

Towards good governance guidelines for gender budgeting (draft)

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Gender inequality is an important and visible issue for OECD countries and the costs are borne at both social and economic levels. Gender budgeting ensures that gender equality considerations are taken into account in tax and spend decisions. Effective implementation of gender budgeting has the potential to improve gender equality, ensure a sense of fairness and contribute to inclusive economic growth. This paper draws on the experiences of OECD countries and aims to provide insights into how the budget can develop as a tool to support gender equality goals, the different ways in which gender budgeting can be implemented and the factors that help provide a supportive environment. It aims to assist countries in implementing an effective and sustainable approach to gender budgeting.

For more information, contact: Scherie.nicol@oecd.org

1. Introduction

1.1. Gender equality: an uphill battle

Gender equality is not only a fundamental human right. It is also a keystone of a prosperous, modern economy that provides sustainable inclusive growth. Gender equality is essential for ensuring that men and women can contribute fully at home, at work and in public life, for the betterment of societies and economies at large. However, in the past five years, countries have made very little progress in reaching gender equality goals. Gender gaps persist in all areas of social and economic life and across countries, and the size of these gaps has often changed little (OECD, 2017^[1]).

The 2013 *OECD Gender Recommendation* and the 2015 *OECD Gender Recommendation in Public Life* propose concrete measures that member countries and other adherents can implement to advance gender equality. In particular, the 2015 Recommendation states that governments should integrate a gender perspective in all phases of the budget cycle (OECD, 2016^[2]).

In order to support the implementation of this gender budgeting recommendation, this paper seeks to expand on its rationale, and provide insights – based on the country experiences - on modalities for implementation and paths to action.

2. Is the budget the right place to deal with gender equality issues?

Good budgeting alone cannot and should not try to solve all the problems of society. The contribution of government ministries is essential in areas such as understanding societal needs, priority setting, and policy development and implementation. The Ministry of Finance also often has an inherent culture of conservatism which can hinder it acting as an agent for social change. However, the OECD Recommendation on Budgetary Governance describes budgeting as more than its traditional technocratic exercise, stating that it is “*an essential keystone in the architecture of trust between states and their citizens*” (OECD, 2015^[3]). In addition, the Ministry of Finance has considerable ability to influence government policy-making given the “power of the purse”¹. For these reasons, it can be argued that the Ministry of Finance has substantial opportunity to help achieve gender equality goals if it applies a gender perspective to the budgeting process.

¹ The power of the purse is the ability of one group to manipulate and control the actions of another group by withholding funding, or putting stipulations on the use of funds.

3. The strategic dimension

Principle 2 of the OECD Recommendation on Budgetary Governance and the Best Practices for Performance Budgeting call for close alignment of budgets with the medium-term strategic priorities of government. Organising and structuring the budget allocations in a way that corresponds readily with national objectives helps facilitate the achievement of results, given the inter-dependencies between the budget process and the achievement of government-wide policies. In the context of gender budgeting, a **gender equality strategy** plays an important role in identifying overarching goals towards which resources can be directed. To be most effective, it should be tied to an **indicator framework** which tracks progress towards gender outcomes. An example of an indicators framework is provided by the Canadian Gender Results Framework (see Box 3.1).

Box 3.1. Canada's Gender Results Framework

In 2018, Canada introduced a government-wide Gender Results Framework to track how the country is performing against key gender equality indicators. This provides a whole-of-government tool to measure progress in Canada in relation to gender equality, and to help identify where the greatest gaps remain.

During the preparation of Budget 2018, the Gender Results Framework provided a useful framework for policy discussion and helped guide Ministerial decision making in relation to resource allocation.

A key challenge is building a strategy that has legal, political and societal validity. A consultative approach to the development of the strategy is a crucial element of this.

4. Active engagement with civil society

Budgeting is a unique “nexus” that brings together the various dimensions of public policy analysis and that determines where the money goes. It is important that this nexus is open to a broad range of inputs and viewpoints, **especially critical viewpoints**. This helps provide for an inclusive, participative and realistic debate on budgetary choices, in line with Principle 5 in the OECD Recommendation on Budgetary Governance. OECD countries have made stronger efforts in recent years to help citizen's understand and engage with the budget process (OECD, 2018 (forthcoming)_[4]). Heightened engagement with societal stakeholders is a major trend in modern public governance. It is considered “critical to building citizen trust and is a key contributor to achieving different policy outcomes in diverse domains” (OECD, 2017_[5]).

The Ministry of Finance and government departments are unlikely to be able to devise optimal policies and budget proposals to tackle deep-seated gender equality alone. Instead, an open government approach can ensure that the policies and programmes

advocated in the budget proposal are rooted in the needs of citizens and that gender budgeting does not lose contact with its feminist-inspired origins and critical perspectives. Citizens and civil society organisations involved in gender advocacy often have the most direct experience and insights into the potential impacts of budget decisions on individuals and vulnerable groups. There is potential therefore for the quality of policy-making to be improved by including these voices within the policy-development and budget cycles. It also prevents the government from having to “reinvent the wheel” when developing gender equality policy, given that many gender advocacy groups have already given considerable thought to these matters.

Consultation may be undertaken as part of a formal **gender equality needs assessment**. Citizens and advocates should not be viewed as mere commentators, but as active participants in policy design and debate. An example of active engagement with civil society in relation to gender issues is provided by Spain’s Council for Women’s Participation (see Box 4.1).

Box 4.1. The Spanish Council for Women’s Participation

In Spain, the Council for Women’s Participation was established by article 78 of the Constitutional Act 3/2007 of 22 March. The Council is made up of representatives from central, regional and local government as well as women’s advocacy organisations. Its role is to channel women’s participation in public policy development in relation to the principle of equal treatment and opportunities for women and men. The Government of Spain consults with the Council during the development of the Equal Opportunities Strategic Plan. The Council sets up working groups which focus on different elements of the draft Plan and agree specific amendments aimed at its improvement.

5. Building evidence to inform action

A broader range of stakeholder engagement opens the way to ensuring public policy-making is rooted in evidence. Government policy is more likely to achieve overarching gender equality goals when policies take full account of the different circumstances, needs and challenges of women and men. ***Ex ante* gender impact assessments** are a key tool of gender budgeting, and are assessments of selected policies included in the budget. The assessments are undertaken by two thirds of OECD countries that implement gender budgeting (OECD 2018). Undertaking this type of assessment during the policy-making phase can help inform policy design and changes can be made to ensure the final proposal is more gender-equal. An example of an *ex ante* gender impact assessment tool is provided by Canada (see Box 5.1).

Box 5.1. *Ex ante* gender impact assessment in Canada

The Government of Canada has been analysing the gender-specific policy impacts on women and men before making decisions on policies, legislation, and programmes since 1995.

Gender-based analysis plus (GBA+) is the analytical tool that is used by departments and agencies for assessing the gender-specific impacts of policies, legislation, and programs on women and men. When integrated into the policy development process, gender-based analysis allows decision makers to consider gender differences. The “plus” in GBA+ acknowledges that GBA goes beyond biological (sex) and socio-cultural (gender) differences.

Implementing gender-based analysis can help integrate social, life, economic, and gender differences into policy development and help the federal government achieve its obligations and commitments to gender equality.

Source: (Office of the Auditor General of Canada, 2016_[6])

Where information from *ex ante* gender impact assessments is provided alongside budget proposals, as is the case in countries such as Belgium and Canada, this provides useful insights for the Ministry of Finance into how new budget measures are likely to impact gender equality and facilitates a **gender perspective in resource allocation**.

