



Institutional Requirements for Gender-Sensitive Budgeting

Background

German development cooperation supports gender equality and the specific promotion of women in developing countries. Commitments to this can be found in both the Concept on Gender Equality (2001) and the Gender Action Plan 2009-2012 of the Federal Ministry for Economic Cooperation and Development (BMZ).¹

However, successfully implementing a focused gender policy depends not only on political recognition and the resultant commitments at government level. Increased public debate about gender policy also depends on successful lobbying by Non-Governmental Organisations (NGOs) and a clearly articulated interest on the part of the media and academia. Beyond that, successful implementation of a policy promoting gender equality and women requires funding. A country's annual budget demonstrates whether the state is willing to allocate the available funds in line with these goals. Given the relevance of gender in a wide range of issues, responsibility is divided among a number of actors. Even so, the ministry charged with promoting gender and women's issues² – or a comparable institution – can play an important role at the start of the budget process.

Depending on the institutional and procedural design of the budget process, the ministry can encourage a distribution of public funds that will promote gender equality and women even in the very early stages of budget planning. The assumptions presented below show basic approaches to assigning this role to the gender ministry, both by strengthening the ministry vis-à-vis the finance ministry

and by positioning it with regard to other sectoral ministries. Finally, possibilities are shown for supporting the reform processes through appropriate capacity development measures.

The significance of various actors and their interaction in the budget process

Various actors play a role in shaping the budget.³ Overall responsibility for planning, drawing up and implementing the national budget lies with the finance ministry. It coordinates the budget process and is ultimately responsible for the appropriate disbursement of public funds. In doing so the integration of sectoral strategies into the budget is a relatively minor concern for the finance ministry, as long as budgetary and legal provisions are satisfied.

Conversely, implementation of political strategies in a sectoral budget is the task of the sectoral ministries.⁴ This also applies to gender policy, where the gender ministry is responsible for formulating a sector budget that is intended to reflect political objectives.

However, in the case of gender equality and promoting women, the gender ministry is not the only relevant sectoral ministry when it comes to the use of public funds. An important characteristic of gender policy is that its implementation depends not only on the funding of the gender ministry but also on its implementation by other sectoral ministries, e. g. health, economic affairs, education or interior ministries. This essentially reflects the fact

¹ Cf. BMZ (2001) *Concept for Gender Equality*, and BMZ (2009) *Development Policy Gender Action Plan 2009-2012*, BMZ Konzepte 173.

² This ministry is described below as the gender ministry.

³ The general course of the budget process is shown for the example of Germany in: Federal Ministry of Finance (2006), "Das System der öffentlichen Haushalte" (*The system of public sector budgets*)

⁴ Cf. e. g. OECD (2001), *Managing Public Expenditure*, p. 69, and SIDA (2007), *Public Finance Management in Development Cooperation*, p. 37.

corresponding legal provisions, which will institutionalise processes that can be further developed on an established basis. Legal advice might be an instrument for this.

→ Beyond that, NGOs and the academia can be included in advisory services to establish the necessary expertise for a sustainable dialogue among the various actors.



→ Finally, technical cooperation provides individual advice in order to establish and intensify the necessary individual capacities of those involved in the budget process. Doing so emphasises technical knowledge about the actors and procedures in the budget process and knowledge about the informal procedures and structures within the ministries involved.

→ Successful advisory services and changes in processes are finally reflected by results- and performance-oriented monitoring systems.

Ultimately, it is necessary to ensure that the different supportive measures mesh with each other. For example, institutional strengthening of the gender ministry through the statutory creation of a budget division should be accompanied by appropriate individual capacity development for its staff.

At the same time it is important to integrate the newly created structure into the overall budget process to prevent duplicate structures on the one hand and ensure the existence of legal and institutional interfaces on the other hand.

Capacity development accordingly means simultaneous promotion at the organisational and institutional, legal and individual level. This type of support has already proved helpful in other reform processes. If this approach is chosen, it can lead to a tightened budget situation of the gender ministry and an increased implementation of gender equality and the targeted promotion of women.

