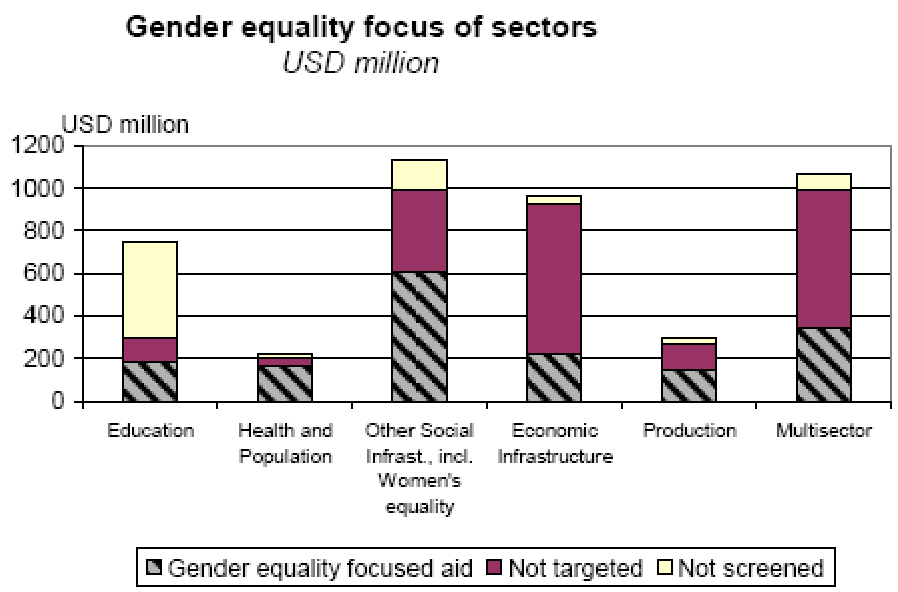
The Gender Marker was also useful to enable Germany to identify the aid amounts flowing to different sectors, as the graphs below illustrate:

Example: Tracking Aid Flows by Sector (Germany)

The following graph illustrates the distribution of gender-equality-focused aid among the different sectors:



The following graph allows identification of the proportion of aid focused on gender equality in relation to total aid amounts, by sector.



Source: OECD/DAC (2007). Statistics based on DAC Members' reporting on the Gender Equality Policy Marker, 2004 - 2005. Creditor Reporting System database. OECD-DAC Secretariat (http://www.oecd.org/dac/stats/crs)

The same exercise can be used to track aid destined for different countries and regions:

Example: Tracking Aid Flow by Region (Germany)

The following table illustrates the distribution of gender-equality-focused aid between the ten major recipients.

Gender equality focus in aid to top ten recipients
USD million

	Total aid	Total sector allocable aid	Gender equality focused aid (2)
Iraq	1014	11	19%
Nigeria	608	33	66%
China	331	327	36%
India	267	259	35%
Nicaragua	253	28	70%
Indonesia	231	191	67%
Cameroon	176	58	61%
Ghana	166	24	77%
Egypt	135	110	23%
Morocco	130	130	9%

The following table allows identification of the proportion of aid focusing on gender equality in relation to total aid amounts, by major recipient.

Top ten recipients of gender equality focused aid
USD million

	Gender equality focused aid (2)	
Indonesia	114	67%
India	80	35%
China	73	36%
Palestinian adm.areas	50	95%
Brazil	47	52%
Uganda	34	76%
Afghanistan	33	55%
Kenya	32	51%
Albania	31	56%
South Africa	30	36%

Source: OECD/DAC (2007). Statistics based on DAC Members' reporting on the Gender Equality Policy Marker, 2004 - 2005. Creditor Reporting System database. OECD-DAC Secretariat (http://www.oecd.org/dac/stats/crs)

2. Costing the MDG 3

The World Bank has estimated that the financing gap for implementing MDG3 activities in low-income countries ranges from $8.6 billion (2006) to $23.8 billion (2015). To realise MDG3 by 2015 would require external resources dedicated to financing gender equality-promoting interventions in the range of $25-28 billion annually in the low-income countries. The Bank study concludes that there is a financing gap due to the inadequacy both of domestic financing and of the available external resources for interventions in support of gender equality.[9]

Serious efforts to meet gender equality commitments made by governments will cost money. The World Bank study recommends the creation of a special fund to support MDG3 interventions in low-income countries. It concludes that such investments are affordable, given recent donor commitments, and will also have important payoffs in other MDG sectors. Being able to cost interventions focused on gender equality goals begins to create the conditions for fundamental change through adequately-funded policies, interventions and projects.[10]

As part of a Millennium Project to advance the achievement of ten of the Millennium Development Goals,[11] ten taskforces were set up including one focusing on gender equality (MDG3). In 2005 the MDG3 Taskforce developed seven strategic priorities to help ensure that the MDG3 goal would be met by 2015, as set out in the following table.

