

# GENDER CAMPUS

THE GLOBAL DEVELOPMENT AGENDA:  
TOOLS FOR GENDER SENSITIVE  
PLANNING AND IMPLEMENTATION

TRAINING MODULE

CORE CONTENT

Mainstreaming Gender in Aid  
Programming and Delivery  
Mechanisms

Donor-led processes



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Training Module: Mainstreaming Gender in Aid Programming and Delivery Mechanisms

Gender Campus

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## LEARNING CONTENT

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## OVERVIEW

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This Module addresses the gender implications of those planning frameworks and aid delivery mechanisms used by donors to support national development plans and poverty reduction strategies.

The first part of the Module reviews donor harmonisation, which allows donors jointly to plan and establish a dialogue with partner governments on how to align their cooperation programmes on country priorities. Joint Assistance Strategies (**JAS**) are considered, along with the specific example of the European Commission's Country Strategy Papers (**CSPs**), as essential instruments for mainstreaming gender equality in development cooperation, in line with the EC's policy commitments on gender equality and women's empowerment.

The second part of the Module focuses on aid delivery mechanisms, sometimes referred to as "**Aid Modalities**" or "**Aid Instruments**"<sup>1</sup>. It provides the reader with the tools and knowledge necessary to understand how the plans and priorities agreed upon by both donors and governments are financed and how those financing modalities can bring about better integration of gender equality, and thereby provide the much-needed resources for meeting gender equality goals<sup>2</sup>.

This part includes a general description and sets out the rationale for the use of Direct Budget Support as the preferred aid modality for implementation of the Paris Declaration Principles, as well as a more detailed analysis and possible entry points for integrating gender into General Budget Support.

It then addresses the question of how Sector Budget Support – the funding modality for Sector Wide Approaches<sup>3</sup> – can be used to fund gender equality. The importance of Gender Responsive Budgeting as a tool for influencing these funding modalities is highlighted and relevant case studies are shared throughout the module.

Other funding modalities such as "basket funding" are reviewed in the final Unit. A brief description is also given of innovative funding modalities that can be used to ensure that donors provide funding in a coordinated and harmonised approach and in support of national gender equality programmes and goals in those cases where general budget support may not be the preferred funding modality.

<sup>1</sup> Aid Modalities express the way in which donor support is channelled to the activities to be funded. A basic distinction can be made between (1) budget support (which is integrated into the national budget of the recipient country and used according to national public expenditure management rules and procedures), (2) parallel support (which is kept separate from the general resources in the national budget but should still be reflected in the national budget, and which is used according to rules and procedures that may be more or less in conformity with those laid down in the national public expenditure management system), and (3) in-kind support (which enters the recipient country in the form of goods or services). The term "aid modality" is often used interchangeably with "aid instrument", a term sometimes used interchangeably with "aid modality" (see the above definition). Examples of "aid instruments" are Sector Programme Support (SPS), Sector-Wide Approach (SWAp), Mixed Credit, soft loan, bilateral technical adviser, etc. Aid instruments may operate through either one modality (e.g. bilateral advisers, which are one type of in-kind support) or more than one (e.g. SPS, which in principle may comprise both budget support, parallel support, and in-kind support) as defined above.

<sup>2</sup> It is imperative for the reader to familiarise with modules on "Financing Gender Equality Priorities" and "Mainstreaming Gender in Development Planning" respectively.

<sup>3</sup> SWAps have been discussed in detail in the Module "Mainstreaming Gender in Development Planning".

## PRE-REQUISITES

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Participants need to be familiar with the basic concepts and approaches related to development and poverty reduction, the different modalities for aid delivery, the role of gender equality in development, the definition of gender mainstreaming as a strategy, and the principles of aid effectiveness.

## LEARNING OBJECTIVE

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In this module participants will:

- ✓ consider how gender equality objectives and priorities can be incorporated in aid programming and development policy dialogue between donor and partner countries
- ✓ explore the rationale for Direct Budget Support, and the different forms it takes
- ✓ review and test tools for ensuring that gender equality is adequately reflected in Direct Budget Support, including both General and Sector Budget Support.
- ✓ appreciate other innovative funding modalities including basket funding, and how they can be appropriate for funding specific gender equality programmes.

## UNIT A. DONOR HARMONISATION OF AID PROGRAMMING

### Entry Points for Gender Equality

Donor harmonisation involves two or more donors moving closer together by

- a) sharing information, *or*
- b) adopting common systems and procedures, *or*
- c) adopting joint working arrangements that include shared decision-making.

This should be distinguished from the broader definition of aid coordination which is a process embracing both donors and partner governments and which should be led by partner governments.

Donor harmonisation will frequently be a second-best solution compared to aid coordination led by partner countries. But harmonisation can provide a useful route to stronger, more sustainable forms of aid coordination. Donor coordination can complement aid coordination by expanding the scope for joint working and by facilitating efficient systems and procedures.

Donor harmonisation includes joint analytical studies, joint review missions, joint evaluation, and establishment of sectoral technical theme groups, often incorporated into Joint Assistance Strategies (JAS). By moving away from individual donor-led projects towards programme-based approaches, the transaction costs for government of dealing with multiple donors should be reduced.

### 1. What does donor harmonisation look like?

The 2006 Malawi Development Assistance Strategy drafted by the Ministry of Finance has established a comprehensive set of indicators for harmonisation.

These are:

- ✓ Harmonisation of development partners' annual project work plans, including monitoring and evaluation systems and their alignment on the MGDS monitoring requirements.
- ✓ Holding of a Joint Country Programme Review (JCPR) every year, and linking annual sectoral reporting to the JCPR.
- ✓ Holding of annual sectoral reviews to feed into the JCPR process.
- ✓ Percentage of missions that are undertaken jointly between four or more development partners.
- ✓ Formulation of an annual development calendar to which development partners adhere.<sup>4</sup>

<sup>4</sup> AFRODAD (2007) *A Critical Assessment of Aid Management and Donor Harmonisation. The Case of Malawi*. African Forum and Network on Debt and Development.  
[http://realityofaid.org/downloads/aid\\_mgmt\\_malawi\\_final.pdf](http://realityofaid.org/downloads/aid_mgmt_malawi_final.pdf)

## 2. Why does donor harmonisation need to be gender mainstreamed?

Maximising donor effectiveness should also mean maximising the ability of donors to support the government in promoting gender equality, as a global and cross-cutting development goal. Donor harmonisation should lead to improved and measurable gender equality results. All areas included in donor harmonisation and discussed below need a gender focus.

The Development Assistance Committee (DAC) of the OECD set up a task force to assess how aid can be delivered more effectively through simplifying and harmonising donor procedures, setting out nine guiding principles on provision of co-ordinated aid. Each of these nine principles has important gender implications, as described in the Table below.

### The nine OECD/DAC guiding principles of providing coordinated aid: entry points for gender equality

| OECD Guiding Principle  | Gender entry points  |
|---|--|
| 1. Donors should support country-owned, country-led poverty reduction strategies, or equivalent national frameworks, and base their programming on the needs and priorities identified in them.   | Donors should ensure that poverty reduction strategies include adequate attention to gender equality.  |
| 2. Development assistance should be provided in ways that build up, and do not inadvertently undermine, partner countries' sustainable capacity to develop and implement these policies and account for them to their people and legislature. | Capacity to promote gender equality should be a key element of national capacity development strategies.   |
| 3. Co-ordination of donor practices enhances the effectiveness of aid, particularly for aid-dependent countries. Aid co-ordination should, whenever possible, be led by partner governments.  | Donor coordination should maximise the potential for promotion of gender equality.   |
| 4. Reliance on partner government systems, provided they are likely to ensure that co-operation resources are used for agreed purposes, is likely to enhance achievement of sustainable improvements in government performance.               | Reliance on partner government systems should not be at the expense of internationally-agreed mandates such as CEDAW and the achievement of MDG 3. |
| 5. Partner countries and donors have a shared interest in ensuring that public funds are used appropriately.  | Public expenditure on gender equality should be tracked and reported on as a indicator of accountability of public finance management systems.     |

|   |  |
|---|--|
| <p>6. Donors should work closely with partner countries to address weaknesses in institutional capacity or other constraints that militate against reasonable assurance of appropriate use of co-operation resources.</p>               | <p>The gender equality machinery (women's ministries and other institutions such as focal points in other ministries) should be included in these capacity development plans, so that they can adequately fulfil their institutional mandates.</p> |
| <p>7. The development of appropriate partner country systems will often be a medium-term process. Until donors can rely on them, they should simplify and harmonise their own procedures to reduce the burden on partner countries.</p> | <p>Long-term commitments to promoting gender equality are required by donors.</p>  |
| <p>8. No single approach is suitable for all countries. The manner in which harmonisation is implemented needs to be adapted to local circumstances and institutional capacities.</p>   | <p>Gender inequalities arise in different ways in different countries, and nationally-supported responses need to be sensitive to cultural contexts.</p>   |
| <p>9. Assistance for empowering of civil society and for supporting effective organisations representing the private sector also can enhance improvements in partner government performance.</p>  | <p>Organised civil society, women's organisations, workers' organisations and the private sector all need the capacity to support achievement of national gender equality mandates.</p>  |



### 3. Joint Assistance Strategies (JASs)

Joint Assistance Strategies (JAS) are currently being implemented in a number of countries<sup>5</sup>, requiring negotiations between donors and government partners on new ways of working, including a different division of labour between donors. The working structure often includes pillar and sector working groups to share information and, as far as possible, plan policy dialogue, financial support, and technical assistance between donors and with the government, civil society and private sector groups.

These new approaches provide both opportunities and challenges for pursuit of promoting gender equality through development effectiveness. More recent JAS such as those in Ghana, Kenya and Zambia (2007) have engaged with substantive development issues within the JAS document itself, rather than the earlier, more process-focused, JAS.

#### What does a JAS look like?

The Tanzania 2006 JAS was developed over a three-year time-frame through a consultative process, led by Government and with a Joint JAS Working Group. It involves 45 bilateral and multilateral donors. It is primarily focused on mechanisms and processes for more effective delivery of aid and outlines roles and principles in the context of how financial and technical assistance should be provided. National capacity development is a key element. The JAS discusses financing modalities, with general budget support as the preferred modality. From national to local level, the Government commits itself to assigning lead Government agencies in sectors and cross-cutting or thematic areas. The identified thematic or cross-cutting areas in the JAS are HIV/AIDS, gender, environment and public financial management. However only the last-mentioned is given due attention throughout the document.

#### Mainstreaming Gender Equality in JASs: challenges and opportunities

The findings of an Irish Aid study on six JAS showed that<sup>6</sup>

- ✓ Gender equality is identified as a cross-cutting issue in all JAS but the extent to which this is substantiated is variable. It appears most often as an element of the 'human development' pillar and least often in economic development. There is an increasing trend towards linking some gender issues to the governance agenda. JAS documentation includes many donor commitments to supporting capacity in statistics, data collection, analysis, monitoring and evaluation but none specify the inclusion of gender analysis within these programmes.
- ✓ The linkages with the cross-cutting issue are not always well-articulated in the JAS documents.
- ✓ Early engagement with, or review of, draft JAS documents by cross-cutting or thematic working groups and supporters can make a difference.
- ✓ It is important to spell out responsibilities and standards on gender equality for

<sup>5</sup> There does not appear to be a central source documenting all JAS, but currently they are operational in at least 10 and probably more countries.

<sup>6</sup> This Section is based on Gaynor, C. and M. Jennings (2008) *Cross Cutting Issues in Joint Assistance Strategies/Harmonisation Mechanisms: Gender equality, environmental sustainability, human rights and HIV/AIDS*. Desk Study for Irish Aid. Mimeo.

both lead and supporting partners in JAS, and across all sectors and issues.

- ✓ Division of labour between donors needs to take account of the best mix of skills for sector engagement and of the balance required between specialist sector technical skills and specialist cross-cutting issue skills.
- ✓ Where SWAPs are established, there tends to be involvement with sector ministries in policy dialogue.
- ✓ There is a need for more space for civil society engagement in policy dialogue and a building-up of capacity to take full advantage of it.
- ✓ There is a high risk of evaporation of gender equality components unless they are explicitly integrated into results frameworks.
- ✓ There is a notable trend towards identifying gender equality issues in the country analysis, in text boxes, and even under relevant issues identified in monitoring frameworks; however these do not necessarily translate into monitorable indicators.
- ✓ When no specific funds are allocated to gender equality, donor attention to the issue tends to decrease.
- ✓ Where there are difficulties in developing effective monitoring frameworks, there is a risk that gender equality will be excluded from interim monitoring arrangements.
- ✓ Independent monitoring mechanisms are also failing to capture gender equality issues.