However, it is important that gender budgeting efforts do not focus entirely on incremental budget measures, which often account for a small proportion of the overall budget. Effective gender budgeting should also take stock of the gender impact of existing policies that are “baked in” from earlier budgets through tools such as **gender equality baseline analysis**. Examples of this type of analysis in practice are provided by Iceland and Sweden (see Box 5.2).

Box 5.2. Gender equality baseline analysis

Iceland

Implementation of gender budgeting in Iceland began in 2009 on a pilot basis. Each ministry was tasked with setting up a pilot project to look at the gender impact of existing policies. Among these 17 projects: an analysis of the transferability of individual tax reductions between members of a couple (Ministry of Finance); research on the status of Icelandic household debt (Ministry for Foreign Affairs); and analysis of the gender breakdown of unemployment benefits and hospital waiting lists (Ministry of Welfare).

These baseline analyses highlighted some initial orientations for fiscal policy. For example, women were disadvantaged for farm subsidies, waiting lists for cardiac imaging, and availability of retirement home places. Corrective measures were implemented through the budget act to help redress these inequalities.

Source: ((n.a.), 2017^[7])

Sweden

In Sweden, the analytical tool – JÄMKAS – is used to assess how the activities of agencies/departments impact gender equality. JÄMKAS is an abbreviation of the Swedish words for Gender Equality Survey Analysis and Conclusions. There are three stages to a JÄMKAS assessment:

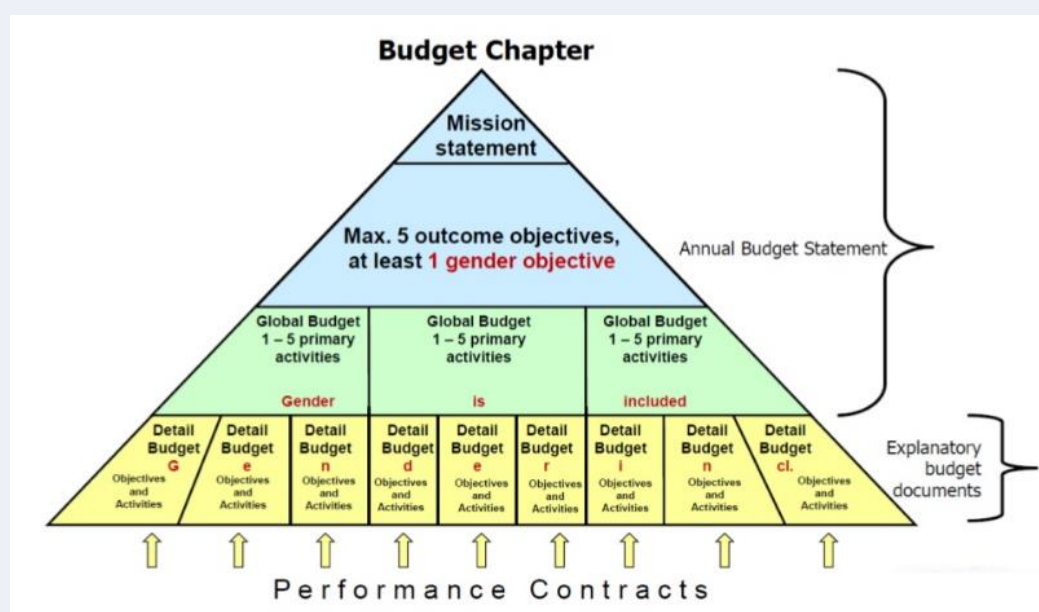
1. Making an inventory: this involves analysing activities and assessing how they could help achieve gender equality policy objectives. Activities that are strategically important for gender equality are identified.
2. Surveying and analysis: this involves examining the activities that have been identified as strategically important from the perspective of women's and men's situations and needs and analysing the facts that emerge.
3. Formulating objectives: this involves listing the changes that could enhance gender equality. Measures that will alter the outcome from a gender equality perspective are then selected, and time and resources are allocated for implementation. Consideration is also given to how the outcomes for gender equality can be measured.

Policy development and resource allocation should also be informed by performance information. This helps make sure that new measures take into account lessons from past performance and facilitates the improvement of public services, in line with Principle 8 in the OECD Recommendation on Budgetary Governance and the OECD Best Practices on Performance Budgeting.

Integrating a **gender perspective in performance setting** is an important and useful tool for gender equal policymaking. On the one hand, it encourages policy makers to think about what they are trying to achieve in relation to gender and what programmes and funding they need in order to achieve it. On the other hand, it ensures that information is collected on the extent to which policies and programmes are achieving outcomes in relation to gender equality. An example of the application of a gender perspective in performance setting is provided by Austria (see Box 5.2).

Box 5.3. Integration of a gender perspective in performance setting in Austria

Austria's distinctive system of gender budgeting is well integrated within the performance budgeting framework. According to the Federal Budget Law 2013, the outcome objectives specified for each Budget Chapter must include at least one objective related to gender equality; and in turn, each of the "global budgets" and "detailed budgets" must include at least one gender-related output target. In this way, each line ministry is obliged to consider how its activities relate to gender equality, and to design objectives and indicators to promote gender equality in the context of the budget.



Reporting on the gender-related objectives is covered in the Performance Reports prepared by the Federal Chancellery. Therefore the Austrian system of policy-making is designed to require all ministries to consider gender equality both in their high-level goal-setting and in more detailed specification of outputs and objectives and account for their achievements in gender equality goals and objectives via the annual performance reports.

Source: OECD, Forthcoming

To ensure consistency and coordination of approach, gender indicators within departmental performance frameworks should have upstream linkages to the overall gender equality strategy.

As more gender performance objectives become embedded in the programmes of government, a **gender perspective to evaluation and audit** - which assess the effectiveness of policies and programmes at achieving their objectives - becomes automatic.

Spending review is another exercise which can be increasingly used by OECD governments to assess and re-prioritise existing spending. The application of a **gender perspective to spending review** has the potential to ensure that spending reprioritisation has a positive impact on gender equality goals. The German federal government has plans to implement a gender perspective to spending review in coming years.

6. Impact and accountable institutions

Accountability institutions, such as the parliament and the supreme audit institution, are responsible for holding the government to account publicly for its policies and their implementation. Effective oversight of the budget by these institutions promotes the integrity, quality and credibility of national budgeting, in line with Principle 10 of the OECD Recommendation on Budgetary Governance.

6.1. Parliamentary scrutiny

Parliamentary scrutiny of gender budgeting is greatly assisted through the provision of a **gender statement** alongside the budget plan. For the gender statement to be a useful accountability tool, it might provide:

- A **general statement** (narrative) outlining high-level priorities and goals in relation to gender equality, together with a **progress statement** (narrative) which outlines the government's advancement in supporting and resourcing these.
- A **gender allocations report** which clearly identifies the budgetary resources allocated to policies that promote gender equality, and allocations that affect women and men differently.
- **Gender incidence analysis which provides an assessment of how** specific measures (both revenue and expenditure) or the budget as a whole promotes gender equality.

Eight OECD countries publish gender information alongside the budget. These gender statements are most likely to contain information on general gender objectives, total spending allocated to gender equality projects and gender impact analysis of specific budget measures. Just three OECD countries provide a gender impact of the budget as a whole (see Table 6.1).