Gender Equality and the MDGs: Key Priorities and Indicators

Priority	Indicators
1. Strengthen opportunities for post primary education for girls while simultaneously meeting commitments to universal primary education.	✓ The ratio of female to male gross enrolment rates in primary, secondary, and tertiary education. ✓ The ratio of female to male completion rates in primary, secondary, and tertiary education.
2. Guarantee sexual and reproductive health and rights.	✓ Proportion of contraceptive demand satisfied. ✓ Adolescent fertility rate.
3. Invest in infrastructure to reduce women's and girls' time burdens.	✓ Hours per day (or year) women and men spend fetching water and collecting fuel.

[9] Caren Grown, Geeta Rao Gupta, Aslihan Kes (2005) Taking action: achieving gender equality and empowering women, UN Millennium Project, Task Force on Education and Gender Equality.

[10] Id.

[11] The Millennium Project was tasked by the United Nations Secretary-General in 2002 with recommending a concrete action plan for the world to reverse the grinding poverty, hunger and disease affecting billions of people. Headed by Professor Jeffrey Sachs, the Millennium Project was an independent advisory body and presented its final report, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals,* to the Secretary-General in January 2005. The Millennium Project was then asked to continue operating in an advisory capacity up until the end of 2006.

4. Guarantee women's and girls' property and inheritance rights.	✓ Land ownership by male, female, or jointly held. ✓ Housing title, disaggregated by male, female, or jointly held
5. Eliminate gender inequality in employment by decreasing women's reliance on informal employment, closing gender gaps in earnings, and reducing occupational segregation.	✓ Share of women in employment, both wage and self-employment, by type. ✓ Gender gaps in earnings in wage and self-employment.
6. Increase women's share of seats in national parliaments and local governmental bodies.	✓ Percentage of seats held by women in national parliament. ✓ Percentage of seats held by women in local government bodies.
7. Combat violence against girls and women.	✓ Prevalence of domestic violence.
Source: MDG3 Taskforce 2005, Taking action: achieving gender equality and empowering women, London: Earthscan.	

Eliminating gender inequality requires a multidimensional effort which is difficult to cost. Nevertheless, as the Taskforce points out, **costing** is a vital first step in mobilising financial resources to implement the various interventions and policy measures entailed by the MDG3 goals and indicators, since:

- ✓ this "gender needs assessment", and the specific costing tools proposed, are part of a broader needs assessment aimed at helping countries estimate needs and costs for achieving the MDG targets by 2015; [12]

- ✓ the model proposed makes an estimate of the various actions needed to meet the targets set in the seven priority areas for action;

- ✓ given the multidimensional nature of gender equality, the assessment requires assessment of needs and estimation of the cost of **gender-related interventions in other sectors** – such as rural development, urban development, health, education and environment - as well as **specific gender policy interventions** not included in other sectors.[13]

The exercise can materially help countries operationalise their gender policies as it allows them to:

- ✓ estimate the resources needed to implement comprehensive gender interventions across multiple sectors;

[12] Separate spreadsheets and supporting materials are available for the different sectors and/or goals. Detailed information, including guidelines and tools, on the MDG needs assessment methodology are available at http://www.undp.org/poverty/tools.htm

[13] UN Millennium Project (2006) Incorporating Gender Across All Sectors. UNDP RBA MDG Based National Development Planning Workshop. Available at www.undp.org/poverty/docs/mdg-support/gender.ppt

- ✓ ensure that appropriate gender interventions are included in and budgeted for across all other sectors during budget formulation/PRSP discussions; [14] *and*

- ✓ monitor implementation of programmes to address issues of gender inequality against quantifiable targets.

The following example illustrates how the model was used in Tajikistan.

Cost for Promoting MDG3 in Tajikistan

In partnership with the UN Millennium Project Secretariat, the Task Force on Education and Gender Equality (MDG3) developed estimates for the financing requirements of the gender-related interventions. Several countries were part of the estimates. The results from Tajikistan, albeit preliminary, are illustrative and are presented here.

The Taskforce needs assessment concluded that the costs of universal primary and expanded secondary education in Tajikistan would on average be roughly $20 per capita per annum for 2005–15; the costs of setting up a primary health care system (to address child health and maternal health, major infectious diseases, and sexual and reproductive health) would average roughly $29 per capita annually; and the annual cost of water and sanitation provision would average roughly $9.50 per capita.

