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# Gender budgeting

Governance Committee

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### Summary

This report demonstrates that, while its primary goal is to advance the equality and empowerment of women through the integration of gender as a category of analysis and control in the budget, gender budgeting has also been instrumental in bringing gender equality onto the agenda within the evolution of democratic institutions, enhancing and expanding the broader practice of social justice oriented budget work and contributing to the improvement of governance by promoting transparency, accountability, efficiency and effectiveness in the management of public finance.

The report invites the associations of local and regional authorities to encourage national authorities to ensure that national equality strategies allocate funds for implementing gender budgeting at the local and regional levels. It also calls upon local and regional authorities to introduce gender budgeting methods in their annual budgets and exchange views and good practices with cities and regions that have already adopted this approach. They are invited to devise mechanism to consult and involve civil society, so as to avail themselves of its expertise in this subject.

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1 L: Chamber of Local Authorities / R: Chamber of Regions  
EPP/CCE: European People's Party Group in the Congress-  
SOC: Socialist Group  
ILDG: Independent Liberal and Democratic Group  
ECR: European Conservatives and Reformists Group  
NR: Not registered

**RESOLUTION 405 (2016) <sup>2</sup>**

1. The struggle to achieve gender equality, one of the key rights enshrined in the European Convention on Human Rights, remains a huge challenge for Council of Europe member states at all levels of government. In 2006, the Ministers on Equality between Women and Men of the Council of Europe member states, stated that one of the main goals of any democratic society must be to achieve de facto gender equality and that there can be no sustainable economic development without the full participation of women.

2. In the Council of Europe 2014-2017 Gender Equality Strategy, the national and, where applicable, regional governments of the Member States have committed themselves to pursuing greater gender equality in all areas, with a particular emphasis on specific fields, notably local government, and call on the Congress to contribute to this strategy through its policies and activities (Strategic objective 5.)

3. To make measurable progress in this area requires the introduction and application of tools and institutional mechanisms, as recognised by the Committee of Ministers in its 2007 Recommendation. In this respect gender budgeting has proven to be one of the most effective tools to mainstream gender equality and to ensure a balanced gender approach to public services.

4. Gender budget analysis relies on the availability of sound data. To enable local and regional authorities to apply this tool on a wide basis requires the compilation and analysis of reliable gender-disaggregated data on a nationwide level. Officials charged with drawing up local and regional authority budgets also require gender analytic skills in order to be able to apply this data.

5. The Congress therefore,

a. Bearing in mind:

ii. the 2014-2017 Council of Europe Gender Equality Strategy;

ii. Recommendation CM/Rec(2007)17 of the Committee of Ministers to member states on gender equality standards and mechanisms;

b. recommends that associations of local and regional authorities:

i. encourage ministers of finance and other senior personnel engaged with budget policy and its implementation to ensure that national or, as applicable, regional, equality strategies allocate funds for implementing gender budgeting at local and regional levels;

ii. encourage national governments to ensure that their statistics offices compile sex disaggregated data in all policy areas;

iii. encourage the exploration and dissemination of tools of analysis, tools for the gender-related organisation of the budget and tools for budget accountability;

iv. encourage and support local and regional authorities to develop pilot projects to introduce gender budgeting;

v. provide or encourage training in gender analytic skills for officials charged with drawing up local and regional authority budgets;

c. recommends that local and regional authorities:

i. introduce gender budgeting methods in their annual budgets, using appropriate tools such as gender-aware policy appraisal, gender-disaggregated public expenditure and tax incidence analysis, gender-disaggregated beneficiary assessments and gender-aware budget statements;

ii. ensure that they put in place mechanisms to monitor this;

iii. exchange experience and good practice with those cities and regions which already practice this approach;

iv. devise mechanisms to consult with civil society, which has been the driver of many gender budget initiatives across and beyond Europe, so as to avail themselves of its expertise in this subject.

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<sup>2</sup> Debated and adopted by the Congress on 20 October 2016, 2nd sitting (see Document CG31(2016)10final, rapporteur: Cathy BENNETT, Ireland (L, NR))

## EXPLANATORY MEMORANDUM<sup>3</sup>

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### I. Introduction

1. Gender budgeting has enjoyed a good deal of attention over the past 15 years by the full range of stakeholders seeking to advance equality between women and men and women's empowerment. The traditionally held view of the budget as a gender-neutral instrument, and the resistance of Ministries of Finance to the uptake of gender mainstreaming have given way to a broad and diverse tapestry of experimentation, adaptation and integration. At a conference in Belgium in 2001, Tony Hutton, Director, Public Management Directorate of the OECD spoke of the budget being the arena "where policy objectives are reconciled and implemented in concrete terms, thus giving effect to countries economic and political priorities". That conference brought together UN Women, the Nordic Council of Ministers and Belgium, as well as OECD. A conference outcome was the identification of a target for the adoption of gender budgeting in all Member States of the European Union by 2015. Since then, there has been a proliferation of gender budgeting initiatives across Europe.