Table 6.1. Information presented gender statements across OECD countries

OECD Country	General objectives	Progress statement in relation to gender objectives	Information on total spending allocated to gender equality projects	Gender impact analysis of specific budget measures	Gender impact analysis of budget as a whole
Canada	●	●		●	●
Iceland				●	
Japan	●		●		
Korea	●	●	●	●	
Mexico	●	●	●	●	●
Portugal	●		●		
Spain	●	●	●	●	●
Sweden			●	●	
Total	6	4	6	6	3

Note: Data shown only for the OECD countries which publish gender information alongside the budget.

Source: OECD (Forthcoming)

Thirteen OECD countries also publish **gender distributional analysis** for individual measures (nine countries) or the budget as a whole (four countries). This information can help parliamentarians understand the extent to which tax and spend measures align with, and help contribute towards, overarching gender goals. An example of parliamentary scrutiny of gender information presented alongside the budget is provided by the Scottish Parliament (see Box 6.1).

Box 6.1. Parliamentary scrutiny of the gender impact of the budget in Scotland

The Equalities and Human Rights Committee at the Scottish Parliament scrutinises the Scottish Government’s Draft Budget as well as the Equality Budget Statement that accompanies it. To do this, it puts out a public call for written evidence and also holds committee hearings with civil society organisations, including gender equality advocacy groups. The Committee provides a summary of its findings, together with recommendations, in a Report to the Finance Committee. Its 2017 Report on the Scottish Government’s Draft Budget called for improvements to the Equality Budget Statement, describing it as “central to our scrutiny of the Scottish Budget”.

Source: (Scottish Parliament Equalities and Human Rights Committee, 2017^[8])

Parliamentary scrutiny of the budget can be strengthened through the involvement of a Parliamentary Budget Office (PBO) or scrutiny unit, in line with the OECD Draft Best Practices for Parliamentary Budget Oversight. The independent authority and expertise of these offices and units lends itself well to also supporting scrutiny of gender information presented alongside the budget. An example is provided by the Austrian Parliamentary Budget Office (see Box 6.2).

Box 6.2. Scrutiny of gender budgeting by the Austrian Parliamentary Budget Office

The Austrian Parliamentary Budget Office was established in 2012 during a period of substantial reform to the budget law. Its main tasks include:

- Supporting the Budget Committee by providing analysis of the budget
- Responding to information requests from Members of the Budget Committee
- Supporting other parliamentary committees in relation to the impact assessment of new legislation
- **Support parliament in its analysis of performance and gender budgeting**

6.2. Oversight by the supreme audit institution

There are two obvious areas where the supreme audit institution (SAI) can have an important role in relation to gender budgeting.

First, as part of the move from a more traditional focus on financial audits to looking at aspects of performance or value for money, many SAIs now undertake performance

audits. Performance audits greatly enrich public accountability and enable the SAI to make practical contributions to improving the efficiency and effectiveness of the public administration. These are important tools for democratic accountability and control.

As gender performance objectives become embedded in the programmes of government, SAIs would ideally be able to integrate a **gender perspective in performance audit**. An example of a SAI which undertakes to do this is provided by the Austrian Court of Auditors (see Box 6.3).

Box 6.3. Gender dimension to performance audit by the Austrian Court of Auditors

The Austrian Court of Audit (ACA) is the supreme audit institution for Austria, responsible for both financial and performance audits.

Internal guidelines specify that each performance audit should consider complementary questions in the area of gender equality. This includes questions such as:

- Is the gender objective relevant?
- Is there sufficient gender-specific data?
- How appropriate is the level of ambition for measures and indicators?
- What is the impact on society?
- Are women and men appropriately represented in the governing bodies?

For example, an audit of “Agricultural Investment Subsidies and its Outcomes” as part of Austria’s rural development programme found that gender equality was not systematically covered by the programme, just 30% of the monitoring committee members were women (despite rules of procedure aimed at gender balanced representation), gender specific investment needs were not analysed despite women predominantly having smaller farms than men, and programme data was not systematically reported and analysed from a gender perspective.

Other recent ACA audits with a gender perspective include: Gender Health in Austria (2015), Compensatory Allowances under Pension Insurance (2015), The Introduction of Outcome Orientation in Selected Federal Ministries (2016), and Gender Aspects in Income Tax Law (2017).

Source: Austrian Court of Audit 2018

Second, SAIs can also play an important role by undertaking a **gender equality systems audit**, which assesses how gender equality policy processes are working. These audits have the potential to ensure that gender budgeting tools, such as *ex ante* gender impact assessment, are being implemented effectively and efficiently. An example of this type of audit being undertaken by a SAI is provided by the Office of the Auditor General in Canada (see Box 6.4).

Box 6.4. Gender equality systems audit by the Office of the Auditor General of Canada

The Office of the Auditor General of Canada (OAG) has undertaken two audits in relation to gender based analysis (GBA), the main tool employed by the Government of Canada to assess the gender impact of policies and programmes.

Its first audit was conducted in 2009 and sought to determine whether selected departments could provide evidence that they are conducting, and the central agencies can provide evidence that they are reviewing, GBA to adequately support decision making on policy and programme spending initiatives. After this audit, the Standing Committee on Public Accounts requested that Status of Women Canada, Treasury Board Secretariat and, the Privy Council Office presented to Parliament a government-wide Departmental Action Plan on Gender-based Analysis. This plan was intended to provide the blueprint for implementing and sustaining the practice of gender-based analysis across all federal departments and agencies.

A second audit was conducted in 2015 and examined whether the selected departments performed adequate GBA to inform government decisions, and whether Status of Women Canada and the relevant central agencies appropriately supported the implementation of GBA throughout the federal government. This audit also examined the government's progress on the 2009 recommendations.

Source: (Office of the Auditor General of Canada, 2016^[6])

6.3. Broader accountability

Broader accountability is also provided by civil society, and is facilitated by transparency on the part of the government with regard to its gender impact assessments. Gender equality advocacy groups may also wish to present their own **social audit of the budget**. This sort of civil society scrutiny is often technically competent and legitimate and can be particularly useful where there is a lack of transparency, or a lack of comprehensive or non-partisan analysis or on the part of the government, or where the government does not produce any gender information alongside the budget (see Box 6.5 for the example of Australia).

Box 6.5. Social audit of the gender impact of the budget in Australia

The Government of Australia was considered a “pioneer” of gender budgeting when it included a Women’s Budget Statement as part of the 1984/85 budget documents. By the late 1980s the Women’s Budget Statement became part of an integrated approach, which included the development of a National Agenda for Women. However, over subsequent years, political and administrative championing of the Women’s Budget Statement fell away, and the document was dramatically downsized in budgets 1994–95 and 1995–96. Following the election of a new government in 1996, the Women’s Budget Statement was effectively discontinued.

As the government deprioritised gender budgeting, civil society stepped in, and the National Foundation for Australian Women (NFAW) produced its first gender assessment of the 2014-15 budget in 2014. NFAW is a feminist non-politically affiliated organisation of volunteers and it has continued to produce gender analysis for subsequent budgets. Its reports make recommendations across a range of policy areas, and also in relation to the machinery of government and data collection. NFAW calls on both Government and Opposition to respond to the recommendations set out in its report.

Sources: (Sharp and Broomhill, 2013^[9]) and (Morrissey, 2018^[10])

7. A supportive framework

Gender budgeting presents significant social and economic opportunities for OECD countries. However, implementing an effective and sustainable gender budgeting approach can be challenging. The following sections outline essential elements to help successfully embed a gender perspective within the Public Financial Management (PFM) framework. Many of these elements are equally the desiderata of good budgeting and good policy formulation and so a PFM framework which effectively incorporates gender budgeting should converge with best international PFM practices.