If the additional costs for the seven MDG3 priority areas are taken into account, (such as training and awareness campaigns, interventions to reduce violence against women, and systematic interventions to improve line ministry capacities) this will average approximately $1.30 per capita annually for 2005–15, with costs peaking at $2.00 in 2015. Most of these costs will be for programmes aimed at ending violence against women.

In absolute numbers the cost of additional specific interventions to meet Goal 3 in Tajikistan is $10.56 million each year, totalling $112 million for 2005–15, or about 0.003 percent of GDP over this period. To put this amount into context, in 2001 debt-servicing payments alone accounted for about 4% of GDP in Tajikistan.

The Tajikistan costing exercise illustrates how at country level this type of effort helps all stakeholders understand the resource requirements for addressing the challenge of gender equality. Equally a consultative process within a country may be critical for identifying appropriate interventions.

Source: MDG3 Taskforce 2005, Taking action: achieving gender equality and empowering women, London: Earthscan.

[14] UNFPA, UNIFEM (2006) Gender Responsive Budgeting and Women's Reproductive Rights: a Resource Pack, New York 2006.

FURTHER WORK ON COSTING THE MDGs

In 2006 a group of experts prepared for the World Bank the paper “The Financial Requirements of Achieving Gender Equality and Women's Empowerment”. The document aimed to estimate: (1) based on country-level analysis, the specific costs of those interventions aimed at promoting gender equality and women’s empowerment across all sectors and (2) the share of all MDG investments that have the potential to improve outcomes for women and men, girls and boys.

This paper can be considered a critique of the costing process illustrated above: *it extends the methodology developed by the UN Millennium Project for estimating the costs of achieving the MDGs. From among the interventions that form the basis for the Millennium Project cost estimates, it identifies those that promote gender equality and analyses them to calculate the resources needed to achieve MDG3*.[15]

KEY POINTS

- ✓ Investing in women and girls has a multiplier effect on productivity, efficiency and sustained economic growth.
- ✓ Because aid represents on average 5-10% of the budget in recipient countries, being able to monitor the flows of bilateral and multilateral aid favouring gender equality is one important factor in ensuring that the new aid mechanisms support gender equality targets.
- ✓ The Gender Equality Marker is a useful monitoring tool for donors and development partners, as it helps in tracking aid flows in support of gender equality initiatives and monitors how donors operationalise their gender equality commitments in the new aid architecture.
- ✓ Costing makes targets and goals **realistic**. It helps countries understand the resource requirements for addressing the challenge of gender equality.
- ✓ An assessment of the resources required is the first critical step to implementing strategies to achieve gender equality and the empowerment of women, and monitor their progress.
- ✓ Given the multidimensional nature of gender inequalities, the assessment of resources needed to address MDG3 priorities involves assessing activities across a range of intervention sectors (e.g. girls’ education, reproductive health, transport, rural development) as well as for specific “gender” interventions (e.g. in respect of gender-based violence, unequal property rights, awareness-raising).

[15] Grown, C. et all. (2006) The Financial Requirements of Achieving Gender Equality and Women's Empowerment. Paper Prepared for the World Bank. April 2006. Available: http://siteresources.worldbank.org/INTGENDER/Resources/GrownBahadurHandburyElsonFinancialRequirements.pdf

UNIT C. WHAT IS GENDER RESPONSIVE BUDGETING?

Gender Responsive Budgets (GRB) are government budgets based *inter alia* on an appraisal of the different roles and needs of women and men, girls and boys.

GRB is a tool that can be used to reflect women's demands throughout the budget process in an effort to increase allocations to gender equality. National budgets reflect a government's priorities as they perform several central economic and social functions: they allocate resources, provide social services, seek to improve income and wealth disparities, stabilise prices, and generate economic growth and employment.

Budgets reflect a series of choices about a country's social and economic agenda, choices that are part of the balance of power relations between different social groups.[16]

There are two broad sources for financing budgets: domestic and external.

1. Domestic resources:

- ✓ tax revenues from income taxes, sales taxes, customs revenues, property taxes, corporate taxes, etc.
- ✓ privatisation and sale of public assets; *and*
- ✓ user fees for health and education services, highway tolls, administrative fees and other charges for public services.

2. External resources:

- ✓ Official Development Assistance (ODA);
- ✓ loans from the World Bank, Regional Development Banks, the IMF and commercial banks; *and*
- ✓ tax revenues from trade and private capital flows, including foreign direct investment (FDI).[17]

Economists tend to view budgets as "gender-neutral" policy instruments**.** They deal with financial aggregates such as expenditures and revenues, surpluses and deficits. There is no mention of people at this level of policy.