2. Most commonly framed within the context of Gender Mainstreaming, gender budgeting's conceptual development is due in large part to the work of the Council of Europe (CoE). Following the work on the definition and framework for gender mainstreaming that has become the international standard, the Council of Europe's Steering Committee for Equality between Women and Men (CDEG) began to look more closely at methods available for implementing gender mainstreaming, and agreed that gender budgeting should be a priority, since the budget is important as a policy and planning instrument. It set up a Group of Specialists with the aim of preparing a definition of gender budgeting, a methodology for its implementation and examples of practices at local, regional and national level. That report was published in 2005<sup>4</sup>. In addition, in 2009 the CDEG commissioned a manual on the practical implementation of gender budgeting, which has gained significant currency in many member states and has been translated into a number of languages.<sup>5</sup> The European Charter for Equality of Women and Men in Local Life, adopted by the Council of European Municipalities and Regions in 2006, includes gender budgeting as a tool for the integration of the gender perspective.

3. The CoE Gender Equality Strategy 2014-2017 has as an objective, the gender mainstreaming of all its policies and measures. In addition, the CoE Committee of Ministers urges the Member States to adopt methodologies, including gender budgeting, that would expedite gender mainstreaming.

4. Committee of Ministers Recommendation (2007)17 "on gender equality standards and mechanisms" and Objective 5 of the Gender Equality Strategy refer to the aim of: "Achieving Gender Mainstreaming in all policies and measures" of the CoE. It also contains the following reference to gender budgeting: "In its Recommendation to member States on gender equality standards and mechanisms, the Council of Europe Committee of Ministers recalls the importance of adopting methodologies for the

<sup>3</sup> The rapporteur would like to thank Sheila Quinn, County Wicklow, Ireland, for her substantial contribution to this report.

<sup>4</sup> EG-S-GB (2004) RAP FIN - "Gender budgeting: Final report of the Group of specialists"

<sup>5</sup> Quinn S., 2009: Gender responsive budgeting practical implementation handbook, Council of Europe, Strasbourg

implementation of the gender mainstreaming strategy, including gender budgeting, gender-based analysis and gender impact assessment. Experience shows, however, that even the most committed member States are finding it difficult to achieve gender mainstreaming”.

5. Gender budgeting has been a useful tool on a number of different levels over the past years. While its primary goal is to advance the equality and empowerment of women through the integration of gender as a category of analysis and control in the budget, gender budgeting has also been instrumental in:

- bringing gender equality onto the agenda within the evolution of democratic institutions;
- acting as a lever for the activation of civil society, especially women’s representative groups;
- providing an insight into the budgetary process, which in most countries of the world is accessible only to an elite few;
- providing gender equality advocates with the skills and confidence to engage with relevant officials and decision makers in relation to budgetary matters;
- enhancing and expanding the broader practice of social justice oriented budget work that includes participatory budgeting, children’s budgeting, citizen’s budgets etc.;
- contributing to the improvement of governance by promoting transparency, accountability, efficiency and effectiveness in the management of public finance;
- demystifying the arena of Public Finance Management and the broader arena of finance.

6. Following the introduction above, this report will attempt to answer the question: What is gender budgeting? This will take as its starting place the definition elaborated by the CDEG Group of Specialists on Gender Budgeting. It will also attempt to address some misconceptions that have arisen. Next the report will present a number of case studies – from both national and sub-national level, from the European Union and from countries in transition. Finally, the report will provide some observations as to the benefits of using the budget as an instrument for the advancement of gender equality, as well as to the challenges.

## **II. What is gender budgeting?**

7. Taking into account the CoE’s definition of gender mainstreaming, the following definition of gender budgeting was drawn up by the CDEG’s Group of Specialists on gender budgeting: “Gender budgeting is an application of gender mainstreaming in the budgetary process. It means a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality.”

8. Thus defined, gender budgeting is integral to gender mainstreaming. If gender mainstreaming is to be effected on the ground, then the budget must come under scrutiny, alongside the scrutiny and re-orientation of policy. Indeed, because of the uneven distribution of power between women and men within society as well as economic disparities, different living conditions and social roles, public budgets affect women and men in different ways. Gender budgeting seeks to make the gender impact of budgets visible and to transform them into an instrument to increase gender equality both in terms of revenues, through a gender sensitive fiscal policy, and in terms of expenditures. The gap between stated policies and their satisfactory translation into funded measures has long been recognised as a feature of the disconnect between policy making and resource allocation. It is common to all policy domains, not only that of gender equality. With its explicit focus on the budget, gender budgeting has the capacity to bridge the gap between the policy making process and the budget making process.