7.1. Political leadership

High level political commitment is important for gender budgeting, particularly at the start to help drive the change in culture within government. Political commitment adds weight to gender budgeting reforms, which might otherwise be difficult for government staff to mobilise, particularly if they are already stretched in their jobs. An example of strong political leadership for gender budgeting is provided by the Ministerial Committee for Equality in Iceland (see Box 7.1).

Box 7.1. Ministerial Committee for Equality in Iceland

In 2017, with the renewed political commitment to gender equality in Iceland, the Prime Minister of Iceland and the Cabinet re-established the Ministerial Committee on Equality. The main role of the Committee is to coordinate equality issues among ministers and within the government. These issues include, but are not limited to, parental leave (paternity and maternity leave); the elimination of the gender pay gap (implementation of the law on the Equal Pay Standard); the rights of LGBTQ+ people; combating sexual violence; and ratification of the Istanbul Convention.

The Ministers represented on the Committee are the Prime Minister; the Minister of Social Affairs and Equality; the Minister of Justice; the Minister of Health; and the Minister of Education and Culture. Other ministers participate in the meetings of the Committee on the basis of need and in accordance with the decision of the Prime Minister who chairs the meeting of the Committee.

Source: Government of Iceland 2018

7.2. Clear roles and responsibilities and strong coordination mechanisms

It is observed that embedding gender budgeting throughout the budget cycle requires the collective effort of a number of government and non-government stakeholders (see Figure 7.1).

Figure 7.1. Gender budgeting stakeholders

Different approaches to the leadership and coordination of gender budgeting efforts within government are observed across OECD countries (see Box 7.2). Each approach boasts its own merits, so long as the roles and responsibilities of stakeholders are clearly set out.

Box 7.2. Different approaches to leadership and coordination of gender budgeting across the OECD

1. **Centralised leadership model:** In Korea, the Ministry of Strategy and Finance leads the implementation of gender budgeting, but works closely with the Ministry of Gender Equality. There is also a Gender Budgeting Task Force of which the director of the social budget from the Ministry of Strategy and Finance and the director of the women's policy from the Ministry of Gender Equality are co-chairs. Women's Focal Points have also been set up in key ministries of government, including Justice, Labour, Health and Welfare, Agriculture and Forestry, Education and Human Resources, and Government and Home Affairs.
2. **Decentralised model:** In Norway, the authorities in different sectors and at different levels of government have the responsibility for gender equality policies within their areas of authority. The Ministry of Children, Equality and Social Inclusion has a coordinating role in following up sector responsibilities and ensuring a coherent equality policy.
3. **Co-ordinated leadership model:** In Spain, a gender budgeting working group is responsible for implementing gender budgeting and consists of representatives from the Ministry of Health, Social Services and Equality, the Office of the Secretary of State for Budgets and Expenditure and the Directorate General of Budgets.

Additionally, strong co-ordination mechanisms (for example, an inter-agency working group) are an essential element of any approach to gender budgeting that involves different government stakeholders. This facilitates a comprehensive approach, as well as exchange of good practices. Almost half of OECD countries who have implemented gender budgeting (44%) report that they have an inter-agency working group such as this. An example is provided by Iceland's Gender Budgeting Committee (see Box 7.3).

Box 7.3. Iceland's Gender Budgeting Committee

Iceland's Gender Budgeting Committee has been set up, and is led by, the Ministry of Finance and Economic Affairs in a formal cooperation with the Ministry of Welfare. The Committee includes representatives of all the ministries and the Centre for Gender Equality. It is responsible for preparing the implementation programme for gender budgeting. Similarly, steering groups in all the ministries are responsible for implementing gender budgeting within each ministry.

7.3. Legal foundations for gender budgeting

While political leadership is important at the start, **legal foundations for gender budgeting** can help ensure its sustainability in the longer term. Australia was a pioneer for gender budgeting in the 1980s when it included a Women's Budget Statement as part of the budget. But after the election of a new government in the 1990s, the Women's Budget Statement was effectively discontinued. Legislation that is fully tested and

debated in parliament may help embed gender budgeting as a valued and enduring feature of public policy making and insulate it, as far as possible, from fluctuations arising from the economic or political environment. Gender budgeting has legal underpinning in half of OECD countries where it is implemented, although the nature and intention of the legal provisions vary (see Box 7.4 for examples).

Box 7.4. Legal protections for gender budgeting in OECD countries

Austria

The key foundation for gender-responsive budget management in all public authorities lies in the Austrian Federal Constitution which commits public administrations to aiming for equal status of women and men in budget management, and more specifically in outcome orientation. In addition, the Federal Budget Law 2013 has detailed regulations on outcome oriented administration including the consideration of the objective of effective equality of women and men.

Iceland

The principle of equality is set out in the Constitution of the Republic of Iceland which states that “Men and women shall enjoy equal rights in all respects”. Gender budgeting has been legally binding in the Act on Public Finances (No. 123/2015) since January 2016. It states that the Minister of Finance and Economic Affairs should, in collaboration with the minister in charge of gender equality, draw up a gender-responsive budgeting plan to be consulted when the national budget is prepared, and that the draft national budget should report the impact that these considerations have had on achieving gender equality.

Spain

The Spanish Act from 1978 states that there should be no discrimination between men and women. Law 30/2003 of 13 October sets out that all draft bills must include a gender impact assessment report. In addition, Royal Decree 1083/2009 of 3 July established that the annual Draft Budget Law must be accompanied by a Gender Impact Report.

Korea

The 2006 National Finance Act made the submission of gender budget statements and balance sheets mandatory from the 2010 fiscal year onwards. Provisions require the Government to submit a gender budget statement that analyses the impact of budgeting on women and men, and a gender budget balance sheet that assesses whether women and men equally benefit from the budget.

Source: OECD

7.4. Collection of gender-disaggregated data

An important development along the path of gender-responsive policy making is the **collection of gender-disaggregated data**. Gender-disaggregated data supports gender assessments and audits and is pivotal in enabling governments to develop effective gender-sensitive and evidence-based policies. Departmental data collection should be augmented by other data collecting institutions, such as the national statistics bureau, also collecting gender-disaggregated data.

OECD survey results from 2016 point to a systematic lack, across many OECD countries, of the necessary gender-disaggregated data. It may be that the non-availability of this data reflects assumptions that the “default” allocation of resources is gender-neutral, and that gender-disaggregation should only be sought where there are *prima facie* grounds for believing that a non-gender-neutral policy issue is in question. Other factors may also be hindering data collection, such as: limited human resources; limited capacity of the statistical offices; limited capacity in line ministries/departments/agencies to determine the need for gender disaggregated data; limited skills of producers of statistics to incorporate a gender perspective into their work; limited coordination mechanisms to determine the kind of data that need to be collected; lack of indicators to guide the collection of disaggregated data; and poor quality of existing data.

Accordingly, there seems to be a case for a more systematic and thorough-going approach to collecting data on a gender-disaggregated basis. An example from Israel points to an appreciation of the importance of such data availability as a key element in a national gender equality strategy (see Box 7.5).

Box 7.5. Gender disaggregated data in Israel

In Israel, in 2008 the Statistics Law was amended to require that every data collecting institution must analyse and publish statistics by gender. Subsequently, since 2014, line ministries have had to conduct gender analysis of the budget. In the field of science (scholarships and funds), the exposure of data on gender budgeting (ex post) initiated a process of a more balanced allocation of resources. In sports, the data on gender budgeting has sparked a public discussion and a legal procedure. Despite this, some ministries have continued to have difficulty obtaining the necessary data as shown in an independent study of the Ministry of Industry, Trade and labour.