The study also highlights issues that need to be kept in mind to improve the inclusion of gender equality in JAS, including the following:

- ✓ JAS documents need to make clear statements on “cross-cutting” issues and indicate how gender mainstreaming will be operationalised.
- ✓ A specific agency should be designated as lead donor for gender equality (the UN system in general often appears as the lead agency for gender).
- ✓ Harmonisation has opened up many policy dialogue spaces and fora but a “results” lens should also be applied.
- ✓ Those involved in JAS working groups or secretariats have to address the concerns of many lobbying and advocacy groups, while not overloading the JAS documents. Gender equality advocates must be able to provide good analysis and clear messages to ensure uptake of the issue in JAS documents. Alliances between those promoting gender equality, where there are common platforms, could achieve greater attention and potential rewards through combined efforts.
- ✓ There is a need for harmonised support for capacity-building that allows a comprehensive and sustained approach to building skills, systems and information on various issues including gender equality.
- ✓ There is a need to provide incentives for staff to engage with and follow through on gender equality in the context of the division of labour between donors.

- ✓ More should be done to track and share innovations and promising approaches to addressing gender equality in JAS.

## 4. The Country Strategy Papers of the European Commission

### Translating Policy Commitments into Harmonised Cooperation Programming

The European Commission has actively been supporting the Joint Assistance Strategy (JAS) at country level. To improve cooperation and harmonisation between the EC and the EU Member States, the EU adopted the Code of Conduct on the Division of Labour in Development Policy<sup>7</sup> in 2007, which proposes an inclusive approach to development cooperation open to all interested donors, whereby the primary leadership and ownership rests with the partner country government.

The EC has applied some of these guiding principles when developing its Country Strategy Papers (CSPs). CSPs provide a framework and strategic planning base for EC development cooperation in the country concerned. Based on the country diagnosis, discussions with partner countries, lessons learned from past and present cooperation, and the comparative advantage of donors, the CSP defines how the EC (and Member States in the case of joint programming) will support the partner country's efforts to achieve its development objectives.

CSPs are an essential instrument for the mainstreaming of gender equality across the whole spectrum of development cooperation. As they establish the main objectives and respective financial allocations which guide the cooperation process over a five-year period, lack of inclusion at this stage makes it extremely difficult to address systematically and adequately the funding needs of gender equality issues at later stages of implementation.<sup>8</sup>

CSPs are developed through consultation and dialogue between the EC Delegation and the relevant EC Directorates-General in Brussels, the Member States embassies, and government ministries and civil society in the partner country. This process provides an opportunity for political dialogue with partners in respect of the centrality of gender equality.

The EC, the EU Member States, the governments of developing countries, and other donors have all committed themselves to the same gender equality goals through a number of frameworks and processes (the Beijing Declaration and PFA, CEDAW, the MDGs, etc.). These commitments and their application in-country have to inform the political dialogue which is the basis for the development of the CSP. Each party can recall its own commitments to gender equality and take the opportunity of reminding the other parties to the discussion of the promises they also have made.

### Mainstreaming gender equality in the Country Strategy Papers

The CSPs consist of five main sections:

<sup>7</sup> COM(2007) 72 final

<sup>8</sup> Country Strategies are normally programmed over a five year period. The current CSPs mostly cover the period 2007 – 2010. To find out about the status of implementation of the EC cooperation strategy in your country consult:

[http://ec.europa.eu/external\\_relations/sp/index\\_en.htm](http://ec.europa.eu/external_relations/sp/index_en.htm)

- ✓ EC Cooperation objectives
- ✓ The partner country's national policy agenda
- ✓ Assessment of the political, economic and social situation
- ✓ Assessment of past and ongoing EC cooperation
- ✓ The EC response strategy

A **National Indicative Programme (NIP)** defining the appropriate measures required for attaining the objectives set down, and the related financial allocations, completes the CSP.

The EC Guidelines for the implementation of the Common Framework for Country Strategy Papers (2001) state that 'at every stage of execution of the activities previously reviewed, a number of cross-cutting concerns have to be mainstreamed: the promotion of human rights, equality between men and women, children's rights, and the environmental dimension'. The whole document should be informed by a preliminary country analysis comprising the gender dimensions. The gender analysis should be based on sex-disaggregated data and qualitative information relating to disparities between men and women..

### **Gender entry points in the CSP<sup>9</sup>**

#### **EC cooperation objectives**

The European Union's development policy takes a firm stand in support of gender equality as a key development objective. The EU and the EC are mandated to promote this important goal in a number of key policy and legal documents. This section should therefore make explicit reference to these policy statements and to the EC mandate to promote it through development cooperation.

#### **The partner country's policy agenda**

The national government's commitment to and follow-up of the Beijing process as reflected in the National Plan of Action for the achievement of gender equality should be set out here. The degree to which gender equality is integrated across other policy areas (e.g. poverty, trade, structural adjustment, etc.), in the National Development Plan (NDP) or in the Poverty Reduction Strategy Paper should also be noted, as well as gaps in gender equality policy formulation and implementation and the partner country's plans for addressing these gaps.

The partner country's commitment to women's rights issues as demonstrated through ratification of, reporting on, and realisation of CEDAW should be reflected in this section. Information on the national programme of activities relating to achievement of the MDGs - including MDG3 - and to reporting on progress towards achievement of those goals, should be included.

#### **Assessment of the political, economic and social situation of the country**

The assessment should include an analysis of the major gender equality issues at different levels and in different sectors. Information should also be given on major

<sup>9</sup> The *Toolkit on Mainstreaming Gender Equality in EC Development Cooperation* (2007 rev. ed.) provides detailed instructions for EC staff to integrate gender equality in CSPs. It also provides details on the key EU and EC policies in this regard.

structures and institutions working on gender issues (e.g. NWMs) and any major programmes, past or ongoing, concerned with gender equality.

Statistical data should be disaggregated by sex and more qualitative information should be provided, so as to identify inequalities and establish indicators that point to progress towards achieving equality. Very often sex-disaggregated data are available for health and education sectors, but are lacking or less detailed with respect, for example, to economic participation - particularly by the informal sector. Data needs should also be identified, as well as needs for strengthening the capacity to compile and analyse data from a gender perspective.

### **Summary of past cooperation**

EC and other donor measures relating to achievement of gender equality in the country should be reported on here, including women-specific programmes and those aimed at capacity-building for gender mainstreaming through training, strengthening of statistical capacity and qualitative databases, legislative reform, programmes to enhance women's decision-making roles, information sharing and networking, and so on.

### **EC response strategy**

The formulation of the response strategy should flow as a direct consequence of the gender-sensitive analysis undertaken in previous parts of the CSP.

The cooperation principles and objectives should include gender equality as a goal in itself as well as essential to the achievement of other objectives.

EC cooperation is concentrated in a limited number of main "focal sectors", jointly determined with the partner country, such as education, health, transport, and general budget support. With some rare exceptions, gender equality has not been considered a "focal sector". This makes it extremely important to ensure that gender equality is an integral dimension of every area or sector to be supported, and is reflected at micro, meso and macro levels irrespective of the aid delivery method chosen (project approach, general or sector budget support).

It is important to reiterate here that both gender-specific and gender mainstreaming measures are relevant to achievement of the gender equality objective. Both specific measures and gender mainstreaming activities need to be based on a gender analysis.

Complementarity, harmonisation and division of labour with the work of Member States and other donors with respect to gender equality should be detailed here.


### **The National Indicative Programme (NIP)**

The NIP makes operational the analysis, priorities, and conclusions of the CSP. The NIP identifies and defines the appropriate measures for attaining the stated objectives, and the related financial allocations. The NIP should therefore cover the operationalisation of the objectives relating to promotion of gender equality and women's empowerment. The NIP must be consistent with both the strategic analysis and the response strategy; therefore it is critical that parts of the analysis, conclusions and choices relating to gender equality as stated in the CSP are carried forward and not allowed to 'evaporate'.

The NIP should reflect the fact that gender equality is a goal in itself as well as essential to the achievement of other goals. The NIP should define specific objectives and expected results for each area of cooperation, following the principle that objectives define linkage to gender equality policies, and results reflect equal

benefits to women and men. Main performance and outcome indicators need to be disaggregated by sex. The specific objectives and expected results for each area of cooperation in the NIP can be measured according to whether they reflect gender equality issues in its objectives. That gender equality has been included in all areas of the NIP rather than as a separate section is always a good indicator of gender mainstreaming.


An important entry point for gender mainstreaming is the allocation of resources for supporting national capacity-building in development programming and public expenditure management.

 **Tool T6. Working in partnership to keep gender on the policy agenda** gives useful tips to those engaged in donor-partner country dialogue on development priorities.

### **Ensuring gender-sensitive stakeholders' participation in EC country programming**

The CSP and the NIP should to be developed through consultation and coordination with country stakeholders. However, given that the lead partner for EC dialogue is the country's government, the degree of participation in the formulation of the CSP depends on the partner government's willingness to include civil society. Most frequently stakeholders from civil society are consulted at the diagnostic phase of the CSP, while negotiations on priorities, aid strategies and aid modalities in the NIP tend to be held only with a more selected group of government officials from the "National Authorising Office" (most frequently the Ministry of Finance). The importance of the presence of gender expertise both from the EC and Government sides in this context is crucial.

Tools that can be used to improve gender participation in this process include:

 **Tool T1.** Promoting gender equality through stakeholder participation.

 **Tool T2.** Increasing gender influence in policy-making.


### **The Mid-Term Review of the CSPs: fresh opportunities for gender equality**

The Mid-Term Review process of the Country Strategy Papers is an important entry point for gender mainstreaming as it involves all stakeholders in:

- ✓ keeping the strategy in line with developments in the country brought about by internal, regional or external events, including the Poverty Reduction Strategy Process where it exists;
- ✓ taking into account and operationalizing as far as possible new EC policy initiatives and commitments that have an impact on third countries or, more generally, at international level, while fully respecting the principles of ownership and concentration of aid, the objectives and priorities of Community development policy, and the specificities of the relationship between each partner country and the EC;
- ✓ assessing results and performance and drawing lessons;

- ✓ improving the quality of strategic documents, including correcting any weaknesses in the existing CSPs.<sup>10</sup>

National gender equality institutions and other women's groups should make sure that this important opportunity is not missed by lobbying for inclusion in the process and liaising with EC staff responsible for gender issues in Delegations and at Headquarters levels.<sup>11</sup>

 **Tool T7. Grid for Mid-Term Review of Country Strategy Papers** provides guidelines for assessing possible gender equality implications during the MTR, as well as indications for gender mainstreaming in each chapter of the CSP.

<sup>10</sup> Internal EC assessments of CSPs in 2001 and in later years at MTR and programming stages concluded that the link between gender and poverty needed to be strengthened, that gender mainstreaming efforts would be particularly important in sectors of heavy concentration such as transport and macroeconomic support, and that more work was needed with respect to the links between gender and trade and between gender and conflict. Gender equality mainstreaming in the national budget process also required further elaboration. Gender desks in EC Headquarters in Brussels are available to support EC Delegations in these tasks.

<sup>11</sup> NGO coalitions and the Joint Parliamentary Assembly have expressed concerns in relation to the degree of civil society participation in CSP and NIP priority setting, in relation to the programming of the 10<sup>th</sup> European Development Fund. To know more on how to influence the next MTR consult: [www.concordeurope.org/Files/media/internetdocumentsENG/4\\_Publications/3\\_CONCORDs\\_positions.../10th-EDF-Review-ENG.do](http://www.concordeurope.org/Files/media/internetdocumentsENG/4_Publications/3_CONCORDs_positions.../10th-EDF-Review-ENG.do)

## UNIT B. AID DELIVERY MECHANISMS

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### 1. Direct Budget Support (DBS)<sup>12</sup>

#### The Paris Declaration and Why Direct Budget Support

The 2005 Paris Declaration on Aid Effectiveness calls for improved policy and institutional mechanisms for increasing the effectiveness of development cooperation and improving the delivery of aid. The subsequent policy commitments of both donors and partner countries to promoting aid effectiveness are guided by the five overarching principles of the Paris Declaration: ownership, alignment, harmonisation, managing for results and mutual accountability. Targets were set to be achieved by 2010 for each principle, and a set of 12 indicators was developed to monitor progress under each of these targets.