9. An important – and some might say radical – aspect of gender budgeting is that it brings together two sets of information and policy-makers that traditionally have been kept separate: information on gender equality and information on public finance. The gender equality policy brief is most commonly assigned to the social affairs portfolio; the public finance portfolio being considered gender neutral and value free and with no potential, therefore, to impact on gender equality. This has meant that measures to address gender inequality have not been considered within the context of public finance management. Gender budgeting has changed this governance paradigm and has demonstrated not only the validity, but also the necessity of bringing gender equality issues into budgetary arenas. Importantly, gender budgeting has proven to be an important mechanism for ensuring greater consistency between economic goals and social commitments. Framing gender equality issues in the terms of economic discourse, has

the effect of ‘liberating’ gender from the arena of ‘soft’ social issues “to the level of macroeconomics, which is often thought of as technical, value-free and gender-neutral.”<sup>6</sup>

### III. Gender budgeting and budget reform

10. While gender mainstreaming is the main policy framework for the implementation of gender budgeting, mainstream budget reform initiatives in a number of jurisdictions have provided workable entry points for the inclusion of gender as an additional category of analysis and control. Of the many public sector reforms in relation to budgeting in the last decade, those that deal with the issue of performance have had the most impact. At a basic level, it is about the inclusion of performance information in the budget with the view of helping decision makers assess how different programmes contribute to the achievement of the government’s policies and priorities. The development of performance information has been a long-term, widespread and evolving trend. Currently, most OECD countries present performance objectives to parliament and the public in either government-wide performance plans or ministerial or agency plans.

11. At its most basic logic, gender budgeting is about improving the outcomes of public finance policy- specifically gender equality outcomes. It is in effect a people-centred approach to the formulation and execution of budget. As such, it is a strategy that is complementary to other budget reform and improvement processes being undertaken by many governments across Europe and beyond.<sup>8</sup> Motivated by concerns of accountability and efficiency, the trend is to move away from a budgetary system that focuses on inputs to one that focuses on outcomes or results.<sup>9</sup> Planning for outcomes and measuring results becomes crucial in budgetary decisions. When public services fail to deliver or fall short of the projected outcomes, medium and long-term review mechanisms – such as the UK spending reviews – will call for adjustments, not only in the distribution of resources across sectors, but also in the strategic targeting underpinning the delivery of funded programmes. Gender budgeting, with its focus on delivering better gender equality outcomes relies heavily on knowing the actual needs of the users of public services and on targeting services accordingly. Meeting actual needs means recognising how gender informs those needs and questioning the presumed gender neutrality of budgets.

### IV. The economic case for gender budgeting

12. The economic argument for gender budgeting is rooted in the concept of externalities; a concept typically understood in the context of economic efficiency. Government intervention in the economy is most commonly justified on the basis of externalities, which the private market, when left to itself, does not fully take into account. A particular dimension of women’s contribution to the economy involves women’s reproductive work and care within the household and the community. This work is unremunerated and unaccounted for within the system of national accounts, and yet produces a positive social and economic externality. In addition, there is considerable research which shows that moving towards de facto equality between women and men can contribute to a higher rate of economic growth and greater economic stability. Government policies that focus on improving women’s status are not only a matter of human rights and equity, but also a matter of economic efficiency. The reallocation of public funds to take into account the real needs of all segments of the population allows for better preventive measures and the end effect can be savings in public budgets and higher levels of well-being. When women’s level of economic empowerment is below its potential, this is inefficient. Likewise, with increased labour force participation rates for women, more secure employment and the elimination of sex-based discrimination at work, there is a better chance of reducing poverty. Gender budgeting is, therefore, about the examination of how budgetary allocations affect both the economic and the social opportunities of women and men. As IMF economist Janet Stotsky puts it, “Gender budgeting is simply good budgeting”.<sup>10</sup>

#### *Some misconceptions*

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6 Holvoet, Nathalie, (2006) Gender Budgeting: Its Usefulness in Programme-Based Approaches to Aid, EC Gender Help Desk

7 OECD, 2005. Modernising Government: The Way Forward, OECD Publishing, Paris

8 Sharp, R. (2003). Budgeting for Equity: Gender budget initiatives within a framework of performance oriented budgeting. United Nations Development Fund for Women UNIFEM

9 Joyce, Philip G. 2003. Linking Performance and Budgeting: Opportunities in the Federal Budget Process, IBM Center for the Business of Government, Arlington, Virginia