Source: OECD Survey of Gender Budgeting 2016

7.5. Budgeting tagging

Budget tagging allows the monitoring of resource flows targeted to different government objectives, such as gender equality. It involves the identification of budget programmes which have gender as a principal or significant objective and allows for an approximate quantification of financial flows that target gender objectives. Budget tagging can be a relatively “blunt tool” given that it may not be appropriate to count the full value of spending across certain programmes as spend targeted at gender equality objectives.

However, it provides an indication of the degree to which gender considerations are embedded across different areas of the budget, and how this changes over time. An example of gender budget tagging in practice is provided by Italy, who undertook it in 2016 as part of its national gender budgeting pilot (see Box 7.6).

Box 7.6. Gender budget tagging in Italy

In Italy, a national gender budgeting pilot introduced in 2016 involved budget expenditures being reclassified in light of their different impact on men and women. Expenditures fall into one of the following categories:

- **Neutral expenditures:** These have no direct or indirect impact on gender, for example: interest and debt repayments, depreciation, royalties and utilities.
- **Sensitive expenditures:** These relate to measures which have a different impact on men and women, for example, compensation of employees or expenditure on school education.
- **Expenditure aimed at reducing gender inequalities:** These relate to measures directly attributable to, or aimed at, reducing gender inequalities or promoting equal opportunities, for example, women's entrepreneurship funds, female employment incentives, work-life balance measures.

Information on expenditures in each of these categories within line ministries and other public administrations was provided in the Report to Parliament on Gender Budget 2016.

Source: (Government of Italy, 2017^[111])

7.6. Capacity building and awareness raising

Capacity building and awareness raising can be crucial factors in order to increase openness towards gender-responsive policies throughout the public sector. It is available in over half of the OECD countries that have implemented gender budgeting (63%). For example, government officials in Korea must have to attend a specific training to learn how to prepare a Gender Budgeting Statement (a document that contains information on gender targets and the gender impact of government spending) in order to help them provide information that feeds into it in the correct manner.

7.7. Impact assessment and evaluation

A whole-of-government vision for gender budgeting steers and aligns planning, implementation, evaluation and the application of key learnings to the next policy iteration. Given this, it would seem important to have a measurement framework in place that is capable of **assessing the impact of gender budgeting** and the extent to which it is delivering the intended results.

Measuring the impact of gender budgeting can have its challenges. For example, it may be difficult to identify the influence of gender budgeting on policy as it will not show up as a discrete step in the policy development process and it will be difficult to control for the impacts of political leadership and direction. However, any information that can be presented on the impact of gender budgeting will help stakeholders better understand its

merits and support cultural change within public policy making. In addition, the effectiveness of gender budgeting can be measured in a number of different ways. For example, through:

- a. Development and application of gender related indicators that feedback to strategy
- b. Structured feedback/dialogue with civil society bodies and other stakeholders
- c. Regular reporting to parliament on the impact of gender-responsive policies
- d. Surveying stakeholders/target groups for their perception of the impact of gender-related policies
- e. Regular/ongoing monitoring of progress by reference to key indicators/benchmarks of gender equality
- f. Engagement of local or international experts to periodically review gender budgeting efforts
- g. Collection of case studies which provide insights into how gender budgeting is influencing policy development, overall resource allocation and gender outcomes, as well as the barriers it is facing

An example of a country that has put in place a framework to measure the impact of gender budgeting is provided by Sweden (see Box 7.7).

Box 7.7. Measuring the impact of gender budgeting in Sweden

The Swedish Government have given the Swedish National Financial Management Authority (ESV), a government agency, responsibility for measuring the impact of gender budgeting reforms that have been carried out by the government. The agency will look at the impact of gender budgeting reforms as well as other budget reforms that may have had an impact on gender equality. It is hoped that the assessments will provide improved awareness of the wide range of budgeting factors which can contribute to or reduce gender equality. This will put the Swedish Government in a better position to put measures in place that correct these inequalities.

Source: Government of Sweden 2017

8. Conclusion

8.1. Towards good governance guidelines for gender budgeting

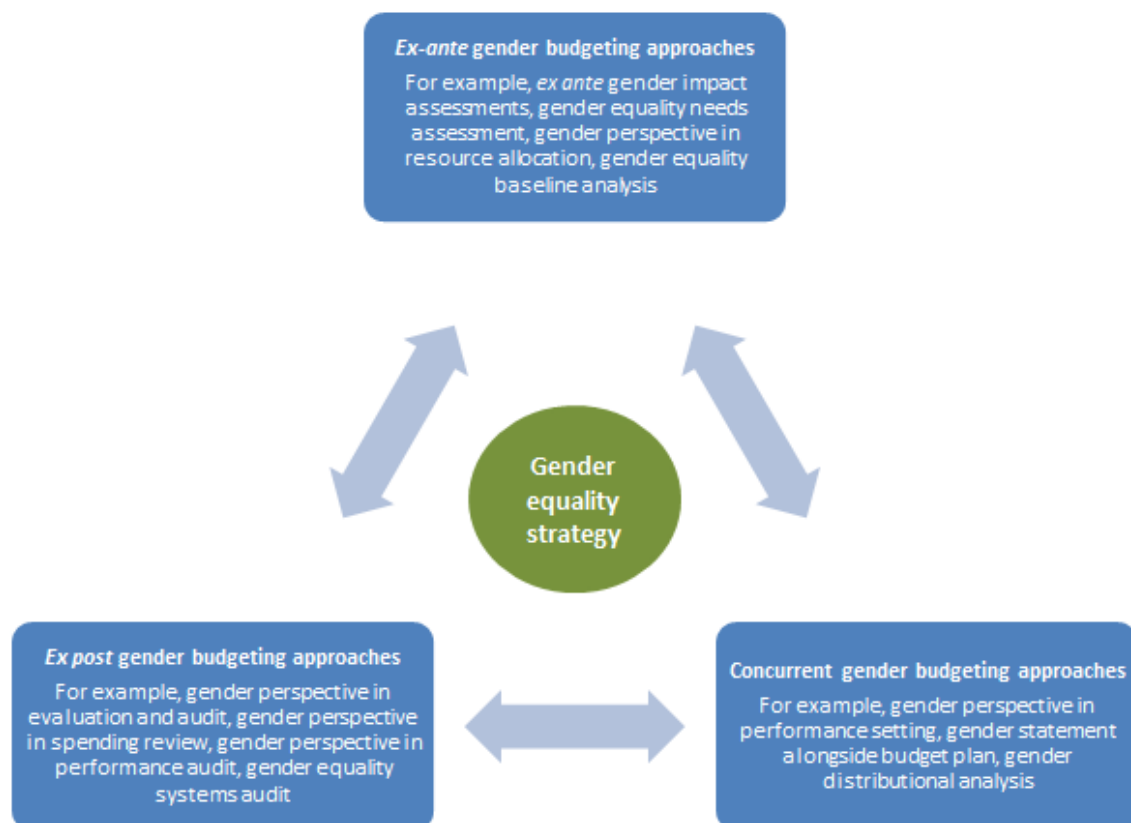
The budget is a central policy document of government, showing how annual and multi-annual objectives will be prioritised and achieved. It is not surprising, therefore, that initiatives to promote gender-responsiveness in public policy have included attempts to incorporate a gender-sensitive dimension into the budgeting process itself.