The past few years have seen an increased use of Direct Budget Support as the “Preferred Aid Modality”. However, the use of DBS is based on the assumption that developing countries meet certain conditions, which include a reform of the public finance management system, and adoption of more transparent governance processes including the participation of non-Government actors including civil society organisations in budgetary matters and monetary reform processes. Reviews of the implementation of the Paris Declaration in 2006 and 2008 through the OECD Monitoring Surveys have revealed uneven progress in implementation of the five Principles. Developing countries have identified donor conditionalities, unpredictability of aid flows, and lack of balance in aid allocations as key challenges to achieving aid effectiveness and progress in achieving national targets relating to poverty reduction and human development. One of the key demands put forward by developing countries is the need to increase aid in support for building up the capacity of national governments and other key stakeholders including civil society, local government and national parliaments in the areas of aid analysis, policy formation, negotiation, and evaluation of results. Such increased capacity will ensure country ownership of the development agenda.

While the Paris Declaration did not explicitly address gender equality, implementation of its principles by donors and national governments has significant implications for gender equality. Given the key role that women play in the development process, a technocratic, ‘gender-blind’ interpretation and subsequent implementation of the Paris Declaration principles jeopardises achievement of the commitments enshrined in the Millennium Development Goals and of national development priorities. It erodes the whole essence of ‘development effectiveness’. For the aid effectiveness agenda to result in overall gains in gender equality and women’s empowerment, these goals must be recognised as a key component of national development planning, including poverty reduction strategies. As such the application of the principles should directly address the gaps and inequalities that are inherent in national development processes, while at the same time taking into account the contributions that women can make to national development and poverty reduction.<sup>13</sup>

#### What is Direct Budget Support?

Direct Budget Support (DBS) represents aid funding to the overall budget with no

<sup>12</sup> The terms Direct Budget Support and General Budget Support are used interchangeably.

<sup>13</sup> Chiwara L. and Karadenizli M: 2008; “Mapping Aid Effectiveness and Gender Equality: Global Findings” at [www.gendermatters.eu](http://www.gendermatters.eu).



formal limitation on where funds may actually be spent.<sup>14</sup> This represents a shift away from aid funds earmarked to specific projects or expenditure items. It is disbursed through the government's own financial system. This form of aid supplements taxes and becomes part of the regular financial reporting system of government.<sup>15</sup>

Although the funds are not earmarked, they are part of a package which includes dialogue and conditions, technical assistance, capacity building, and donor efforts to harmonise their aid and align it with government strategies and procedures. Through the new aid modalities donors can align their funding on the national poverty plans directly into the national budget *via* either General or Sectoral Budget Support (GBS or SBS).

While several forms of budget support have existed for some time – for instance, general budgetary grants to former colonies and debt relief funds to service developing countries' debts – the more recent forms of budget support have focused more directly on the government budget. More specifically, GBS has been seen as supporting nationally-owned poverty reduction strategies through strengthened national capacity.

Of the two components of budget mentioned above, sector budget support (SBS) focuses donor support on entire sectors in a country such as health or agriculture and will be discussed in the next section of this Module. Recently the European Commission has proposed a new GBS modality – MDG Contracting – where GBS would be targeted on specific MDG areas such as health and education.

Budget support can provide opportunities for promoting greater gender equality in support of poverty reduction goals, for example by increasing budgetary transparency in tracking resources and by making decisions on the allocation of government monies more transparent. However the nature of budget support also involves inherent risks if the overall poverty reduction strategy is gender-blind or limited in the scope of attention paid to gender issues.

Recent reviews of Direct Budget Support conclude that this form of aid delivery can only be gender-sensitive if the PRSP is also gender-sensitive, or if Gender Responsive Budgeting (GRB) is used to mainstream gender in national development policies.

## 2. General Budget Support (GBS)

### General Budget Support: why and what are the challenges?

*“The shift towards General Budget Support is largely due to two problems associated with more traditional forms of aid provision. These relate to problems with projects and the failure of policy conditionality.*

*By working outside government systems, in particular the systems of budget planning and execution, accounting, procurement and performance management, aid projects not only missed the opportunity to assist in strengthening government systems, but actually undermined them. It was also clear that so long as aid was fungible, there was little point focusing only on the outcome of aid projects.*

<sup>14</sup> See EC (2007) Aid Delivery Methods: Guidelines on the Programming, Design and Management of General Budget Support, Brussels.

<sup>15</sup> Mariama Williams (2007) *Civil Society and the New Aid Modalities: Addressing the challenges for Gender Equality, Democracy and Participation*, Commonwealth Foundation, Eight Commonwealth Affairs Ministers' Meeting, Kampala, Uganda, June, available at <http://www.igtn.org/pdfs>.

*Conditional aid was intended to buy reform. However, empirical studies have found that policy conditionality has been fairly ineffective. In particular, where an effective local constituency in support of reform has not been in evidence, policy reforms have not worked.”<sup>16</sup>*

*“General Budget Support normally comprises the following elements:*

- 1. funds are disbursed in different tranches linked to the fulfilment of objectives, the policy dialogue,*
- 2. the conditions attached to the support, and*
- 3. technical and/or capacity building linked to public financial expenditure management.*

*General Budget Support has two specific characteristics that are potentially promising for promoting economic development:*

- 1. funds are channelled directly to the government to be used in terms of domestic allocative, procedural and accounting systems; and*
- 2. it is un-earmarked and thus not linked to a specific project.*

*GBS therefore can add to the national resources available for allocation through the national budgetary process. If the principle of alignment, which is supposed to underlie this flow of funds, is faithfully adhered to, then GBS will be supportive of economic development. Resources would be directly linked to national development plans. Further, the process of harmonisation would ensure the enhancement of state institutions. All this can only enhance economic development.*

*However, if GBS is dominated by the priorities of donors or multilateral agencies, it can be counterproductive to the economic development process in partner countries. This can occur in the context of the policy dialogue and conditionality underlying the aid effectiveness framework. In general, the policy dialogue is expected to focus on financial management and the effectiveness of overall budget. But funds are disbursed in different tranches linked to the fulfilment of objectives and the policy dialogue between government and donor, which is tied to donor participation in review of government economic development strategies. There is also monitoring in the form of evaluation of public financial management and accounting systems. Conditions may be attached to support in a Memorandum of Understanding. Thus GBS is tied to conditionality as devised by the World Bank and IMF. Ultimately funds can be frozen if conditionalities are not met. This can create problems for the overall budgetary process and development in the long run.”<sup>17</sup>*

### **Why is it important to integrate gender equality into General Budget Support?**

The ability to track budgetary resources is important for determining how effective these new aid modalities are for meeting the development needs of all members of society, women and men. It cannot be automatically assumed that GBS is able to promote the advancement of equality between women and men, nor that it is

<sup>16</sup> David Hoole (2002) European Forum on Rural Development Cooperation, Montpellier, 4-6 September Oxford Policy Management [www.ruralforum.info/papers/hoole1en.pdf](http://www.ruralforum.info/papers/hoole1en.pdf)

<sup>17</sup> Mariama Williams (2007) Civil Society and the New Aid Modalities: Addressing the challenges for Gender Equality, Democracy and Participation, Commonwealth Foundation, Eight Commonwealth Affairs Ministers’ Meeting, Kampala, Uganda, June, available at <http://www.igt.org/pdfs>

gender-neutral – that is to say it has no differential effect on women and men.

Two specific issues are important to consider in this context:

- ✓ First, in many poor and low-income countries there is a high dependence on public service financing through aid flows such as GBS. It is therefore important to be able to assess the extent to which GBS enhances the provisioning of affordable and good-quality essential public services such as health, education, access to water, energy and sanitation. Research has consistently shown that these areas directly impact on women's social and economic empowerment and have important gender dimensions.
- ✓ Second, there is the question of the extent to which GBS will be used to finance targeted gender equality interventions. These continue to be important because women and men, boys and girls often have different social and economic needs and capacities.

In general, it will be important to determine whether the use of GBS will encourage increased national investment in achievement of the MDGs and other key gender equality and human rights agreements.

The new aid modalities raise new questions about where the spaces are for determining national development plans, priorities and strategies, as well as who the stakeholders are and their capacities to engage in this process. The extent to which women and gender equality interests are represented can range from formal engagement of the national gender machinery to inclusion of gender expertise or consultation of gender advocates at all stages in the preparation of national budget support agreements.

### Key stakeholders in GBS processes

- ✓ The actors engaged in GBS are – or should be - much the same as those involved in developing a PRS strategy for the country. The extent to which cross-cutting social issues are priorities in national development strategies and to which government programmes take these forward is determined by the relative interests, capacity and influence of key actors in policy development and implementation. While some stakeholders may have a strong commitment to goals such as gender equality, they may lack the capacity to engage effectively with policy makers or to influence the political process to ensure that their interests are reflected in it. Also the institutional framework – the formal and informal rules – including legislation, regulations, organisational procedures and social-cultural norms has a direct impact on how stakeholders can engage in policy processes.<sup>18</sup>

### Donors:

- ✓ Donors play a key role in providing GBS and have the potential to influence national policies processes in the dialogue stages of establishing a GBS policy. They may also have influence over the process of resource allocation through the provision of technical assistance (this is also the case for international organisations such as the World Bank and the United Nations as well as

18 OXFORD POLICY MANAGEMENT (2008) MAKING AID MORE EFFECTIVE THROUGH GENDER, RIGHTS AND INCLUSION. ADDITIONAL CASE STUDIES. available at <http://www.oecd.org/dataoecd/47/17/41047158.pdf>, offers a wide range of examples of the interaction between the aid effectiveness agenda as it is being taken forward through the Paris Declaration, and efforts to address rights, gender and equity issues.

bilateral funding agencies such as Canadian CIDA for example – see the discussion of PRS stakeholders in Module 4 for further details). The relevance of the Paris Declaration and the use of new aid instruments such as GBS which directs aid flows into the national budget can affect the balance of interests, capacities and influence through, for example, changing the institutional framework. For instance changes in the national policy process might occur through a more participatory approach to policy making and priority setting and this can influence the priorities that emerge from the process.

#### **Government:**

- ✓ Based on the Paris Declaration principle of national ownership, the government of each country is to be the leading actor in the GBS process. However, a distinction needs to be drawn between different branches of government. For example the legislative branch is supposed to set policy priorities that reflect the interests of the population and hold the executive to account. Different levels of government (national and local) also have different interests, capacities and influence. Within the executive some ministries and agencies are responsible for sectoral policies (see the discussion on SWAPs in this Module), some for overall national policies and resource allocations, and some for crosscutting social goals such as gender mainstreaming. In most countries the Ministries of Finance or of Economic Planning take the lead in the discussions and negotiations on GBS.

#### **Civil Society:**

- ✓ The range of civil society stakeholders who participate in the GBS process - such as NGOs, community-based organisations, trade unions, religious organisations, ethnic associations, academic institutions, and members of the private sector, the media and the press, as well as individuals – has so far been fairly limited. As with PRSs, there is no standard for assisting countries in making decisions about the participation of members of civil society in their national GBS process, even though donor financial support is based on such involvement.


#### **How is the cooperation between these stakeholders organised?**

The national government leads the process. It is responsible for organising events – such as conferences, seminars or workshops – in which civil society representatives participate, with the aim of offering the opportunity for open discussions and exchange of information. Gaps in a country's institutional capacity and governance will determine the extent to which capacity building is part of the GBS process.

In some countries for instance, civil society organisations (**CSOs**) coordinate their own consultative and participatory process by establishing networks, raising awareness on their behalf and trying to persuade policymakers. This is especially important in the case of integrating gender equality issues into macroeconomic policy discussions since formal processes often exclude such discussions from the dialogue process. That is why it is important to introduce key questions relating to the gender-responsiveness of macro planning (see below).