10 Stotsky, Janet G. (2006) Gender Budgeting, IMF Working Paper, Fiscal Affairs Department

13. In coming to understand what gender budgeting is, it is important to understand what it is not.
- Gender budgets are not separate budgets for men and women;
  - It is not about a 50/50 share of public spending for women and men;
  - Gender budgeting does not necessarily imply an increase in spending on women.
14. The basic rationale for gender budgeting is that the beneficiaries – men and women, boys and girls – of budgetary decisions, both as recipients of public services and public goods, and as tax payers, have different needs and expectations because of the roles they play in the family, in society, in the labour market and in the economy. A fundamental question which steers the gender budgeting analysis is: How does this budgetary activity impact on gender equality: i) does it leave it unchanged; ii) does it improve gender equality; iii) or does it make matters worse? (Elson, 2004)

## V. Case studies

### A. National Level Initiatives

#### *Austria*

15. A Federal Ministerial Council Decision in March 2004 put gender budgeting on a formal standing in Austria. The analysis which followed was incorporated in the budget documentation and in the legislative texts relating to the Federal Finance Acts for budgets '05/'06 and '07/'08. In 2006 the Federal Ministry of Finance introduced a regulation to give a legal basis to this new instrument, then referred to as 'gender audits'. At this time the approach was project oriented, designed to single out individual budget lines or tasks. The goal of these pilot projects was to pave the way for a mainstreaming, or integration, of gender as a category of analysis within the entire budget process.

16. Gender mainstreaming provides the overarching policy framework for gender budgeting in Austria, as it does throughout Europe. At the same time, Austria's budget reform process provided the vehicle for the institutionalization of gender budgeting. Budget reform required changes to the constitution as well as a new organic budget law, and the principle of using the budget to achieve gender equality was incorporated into both legal instruments. Article 13 of the constitution mandates that the management of the budget should be oriented toward the realization of de facto equality between women and men. The new organic budget law also cites 'effective' equality as a target of budget management. The provision applies to all levels of government – central, regional and local.

17. Gender budgeting in Austria has gained worldwide attention, in part because of its constitutional and legislative underpinnings and also because of its promotion by the then Director General, Budget and Public Finance. With the gender perspective incorporated into all of the institutions of the budget, including the functions of the Federal Court of Audit, gender budgeting in Austria is one of the most institutional robust examples in Europe.

18. The primary methodological approach is the identification of gender equality objectives for each budget chapter. A unique feature of Austria's approach is the inclusive of a gender equality objective on the revenue side of the budget.

19. A 2015 evaluation drew attention to the poorly specified gender equality targets that did reflect the complexity of the subject. As an example, indicating that women should constitute 50% of any given target group is a poorly conceived gender equality objective. Thus goals are not sufficiently ambitious and a lack of data means that the gender equality objectives are not being subject to evaluation, thus the control of outcomes is inoperable (Hammerschmid, 2015).

#### *Belgium*

20. Legislation also underpins Belgium's gender budgeting initiative; in this case the law came into force in 2007 to give effect to the country's commitment to the Beijing Platform for Action (BPfA). Prior to this the Belgium government, during its EU Presidency, co-hosted a high level conference on gender budgeting in 2001. The conference gave the impetus for a number of pilot initiatives across Europe. In Belgium the federal Ministry of Employment and Equal Opportunities spearheaded the Belgian federal pilot project on gender budgeting. The objective was to explore the feasibility of applying gender budgeting within Belgium's federal government services.

21. That pilot project provided useful lessons and paved the way for the incorporation of specific gender budgeting mandates in the 2007 gender mainstreaming law. The method laid out in the law requires that each draft of the general budget must be accompanied by a 'gender note' showing each department's financial contribution to actions supporting gender equality. To assist in this accounting exercise, departments are required to rank all of their budgetary allocations according to their relevance to gender equality. Within this system Category 1 budgetary items are deemed to have no relevance to gender equality; Category 2 items are those which are specifically targeted at the attainment of gender equality; and finally Category 3 items are those which are targeted to large sections of the population and are likely therefore to have the potential to impact on gender equality. No action is required with respect to Category 1 allocations. Category 2 items are to be included in the gender note, specified in the legislation. Category 3 items are to be subjected to a 'gender test', better known as a gender impact assessment.

22. An important aspect of the law is the requirement to disaggregate by gender all statistics produced by the public administration and to use these statistics to develop gender indicators. The government's broad gender equality policy is strategically linked to the budget through the requirement on the newly appointed government to identify gender equality objectives for the term of government. These objectives are to be reflected in the 'gender note', now part of the annual budget documentation. Additionally, the law stipulates the creation of an interdepartmental co-ordination group composed of high-ranking members of ministerial cabinets and representatives of federal administrations, in order to oversee the institutionalisation of gender budgeting. Finally the Institute for the Equality of Women and Men (IEPH) is tasked with providing guidance and support.