This paper aims to provide insights into how the budget can develop as a tool to support gender equality goals, the different ways in which gender budgeting can be implemented and the factors that help provide a supportive environment to ensure an effective and sustainable approach.

Gender budgeting initiatives are being pursued in various forms across OECD countries. When first introducing gender budgeting, countries might build on existing elements of the budgeting model, for example, through integrating a gender perspective into the performance framework or considering information from *ex ante* gender impact assessments alongside budget proposals, facilitating a gender perspective to resource allocation.

The OECD has refrained from adopting an “ideological” preference with regard to the tools of gender budgeting that should be used. However, a more advanced approach to gender budgeting benefits from being guided by a national gender equality strategy and through the incorporation a gender perspective at different stages of the budget process (*ex ante*, concurrent and *ex post*).

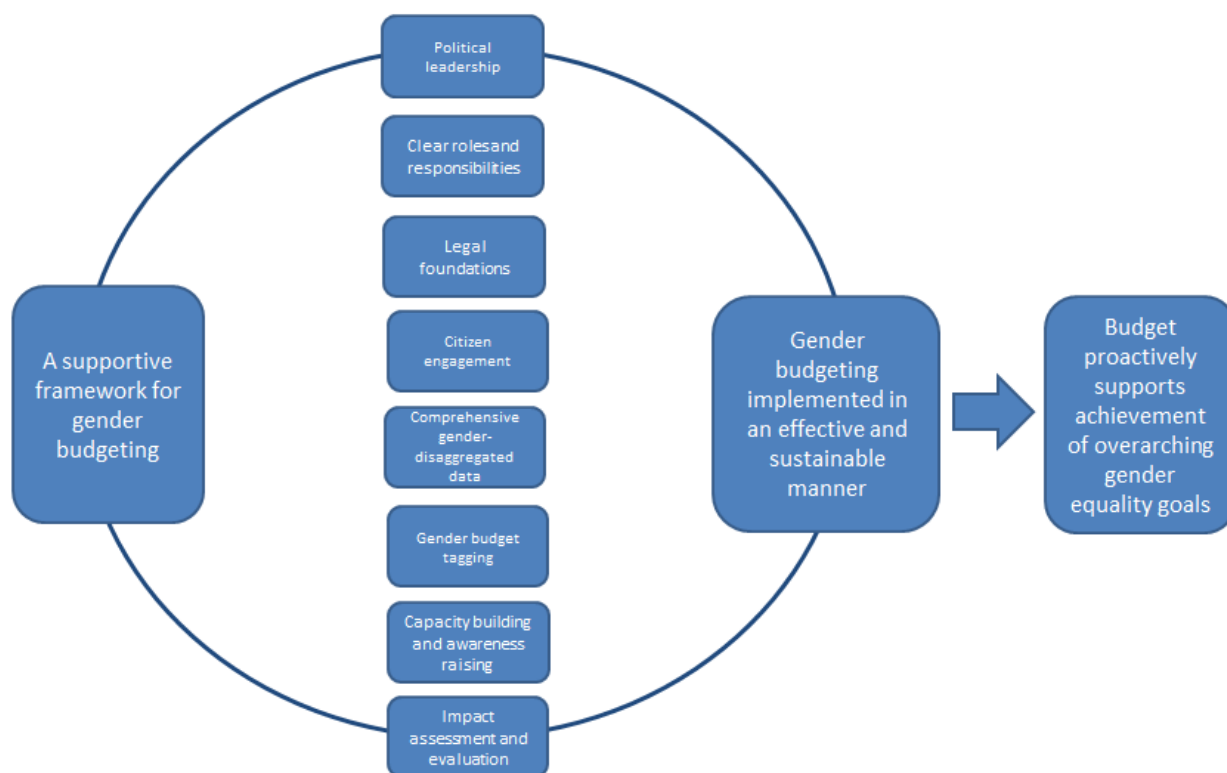
Figure 8.1. Gender budgeting tools at different stages of the budget process



Implementing an effective and sustainable gender budgeting approach can be challenging. This paper draws on the experiences of OECD countries and outlines some of the essential elements which help successfully embed a gender perspective within the Public Financial Management (PFM) framework. Many of these elements are equally the desiderata of good budgeting and good policy formulation and so a PFM framework

which effectively incorporates gender budgeting should converge with best international PFM practices.

Figure 8.2. A supportive framework for gender budgeting



Annex: Gender Budgeting in OECD Countries, 2018 Update

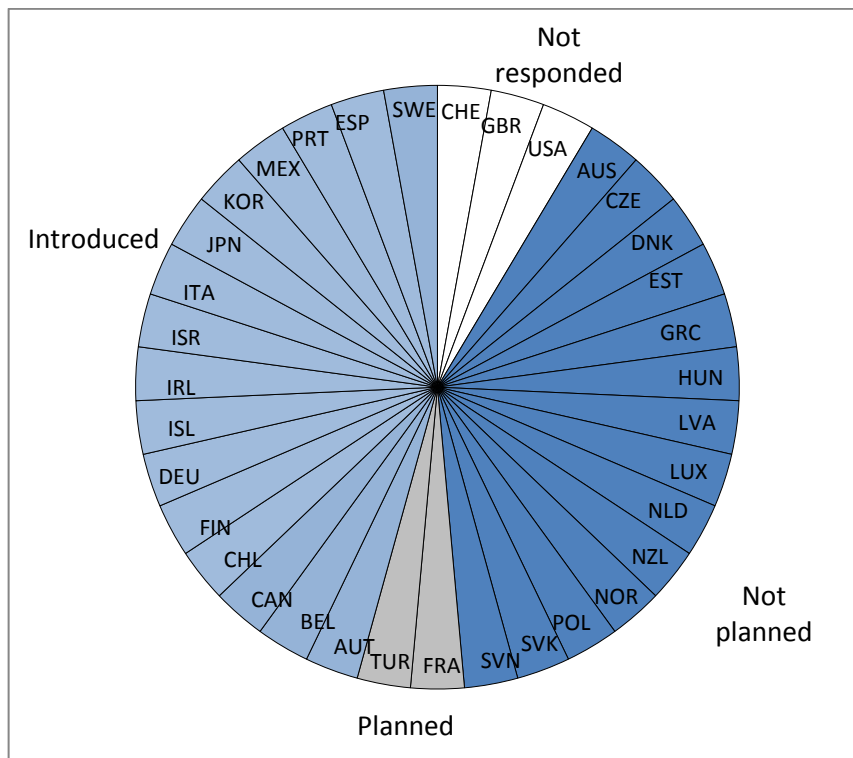
Gender budgeting means the systematic application of analytical tools and processes, as a routine part of the budget process, in order to highlight gender equality issues and to inform, prioritise and resource gender-responsive policies.

The *OECD Recommendation on Gender Equality in Public Life (2015)* and its implementation Toolkit identify gender budgeting as a key tool of a system-wide government approach to deliver gender equality outcomes.

8.1.1. Existence of gender budgeting

The number of OECD countries that have introduced gender budgeting increased from 12 in 2016, to 16 in 2018 (Austria, Belgium, Canada, Chile, Finland, Germany, Iceland, Ireland, Israel, Italy, Japan, Korea, Mexico, Portugal, Spain and Sweden). In addition, two countries have plans to introduce it (France and Turkey).