Yet policy-makers should not assume that government expenditures and revenues will impact equally on men and women, since men and women generally occupy different social and economic positions.

Women are more often concentrated in part-time and informal employment with lower earnings and less social protection; they are also the primary agents in the 'care economy' which includes the activities and process through which human beings are, directly and indirectly, materially and psychologically maintained. The care economy

[16] Nilufer Cagatay, Mumtaz Keklik, Radhika Lal and James Lang (2000) Budgets as if People Mattered: Democratizing Macroeconomic Policies, New York: UNDP. Also, Helena Hofbauer Balmori (2003) Gender and Budgets: An Overview Report, Sussex: BRIDGE, see http://www.bridge.ids.ac.uk/reports.

[17] UNIFEM and the UN Non-Governmental Liaison Service (2008) Bridging the Gap: Financing for Gender Equality, New York: UNIFEM/NGLS.

includes the domestic or household sector, the volunteer sector and the informal economic sector.

When governments reduce costs to deal with debt for example, they often transfer the costs from the paid to the unpaid sectors of the economy where women perform a disproportionate share of the work. Ignoring the gender-specific impact of these policies constitutes not gender neutrality but rather gender blindness.[18]

The different socially-determined roles, responsibilities and capabilities of men and women are usually structured so that women are in an unequal position with less economic, social and political power. Another example, from the revenue side, underscores this point: income tax cuts may affect women and men differently since income distribution among male- and female-headed households differs, females being concentrated in the lower income bracket.

Gender Responsive Budgets are a mechanism for accounting for the direct and indirect effects of government expenditure allocations and revenues on both women and men. They are also tools for tracing how government budgets influence the unpaid care economy. They are therefore an important instrument for holding governments accountable for their gender equality commitments.

Gender Responsive Budgets share with other participatory budget initiatives the goals of developing an inclusive budget process, with independent oversight and a commitment to pro-poor and equity choices, and facilitating wider governance and accountability structures by giving voice to those previously marginalised from economic policy decision-making.[19]

What are Gender Responsive Budget Initiatives?

Gender budget initiatives are not separate budgets for women and girls; rather, they are an attempt to analyse public money through the lens of gender. Gender budgets are attempts to break down national or local budgets according to their impact on women and men, boys and girls.

According to Diane Elson, a development economist and one of the pioneers of such initiatives, the key questions are:

“What impact does this fiscal measure have on gender equality? Does it reduce gender inequality; increase it; or leave it unchanged? “

See www.gender-budgets.org

Finally, GRB tools and strategies also link to the aid effectiveness agenda.

There are concerns that the Paris Declaration on Aid Effectiveness (PD) - which was expected to make aid delivery more effective, accountable, transparent and in line with national poverty reductions plans - and the follow-up measures for its implementation do not sufficiently link the aid effectiveness agenda to the commitments countries have made to advancing gender equality and women’s empowerment.

[18] Diane Elson (2002) Integrating Gender into Government Budgets within a Context of Economic Reform,” in Debbie Budlender et.al. Gender Budgets Make More Cents, London: Commonwealth Secretariat.

[19] Diane Elson and Nilufer Cagatay (2000) “The Social Content of Macroeconomic Policies,” World Development, vol. 28, no. 7.

GRB can contribute to enhancing the positive impacts of aid provided through budget support by mainstreaming gender throughout the national planning process.

The rising trend of multilateral ODA financing through the mechanism of budget support, for instance, becomes a matter of bargaining power between donors and partners on national development priorities. The extent to which gender equality and women's empowerment are part of the budgetary process and national development planning will depend on concerted efforts to incorporate a gender-responsive analysis.

1. Key elements and main phases of budgeting processes

A vital prerequisite for a meaningful GRB is the availability of gender-disaggregated data and indicators. Such data can be used by governments to inform their pre-budget analysis of programmes, expenditures, revenues and policies. After the budget is implemented, this data can be used to measure and track the effects it has on different groups of men and women, boys and girls.

Gender Responsive Budgeting can be initiated and applied in various ways. For example, in the Philippines government has taken the initiative. In Tanzania, individuals and women's organisations have led the effort.[20] Gender Responsive Budgeting can also be carried out at various points in the budget cycle (see below); for instance GRB can be applied to an existing budget or contribute to a new budget, and it can also be used to track expenditure.

Issues to be addressed

Debbie Budlender and Rhonda Sharp pioneered the application of GRB analysis and have provided useful guidelines on how to introduce GRB. These steps are from their comprehensive guide developed for the Commonwealth Secretariat, *How to do a Gender-sensitive Budget Analysis* (1998).

