

## ECONOMICS AND FINANCE

### b) Budget Impact Assessments (Gender Budgeting)

Gender budgeting, or gender-sensitive budgeting, is the process that shows what percentage of a national budget benefits men and women respectively. It shows whether allocations contribute to gender equality. An important aim of gender budgeting is to allocate funds so as to improve the position of women, hence contributing to gender equality. This factsheet looks at the background to, importance of, conditions for and application of gender budgeting. It examines the role of parliament and civil society, the support given to government authorities and the contribution made by the Netherlands, and sets out a vision for the future.

#### *Background*

Ever since the UN's Fourth World Conference on Women in Beijing in 1995, the Commonwealth countries have made great progress in incorporating gender analysis into their policy and applying it to their budgets. More than 40 countries now apply gender analysis to their budgets. At this time, developing countries have made more progress in applying gender budgeting than the member countries of the Organisation for Economic Cooperation and Development (OECD). The analyses show that men benefit far more from government funds than women.

#### *The importance of gender budgeting*

Gender budgeting is used to identify how budget allocations contribute to **equality** between men and women. If they make little or no contribution, it may be assumed that the money is not being used **efficiently**. Inefficient use of funds stands in the way of gender equality and thus of optimal growth, since studies have shown that gender inequality hampers sustainable development and economic growth.

Gender budgeting not only highlights how much money **is to be spent** on men and women, but also shows **how it has been spent**. This has to be carried out openly and

fairly. Gender budgeting thus enhances **accountability** for and **transparency** of revenue and expenditure.

#### *Application and conditions*

Gender budgeting may be applied at macro level to national budgets, at meso level to provincial budgets, and at micro level to municipal budgets. It may apply to the total budget of a sector, for instance transport or education, and to that of an organisation such as a hospital.

Gender budgeting is applied in various ways. In some countries (e.g. the Philippines) governments may take the initiative. In others (e.g. Tanzania) individuals or women's organisations may do so. Gender budgeting may also be carried out at various points in the budgetary cycle. It may be applied to an existing or new budget, or used to track expenditure. One condition for optimum gender budgeting is the existence of a reliable central statistics agency – still lacking in many countries – and the involvement of women and their organisations in decision-making and budgetary processes.

Budgets are often drafted by financial specialists and bookkeepers who are not used to splitting public funds by sex or to negotiating with groups from the community. Gender budgeting calls for a different mindset. For instance, expenditure should be tracked to identify how many men and women use the services provided by a given public sector. This is not done often enough, making it difficult to compare female demand for a given service with the supply budgeted for, which predominately targets men.

#### *The role of parliament and civil society*

The parliament of a country has an important role to play in gender budgeting. After all, it is parliament that approves a budget, and audits expenditure at the end of the budgetary year. If it is doing its job properly, parliament will

consult its grassroots and civil society, including members of women's organisations. That means developing capacity among members of parliament and financial specialists. Finally, all parties concerned need to ensure that gender budgeting is put on the political agenda, and becomes an integral part of efforts to ensure equal rights, equal obligations and equal opportunities for all.

### ***Support***

UNIFEM (New York), the Commonwealth Secretariat (London) and the International Development Research Centre (Ottawa) have already done much to support governments and build capacity in civil society. UNIFEM, the OECD and the Belgian government drew on their experience at a conference held in October 2001 entitled *Towards Gender Responsive Budgeting: Launching a Global Vision to Strengthen Economic and Financial Governance*. Representatives from the south and the north reported on the current state of affairs. For example, the World Bank Institute plans to devote attention to gender budgeting in training geared to the Poverty Reduction Strategy process, and Women in Development Europe (WIDE) trains women in economic literacy. The International Monetary Fund (IMF) is to give technical assistance to national databases and bureaux of statistics. Uganda is one of an increasing number of countries that now have sufficient expertise to develop their own training materials. They, in turn, share their knowledge with other countries in the region.

### ***An example of how one country promotes gender budgeting in developing countries***

Dutch embassies are drawing attention to gender budgeting in the various sectors of the development programme. They are also helping women and their organisations to influence budgetary analysis and development and to make local authorities aware of the importance of gender budgeting. Together with other donors, projects using gender budgeting to influence the drafting of the Poverty Reduction Strategy Papers have been

set up in countries such as Tanzania and Bangladesh. In Burkina Faso and Vietnam, support is being given to the drafting of the Public Expenditure Review.

### ***An example of what one country is doing, itself, about gender budgeting***

In the spring of 2002, the Equal Opportunities Coordination Department (DCE) of the Ministry of Social Affairs and Employment in the Netherlands produced the findings of a study on gender budgeting in the budgets of three Dutch ministries. In the Ministry of Finance budget, the study focused on the tax system and the Ministry of Housing, Spatial Planning and the Environment's regulations on housing benefit were examined. The Ministry of Social Affairs and Employment was screened for its implementation of the Social Assistance Act. One of the lessons learned from the study is that a gender budgeting process in the Netherlands will require more data than are currently available. DCE is now working on possible follow up.

### ***The future***

Interest in gender budgeting is likely to increase, and the following three activities will be very important:

- Cooperation between countries in a sharing and caring process;
- Earmarking of funding by governments for gender budgeting and objectives that contribute to gender equality;
- Coherent support by donors.

### ***Useful background information***

- How to do a Gender-Sensitive Budget Analysis: Contemporary research and practice. Debbie Budlender & Rhonda Sharp. Australian Agency for International Development, London 1998.
- Towards Gender Responsive Budgeting. A compilation of the OECD/ UNIFEM/ Nordic Council/ Belgium High Level Conference, Brussels. Ministry of Foreign Affairs, The Hague, 2001
- Gender Budget Initiatives. UNIFEM, New York.