23. The Belgian administration has experienced political instability in recent years, which is likely to have presented a challenge to new policy innovations, such as gender budgeting. Evaluations carried out by the IEPH have not been able to gather sufficient data to determine outcomes.

*"The former Yugoslav Republic of Macedonia"*

24. UN Women has been supporting gender budgeting initiatives in Europe (as in other parts of the world) for a number of years, providing sustained expert support and drawing upon best practice models from Western Europe. Early focus covered Albania, Bosnia and Herzegovina and "the former Yugoslav Republic of Macedonia". Work in these countries continues and has been expanded to the Republic of Moldova.

25. In August 2012, the government of "the former Yugoslav Republic of Macedonia" published its Strategy on Gender Responsive Budgeting (SGRB). The legal basis for the Strategy is contained in the Law on Equal Opportunities for women and Men, adopted by the Assembly of "the former Yugoslav Republic of Macedonia" in January 2012. The Strategy was developed by an inter-departmental working group of senior government administrators, with input from international experts and support from UN Women. It focuses on three on three strategic areas:

- introducing a gender perspective in the programs and budgets of the budget beneficiaries at central and local level
- improving the legal framework for the inclusion of gender responsive budgeting, and
- strengthening the institutional mechanisms and capacity building that are required for incorporation of the gender perspective in the creation of policies and programs and related budgets.

Within this framework, the document sets out a comprehensive set of activities with assigned responsibility and a set timeframe. Some of the activities have already taken place, including the production of a manual on gender responsive budgeting for budget users.

26. "The former Yugoslav Republic of Macedonia" began a shift toward programme-based budgeting in 2008. Through a process of strategic planning within the budget institutions, activities and projects are separated into distinct programmes and sub-programmes. This new framework and way of budget preparation imposed the need to develop indicators. One of the objectives of programme-based budgeting is to measure how the budget performs and setting indicators is necessary for this purpose. It takes a number of years before the move to programme based budgeting is completed. Thus, currently in the country there is a mix of line item budgeting and programme budgeting.

27. As part of the preparation for the SGRB, the Ministry of Labour and Social Policy commissioned an analysis of the budget process. The analysis examined the progress in this area, made recommendations for improvement and identified entry points for gender responsive budgeting. The key recommendations are incorporated into the SGRB, including the selection of members of civil society

organisations to be part of a body that will be set up to monitor the implementation of the SGRB. It will be a sub-group of an inter-ministerial advisory and consultative body, mandated by law to oversee implementation of the Law on Equal Opportunities for women and Men. The body is to be comprised of head public servants, representatives of civil organisations, associations of employers, experts, representatives of local self-government, trade unions and other entities.

#### *Kosovo*<sup>11</sup>

28. Kosovo has been the beneficiary of a considerable level of activity at both central and municipal level on gender budgeting, primarily initiated and supported by national country donor organisations.<sup>12</sup> The focus has been primarily on awareness raising and capacity building.

29. Of particular note is the work supported by GIZ, the Germany aid agency, which enabled the co-operation of the Ministry of Labour and Social Welfare (MLSW) and the Kosova Women's Network (KWN) to employ gender budgeting tools in the formulation of the 2015 budget document as well as in preparation for the MTEF for 2016-2019. The MLSW was chosen for this pilot exercise because of its direct relevance and potential for immediate significant impact on gender equality, and also because the Ministry had collected a significant level of gender disaggregated data. The exercise produced important learning and a number of useful guides were produced. Significantly, ongoing co-operation between KWN and MLSW and the Agency of Gender Equality (AGE) has resulted in the inclusion of important gender budget strategies in the formal budgetary institutions. These include the inclusion of gender related instructions in the Budget Circular and the production of a statistical document demonstrating trends in the sex disaggregated distribution of expenditure by each department. In June 2015, a new law on gender equality<sup>13</sup> requires all institutions of the Republic of Kosovo to adopt gender budgeting and gives a special role to AGE, which is attached to the office of the Prime Minister, in overseeing the implementation of gender budgeting.

#### *Republic of Moldova*

30. The Republic of Moldova has been engaged in a comprehensive programme of modernization and reform covering public administration, the budgetary processes and the delivery of public services. Among the most significant reforms are the harmonization and unification of the budget (removal of off-budget expenditures), introduction of a medium-term expenditure framework (MTEF), adequate budget coverage of state guarantees, and regular macroeconomic forecasting.

31. The introduction of performance-based budgeting (PBB) is central to the reform programme. The Law on Local Public Finance was passed by parliament in 2013 and became effective in January 2015. All levels of government – central regional and local – are scheduled to change over to PBB by 2016.