#### **Tips for increasing representation of gender equality advocates in these processes:**

 **Tool T1.** Promoting gender equality through stakeholder participation

 **Tool T2.** Increasing gender influence in policy making

### How to integrate gender in a GBS agreements: key stages and steps to be taken<sup>19</sup>

Aid that is channelled through GBS is usually directly addressed against the PRSP and its associated monitoring framework using poverty-related indicators. In this sense much of the discussion of entry points for gender-responsive analysis and engagement overlaps with and is often expressed through the PRSP planning process.<sup>20</sup> GBS represents the way in which policy priorities are funded. Therefore the discussion on how to make GBS gender-sensitive needs to focus on development of a gender-responsive budgeting (GRB) policy and how that can be linked into other ongoing processes of implementation and evaluation.

Since GBS is meant to support poverty reduction and sustainable national development strategies, PRSPs and formalised sector working groups offer important opportunities for integrating gender equality concerns.



#### Example

In some countries gender working groups have been set up to feed into the progress of national development planning. For example, in Tanzania the National Women and Gender Policy of 2000 provides guidelines on women and gender development, including integration of gender equality in policies, plans, development strategies and action plans in all sectors and at all levels. Gender is now mainstreamed in MKUKUTA (the national development programming framework). The Gender Macro Working Group – Macro Policy (MWG –MP), is a government-led forum for dialogue through which government and other key stakeholders including CSOs share and discuss policy-related matters for joint decisions. The group has developed a division of labour matrix which shows agency status (lead, active, delegated) and assigns responsibility to each donor agency for following up on gender issues in sectors and thematic areas.

Source: Victoria Mushi, 2007. *Joint Assistant Strategies – a way to advance cross cutting issues? Advancing Gender Equality under JAS in Tanzania, Workshop on Development Effectiveness In Practice: Applying The Paris Declaration To Advancing Gender Equality, Environmental Sustainability And Human Rights*, Dublin, Ireland 26-27 April 2007. [http://www.oecd.org/document/11/0,3343,en\\_2649\\_3236398\\_38414795\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/11/0,3343,en_2649_3236398_38414795_1_1_1_1,00.html)

<sup>19</sup> This section largely draws from and adapts a document developed for the UK Department for International Development and Irish Aid: Hanrahan D. and Green K. (2007) Environmental Review of Budget Support Programmes: Guidance for Non-Specialists <http://www.povertyenvironment.net/?q=filestore2/download/1492/HanrahanGreen-environmentalReviewofBudgetSupportProgrammes.doc>

<sup>20</sup> Gender analysis of a GBS agreement will use similar tools as the ones used in gender analysis of a poverty reduction strategy. This part of the Module should be therefore considered as complementary to the Module on Mainstreaming Gender in Development Planning.

Integrating gender equality into GBS discussions requires supporting information and analysis, which needs to be used at the different stages of negotiation of the GBS. The following table provides practical suggestions for donors or other actors directly engaged in the preparation of a GBS agreement, including on possible sources of expertise and information.<sup>21</sup>

| Stage                              | Steps required and possible sources of information  |
|------------------------------------|---|
| 1. Concept stage                   | <p><b>Consider relevance of gender equality issues.</b> Is there any existing gender based analysis or review? Do country documents such as Poverty Reduction Strategy Papers (PRSPs) or donor Country Strategies identify critical issues relating to gender equality and women's empowerment that may need to be taken into account?</p> <p><b>Identify existing assessments of the gender equality situation in the country.</b> These could include Country Assistance Strategies, Country Gender Analysis Reports (including CEDAW reporting), PRSPs, and Public Expenditure Reviews. Check for relevant work by national agencies, universities/ research institutes, relevant NGOs or other donors.</p>  |
| 2. Early donor meetings            | <p><b>Discuss need for formal monitoring and review to determine whether GBS enhances gender equality goals.</b> Determine whether donors are intending to undertake formal reviews (e.g. World Bank under their own requirements). Obtain information on any relevant activities government, other donors or agencies may be carrying out to incorporate gender and women's empowerment into development of national plans and PRSPs.</p> <p>Agree on which donor will take the lead on addressing the gender equality aspects of this operation, on what specific documentation or outputs are to be produced, and how this will be shared and reviewed.</p> <p><b>Decide if formal screening of the GBS operation is required and what, if any, inputs from a Gender Equality Specialist are needed. Discuss with other donors and reach explicit agreement on who does what and the expected outputs.</b></p> |
| 3. Government to Donor Discussions | <p>Initially, put on the agenda a discussion of potential gender equality aspects, recalling common commitments to international instruments (CEDAW). Request relevant information and inputs from responsible Government agencies. Agree on counterparts and on coordination mechanisms.</p> <p><b>Record donor and Government positions on relevance of gender equality aspects. Agree and record extent of preparation work related to gender equality and who will carry this out.</b></p> <p>Ensure that agreed work on gender equality is carried out, providing specific inputs if and when requested. <b>Review material produced to ensure that coverage is as agreed and that quality appears reasonable (to non-specialist).</b></p>   |

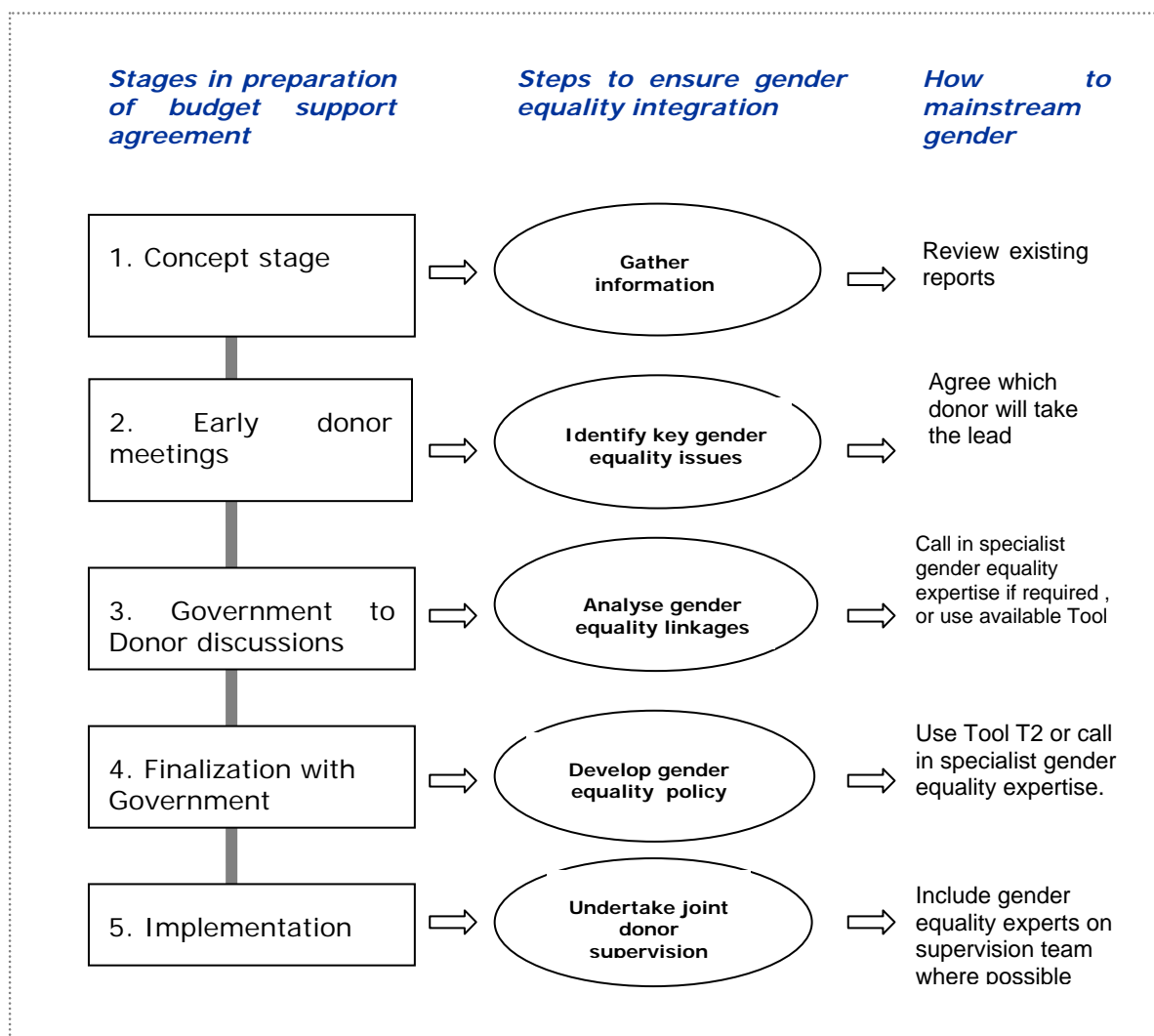
<sup>21</sup> Hanrahan D. and Green K. (2007), o.c.

|  |   |
|--|---|
|  | <p>Provide input and feedback to lead donor as requested or needed. Identify issues to be raised with Government.</p> <p>Finally, discuss and agree on critical gender equality issues to be raised as part of budget operation finalisation, including specific inputs for the programme matrix. Identify any technical assistance or other complementary actions (e.g. capacity building) that may be proposed and how these would be funded and managed.</p> |
| <b>4. Finalisation with Government</b> | <p>Discuss outputs of agreed gender equality review and agree with Government whether and how specific gender equality priorities are to be addressed. <b>Ensure that agreed and appropriate actions – including monitoring indicators – are included in the project documentation including the programme matrix.</b> Discuss and agree complementary measures such as Technical Assistance, if needed.</p>  |
| <b>5. Implementation</b>               | <p>Ensure that progress against gender equality objectives is monitored and reported, generally through a mechanism of <b>joint supervision missions</b>. Identify shortfalls or issues that need to be further addressed in future operations.</p>   |

The figure below summarises the steps that can be taken to integrate gender in the early stages of discussions of GBS agreements.<sup>22</sup>

<sup>22</sup> Adapted from Hanrahan and Green (2007) *Environmental Review of Budget Support Programmes*.

## Gender entry points in GBS preparation



## 3. Sector Budget Support (SBS)

### What is Sector Budget Support? What are the Potential Benefits?

**Sector Budget Support** is Direct Budget Support from a donor and or a group of donors channelled into the general treasury account of a recipient country where, as an integral part of the resources therein, it co-funds the national budget of a particular sector. The support is thus nominally earmarked, but the financial resources thus received are part of the global resources of the recipient country and are consequently used in accordance with the public finance management system of that country. The transfer of resources takes place in the context of dialogue, harmonisation, alignment and capacity development.

The processes, key stakeholders and entry points for integrating gender equality are similar to those discussed under Sector Wide Approaches<sup>23</sup> and in principle this

<sup>23</sup> See Module on Mainstreaming Gender in Development Planning.



funding modality follows almost the same processes as those described under GBS, with the exception that SBS is specifically earmarked to a sector.

Specific attention is given to the EC, which has adopted SBS as its preferred financing modality and has identified a series of potential benefits as presented in Box 1 below.<sup>24</sup>



## Potential Benefits of Sector Budget Support

Budget support used in the context of sector programmes has a number of potential benefits including:

- ⇒ **Strengthening of ownership**, as it supports implementation of the partner government's sector programme.
- ⇒ **Better framework for public policy and public expenditure**, by integrating donor support into the budget of a country.
- ⇒ **Increased coherence**: by bringing "on-budget" what was often "off-budget" it increases the potential for achieving a more coherent mix between sectors, and between different types of expenditure (capital/recurrent, wage/non-wage)
- ⇒ **Lower transaction costs for the partner country**: by using national systems, the transaction costs of delivering aid as budget support are potentially lower than for other forms of aid.
- ⇒ **Greater harmonisation of donor practices and alignment** around national systems.
- ⇒ **Strengthening accountability**: donor funds are integrated in the national budget and therefore subject to the same scrutiny as domestic resources.
- ⇒ **Improved efficiency and sustainability**: by using national systems donors contribute to improving them and the likelihood of lasting effects is greater.

Source: EC, Programming Guide for Strategy Papers, Programming Fiche, Sector Budget Support, November 2008. [http://ec.europa.eu/development/icenter/repository/F46\\_SBS\\_fin\\_en.pdf](http://ec.europa.eu/development/icenter/repository/F46_SBS_fin_en.pdf)

## Challenges arising from effective inclusion of gender equality in SBS

**Policy conditionalities.** Donors have developed a set of eligibility criteria or conditionalities which a partner country has to meet before it will be granted budget support, mainly relating to developing sound macro-economic policies, improved public financial management and accountability and, in the case of SBS, well defined sectoral policies or strategies.<sup>25</sup> Often donors have continued to press for inclusion of their favoured issues, leaving sector ministries with long lists of issues

<sup>24</sup> [http://ec.europa.eu/development/icenter/repository/F46\\_SBS\\_fin\\_en.pdf](http://ec.europa.eu/development/icenter/repository/F46_SBS_fin_en.pdf).