Figure A.1. OECD countries that practise gender budgeting



Note: Question 32

Source: Budget Outlook Survey 2018

Legal foundations for gender budgeting

Implementing an effective and sustainable gender budgeting approach can be challenging. Some challenges derive from the differing levels of importance given to gender equality by successive governments, whereas others relate to fiscal constraints or more broadly to the challenges faced when implementing any new PFM practice or procedure in government. Legislation that is fully tested and debated in parliament can help embed gender budgeting as a valued and enduring feature of public policy making and insulate it, as far as possible, from fluctuations arising from the economic or political environment. Of the 16 OECD countries that have implemented gender budgeting, 8 countries have legal provisions underpinning the practice (Austria, Belgium, Iceland, Italy, Korea, Mexico, Portugal, and Spain).

8.1.2. Tools of gender budgeting

The OECD has identified a range of tools which can be used to systematically embed gender considerations throughout the budget cycle. In general, a broad range of gender budgeting tools are used by OECD countries. Over half of the OECD countries which have introduced gender budgeting use five or more tools (Austria, Canada, Germany, Iceland, Japan, Korea, Mexico, Spain and Sweden).

The most common tools of gender budgeting are *ex ante* gender impact assessment of policies (used by 69% of OECD countries that have introduced gender budgeting), gender dimension in performance setting (63%), gender dimension to resource allocation (56%), *ex post* gender impact assessment of policies (56%) and gender needs assessment (50%).

Table A.1. Tools of gender budgeting in use across OECD countries

	Needs assessment	Gender dimension in performance	Baseline analysis	<i>Ex ante</i> gender impact assessment of policies	Gender dimension in resource allocation	<i>Ex post</i> gender impact assessment of policies	Gender audit of budget	Gender dimension to performance audit	Audit of gender budgeting systems	Gender dimension to spending review
Austria		●		●	●	●		●	●	
Belgium					●					
Canada	●	●		●		●		●		●
Chile		●								
Finland				●						
Germany	●		●	●		●				●
Iceland	●	●	●	●	●	●	●	●	●	
Ireland		●								
Israel			●	●	●					
Italy			●			●				
Japan	●	●	●	●	●	●	●	●	●	●
Korea	●	●		●	●	●	●			
Mexico	●	●	●	●	●	●	●	●	●	●
Portugal	●				●					
Spain	●	●	●	●	●					
Sweden		●		●		●	●	●	●	●
Total OECD	8	10	7	11	9	9	5	6	5	5

Note: Only shows OECD countries which have introduced gender budgeting. Question 34

Source: Budget Outlook Survey 2018

Gender information published alongside the budget

Eight of the 16 OECD countries that have introduced gender budgeting also publish information alongside the annual budget to help inform budget oversight. This often takes the forms of a “gender statement”. Three quarters of OECD countries (6) that publish gender information alongside the budget include; a general statement on gender objectives, information on spending allocated to gender equality projects and a gender impact analysis of specific budget measures. Just 38% of countries (3) publish gender impact analysis of the budget as a whole (Canada, Mexico and Spain).

Table A.2. Gender information published alongside the budget

OECD Country	General statement on gender objectives	Progress statement	Information on spending allocated to gender equality projects	Gender impact analysis of specific budget measures	Gender impact analysis of budget as a whole
Canada	●	●		●	●
Iceland				●	
Japan	●		●		
Korea	●	●	●	●	
Mexico	●	●	●	●	●
Portugal	●		●		
Spain	●	●	●	●	●
Sweden			●	●	

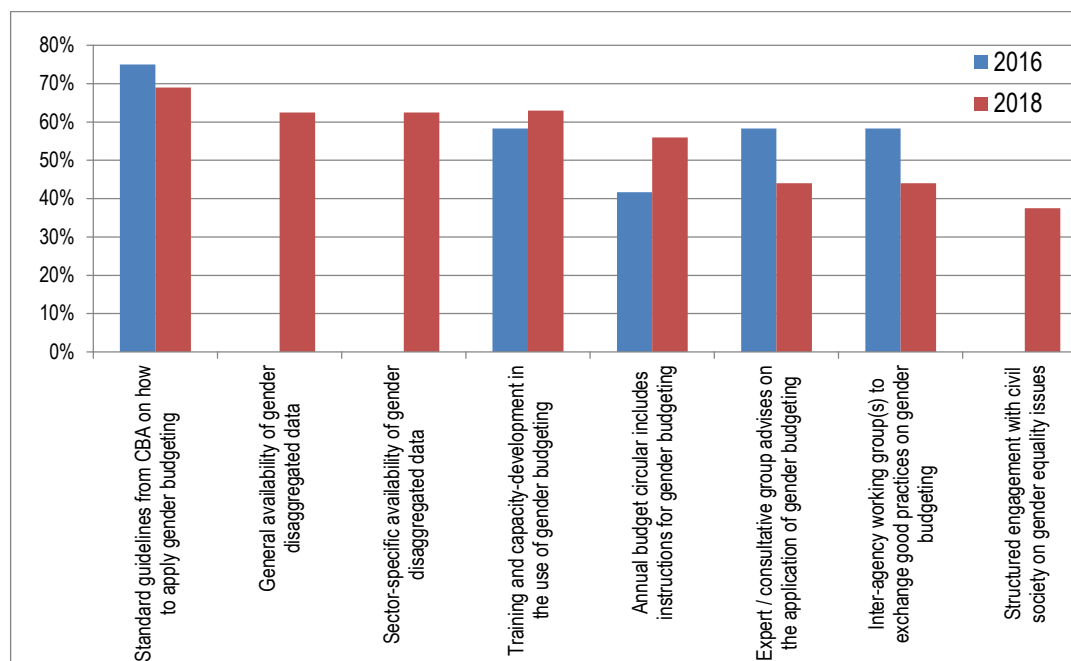
Note: Only shows OECD countries which publish gender information alongside the budget. Question 34

Source: Budget Outlook Survey 2018

8.1.3. Support for implementation of gender budgeting

Over half of OECD countries that have introduced gender budgeting have standard guidelines from the CBA on implementation (Austria, Belgium, Canada, Iceland, Ireland, Italy, Israel, Korea, Mexico, Spain, Sweden), general and/or specific gender-disaggregated data (Austria, Canada, Chile, Finland, Germany, Iceland, Japan, Korea, Mexico, Portugal, Spain, Sweden), training and capacity development (Austria, Canada, Chile, Iceland, Ireland, Italy, Japan, Korea, Spain, Sweden) and an annual budget circular with instructions related to gender budgeting (Austria, Belgium, Canada, Iceland, Israel, Korea, Mexico, Spain, Sweden).

Support for implementation has changed over time across OECD countries that have introduced gender budgeting. In a number of cases, there has been a reduction in the percentage of OECD countries which have various support elements in place. This is likely to be influenced by a number of countries having recently introduced gender budgeting and not yet having had time to fully embed the practice.

Figure A.2. Support for implementing gender budgeting (2016 and 2018)

Note: Only shows data for OECD countries that have introduced gender budgeting. Data for 2016 is not available for all variables.