32. The model developed by Austria provided synchronicities with the Republic of Moldova, particularly in terms of how Austria used its budget reform process to institutionalize gender budgeting. Thus, a study visit to Austria was arranged in 2012. More recently a similar study visit for key officials was organized with the government of Iceland, where gender budgeting has evolved very successfully.

33. The most recent initiative in the Republic of Moldova encompasses the revision and updating of post-graduate modules on GRB and the expansion of courses to include under-graduate level, as well as short courses. It also involves the drafting of new knowledge and promotional products. An international consultant has been engaged to provide advice and training to the ASEM, the academic institution responsible for delivery of the revised and expanded academic curriculum.

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11 All references to Kosovo\*, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nation's Security Council Resolution 1244 and without prejudice to the status of Kosovo.

12 Most notably Switzerland, the USA, Austria and Germany

13 Law No. 05/L -020-+



## B. Regional initiatives

### *Berlin*

34. Germany has not engaged with gender budgeting at central government level. It did however commission a feasibility study, published in 2006. A recent study (Quinn, 2015), which set out to examine why Austria and Germany went down different paths in relation to gender budgeting, shows that the interactive effect of a number of factors shaped the different outcomes in both cases. Germany could not avail of the opportunity of administrative reform which allowed the Austrian Federal government to 'piggy-back' its more political gender budgeting innovation onto a seemingly managerial/technical innovation. More importantly, the federal government in Germany believed that gender budgeting was best carried out at the lower levels of government, since the delivery of public services, and therefore of spending authority, is devolved to those levels of government. A number of cities in Germany have engaged with gender budgeting to one degree or another, working to redistribute public funds to achieve better targeted, and therefore equitable, outcomes for both women and men. So, while the federal government absolved itself of responsibility for gender budgeting at the national level, it did, however, concede that should the government proceed at some time in the future with budgetary reform, that would be the time to reconsider its position on gender budgeting.

35. There have been a number of dynamic gender budgeting initiatives at Lander and City level in Germany. Arguably, the most successful and sustained is that of Berlin. Supported by parliament and led by the Senate Department of Finance, Berlin has been working with gender budgeting since 2003. An early objective was to enhance the transparency of the budget process. A pilot project looked at institutional transfers and focused on incorporating sex-disaggregated data in the 2005 and 2006 budgets. The process is steered by an interdepartmental working group, comprised of senior officials from the Department of Finance and the Department of Labour, Integration and Women. In the early days, representatives from civil society were part of this group.

36. For a number of years the focus was on increasing the amount of gender relevant information in the budget. More recently the procedure has evolved with the introduction of a mechanism that would allow for a shifting of budgetary allocations produce better gender equality outcomes. This has meant a deepening of the analysis, allowing officials to go beyond identifying the beneficiaries of public services as either male or female. Since gender budgeting is not about a 50/50 allocation of the budget between men and women, gender expertise is required to carry out comprehensive analysis of the gendered needs of both men and women.

37. The most recent budget for the Senate of Berlin (2016/17) demonstrates the effectiveness of the new steering tool. The gender disaggregated analysis of the budget is concerned with both internal and external use: that is to say with how resources are distributed between male and female employees and also on programmes delivered to the gender public. Each chapter of the budget begins with a sex-disaggregated breakdown of public employees. This is accompanied by a breakdown of monthly salary and explanation for the apparent gender pay gap. Importantly, where the analysis reveals a gender imbalance in terms of budgetary outcomes between males and females, the steering mechanism is utilised to guide budget makers on how and to what degree measures need to be reformulated to redress the gender inequity.

### *Andalusia*

38. The basis for gender budgeting in Andalusia is a 2003 law on Fiscal and Administrative Measures. The law establishes two provisions: the first is the requirement that the regional budget presented to parliament contain a Gender Impact Report<sup>14</sup> and the second is the setting up of a Commission within the Ministry of Finance to oversee the execution and approval of the Gender Impact Report. A particular innovation is the G+ classification system to prioritise those budget programmes that are most relevant to advancing gender equality. Four criteria are used to select programmes that:

- have a transformative capacity;
- have the capacity to impact on a large scale;
- have the capacity to reduce gender inequality, and
- relate to employment in the administration of the region.

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<sup>14</sup> This is modelled on the Gender Aware Budget Statement, one of the Commonwealth Secretariat tools

39. The scoring process is accomplished through a participative process involving input from all administrative centres on all budgetary items, combined with objective information on target groups of service users as well as academic input.

40. While each agency is responsible for classifying its programmes, the Gender Impact Commission (an inter-departmental coordinating body) must approve them. In addition, each programme is reviewed annually with the expectation that as expertise develops among the staff, programmes that previously had been perceived as having no or little gender relevance might be reclassified as having gender relevance.