1. **Location**: who will be responsible for the GRB research, analysis, and implementation? For example, will the Department of Finance be involved along with the Ministry for Women's Affairs?

2. **Scope:** what will be the scope of the GRB? Will it include a gender analysis of both expenditures and revenues?

3. **Reporting Format**: how will the GRB be reported on? Will it be a separate budget document or will it be integrated into the existing budget document?

4. **Politics**: who will be involved in the gender-budgeting process at different stages? Who will fund the GRB exercise? Who has the power to enforce accountability for gender equality? In what ways will gender become part of the public debate on budgetary policy?

[20] Clara Morgan (2007) Gender Budgets – An Overview, Ottawa: Library of Parliament.

Integrating GRB into the Budget Process

An important aspect of GRB is the active integration of gender elements into the budgetary cycle.

State of Budget Process	Potential
Budget Preparation	1. Gender-specific budget initiatives set forth in the Chief Executive's budget policy. 2. Gender policies incorporated into overall budget guidelines and instructions from the central budget office. 3. Gender-specific priorities set for budget allocations within departments for specific agencies.
Budget Approval	1. Creation of specific gender guidelines for expenditure and revenue legislation in the overall framework for legislative decision-making. 2. Integration of gender-specific language into legislation establishing new programmes and agencies. 3. Use of gender-responsive budgeting guidelines in allocating discretionary resources. 4. Incorporation of gender outcomes into fiscal notes accompanying new spending and revenue legislation.
Budget Execution	1. Creation of guidelines for spending where discretion is given to departments by legislative bodies. 2. Development of gender guidelines for outsourcing, procurement, and grant disbursement. 3. Implementation of gender goals in staffing.
Audit and Evaluation	1. Incorporation of a gender dimension into financial audits that focus on expenditures and compliance. 2. Incorporation of a gender dimension into performance audits that focus on outputs and outcomes. 3. Audit for compliance with gender goals and guidelines.

Source: Marilyn M. Rubin and John R. Bartle (2005) Integrating Gender into Government Budgets: A New Perspective. Public Administration Review, Vol. 65, No. 3, May 2005.

2. Results-Based Budgeting

As part of the push for good governance and more effective results, many countries have undergone reforms in their financial management systems.

The shift to performance-based or results-based budgeting has led gender equality advocates to ask: does the adoption of budget reform along these lines offer opportunities for new monitoring and accountability mechanisms for linking budgets (resources) to gender equality commitments?

A UNIFEM study by Rhonda Sharp offers a technical consideration of the strengths and limitation of results-based budgeting (RBB) for Gender Responsive Budgeting, drawing on country experiences and the availability of data and indicators. Sharp outlines a number of strategies for achieving more gender-aware outputs and outcomes within the RBB framework. She notes that the RBB framework involves a particular approach to budgetary and policy performance that can be summarised in the following manner:

- ✓ What does the government want to achieve? → OUTCOMES
- ✓ How does the government achieve this? → OUTPUTS
- ✓ How does it know if it is succeeding? → PERFORMANCE REPORTING

She notes that budgeting is a political process involving power and that performance-oriented budgeting involves new governance arrangements that will close off some political spaces but potentially open new ones for Gender Responsive Budgeting. For example, results-based management rests on principles of transparency and accountability and Gender Budget initiatives can help to reinforce these values.

Sharp advocates three dimensions or means by which gender-responsive budget frameworks can engage with output and outcome budgeting:

1. by developing gender-sensitive indicators of inputs, outputs and outcomes;

2. by including equity as an explicit indicator of performance and therefore extending the existing output and outcomes framework, equity being defined in terms of equality of access for, or representation of, different groups;

3. by challenging the existing meanings of economy, efficiency and effectiveness: for instance, economy measures of performance-oriented budgeting only take account of monetary costs, but if non-money costs of inputs are also considered, the result is a different measure of economy. Efficiency measures typically do not take into account the care economy and the transfer of costs to the unpaid sector that often accompany efficiency-based measures of performance.[21]

In a country that has a performance-oriented approach, measuring and monitoring whether the budget is gender-responsive can be done through including gender-relevant indicators of performance. In Pakistan, for example, recent budget call circulars at federal level and in Punjab province have explicitly stipulated that all output and outcome indicators relating to individuals should be sex-disaggregated.[22]

[21] Rhonda Sharp (2003) Budgeting for Equity: Gender Budgeting Initiatives Within a Framework of Performance Oriented Budgeting , New York: UNIFEM.