<sup>25</sup> For example, the ACP-EC Cotonou Partnership Agreement which governs the cooperation between the EU and the African, Caribbean and Pacific countries states that direct budgetary assistance in support of macroeconomic or sectoral reforms shall be granted where (i) public expenditure management is sufficiently transparent, accountable and effective; (ii) well defined macroeconomic or sectoral policies established by the country itself and agreed to by its main donors are in place; and (iii) public procurement is open and transparent (Art. 61/2).

to address through an already fragile planning, budgeting and M&E system. The recent High Level Forum on Aid Effectiveness noted that there is a need to move from a focus on inputs and conditionality to mutual accountability for results. Instead of applying policy, input or process conditionality, sector actors should agree on a set of results to be achieved, their specific roles and responsibilities in delivering whatever is necessary to achieve these results (including financing), and on this basis hold each other to account, including on issues such as gender equality, human rights and environmental sustainability. Mutually-agreed performance indicators provide better incentives than imposed conditionality or donor micro-management.<sup>26</sup>

**Reduction of the flexibility provided by project-based funding** that has hitherto enabled women's and civil society groups to obtain funding for innovative projects: since the adoption of the Paris Declaration a number of women's organisations, researchers and development practitioners have raised questions and concerns about the impact that the changed approaches to delivering aid have had on the funding available to women's rights organisations and on the relationships between CSOs and donors.<sup>27</sup>

**Negotiations between donors and governments** have often restricted the political scope for gender equality advocates and civil society participating in development planning.

**Institutionalisation of mechanisms for inclusion of marginalised groups** including women's organisations in planning and M&E; initiatives that make relevant disaggregated data available in a cost-effective manner; and the subsequent use of such data in decision-making processes; all together constitute a challenge for integration of gender equality into the various planning processes.

**Ministries of Finance** and in some cases sector ministries (say of health and education) tend to be powerful actors in determining funding priorities, and these ministries often are unaware of gender equality as a development issue, as indeed are many staff from the donor side.

**Creation of "Aid Orphans"**, whereby donors favour certain themes at the expense of others. For example in Zambia, while gender equality was recognised as a sector, when it came to donors taking the lead in ensuring funding for the different sectors, no donor was prepared to take the lead and so gender equality became an "Aid Orphan".

The **tendency to centralise the use of resources** and set up cumbersome financial management arrangements: the administrative arrangements in many SWAps therefore become burdensome for some partners and particularly for women's organisations and gender equality advocates who might not have the capacity to participate adequately in macro-economic technical discussions.

**Donors failing to align aid with national development priorities** or use country systems: findings from mapping studies done in four countries in Africa<sup>28</sup> revealed that donors were still using different procedures and mechanisms and were reluctant to align on national procedures unless governments first acted to

<sup>26</sup> Accra 3rd High Level Forum on Aid Effectiveness. Round Table 8: Enhancing Results by Applying the Paris Declaration at Sector Level. Final Outcome Document. available at: <http://www.idlo.int/docnews/2008AccraOutcome.pdf>

<sup>27</sup> DAC GENDERNET, Issues Brief 3 – Innovative Funding for Women's Organisations, July 2008.

<sup>28</sup> Jacinta Muteshi, PhD; March 2008; Mapping Aid Effectiveness and Gender Equality in Africa Regional Issues and Trends. [www.gendermatters.eu](http://www.gendermatters.eu).

improve governance and financial management systems. This has often meant that even in instances where partner countries have incorporated gender equality into poverty reduction strategies, donors have generally not aligned their support on specified gender equality outcomes.

Despite the many efforts to adopt gender mainstreaming approaches into development cooperation, in which the underlying differences in women's and men's resources, power, constraints, needs and interests are explicitly recognised, **existing SWApS in the areas of education, health and agriculture sectors focused on narrowly defined investments in women and girls** rather than addressing the underlying conditions that produce unequal access for males and females. One challenge in establishing SWApS is the taking of a comprehensive approach to the socio-economic conditions that perpetuate inequality and low productivity, and translating this understanding into effective sector-wide programmes, budgets and monitoring systems.<sup>29</sup>

*Some of these challenges are illustrated in the case study on Kyrgyzstan presented at the end of this module.*

### **Integrating Gender into SBS – Possible Entry Points**

The approach to development cooperation advocated by the Paris Declaration implies a change in the roles and responsibilities of donors and partner countries when setting priorities for funding. Donors activities are limited to *ex ante* analysis of the quality of the partner country's policies, focusing on their content as well as on the underlying processes of policy-making, capacity-building, monitoring and evaluation.

The extent to which SBS can provide the necessary resources to achieve gender equality goals depends:

- ✓ first, on the level of integration of gender equality in the overall country-led PRS or SWAp;
- ✓ second, on the extent to which gender equality has been duly prioritised in aid programming frameworks negotiated between donors and partner countries (see Unit A above).

SBS represents donors' support for actual implementation of these country-led processes. In accordance with the principle of managing for results and mutual accountability, SBS is linked to the possibility of donors and partner countries jointly monitoring the degree of achievement of planned mutually-agreed results. In this context **gender responsive indicators** and **gender responsive budgeting** are the key tools donors and other actors need to monitor how governments match their policy commitments to gender equality with adequate funding.

The remaining part of this section offers some specific entry points where influence needs to be exerted during negotiation, implementation and monitoring of SBS programmes.

<sup>29</sup> Gender Equality in Sector Wide Approaches; A Reference Guide; DAC, OECD, June 2002  
<http://www.oecd.org/dataoecd/24/17/1956174.pdf>

## Influencing the Eligibility Criteria for sector budget support – the case of the European Commission

The EU's development policy (the "European Consensus on Development") indicates that SBS is the preferred modality for EC funding of development cooperation interventions. Whether its use is possible in practice depends on the outcome of an assessment of three eligibility criteria:

- (1) a well defined sectoral policy;
- (2) a credible and appropriate programme for improving public financial management; *and*
- (3) a stability-oriented macroeconomic policy in place or under implementation.<sup>30</sup>

Each of these criteria represents an "area for *ex ante* assessment", where gender equality as a critical precondition for programme sustainability needs to be duly taken into account.

### (1) A well defined sectoral policy is in place or under implementation

The main purpose of SBS is to support a nationally-owned sector programme which stems from a sector policy. The eligibility criterion requires that this sector policy is assessed and that the result of the assessment is positive: the principal donors have to share the objectives and approaches of a sector policy if they are going to engage as reliable partners in its implementation.

The assessment of the sector policy should include a review of the extent to which gender equality principles and goals articulated at national level are reflected in the policy.

#### Key Gender Equality Questions to be posed at this stage should include<sup>31</sup>:

- ✓ Do the stated policy objectives of the sector also take into account the national gender equality goals and commitments?
- ✓ Where and how does gender equality feature in the sector plans and programmes?
- ✓ Is there adequate analysis and understanding of gender relations and dynamics in the sector?
- ✓ Have both women's and men's views, needs and experiences been taken into account when formulating the policy?
- ✓ Are targets and indicators for the sector disaggregated by gender?

<sup>30</sup> Guidelines for EC Support to Sector Programmes, 2007.

The Guidelines recall that support to a SWAp can be provided by the EC through different funding modalities, according to the specific conditions and the country's capacity to meet the eligibility criteria:

Budget support, using the systems and procedures of the partner country – in this case it is known as sector budget support (SBS).

A pool fund, or basket fund, using ad hoc procedures agreed by government and donors to finance all, or part, of the sector programme.


EC project procedures (procurement and grant award procedures) relevant to the region to finance particular activities defined in the sector programme.

<sup>31</sup> Adapted from: DAC GENDERNET's "Gender Equality, Women's Empowerment and the Paris Declaration: Issue Brief 2: Finding the Entry Points."

- ✓ Does the strategy for achieving sectoral objectives and targets include gender equality objectives and targets, and is it coherent and affordable?
- ✓ Is there capacity at national and sub-national levels to implement gender commitments in the sectors?
- ✓ Do the sectoral or technical working groups have access to the necessary gender equality expertise and resources?
- ✓ Are structures in place which help create space for effective discussion on gender inequality in the sector?
- ✓ Is there a gender equality strategy and a budget line for gender equality in the sector?
- ✓ How else are gender equality interventions supported in the sector at national and sub-national levels?
- ✓ What exactly will be the role of the government and the extent of its commitment to achieving gender equality goals in the sector (e.g. enhancing the economic and employment opportunities of women at all levels, ensuring that women and men have equal access to services, resources and decision-making in the sector)?
- ✓ Do the sectors which do not have SWAps (especially the “hard” areas such as the productive and infrastructure sectors) address gender inequalities and the empowerment of women?

#### Specific Actions to strengthen gender equality<sup>31</sup>

- ✓ Support joint analysis by the partners and the donor community on gender equality in sectors and sector budgets, with dissemination of key messages to policy/decision makers.
- ✓ Promote representation for women and men, and women’s organisations, in sector consultation processes at national and sub-national levels.
- ✓ Ensure that gender issues are included in terms of reference for and reports on joint sector reviews.
- ✓ Align with national policies and international commitments on gender equality in the sector.
- ✓ Support gender-specific indicators in SWAps, in results frameworks, and in mechanisms for tracking expenditure, assessing performance and demonstrating impact on gender equality in the sector.
- ✓ Develop staff and line ministry skills in political and policy analysis, governance issues and budget processes, as well as in understanding of the role of civil society organisations, including women’s groups and parliament, in the sector.
- ✓ Identify and disseminate good practice on addressing gender quality within and between sectors, especially from the more established SWAps to those just emerging.

 **Tool T4. A checklist for *ex ante* screening of gender sensitivity of poverty reduction strategies, sector programmes and macro-economic policies** which provides some key questions for assessing the gender sensitivity of macro-economic policies and other sector policies.

### Other tools:

Useful for all stakeholders (government, donors, civil society)

- The toolkit on mainstreaming gender equality in EC Development cooperation provides useful checklists of questions for analysing the gender dimensions of sector policy assessments in the following areas: health, education, food security and sustainable rural development, transport, institutional capacity building, trade and development.

## (2) A credible and relevant programme for improving public financial management systems is in place or under implementation

**Rationale** – Resources transferred under SBS become part of the global resources of the partner country and are managed according to the partner country's own public financial management system. Public financial management is concerned with the planning, spending, reporting and auditing of public expenditure as well as assessing the extent to which plans are implemented and whether a budget is comprehensive and transparently prepared and executed. As a result the country's public financial management system is a key factor in determining the efficiency and effectiveness with which budget resources contribute to achieving the objectives of the sector policy.

While an assessment of the quality of overall PFM systems and of the PFM reform process may suffice to establish eligibility, certain sectors may follow specific public financial management rules that depart from overall public financial management systems; this applies for example to Road Funds, public agencies, parastatals or local government. When specific systems and mechanisms are in place at sector level, then assessments of sectoral public financial management are necessary in addition to the assessment of overall PFM systems in order to establish eligibility.

### Key Gender Equality Questions to be posed at this stage include<sup>32</sup>:

- ✓ To what extent are gender equality advocates engaging with the current processes and investments in public financial management and to what effect?
- ✓ Is there increased ownership of gender equality by central and line ministries in their sector plans and budgets, as a result of efforts to improve public financial management?
- ✓ Is there recognition of the synergies between PFM and gender responsive budget approaches, and real interplay between those taking forward budget-related work from a gender equality perspective and those working on good economic governance and transparent public financial management systems?
- ✓ Is there any change in budgetary allocations to gender equality as an outcome of improved PFM or gender-responsive budget initiatives?
- ✓ How do civil society actors engage in public financial management reform processes and how does this influence the pursuit of gender equality?


### Specific Actions to strengthen gender equality<sup>32</sup>

<sup>32</sup> Source: DAC GENDERNET "Gender Equality, Women's Empowerment and the Paris Declaration: Issue Brief 2: Finding the Entry Points."

