

## Panel 4 – Tools for enhancing gender mainstreaming – from political will to e-solutions

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### Introducing gender responsive budgeting in Albania – progress and challenges

Albania officially started program budgeting in the year 2008, by introducing it in the 2008 Budget Law approved by the Parliament on November 26th, 2007. It was the first official step in engaging in a fully-fledged system of program budgeting, which was quickly followed by the approval of the New Organic Budget Law approved by the Parliament on June 26th, 2008. The latter, made mandatory that the annual budget shall be approved by the Parliament on a program level (at minimum). Furthermore, the New Organic Budget Law laid the foundations for the introduction of a performance oriented budget planning by requiring all the line ministries to define their mission, and for each of their identified programs to define its respective policy goals (long term), objectives (for each of the 3 years of the Medium Term Expenditure Framework), outputs, activities and related budget costs.

On the other hand, it raised the awareness in the middle to high management of the budgetary institutions that this exercise would serve not only for the purpose of budget planning required by the Ministry of Finance (MoF), but also as a management tool of its own. This led to the development of a new IT platform in 2003 that made it much easier for the LM staff to enter and manage their data, and also Budget Department staff had the opportunity to access and generate reports for further analysis of LMs budget submissions.

However, the Ministry of Finance is set to replace this existing IT platform with a new one labeled “Albanian Financial Management System (AFMIS)”. It will not only improve significantly the process of budget programming on a medium term basis, but also create a solid base for a more accurate and real time financial data related to output costs in the budget implementation & monitoring phase which is going to be obtained through an interface with the current Treasury Information System. AFMIS will enable all the budget programs to enter their MTBP submissions and subsequently input the non-financial data in the budget implementation & monitoring phase, whereas with the current MTBP software these features are restricted to budget programs that are part of Line Ministries.

Following this important breakthrough in Albania’s Budget System Management, UN Women approached MoF in late 2010 with the aim of introducing gender perspective in the Medium Term Budget Program. This process was seen as very much feasible given the fact that both Gender Responsive Budgeting (GRB) and MTBP are based on performance targets and measurement of results achieved. GRB, on one hand, provides a direct linkage between the government’s policy on gender equality and the allocation of resources necessary to implement this policy while the Medium Term Budget Program provides a linkage between the public

policy decision-making with the decision-making in the use of public resources.

As a result of more than a year technical and financial support by UN Women, on 18 July 2012, the Albanian Council of Ministers approved the decision no. 465 "on Gender Mainstreaming in the Medium-term Budgetary Program". UN Women Technical expertise has been fundamental to align gender responsive budgeting principles within mandates and roles of government institutions including Ministry of Social Welfare and Youth (MoSWY), Ministry of Finance (MoF), Department for Strategy and Donor Coordination in drafting as well as finalizing this decision. Meeting, trainings, best practices and study tours for senior officials to strengthen their capacities to use gender budgeting in practice, have been provided since 2010. The decision opened up opportunities for planning and budgeting gender equality commitments in sectors that are critical for supporting women's economic empowerment, e.g. in agriculture business development as well as regional development.

Later on that year, a joint Instruction no. 21, date 21.06.2013 on "Procedures to mainstreaming gender issues in the MTBP", was endorsed by MoF and MoSWY with the technical support of UN Women. It provided detailed procedures for implementation of gender responsive budgeting in line ministries. This instruction was accompanied by a practical Guideline developed by MoF and MoSWY with UN Women's assistance which included the key institutional/legal context for effective inclusion of GRB as well as practical examples from the pilot ministries.

Thus, in the Medium Term Budget Program document of 2013-2015, there were identified 9 budget programs that had reflected (fully or partially) gender budgeting as part of their budget requests. However, both the UN Women and Ministry of Finance felt that there was still enough room to incorporate more budget programs that could plan and manage gender policy goals and objective within their MTBP. As such, it was jointly decided to provide Line Ministries with dedicated technical assistance that would provide its expertise in improving and broadening the implementation of gender equality principles in the public finance management system. This decision was also guided by the inclusion of "Effective implementation of gender based policies under the Medium Term Budget Framework" objective in the Public Finance Management Strategy for 2015-2020, approved by a Council of Ministers Decision on late December 2014.

Consequently, with the dedicated help and expertise provided to the designated

Line Ministries, the results were quite impressive, as the number of programs that contained full or partial gender elements in their MTBP requests were significantly increased from 9 to 20 Programs. It is worth mentioning here that all these identified programs were able to improve the quality of their overall MTBP submissions as well as clearly identifying embedded gender policies in the MTBP 2016-2018 Document.

Given the up to date considerable progress in integrating Gender perspectives to the budget process in Albania and the fact that the Public Finance Management Strategy for 2015-2020 has foreseen some substantial changes to the current Organic Budget Law (OBL), UNWOMEN in close consultation with the staff of the Ministry of Finance, made it possible to include gender, as a principle, in the changes that were made to the existing OBL in early June 2016. The inclusion of gender in the updated OBL, would initially see all the budget programs of all line ministries and budget institutions taking into account gender equality at least at the policy level. In addition, making gender budgeting binding by law, would result in a higher awareness and subsequent accountability of high level management for effectively managing policies that directly or indirectly affect gender related issues and aim at achieving gender equality. Furthermore, it creates the right environment for all gender based policies programmed by each line ministry or budget institutions to be monitored effectively in the budget implementation phase, whilst providing also the opportunity for them to be evaluated and audited in full compliance with the Public Expenditure Management cycle.

However, there are still quite a few challenges that the Albanian Government should properly address in the future in its bid to effectively implement MTBP and GRB processes as summarized below:

- A better knowledge and understanding of MTBP process as well as GRB from high level management of Line Ministries is a key prerequisite for success;
- Statistics are the key to a SMART MTBP submission as well as to its implementation and monitoring process. It is worth mentioning the fact that there are none or few disaggregated statistics on gender, due to the lack of statistics sector/departments in the Line Ministries. Furthermore, the number of management information systems that effectively handle these kind of data is missing in almost all the line ministries;
- While drafting strategies and policies on gender (and other issues), perceived differences on education, culture and social inclusion should be considered;
- Program Management Teams should include members from all the institutions/departments that have a contribution in the key activities of a certain budget program. There are many cases in which the exercise of preparing MTBP requests is seen 'exclusive' duty of the Finance & Budget Departments, while it is a duty of all the designed members of the Program Management Team;
- The need for a regulated and well defined legal framework on the monitoring of the budget performance as well as a manual on the whole monitoring process (there is no specific legal framework and a manual on the monitoring process). Coupled with this, there is also lack of knowledge on the monitoring process and especially on

the KPIs and their usage during the planning and monitoring process.