22 Debbie Budlender (2006). How Gender-responsive Budgeting can contribute to the PRSP, Government of Pakistan, Finance Division, Gender Responsive Budgeting Initiative.

Measuring efficiency with gender lens

Achieving Millennium Development Goal no. 2 (achieve universal primary education) necessitates recognising that boys and girls may have different constraints and needs in respect of literacy and education.

Whereas building more schools may in some cases be enough to increase boys' school attendance and literacy, girls' school attendance or the time they can spend on schoolwork in the evening might be further constrained by their participation in the care economy. In such cases, investing only in the supply of schools will raise the average level of schooling and literacy, but may actually increase the male-female gap in schooling and literacy. It may never lead to universal schooling and literacy.

An appropriate and effective policy would be to act on the existing gender-specific constraints and related needs, for instance by installing free childcare facilities (for younger siblings), meeting practical gender needs by providing water pumps or stoves, and raising awareness of the importance of girls' education.

Such measures might also increase overall efficiency, for research has revealed that gender bias in education has an efficiency cost (lower economic growth and human development).

Source: Holvoet, N (2006). Gender Budgeting: Its Usefulness in Programme Based Approaches to Aid. Briefing Note. European Commission.

KEY POINTS

- ✓ Gender Responsive Budgets (GRB) are government budgets based on an appraisal of the different roles and needs of women and men, girls and boys.

- ✓ Policy makers should not assume that government expenditures and revenues will impact equally on men and women, since men and women generally occupy different social and economic positions.

- ✓ Entry points for GRB in performance-based budgets include:

  - developing gender-sensitive indicators of inputs, outputs and outcomes;
  - introducing equity as an explicit indicator of performance; *and*
  - challenging established measures of economic efficiency with a view to their adaptation to include the care economy.

- ✓ Results-based management rests on principles of transparency and accountability and Gender Budget initiatives can help reinforce these foundational values.

- ✓ Measuring and monitoring whether the budget is gender-responsive can be done through including gender-relevant indicators of performance, such as systematic sex-disaggregation of beneficiaries.

UNIT D. TOOLS FOR RELATING BUDGETS TO GENDER EQUALITY

Applied gender budget analysis is not simply a technical exercise but a more long-term process that requires government officials and all those involved to think about the economy in new ways that include the unpaid sector where much of women's time and efforts are concentrated.

Gender budget initiatives can address the spending side of local or national budgets, the revenue side, or the budget as a whole. Most initiatives to date have focused on the expenditure side and work is now under way to develop further the revenue side of gender budgeting.

The basic methodology is to categorise types of spending and revenue, and then - through a series of tools developed by Rhonda Sharp in Australia, Debbie Budlender in South Africa, and Diane Elson in the UK, in conjunction with other researchers and activists - to assess these categories from a gender perspective.

The Australian Women's Budget, which pioneered gender budget initiatives in 1984, required the breakdown of each agency's expenditure into three main categories:

1. **Women-specific targeted expenditures**: resources allocated for programmes that specifically target women.

2. **Equal employment opportunity expenditures**: resources allocated for affirmative action to promote employment of women and men in equal numbers, equal representation in management posts, and equal pay.

3. **Mainstream expenditures**: the bulk of the remaining expenditures not covered by the first two categories.

Most Gender Responsive Budget initiatives around the world start with these three categories and then adapt them to the specific circumstances of their country. Since most expenditures are mainstream expenditures, a series of tools has been developed to assess their gender impact.

1. GRB Tools and Examples

Tool 1. Gender-aware policy appraisal

This tool is designed to analyse policies and programmes from a gender perspective, and to identify the ways in which these policies and the resources allocated to them are likely to reduce or increase existing gender inequalities.

Gender-aware policy appraisal is an analysis of the policies and programmes funded through the budget asking the question: 'In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequality?'

This type of analysis has provided a basis for donors aligning their resource and programme support with national commitments to gender equality.

Example

In **Nepal** the Ministry of Finance introduced the Gender Responsive Budgeting system in the 2007-08 financial year. All sector ministries were required to report on their programmes and activities on the basis of five key indicators:

- ✓ Women's capacity development
- ✓ Women's participation in programme formulation and implementation
- ✓ Incidence of women's benefit
- ✓ Support for women's employment and income generation
- ✓ Positive impact on women's time use and care work

Programmes were then rated in relation to three categories of gender equality: **directly supportive, indirectly supportive** and **neutral**.

Both gender-responsiveness as well as the sources of funding – Government of Nepal and ODA – were part of the analysis. It was estimated that for the financial year 2007-08, 11%, 33% and 55% of the total budget would respectively be spent on programmes that were directly supportive, indirectly supportive or neutral in the context of gender equality.