- ✓ Build up the capacity of donor agency staff, local government, parliamentarians and civil society groups to understand how PFM systems work, to address budgetary issues and to monitor resource allocations from a gender equality perspective.
- ✓ Include gender equality dimensions in appraisal of government spending and taxation, impact of public expenditure policies and budgetary strategies, and in public expenditure reviews and tracking systems.
- ✓ Promote the use of gender-sensitive Poverty and Social Impact Assessments of macro and structural reform.
- ✓ Build up capacity for gender responsive budgeting within, rather than separate from, PFM reforms and capacity development programmes.
- ✓ Ensure that capacity for gender responsive budgeting is developed as part of mainstream public financial management and public sector reforms, and becomes part of the skill set of the main players, rather than resting in a separate division and with different officials.

### **(3) A stability-oriented macroeconomic policy is in place or under implementation**

**Rationale** – Although stability-oriented macro-economic reform is not an objective of SBS, short- and medium-term macro-stability is necessary for the successful execution of sector budgets and for ensuring predictable and sustainable sector funding.

 **Tool T4. Checklist for *ex ante* screening of gender sensitivity of poverty reduction strategies, sector programmes and macro-economic policies**, to provide some key questions for assessing the gender sensitivity of macro-economic policies.

### **Gender Responsive Budgeting - The Tool for Mainstreaming Gender Equality in DBS and SBS**

Gender budgeting is an important tool for ensuring gender mainstreaming not only in the partner country's overall budget (through General Budget Support), but also in Sectoral Budget Support. The gender perspective needs to be included throughout all the phases of development aid, from the initial diagnosis and appraisal stage, through the budgeting, implementation, monitoring and evaluation phases, not only by donors but also by aid recipients. The processes that underlie all these phases have to be inclusive. All stakeholders need to be involved, including civil society and more specifically women and women's organisations.

Gender analyses need to address various aspects such as a beneficiary assessment of service delivery; a benefit incidence analysis of social services; a revenue incidence analysis of the distribution of burden of, for example, direct and indirect taxation; and an analysis of time-use by men and women in relation to household tasks. All these analyses need to be gender-disaggregated to show the differences in impact between men and women. It is only when these data are available that a

truly gender-responsive budget can be drawn up. Civil society organisations could contribute to collecting these data as a basis for their lobbying of governments and donors on the need for gender-responsive budgeting (for more information, please go to <http://www.gendermatters.eu> and Gender Responsive Budgeting (GRB) <http://www.gender-budgets.org>).

### Other tools:

In-depth tools or references that can be used by those responsible for developing macro-economic policies include:

- Gender-aware policy appraisal
- Gender-aware medium-term macro-economic policy framework

Further information:

- Holvoet, N. (2006), Gender-budgeting and its usefulness in programme-based approaches, a Briefing Note for EC staff presents a wide choice of these gender-budgeting tools and examples on how to use them.
- [www.gender-budgets.org](http://www.gender-budgets.org)

## 4. Other Funding Modalities to Achieve Gender Equality Goals

### Rationale for Other Innovative Funding Mechanisms

The principle of **ownership** requires the engagement of citizens in the development of national planning and the subsequent reflection of those prioritised consultations in national plans. But studies have shown that national development plans, poverty reduction strategies and other planning documents do not incorporate gender equality goals. National action plans for the advancement of women (now available in more than 120 countries) are still rarely fully integrated into national development plans. Women's meaningful ownership of national development processes requires a concerted investment in women's analytical capacity, policy makers' gender analysis skills and donor support (UNIFEM Discussion Paper, March 2006).

On the other hand **alignment** requires that donors channel aid flows to country-owned national plans and increase aid flows to deliver on commitments. Through DBS and GBS donors aim to align aid flows on those government sectors prioritised in the PRSPs or National Development Plans. There is sufficient evidence of the limited degree to which gender equality priorities are mainstreamed in national development plans and consequently in budgets. This raises the concern that alignment of donor aid with national priorities will not of necessity adequately support gender equality priorities. One of the key findings of the mapping studies undertaken by the EC/UN Partnership in the Asia Pacific region was that "Spaces for innovative financing for gender equality and women's empowerment are shrinking in implementation of programme-based approaches. Furthermore, integrated programme-based approaches, including GBS and SWAps may be more efficient, but they may also reduce the flexibility of project based funding that has enabled women's and civil society groups to obtain funding for innovative projects"<sup>33</sup>

<sup>33</sup> Lorraine Corner, Ph.D. March 2008; Mapping Aid Effectiveness and Gender Equality in Asia Pacific Regional Issues and Trends; [www.gendermatters.eu](http://www.gendermatters.eu)



In addition, since the adoption of the Paris Declaration (2005) a number of women's organisations, researchers and development practitioners have raised questions and concerns about the impact the changed approaches to delivering aid have had on the funding available to women's organisations and on relationships between civil society organisations and donors. Recent research by the Association for Women's Rights in Development (AWID) and the UK Gender and Development (GAD) Network have shown that even though some local women's CSOs are reporting increases in funding, a far larger number are struggling to secure and to sustain their core activities. Only a small percentage of local organisations, mostly in Africa, reported that they have benefited from increased funding since 2000, particularly in areas such as reducing violence against women and HIV/AIDS. In several countries local women's organisations now need to apply to their own governments or to local embassies for funding.<sup>34</sup>

### Basket funding

Basket funding is the joint funding by a number of donors of a set of activities through a common account which keeps the basket resources separate from all other resources intended for the same purpose. The planning and other procedures and rules governing a basket fund are therefore common to all participating donors, but they may still be more or less in conformity with the public expenditure management procedures of the recipient government. A basket may be earmarked for a narrow or a wider set of activities (e.g. a sector or a sub-sector). The term "pool(ed) funding" is sometimes used instead of basket funding (Danida).

While basket funding can be delivered through Direct Budget Support as described above, it can also be managed and delivered outside of the government's budgetary frameworks. In this way, it provides the flexibility and accessibility to civil society organisations and particularly to women's organisations. However, institutional arrangements for basket funding require joint coordination and collaboration between government, donors, civil society and the multi-lateral institutions, particularly the UN System. The example below from Kenya demonstrates how donors have harmonised their support for achieving gender equality goals in alignment with the government's own priorities.

**Example:** In **Kenya** a key mode of harmonised donor aid delivery is through basket funding where several donors jointly support either a programme or sector. Kenya has a Gender and Governance Programme (GGP) basket fund with an overall budget for 2006-07 of US\$5.9 million. The GGP basket fund was established specifically in response to the third pillar of Kenya's PRSP on good governance and in support of MDG 3. The GGP provides dedicated resources to a range of women's organisations to strengthen women's representation on local boards and expand district women's assemblies in networking and leadership. While the basket is smaller than most others, it represents a model from which lessons can be drawn for scaling up gender and development priorities at national level.<sup>35</sup>

<sup>34</sup> DAC GENDERNET's "Gender Equality, Women's Empowerment and the Paris Declaration: Issue Brief 2: Finding the Entry Points

<sup>35</sup> N.Alami and AM Goetz (2006) *Promoting Gender Equality in New Aid Modalities and Partnerships*, UNIFEM Discussion Paper, New York, available at <http://www.unifem.org>.

Visit: [http://www.unifem-easternafrika.org/kenya\\_inner.asp?cat=kenya&pcat=countryfocus&pcat1=&sid=](http://www.unifem-easternafrika.org/kenya_inner.asp?cat=kenya&pcat=countryfocus&pcat1=&sid=) and [http://www.unifem-akar.org/unifemdakardocs/declaration\\_Paris/case%20studies/Kenya\\_flyer.pdf](http://www.unifem-akar.org/unifemdakardocs/declaration_Paris/case%20studies/Kenya_flyer.pdf) for more details on this case study.

In the **Democratic Republic of Congo (DRC)**, reforming the management of humanitarian aid led to the appointment of a 'Humanitarian Coordinator' to promote effective management of humanitarian aid delivery. To this effect all donors make their contributions to the Coordinator, who then selects the specific prioritised needs of 13 sectors and directs the funds to them, often utilising pooled or basket funds as a funding mechanism. As a result, humanitarian donors in the DRC can no longer individually choose which actors or projects to fund. In line with the transition programme there is a thematic gender group that brings together UN agencies and the World Bank, the EC, SIDA, CIDA, USAID and the Ministry of Gender to integrate gender dimensions into policies, programmes and projects. The main responsibilities of this group are to:

- ✓ coordinate discussion and formulate a framework for the integration of gender into local, government and non-government structures;
- ✓ provide technical support to government as well as civil society organisations in defining and implementing policies favourable to promotion of gender equality;
- ✓ support identification, collection and dissemination of information and good practices relating to gender equality and women's empowerment; *and*
- ✓ mobilise resources to build capacity in gender equality issues.

This group has operated in a very difficult and changing environment. While it has successfully achieved information exchanges, it is still working towards more coordinated and harmonised programming approaches and resource mobilisation.<sup>36</sup>

### **Innovative Funding for Women's Organisations**

The table below<sup>37</sup> summarises some of the innovative funding that is available for women's organisations:

#### **The Dutch MDG3 fund**

In early 2008 the Dutch Ministry of Foreign Affairs set up a fund of €50 million for the period 2008-2011 to support work on gender equality and women's empowerment, focusing on achievement of MDG3. This was an initiative of the Minister for Development Cooperation of the Netherlands, Bert Koenders, who felt that progress towards MDG3 was slow and needed to be prioritised.

The fund focuses on four priority areas – women's property and inheritance rights; women's formal employment and equal opportunities in the labour market; participation by and representation of women in political bodies and governance; and combating violence against women.

The fund is intended for large organisations, outside government, dedicated to equal rights for women and girls in developing countries. Applicants can include profit-making companies, formal coalitions of organisations and re-granting

<sup>36</sup> Jacinta Muteshi, PhD; March 2008; Mapping Aid Effectiveness and Gender Equality in Africa Regional Issues and Trends. [www.gendermatters.eu](http://www.gendermatters.eu).

<sup>37</sup> Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3: Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf>

organisations. Another important feature of the fund is that it targets regional organisations which would not be eligible under the standard Dutch national development budget. Hundreds of project proposals have been received from more than 80 countries around the world.

Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3; Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf>

### **Mama Cash**

Mama Cash is a global women's fund with 20 years' experience. It is one of the largest funders of small women's organisations and funds throughout the world. Mama Cash is innovative in its capacity to respond to the needs of individual organisations. It provides core funding in the form of general support grants that enable gender-focused CSOs to cover their overheads and pay their staff. The grant advisors at Mama Cash have expertise in the local contexts in which the grantees and potential grantees are working, enabling Mama Cash to reach out to newer organisations and provide funding flexible enough to meet their needs. There is a commitment to making the application, evaluation and reporting processes as simple and accessible as possible. In addition, there is a move towards providing multiyear funding, so that organisations can plan over a longer period and do not need to go through the application process every year.

The Dutch Ministry of Foreign Affairs and Irish Aid are both channelling funds through Mama Cash as part of new, innovative gender equality strategies. Irish Aid is supporting Mama Cash with €450,000 over two years, drawing from its new gender equality budget line which amounts to a total of €3,150,000 over three years. A key goal of this fund is to strengthen the capacity of indigenous women's rights organisations and movements to lobby for change and support women's empowerment. Mama Cash was chosen because of its strong track record in delivering on these goals.

See also [www.mamacash.org](http://www.mamacash.org).

Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3; Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf>

### **Hivos**

Hivos is a Netherlands-based INGO that supports civil society organisations in the global South and East, and gender equality is one of its core issues. Hivos is able to process applications for small grants – between €50,000 and €200,000 – which meet the needs of many women's organisations. Hivos maintains close contact with grassroots organisations.

See also [www.hivos.nl/english](http://www.hivos.nl/english).

Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3; Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf>

### **The One Woman Initiative**

The One Woman Initiative is a joint public-private "women's empowerment fund" totalling US\$100 million, with US\$67 million set aside for activities by the United States government and the balance for activities by private corporations and foundations. The programme focus is on empowerment initiatives, including entrepreneurship, political leadership and the rule of law in Muslim majority countries and countries with large Muslim populations.

The One Woman Initiative, launched in May 2008, is expected to have great ability to reach out to individuals and small programmes through its private-sector arm. Funding from the US government will be supervised by USAID.

Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3; Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf>

### **UNIFEM Trust Fund in Support of Actions to Eliminate Violence Against Women**

The UNIFEM Trust Fund in Support of Actions to Eliminate Violence Against Women is the only multilateral grant-making mechanism that supports initiatives at local, regional and national levels. Grants range from US\$100,000 to US\$300,000.

The fund supports different types of mutually-reinforcing activities that include training for healthcare and police officials, services for victims of violence, public awareness campaigns, coalition building and policy dialogue. Many projects strive to alter community attitudes and involve men as allies. Since it began operations in 1997, the Trust Fund has awarded more than US\$19 million for 263 initiatives to address violence against women in 115 countries.

Source: Adapted from DAC GENDERNET, July 2008, Issues Brief 3; Innovative Funding for Women's Organisations: <http://www.oecd.org/dataoecd/60/12/40954592.pdf> and [www.unifem.org](http://www.unifem.org)

### **United Nations Democracy Fund (UNDEF)**

World leaders meeting at the World Social Summit (2005) agreed that promoting increased women's representation in government decision-making bodies is essential to achieving the Millennium Development Goals. These leaders also reaffirmed their commitment to the United Nations Democracy Fund (UNDEF) which was established in July 2005. The purpose of the Fund is to promote democracy by providing assistance for projects that consolidate and strengthen democratic institutions and facilitate democratic governance. The Fund's comparative advantage lies in its capacity to help build the enabling environment required for democratic institutions to be able to function more effectively.

Source: Making Democracy Work for Women: Initial Experiences from 10 UNDEF Funded Projects. <http://www.un.org/democracyfund/index.htm>

See also <http://www.un.org/democracyfund>

## CASE STUDIES

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### 1. Challenges of Implementing Direct Budget Support Modalities – the Case of Kyrgyzstan

Donors use a combination of instruments to direct aid to the different sectors they support in Kyrgyzstan. The extent to which donors use the new aid modalities (such as Sector-Wide Approaches (SWAs) and Direct Budget Support (DBS)) is influenced by conditions in the country. Kyrgyzstan joined the World Bank (WB) in 1992; since then the WB has approved loans and grants for 39 projects in Kyrgyzstan worth more than US\$790 million. These funds are made available to the Republic as interest-free loans for up to 40 years with a 10-year grace period. The government also started receiving loans from the International Monetary Fund (IMF) in 1993 for projects on economic stabilisation and poverty reduction. Those programme loans similar to SWAs were allocated to specific sectoral activities such as restructuring of industrial enterprises, reorganisation of the financial sector, and public administration reform, along with reform of specific sectors of the economy.

Investment loans and grants account jointly for nearly three-quarters of ODA. To reduce the volume of foreign credit guaranteed by the government and thus the size of the Republic's foreign debt, the Comprehensive Development Framework (CDF) called for a halving in the size of the public investment programme from 6% to 3% of GDP, and a compensating increase in grant aid. From 2003 to June 2005 one-half of the World Bank's aid was provided in grant form; since July 2005 all financing has been provided on a grant basis. The focus of programme-based loans also changed: initially intended for sectoral transformation mainly in industry, education, public finance and health care, at the end of the 1990s these loans switched their focus to improving public administration and containment of corruption. Among social objectives poverty reduction became the main priority.

Those experiences laid the ground for advancing the application of new aid modalities in Kyrgyzstan. However, some concerns remain among donors with regard to the use of DBS; these donors note that successful implementation of such an approach requires a strong and efficient government mechanism and capacity of the State to ensure transparency and accountability for resource allocation and spending. Only 3% of aid allocated to the public sector is carried out through the national public finance management system. According to the WB evaluation<sup>38</sup> the coefficient of reliability of the system of public finance management in Kyrgyzstan is 3<sup>39</sup>. Furthermore, the government's absorptive capacity remains low, problems being exacerbated by corruption and the lack of effective mechanisms with which to exert control over ODA spending.

In 2005 the volume of ODA channelled through the national public finance management system decreased sharply, only 3% of aid to the public sector being processed through this system. The percentage volume of support to the national budget decreased from 21.6% in 2004 to 7.6% in 2005, owing to weak government

<sup>38</sup>2005 World Bank Country Policy and Institutional Assessment.

<sup>39</sup>For comparison purposes, this coefficient equals 2.5 for the Democratic Republic of Congo and 4 for Moldova.

systems and capacities coupled with a lack of transparency and accountability, according to donors<sup>40</sup>.

The most common aid delivery mechanism in the country is through Programme Implementation Units (PIUs). The interaction between donors and key national partners is usually formalised through an agreement which outlines the objectives and expected results of donor-supported interventions. Actual project implementation is the responsibility of the PIU.

However, there is an example of successful SWAp application in the health sector through support to the sectoral Programme "Manas-Taalimi" for 2006–2010<sup>41</sup>. The programme aims at improving the health care system in order to ensure access to health care for the poor segments of the population and achieve the health-related MDGs. The experience of applying a SWAp to the health sector resulted in improvements in financial management, audit and procurement in the sector. The programme also enabled the Ministry of Health to implement the programme through its own structures. But one shortcoming was insufficient involvement of civil organisations and gender experts in the formulation of the programme and in policy discussions on the health reform process.

*Source: Sagipa Djusaeva; March, 2008; Mapping Aid Effectiveness and Gender Equality in the Commonwealth of Independent States Regional Issues and Trends; [www.gendermatters.eu](http://www.gendermatters.eu)*

## 2. Uganda Danida Partnership to Promote Gender Equality through SBS

Danish development assistance to Uganda is distributed primarily to four sector programmes: (1) health, (2) water & sanitation, (3) roads, and (4) agriculture. New phases of the first three programmes were initiated in January 2003, and to a large extent implementation via Ugandan systems is envisaged. The majority of the 20-odd Danida advisers are integrated in a Ugandan partner institution. The sector programmes constitute approximately 80% of the overall annual country budget framework of DKK 250 million

The assistance given to the focus areas within the country budget frame is planned for distribution as follows. First, the intention is that Danish development assistance should move in the direction of General Budget Support in accordance with Danida's Aid Management Guidelines. In this respect, the goal is for 25% of all support in 2008 to be given as GBS, which is expected to be primarily allocated to the health, water and road sectors. The proportion of the entire programme channelled directly to these sectors will therefore be reduced. By 2006 the intention is that 80% of the entire support to the four Danida supported sectors should be given in the form of SBS. The anticipated increased use of SBS, and ultimately GBS, should be seen in the light of the gradually increasing faith among donors in the ability of the Ugandan government to demonstrate the required transparency and efficiency in its expenditure policy. It is therefore also necessary that the Ugandan government succeeds in its efforts to reduce corruption, partly with the help of Danish support.

<sup>40</sup>2005 World Bank Country Policy and Institutional Assessment.

<sup>41</sup>The Programme was jointly developed through the support from WHO, DFID, UNDP, USAID, SDC, DANIDA, TICA programme executors were the Ministry of Health, the Ministry of Economy and Finance.

Crosscutting issues – human rights, environment and gender equality – are taken into consideration when planning development initiatives. Equal gender participation in the implementation process and the monitoring of the PEAP, as well as the equal access of both women and men to the outcomes, is a priority of the Danish development initiatives. This is particularly important in rural areas, where female-headed households experience a higher incidence of poverty than the population in general. Lessons learnt from Danida-supported interventions designed to promote women's participation in decision-making processes and respect for women's rights will feed into the new, targeted activities. The environmental issue will be taken into consideration in all initiatives. Specific activities implemented under some of the programmes are designed to improve the management and protection of the environment. For example, within the health sector action is being taken to regulate medicine storage and use, whilst systems for the collection and destruction of out-of-date medicine are simultaneously being developed. Another example concerns the water sector, where the environment is protected through the operation of nationwide water measurement stations which measure both water quality and quantity at different sources (e.g. lakes, rivers and groundwater).

*Source: Uganda-Denmark Partnership - Strategy for Development Cooperation 2004 – 2008 - 3\_ Cooperation between Uganda and Denmark.mht*

### **3. Engendering SBS through GRB in Nepal - the Case of the EC**

According to the 2007-2013 new Country Strategy Paper (CSP) for Nepal, the EC intends to invest about €60 million over the period 2007-2010, allocated to three sectors: education (60%), stability and peace building (37%) and trade facilitation (3%). Budget support represents a small part of the total ODA received by Nepal. Such support is mostly provided by the World Bank. A small part of the EC's education programme is now being funded through SBS. Education and health funding under donors' Sector Wide Approach Programmes (SWAPs) use common implementation and monitoring systems. While in education the indicators are gender- and inclusion-sensitive, the same does not apply to the health sector.

The education sector programme is a continuation of the previous education programme covering the 1999-2004 period, which was directed at enhancing girls' and women's access to education, women's adult literacy, alternative schooling and early childhood development. The programme also promoted scholarships for girls and development of infrastructural facilities including toilets for girls. The recent education sector programme for 2004-2009 aims to increase the net enrolment rate, increase learning achievement scores, decrease gender and social gaps and increase the literacy level of specific target groups of women. Other components of the programme cover the need to improve education service delivery, school focus, provision of scholarships for girls, provision of female teachers, improved governance, and enhanced livelihoods.

The Gender Responsive Budget system has recently been institutionalised. The Minister of Finance introduced a Gender Budgeting system from FY 2007/8 with UNIFEM assistance. This is an important step towards regular monitoring of gender mainstreaming in government and donor-funded development programmes. At present gender budgeting is not yet fully operational in Nepal because the system needs further development. In different sections of the society there is still a lack of understanding of the use and of the functioning of the new system. The EC's assistance could potentially contribute to this process.

Source: EC/UN Partnership on Gender Equality for Development and Peace, (2008), *Mapping Study for Nepal*

## 4. Aligning Budgetary Resources through Gender Responsive Budgeting in Pakistan

### Background Context

The Government of Pakistan has undertaken a number of budgetary and planning reforms in recent years with the goal of improving overall planning and budgeting at various levels of government. In particular, the move to a Medium Term Budget Framework (MTBF) is aimed at aligning budgets with policies over a three-year period rather than the one-year period of traditional budgeting. The MTBF approach emphasises the outcomes or impact of government policies and the budget. Gender Responsive Budgeting, which aims to mainstream the gender dimension into all aspects of the budget cycle, is also focused on outcomes and impact.

Pakistan had a number of gender-related initiatives under way before starting a GRB initiative (GRBI) in 2005 in partnership with the United Nations Development Programme (UNDP) and cost-sharing donors, namely the Swiss Agency for Development and Cooperation and the Royal Norwegian Embassy. These other initiatives include the Gender Reform Action Plan (GRAP), the government's flagship gender mainstreaming programme, and the Poverty Reduction Strategy Paper (PRSP). Both of these planning documents confirmed the government's commitment to making the budgetary process more gender-sensitive.

Quality of life indicators reveal that strong gender inequalities persist in Pakistan. The literacy rate for males is 64% compared with 35% for women; the ratio of estimated female to male income is 0.29; and women's representation in parliament is 20%.

The GRBI is located within the Ministry of Finance and was designed to unfold in incremental stages, which include the following:

- ✓ Awareness-raising: this involved a series of workshops at federal, provincial and district levels to sensitise key stakeholders. TV and print media were also used. Resource materials were tailored to the country context and included a 'Resource Kit' that contained case studies and practical tools (see [www.grbi.gov.pk](http://www.grbi.gov.pk)).
- ✓ Gender Budget Analysis: this involved using several GRB tools including:
  - i. gender aware policy appraisal of three sectors – education, health and population welfare;
  - ii. a gender-aware beneficiary assessment survey in two pilot districts that aimed to collect and analyse the opinions of women and men on whether and how current forms of public investment and service delivery were meeting their needs;
  - iii. gender-aware benefit incidence analysis of the budgets of education and health sectors;
  - iv. a nationwide time use survey to reveal the macroeconomic implications of the unpaid care work in the country;
  - v. a gender budget statement which the government uses to inform parliamentarians and members of civil society about money allocated for initiatives that advance gender equality.
- ✓ Gender-Sensitising the Budget Process: an important lesson from the Pakistan case has to do with building on existing initiatives that emphasise the link between budget and policy. For example, the MTBF provided an opening for introducing GRB in the government's budget cycle. Rather than developing a whole new process, the GRB proposed refinements to the MTBF that could have a significant positive impact in encouraging ministries and departments to



address gender issues in their policies, programmes, projects and budgets. Most important, gender-sensitive amendments were incorporated in the MTBF budget call circulars. These call circulars require a gender-sensitive component in each component (objectives, output indicators, input indicators, mission/objectives statement of ministry, and key output indicators in the medium term).