41. Once classification is in place, strategic objectives with corresponding actions are planned, along with indicators and an evaluation and monitoring system. Since its introduction the methodology has been improved year on year with a continuous programme of capacity building for civil servants. An organisational change process underpins the shift to gender responsive budgeting whereby there is a focus on changing values, priorities and stereotypes through new learning processes and the provision of expert technical assistance.

42. The Gender Impact Report of the 2010 budget points to significant progress toward the goal of the standardisation of a system of analysis within the day-to-day operations of each agency. Among the progress listed are:

- a decrease in the number of projects designated as having no gender relevance
- an increase in the number and quality of indicators – 21 more gender equality indicators between 2009 and 2010
- the introduction of the strategic guidance document for each budgetary activity which would be maintained and updated in terms of progress on gender equality outcomes.

### **C. City initiatives**

#### *Vienna*

43. For the city of Vienna, gender budgeting is a financial instrument whose aim is to make the consideration of gender integral part of budget policies. Crucially, it means expanding the traditional budget process without creating separate budgets. Vienna began to engage with gender budgeting in 2005. In 2009 the obligation on all levels of government to “aim at the equal status of women and men in the budget management” was enshrined in federal constitution (Art. 3, (13)).

44. With the entire budget of the City of Vienna subjected to the gender budgeting process, the first step undertaken by budget officials is to assess the relevance of the budget under consideration to gender equality. This gender-relevance test is used extensively in other jurisdictions and is a way of encouraging budget officials to take gender into account, most likely for the first time. Thinking of the beneficiaries of public services as male and female and understanding that public policies (including budgetary policies) impact on men and women differently, allows for the beginning of a gender analysis.

45. Other tools are employed to determine if changes in the allocation of the budget can effect changes in opportunities and options. Consideration is also given to how the service for which the budget is designed is delivered so as to maximise access for all, both men and women. In some cases it has been determined that not all people have the same access to City services and resources need to be devoted to improve access.

46. Vienna also applies a gender budgeting approach to its procurement and subsidies policies. For example according to a decree issued by the Chief Executive Director of the City of Vienna, tenderers for service contracts must commit to the implementation of measures for the promotion of women. When it comes to subsidies given by the City to cultural, research and sports projects, bonus points are awarded to projects that detail a gender equality component.

#### *Reykjavik*

47. Gender budgeting in Reykjavik began in 2011, with a pilot project, when the mayor set up a steering group for this purpose, with a mandate to analyse the budget to determine difference in impact on women and men, and to reformulate budget policies and distribution of resources to achieve gender

equality outcomes<sup>15</sup>. The steering group drew up an action plan to implement gender budgeting in the city.

48. A second phase in 2012 required each city department to carry out a pilot project. The objective was to conduct a gender analysis on at least one aspect of their budgetary remit. In all 16 pilot projects were delivered and the resultant analyses formed the foundation for further action. In the first instance, the steering group proposed, and the City Council adopted, changes to the budget process to ensure further implementation of gender budgeting. What followed was a set of projects implemented within the framework of departmental service fields, all aimed at improving gender equality in the city. The city is now in its fourth phase (2014-2018) of gender budgeting, which aims to anchor this approach completely in the budget process, applying it in all service and policy areas.

49. One of the problems that Reykjavik and other cities have had to face is the lack of gender-disaggregated data. Although Iceland's 2008 Gender Equality Act makes the analysis of statistics according to gender obligatory, the collection of sex-disaggregated data has been inconsistent and partial and remains a work in progress.<sup>16</sup>

50. The city also reports resistance to the concept in some sectors of the population, such as the perception that this only concerns women and the view that it just amounts to having an equal number of women and men using certain public services. To counter this and accompany the rolling out of the project, the city has organised awareness-raising events (e.g. a symposium in 2015) and in 2016 the University of Iceland ran a course on gender budgeting to cover the issues in more depth.

### *Gothenburg*

51. Sweden has been active in its efforts to incorporate a gender equality perspective in its economic policy since the 1980s, and in 1988 a special appendix was introduced into the Budget Bill to show the distribution of economic resources between women and men. Since 2003, this appendix has been attached to the Budget Statement. In late 2014, the newly formed government recommitted itself to gender budgeting, to improve both budget transparency and gender equality (Quinn, 2016).

52. A number of cities in Sweden have likewise been engaged with gender budgeting, with Gothenburg being one of the most active. For Gothenburg, gender budgeting is a matter of revealing the people behind the numbers. Understanding that public resources are not simply about buying services, but about meeting the needs of people – women and men, girls and boys. The real test of how budgets are performing is how well the needs of people are being met. Gender budgeting tools are used to analyse how public resources are used from a gender perspective. The aim is avoid public funds being allocated in a manner that is unfair and discriminatory,, but rather in a way to achieve a more equitable distribution of resources between the sexes (<http://www.includegender.org/>).