In terms of sectors, about 24% of spending for social services is classified as directly supporting gender equality and 55% as indirectly benefiting women. By contrast, only 10% of spending on economic services in agriculture, forestry, land reform, transportation and industry is classified as directly supporting the gender equality agenda.

Source: UNIFEM (2008) Aligning National Budgets with Gender Equality Commitments: Gender-Responsive Budgeting in Nepal, available at http://www.gendermatters.eu

Tool 2. Gender-disaggregated beneficiary assessment

The purpose of this assessment is to evaluate the extent to which programmes or services are meeting the needs of actual or potential beneficiaries, as identified and expressed by themselves.

Gender-disaggregated beneficiary assessment is a means by which the voice of citizens can be heard. In these exercises the actual or potential beneficiaries of public services are asked to assess how far public spending is meeting their needs, as they perceive them. This can be done through opinion polls, attitude surveys, group discussion or interviews. Questions focus on overall priorities for public spending or on the details of the operation of public services.

Example

In the **Philippines**, a coalition of women's organisations worked closely with the government to produce gender profiles of the health and agricultural sectors and to formulate gender-responsive plans that would be part of the multi-year plans at local government level. The result has been that the health budget of Sorsogon City increased from 25 million pesos in 2005 to 37 million pesos in 2006. This increase helped make available more resources for reproductive health, family planning and prevention and control programmes for HIV/AIDS and other sexually-transmitted diseases.

Source: Debbie Budlender (2006) GRB Work in the Philippines, available at http://www.gender-budgets.org.

Tool 3. Gender disaggregated public expenditure benefit incidence analysis

This tool is used to evaluate the distribution of budget resources (or changes in resources) between women and men, girls and boys by estimating the unit costs of providing a certain service and calculating the extent to which this service is being used by each group.

Example

The Women's Budget Group in the **UK** (WBG), an organisation that brings together feminist economists, researchers and policy experts to consult with the U.K. Ministry of Finance, has done an analysis of the UK's New Deal programmes to reduce unemployment. They found that only 8% of funding for these programmes goes to single parents, of whom 95% are female.

See http://www.wbg.org.uk for a series of reports and responses to national budgets.

Tool 4. Gender disaggregated analysis of the impact of the budget on time use

This tool is designed to establish a link between budget allocations, the services provided through them and their effect on how different members of a household spend their time, using household time-use surveys.

Example

A 1992 study of the impact of Structural Adjustment programmes, in particular social spending cuts, revealed that in Ecuador women needed to spend more time shopping (in order to find cheaper items) and cooking (because they bought less processed food). Apart from an increase in time invested in reproductive activities, women often spent more time on income-generating and community-managing activities. They could often only cope by shifting part of their reproductive work to their elder daughters, who thus had less time for schoolwork.

* * *

The impact of changes in public spending on women's and girls' time investment was also obvious from a study in Kenya. It showed that a 10% cut in the price of out-of-home child care raised women's participation in paid work by approximately 3.5%, and raised girls' (age 8-16) enrolment by about 5%, whereas the impact on boys' (8-16) enrolment was minor (about 0.3%).

Source: Cit. Holvoet, N (2006). Gender Budgeting: Its Usefulness in Programme Based Approaches to Aid. Briefing Note. European Commission.

Tool 5. Gender-aware medium-term economic policy framework

This tool is designed to incorporate a gender perspective into the medium-term frameworks of policy development, planning and budgetary allocations, for example by disaggregating variables by gender, combining national income accounts and household income accounts and highlighting and challenging the underlying gender-blind assumptions about how the economy works.

A Gender-Aware Medium-Term Economic Policy Framework is used to assess the impact of economic policies on women, focusing on aggregate fiscal, monetary and economic policies designed to promote globalisation and reduce poverty.

Example

In Senegal a UNIFEM gender budgeting initiative works with four line ministries which are currently using a programme approach and preparing sectoral MTEFs (covering agriculture, health, education and energy/mines). More specifically there is cooperation with the "Gender Laboratory" of the UCAD (Laboratoire Genre et Recherches Scientifques, IFAN, Université Cheikh Anta Diop), which supports the line ministries through a process of 'learning by doing'. The following activities are included:

- ✓ design of gender tools and analysis schemes for all sectors;
- ✓ analysis of the gender situation (and underlying causes) in the different sectors;
- ✓ on-the-job training of ministry staff in charge of budgeting, to integrate

gender into preparation of the 2007 budget;

✓ application of the tools to the specific policies (programmes, projects) and budgets identified for the 2007 budget process, and discussion with the budget departments of the different ministries;

✓ a meeting with the departments involved to identify the weaknesses and limitations of their gender integration procedures and possible remedies.