Source: Budget Outlook Survey 2018

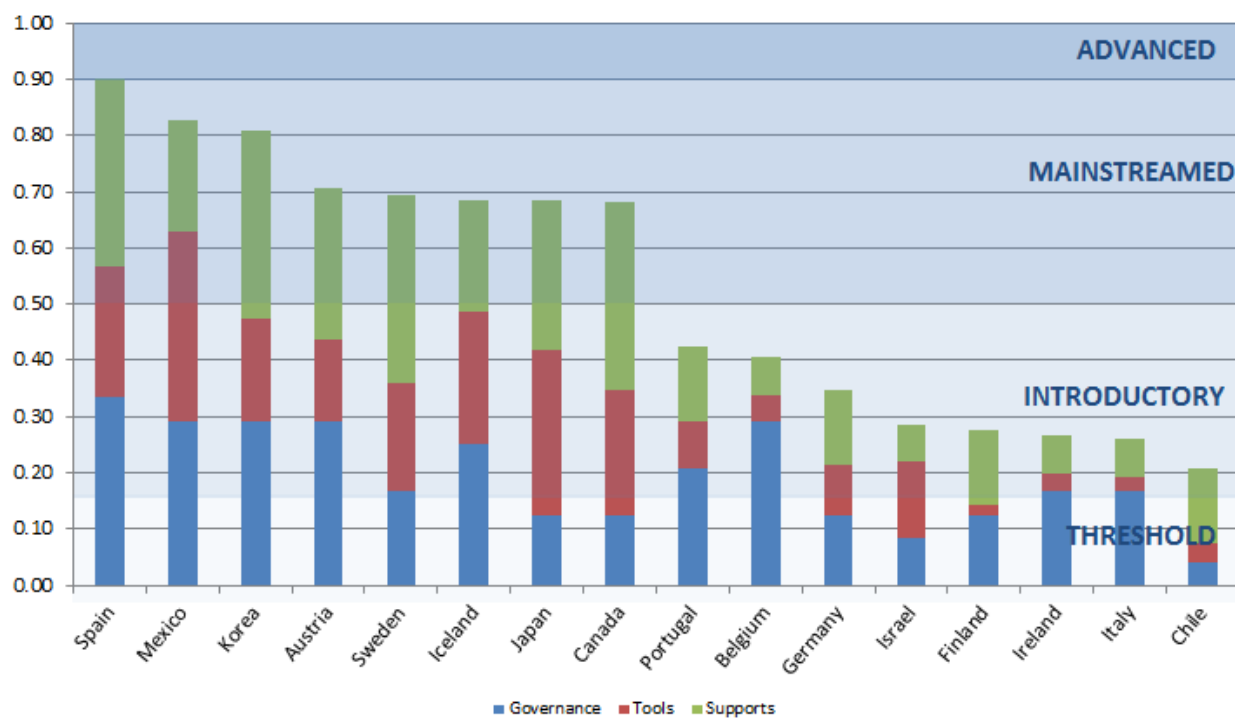
8.1.4. Composite indicator: Gender budgeting

OECD countries are at various stages of implementing gender budgeting. The gender budgeting composite index measures the governance aspects, tools and supports that are in place. The composite index contains fifteen variables that cover information across these measures (see Figure A.4 for further information). The weightings used emphasise the tools of gender budgeting rather than the governance aspects and supports.

Countries that receive a high score have created a comprehensive gender budgeting framework with key governance aspects in place, a wide range of tools applied across the budget cycle, and wide-ranging institutional supports for the practice. However, this index does not measure how successfully any given system of gender budgeting operates. Success is better evaluated by examining the extent to which the way the government allocates resources is helping achieve overarching gender objectives. This cannot be captured in this index.

Countries have been categorised as having an advanced gender budgeting practice (score 0.9 or above), a mainstreamed gender budgeting practice (score between 0.5 and 0.9), an introductory gender budgeting practice (score between 0.1 and 0.5) or a threshold gender budgeting practice, where there is no or limited gender budgeting in place (score of 0 to 0.1). The index provides that Spain, Mexico, Korea, Austria, Sweden, Iceland, Japan and Canada all have a mainstreamed gender budgeting practice (Figure A.3).

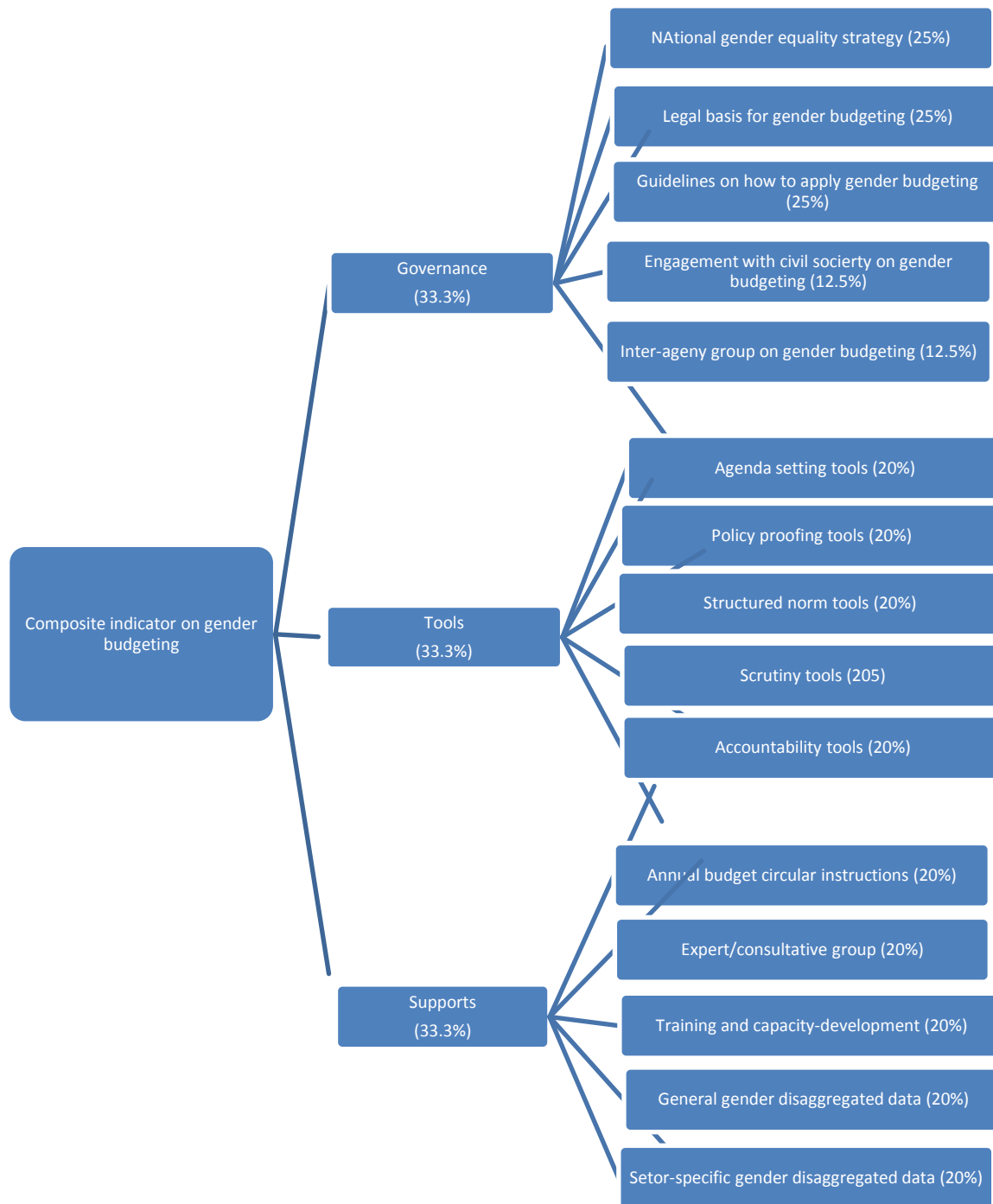
Figure A.3. Composite indicator on gender budgeting



Note: Only shows scores for OECD countries that have introduced gender budgeting

Source: Budget Outlook Survey 2018

Figure A.4 Composite indicator on gender budgeting



Who does Gender Budgeting in the OECD in 2018?