**Example** from Federal Call Circular - Key output indicators in the medium term:

Disaggregate key output indicators wherever relevant. In particular, disaggregate by sex wherever possible. Include specific output indicators related to gender equity.

These call circulars are one of the most significant achievements of the GRB initiative in Pakistan as they both signal the government's commitment and also help institutionalise a gender perspective in the government's established budgetary forms and procedures. Along with the annual publication of gender budget statements, these tools should help facilitate participation by parliamentarians and civil society in budget discussions. A common complaint among women's advocacy groups has been that they cannot 'see' gender in the budget, so the new information that will now be provided will make analysis, discussion and advocacy easier.

One other positive development during the first phase of the GRB initiative was the development of a strategic alliance with the PRSP Secretariat. The plan is to support implementation of PRSP II with a dedicated component of GRB. Aligning GRB with PRSP would help to mainstream gender-responsive resource allocations in the government's budgetary system in a stable, long-term perspective.

Capacity-building and advocacy was initiated through a training needs assessment and development of a manual catering to the needs of officials of the Finance and line ministry departments (education, health, population welfare). Group training sessions were held for different groups, and easy-to-read policy briefs based on research findings were disseminated.

### Lessons learned

- ✓ It is challenging to launch GRB when other reforms are underway. However, if GRB can be part of the process of change – as was the example with the MTBF and the PRSP – then gender mainstreaming is not seen as an additional task but becomes integrated within an overall budget planning process.
- ✓ Housing the GRB in the Ministry of Finance with *ex officio* government officials as its project directors provides leadership and ownership of the GRB.
- ✓ GRB is a relatively new concept in Pakistan and, at least at the outset, the project had to rely on international subject specialists, which is not a long-term solution.
- ✓ Despite support for the GRB, reprioritising resources is a political and economic issue that entails a risk that government will not follow through on the findings and recommendations of GRB analysis. Deepening measures to sensitise the budget from a gender perspective are thus key to a responsive process.

Sources: Nadeem Mahub and Debbie Budlender (2007) *Gender Responsive Budgeting in Pakistan: Experience and Lessons Learned*, available at

<http://www.gender-budgets.org>. UNDP (2008) Human Development Report 2007-08, New York: UNDP, available at <http://hdr.undp.org/en/reports/global/hdr2007-2008>.

## 5. Project funding that targets national gender equality priorities – the Cases of CIDA in Cameroon and the Netherlands in Suriname

**Cameroon** experienced a serious economic recession in the late 1980s and 1990s which aggravated poverty levels, especially amongst women. In 2002 CIDA created the Gender and Development Fund as a specific pilot funding mechanism to support gender equality activities in Cameroon. Using the OECD-DAC gender markers to track funding to “legal literacy for women and girls”, CIDA disbursed 389,909 Canadian Dollars (C\$) in 2004, C\$360,196 in 2005 and C\$403,117 in 2006 to finance promotion of gender equality. The Gender and Development Fund is linked to the country’s Poverty Reduction Strategy and Millennium Development Goals (MDGs) agenda and aims at achieving equal participation by women in decision-making in the country’s economic, social and political spheres. The Fund is implemented through a strategic plan with priority on women’s economic empowerment, promotion of women’s rights, reproductive health, HIV/AIDS, and promotion of research and advocacy. The first phase of the Fund, which ran from 2002 to 2006, had a budget of about C\$500 million, which supported many local initiatives to build up the capacity of women’s organisations. Five of the more than 40 initiatives supported were identified as representing good practice in respect of women’s empowerment and elimination of gender based discrimination. UNIFEM, UNDP and CIDA conducted comprehensive capacity-building in the gender machinery as part of the process of mainstreaming gender and enhancing skills in gender-responsive budgeting.

In **Suriname** a Women’s Fund administered by the Embassy of the Netherlands provided funding for small gender (mainstreaming) projects separately from the sector plans and treaty funds, and supported a number of initiatives which might otherwise not have received funding. Projects submitted by both Government and NGOs are funded; for example the formulation and printing of the Integral Gender Plan of Action 2006-2011 (Ministry of Home Affairs) was accomplished with financing from this Fund.

Source: Chiwara L. and Karadenizli M: 2008; “Mapping Aid Effectiveness and Gender Equality: Global Findings” at [www.gendermatters.eu](http://www.gendermatters.eu).

## 6. Small Projects – Big Success – The Women’s Fund in Suriname

Sometimes the outcome of small projects funded by the Women’s Fund has been greater than expected. For example a workshop on cervical cancer executed by NGOs eventually resulted in inclusion of pap smears in basic healthcare provision. The social and legal study of the Marriage Act, carried out by a consultant for the National Women’s Movement, one of the larger women’s organisations in Suriname, gave rise to greater awareness of problems ensuing from the legislation and resulted in amendment of the Act. Since then sector plans and budgets have been developed and gender has become cross-cutting in the policy of Suriname. The Women’s Fund not only provides financing for small projects outside the sector plans, but has proved an indispensable means of accessing the needed funding directly. Sector plans for health, education, agriculture, housing, justice and

security (as a sub-sector of the sector good governance) were developed with financing from the treaty funds between 2001 and 2006, through a process that started with quick scans of the sectors and then moved forward with stakeholder consultation meetings. The Women's Fund also supported a basic gender analysis of the agricultural sector. Through this support, government staff was trained to carry out gender analysis in order to develop policies that mainstream gender.

*Source: Carmen de la Cruz; March 2008; Mapping Aid Effectiveness and Gender Equality in Latin America and Caribbean Regional Issues and Trends; [www.gendermatters.eu](http://www.gendermatters.eu).*

## 7. A Window of Opportunity – the Gender Window Programme in Nicaragua

In Nicaragua a significant effort of investment in gender equity, as part of the ODA, is the **Gender Window**, the Joint Programme of the United Nations System and AECI (Spanish Development Co-operation Agency). This programme is worth US\$8.0 million granted by the AECI for implementation of the programme “De la Retórica a la Realidad: Hacia la Equidad de Género y Empoderamiento de las Mujeres a través de la Participación en los Procesos de Planificación y Presupuestación desde la Aplicación de las Prácticas de Género” (2008 – 2010), (from rhetoric to reality: towards gender equity and women's empowerment through participation in planning and budgeting processes from the implementation of gender practices). This programme aims to contribute to achievement of MDG3. It is expected to achieve integration of gender practices into national policies and budgets, especially those of the Ministries of Health and Labour. This process should result in respect for women's human rights, women's economic autonomy and a decline in gender-based violence. However, the General Budget of the Republic does not provide itemised information by results, and has no access to indicators which would allow the undertaking of a gender analysis.

*Source: Carmen de la Cruz; March 2008; Mapping Aid Effectiveness and Gender Equality in Latin America and Caribbean Regional Issues and Trends; [www.gendermatters.eu](http://www.gendermatters.eu).*

## 8. Innovative Donor Coordination Mechanism: The Decentralisation Support Facility (DSF) in Indonesia

Set up in 2005 this Facility is funded mainly by DFID through a Trust Fund administered by the World Bank. The purpose of DSF is to promote better co-ordination and harmonisation of existing support and to support the design and implementation of decentralisation programmes through a mixture of research analysis, technical assistance and pilot initiatives. One of the Fund's achievements in putting into operation Government and multi-donor collaboration in promoting gender equality was the production of a study on gender equality in community-driven projects. This was a collaborative exercise carried out between the Government, World Bank, AUSAID, ADB and DFID to examine how gender and women's issues had been addressed in community-driven development projects and outline the policy implications for the Government's large-scale poverty reduction programme. Other gender equality interventions include production of the Indonesia Country Gender Assessment led by the Government and ADB with the participation of four international agencies.

Source: Lorraine Corner, Ph.D; March 2008; *Mapping Aid Effectiveness and Gender Equality in Asia Pacific Regional Issues and Trends*; [www.gendermatters.eu](http://www.gendermatters.eu)

## 9. The Gender and Equality Sector Group in Ghana<sup>42</sup>

### Context

The 2007 Ghana Joint Assistance Strategy (JAS) aims at improving the alignment of development assistance with the Government's Growth and Poverty Reduction Strategy (PRS) and at accelerating progress in poverty reduction in line with mutually-defined harmonisation principles. A backdrop for the JAS is the 2006 Ghana Partnership Strategy, which comprises a results matrix which maps donor-funded activities to the PRS policy priorities, presents an annual harmonisation plan and presents an overview of external assistance detailed by PRS sectors. As such the Partnership Strategy provides a framework for monitoring the effectiveness of development assistance. The JAS involves about 95% of official development assistance flows, and consists of five interlinking elements:

- ✓ a joint assessment of the current country situation (political, economic, social);
- ✓ a joint description of the major challenges facing Ghana in its quest to achieve the Millennium Development Goals and middle-income status;
- ✓ a statement of principles and commitments on how JAS partners will work with each other, with Government, and with civil society and private stakeholders;
- ✓ priorities for the joint donor response at the PRS pillar and sector level; *and*
- ✓ arrangements for results monitoring and risk mitigation.

In Ghana the Gender and Equality and Sector (GEST) Group was established in 2004 to facilitate dialogue between donors and Government - and more specifically the Ministry of Women's and Children's Affairs (MOWAC) - so as to achieve gender equality. The donor members of GEST include UNDP, CIDA, DANIDA, the European Commission, the Netherlands, DFID, UNICEF, UNESCO, FAO, UNFPA, WFP and the World Bank.

GEST differs from some of the other sector groups in that the issue they are addressing is cross-cutting and applies to work in other sectors. GEST is co-chaired by a senior official from MOWAC and a senior official from one of the donors.

The key objectives of the GEST are:

- ✓ integration of gender equality issues into key national development policy frameworks and processes;
- ✓ support for MOWAC in implementing its own programmes and for line Ministries in effectively mainstreaming gender into their programmes;
- ✓ ensuring that donors have a coherent programme in support of gender mainstreaming and have a common reporting format with respect to MOWAC.

<sup>42</sup> F. Pobee-Hayford and T. Awari (2007) *Aid Effectiveness and Gender Equality in Ghana 2004-2006*. Study done for the EC/UN Partnership on Gender Equality for Development and Peace. <http://www.gendermatters.eu>

Since its establishment, GEST has worked well in the following ways:

- ✓ ensuring a coordinated approach to programming on gender equality; grounding donors in the reality that MOWAC faces as part of wider government machinery;
- ✓ enabling donors to manage resistance within their own agencies, for example through sharing of information which might not easily be shared within one's own organisation;
- ✓ ensuring that resources and the required technical expertise were available to conduct gender analyses in the preparation of the second GPRS;
- ✓ jointly supporting the Action Plan on Domestic Violence.

Where the GEST group has worked less well is in:

- ✓ supporting MOWAC's strategic investment plan which the donors felt was not sufficiently prioritised;
- ✓ harmonising their own reporting formats vis-à-vis MOWAC;
- ✓ securing clear leadership and clarity from MOWAC on how donors can best support them.

While efforts to increase gender equality visibility in national policy dialogue and sector groups are under way, the gender machinery in Ghana faces serious constraints to meaningful engagement with the Aid Harmonisation and Effectiveness Action Plan process. Policies in support of gender equality are in place, yet the resources allocated to MOWAC are insufficient to enable it to carry out its mandate. MOWAC faces capacity gaps in terms of expertise, resources, and information flows. In practical terms this means that the gender machinery cannot effectively influence national level harmonisation efforts for promotion of gender equality and women's rights. For example, MOWAC is often not invited to participate in consultation processes. Although development partners in Ghana have adopted gender policies, there is limited policy alignment among them due to their differing political agendas. As a result there is an uneven level of commitment and accountability for gender-responsive development outcomes.

The experience of the GEST group is important for gender equality in the Paris Declaration context. Sector groups are increasingly important fora for the harmonising agenda and for key policy dialogue; but given that clearly one of the determinants of a strong sector group is the Government ministry's leadership and strength, more needs to be invested in ensuring that gender or women's ministries are strengthened and enabled to play this leadership role.