Source: UNIFEM Regional Office Dakar (2006) In: Holvoet, N (2006). Gender Budgeting: Its Usefulness in Programme Based Approaches to Aid. Briefing Note. European Commission.

Tool 6. Gender-aware budget statement

This tool consists of reports generated by government agencies on the implications of their expenditure for gender equity objectives.

A Gender-Aware Budget Statement is a government report that reviews the budget using some of the above tools, and summarises its implications for gender equality with different indicators, such as the share of expenditure targeted on gender equality, gender balance in government jobs, contracts or training, or the share of public service expenditure mainly benefiting women.

Example

In **Morocco**, for the past three years government departments have been required to prepare a gender report for attachment to the annual national budget. 17 departments were covered in 2007. These statements have helped identify areas in need of remedial measures to achieve compliance with national commitments to women's rights. For example, analysing budget resources allocated to agriculture extension activities revealed that in 2004 only 9% of the beneficiaries of these services were women, despite the fact that they accounted for 39% of the total number of people engaged in rural economic activity. In response, the 2007 budget increased support for programmes benefiting rural women by over 50% compared with 2005.

Source: Kingdom of Morocco/Ministry of Finance (2008) Finance Bill for the 2008 Fiscal Year: Gender Report, available at http://www.gender-budgets.org.

Tool 7. Disaggregated tax incidence analysis

This tool is used to assess the differential impacts of taxation on women and men, as well as to evaluate the level of revenue raised in relation to the needs and demands for public expenditure.

Disaggregated tax incidence analysis examines both direct taxes (e.g. on income) and indirect taxes (e.g. user fees, value added taxes).

Example

In **Canada**, the Working Group on Gender Budgets at the Canadian Centre for Policy Alternatives – an independent think-tank supported by a wide range of civil society groups – assessed recent shifts in federal budgets in favour of tax cuts. They found that tax deductions and exemptions do not equally benefit women since the value of deductions and exemptions rises with taxpayers' marginal tax rate, and women are far more likely to be at the bottom end of the range of income earners.

Measures such as tax deductions and tax sheltering through Retirement Savings Plans (RSPs) and Registered Retirement Savings Plans (RRSPs) favour men heavily. Men received over 60% of tax savings from RSP deductions in 2002 and almost 70% from RRSP deductions. Hence the proposed increases to RRSP limits, such as those announced in the 2005 budget, benefit a small proportion of people earning over $100,000: only 1% of all female tax-filers are in an income category that could gain from the new savings limits, *vis-à-vis* about 5% of male tax-filers who could benefit from these increases."

Source: Lisa Philipps (2006). 'Gender Budgets and Tax Policy Making'. In Miranda Stewart, ed., Tax Law and Political Institutions. Annandale, Australia: Federation Press.

2. GRB and financing for gender equality priorities: a panacea?

GRBs have been presented as a promising mechanism to hold government and donors accountable for their commitments to gender equality and women's empowerment. They are not a panacea; in some cases they have helped channel development resources in a more equitable manner, but there still remain challenges to be addressed as GRBs are extended to new settings.

KEY POINTS

Some **good reasons for doing GRB** analysis, as discussed above, include the following:

- ✓ sustainable accountability requires consistent resources to be allocated to commitments to gender equality and women's empowerment such as the Beijing Platform of Action;

- ✓ national ownership can be broadened through capacity-development and funding for gender–sensitive analysis and participation;

- ✓ reforms of Public Financial Management Systems in favour of results-based outcomes create an opening for gender-responsive tools and mechanisms; this requires sex-disaggregated databases and indicators that are sustained over more than one cycle of the budget.

The **challenges confronting GRB** include:

- ✓ the limited impact of GRBs on macroeconomic policy, which is often shaped by international financial institutions and globalisation forces;

- ✓ the fact that to date there has been little practical linkage of budgets to rights commitments such as CEDAW;

- ✓ contradictions between, on the one hand, treatment of gender equality as an issue that cuts across sectors and ministries, and, on the other hand, the bureaucratic realities of line functions, departments and agents which mitigate against a broad, consistent approach;

- ✓ the difficulty of assessing the impact of GRBs, given the fact that policy change is often due to a range of forces and not to one single initiative.[23]

[23] Debbie Budlender (2004) Expectations versus Realities in Gender-responsive Budget Initiatives, Geneva: United Nations Research Institute for Social Development.