53. One particular focus in Gothenburg is its subsidies to sports organisations. With an annual budget of SEK 80 million, most of the funding goes to sports for children and young people between the ages of seven and twenty-six. A comprehensive gender analysis of this stream of funding revealed a number of important aspects of how boys and girls benefit from city spending. Organised sports are highly segregated by gender (this is not unique to Gothenburg), with boys numerically predominant within most sports. In Gothenburg, for 36 out of 44 sports, a greater proportion of activity grants to boys than to girls (64% and 36% respectively). When it comes to investment grants, for nine out of eleven sports those benefiting boys outweigh those for girls. The only sports where a greater proportion of the grants go to girls are horseback riding and gymnastics. Overall the analysis showed that 37 per cent of the grants went to girls, while 63 per cent went to boys.

54. The analysis pointed to a number of recommendations including making more sports and activities available to girls; distribute resources between girls and boys more equitably; and offer young people grants for memberships in private gyms and health clubs.

55. Another important initiative began in late 2015 in the University Gothenburg. The goal is for the entire University to be analysed from the outside and for the whole organisations to be permeated with a gender equality perspective. Building on its existing efforts to mainstream gender, each faculty will select

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15 Gender budgeting in the City of Reykjavik. [http://reykjavik.is/sites/default/files/gender\\_budgetin\\_in\\_the\\_city\\_of\\_reykjavik.pdf](http://reykjavik.is/sites/default/files/gender_budgetin_in_the_city_of_reykjavik.pdf)

16 United Nations. Human Rights Council: Report of the Working Group on the issue of discrimination against women in law and in practice, Addendum, Mission to Iceland, 2014.

one department to serve as a pilot and will examine decisions, budgets and planning and reviews processes from a gender perspective. The goal is to determine how aspects of the university functioning, such as research, assessment, the provision of education and conditions of employment and career paths impact on men and women and what room exists for the improvement of gender equality outcomes.

## **VI. Observations on gender budgeting in Europe**

56. Most initiatives to date have been limited to expenditure, specifically to expenditure in the social policy areas. This focus on expenditure lends itself more readily to gender analysis by those officials for whom the implementation of gender mainstreaming is a responsibility. It should be remembered, nevertheless, that fiscal and welfare policies have the potential to impact on gender equality and need, therefore, to be subjected to gender analysis and redesigned so as to produce better gender equality outcomes.

57. Co-ordination between gender equality goals and gender budgeting could be greatly improved. In most instances, where a gender equality strategy is in place, some of the goals articulated have some overlap with national economic goals. Aligning gender budgeting initiatives with gender equality goals could provide the basis for better gender equality outcomes.

58. Gender mainstreaming is a hugely ambitious project, the breadth of which was not fully understood at the outset. Gender budgeting, with the focus directly on the resources needed to implement policies, provides an opportunity to get a clearer picture of the impact of public policies (and by extension, public resources) on men and women who are the beneficiaries of public policies.

59. Gender budgeting requires the understanding of both the economic and gender-related dimensions of the policies associated with budgets. Most gender budget analysis begins by counting the number of beneficiaries of public spending and disaggregating the data by sex. This level of analysis provides a useful view; nevertheless, more meaningful analysis, based on an understanding of how gender operates in society to shape men and women's behaviour in the home, in the labour force and in the marketplace, is needed to support effective gender budgeting.

60. Many gender budget initiatives have been driven by women, in the form of civil society analysis and advocacy. A key dimension of gender equality policy is the participation of women in the arenas of decision making. This applies to gender budgeting.

61. Gender budgeting has been instrumental in bringing gender equality onto the agenda in many countries, particularly the newly independent former-Soviet countries, mostly because of donor backing (or insistence).

62. Gender budgeting has been instrumental in activating civil society, especially in the newly independent states, to engage with emerging democratic institutions. In Bosnia and Herzegovina, for example, an early important outcome for gender budgeting was the addition of a dedicated line of spending in the budget for refuges for women who had suffered gender-based violence. This success was due to the advocacy efforts of civil society organisations. In "the former Yugoslav Republic of Macedonia", civil society was a key partner in the realization of that country's national strategy on gender budgeting. UN Women has been one of the most prominent and active promoters of gender budgeting in many parts of the world, and in particular its programme of work in South East Europe since 2006 has facilitated the engagement of civil society in all aspects of the work and in building capacity for gender budget analysis and advocacy.

63. Decentralisation has played a role in fuelling a number of gender budgeting initiatives and many experts – particularly public administration experts – believe that this is where gender budgeting can make a difference. Budgetary and/or governance reforms have provided the stimulus and the framework for the introduction of gender budgeting. This has proven useful and is potentially a productive modality to explore further.