Imprint: November 2009

Published by:
Deutsche Gesellschaft für Technische
Zusammenarbeit (GTZ) GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn/Germany

T: +49 6196 79 - 0
F: +49 6196 79 - 11 15
E: info@gtz.de
I: www.gtz.de

Contact

Author
Dr. Kristin Sängler
E: kristin.saenger@gtz.de

Editorial team
Judith Frickenstein
E: judith.frickenstein@gtz.de

Laura Winter
E: laura.winter@gtz.de

Responsible for content
Christine Brendel
Programme Director 'Promoting Gender
Equality and Women's Rights'
E: christine.brendel@gtz.de
T: +49 6196 79 - 41 21
I: www.gtz.de/gender

Dr. Stefanie Harter
Project Director 'Public Finance, Admini-
stration Reform and Decentralisation'
T: +49 6196 79 - 20 75
E: stefanie.harter@gtz.de
I: www.gtz.de/public-finance

Photos:
© Agenda Fototext, iStock,
phototek, GTZ



that gender issues do not have set boundaries but nonetheless are a key issue which is also important for all other sectors. Thus, equality of men and women can only be achieved if the policy goals of the gender ministry are *de facto* shared by the other sectoral ministries.

Analysis of the budget itself, e. g. in the framework of gender-responsive budgeting, can show whether such distribution of public funds is being achieved. More important, however, is targeting the goals of gender equality and promotion of women already *ex-ante* in the budget planning. Therefore the competencies and positioning of the gender ministry vis-à-vis the finance ministry in the budget process are of particular importance (see assumption 1). Furthermore the interinstitutional status of the gender ministry (see assumption 2) and its ability to arouse public interest regarding budgetary issues (see assumption 3) are crucial.

Assumption 1: The existence of a budget division is the foundation of effective policy implementation. Ideally, expenditures in the responsible sectoral ministry are planned on the basis of proposed political activities. The planning is then discussed and defended with the finance ministry. Sectoral knowledge, technical knowledge of the budget process and associated financial planning, and competence in the political negotiating process are decisive for successfully representing the interests of a sectoral ministry in dealing with the finance ministry.⁵ The same holds for the ministry responsible for gender and women's issues. The budget division of this sectoral ministry ideally has the afore-

mentioned skills that enable it to act as the interface between the own and the finance ministry. Without such an interface, planning of the necessary funds could, under certain circumstances, be taken over by the finance ministry, which is generally less interested in implementing single policies.

One possible consequence of the lack of legal and political budget expertise can be that the sectoral ministry is underfunded. This is also likely with regard to promoting gender equality: in this case the combination of a lack of political motivation on the part of the finance ministry and a lack of competence or assertiveness on the part of the relevant sectoral ministry could lead to effective underfunding of gender issues. This is made worse where planned expenditure exceeds the total available public funds.

Assumption 2: The effectiveness of the budget division is decisively affected by interinstitutional relationships.

To perform its task properly, the budget division must have a significant status within the ministry. This applies to both expenditure planning and disbursement within the ministry and to negotiations regarding the distribution and use of funds with the finance ministry and other ministries.

The positioning of the budget division determines its ability to intervene in the budget process. It therefore not only has a decisive effect on funding for the ministry itself, but also affects the use of public funds by other ministries for gender promotion. The positioning of the division and its possibilities for intervention are initially defined by the legal structure of the budget process, e. g. the provisions of the consti-



tution and budget legislation as well as international political commitments by the government. It is, for example, conceivable that the gender ministry might be given a legal right to comment on budget proposals by other ministries. In addition, the informal relationship between the finance ministry, parliament or the supreme audit institution can also have a decisive influence on the abilities of the budget division to intervene.

Conversely, if the statutory process does not allow for any material involvement of a gender ministry's budget division in overall budget planning, and also leaves virtually no scope for the informal relationship between the division and other actors, this reduces the likelihood of getting public funds for gender issues – for both the gender ministry and other sectoral ministries.

Assumption 3: Pressure from outside the government influences the balance of power between the budget division and finance ministry and promotes gender-oriented policies.

Lobbying can effectively influence the formal and informal relationships between the sectoral and finance ministries and the statutory provisions governing the budget process. Pressure from outside the government by lobbies, academics, civil society groups or the media can fundamentally change policy formulation and implementation. This can lead to political concessions and a more intensive dialogue between the finance and gender ministries or, in an extreme case, facilitate changes to the legal framework. However, it is doubtful that this external pressure on the government can be created by the gender ministry. The influence of academia, media and NGOs on the ministry (or vice versa) would have to be powerful enough to assert claims in terms of public funding.

Australia's Office of the Status of Women

A positive example of institutional positioning is the Australian Office of the Status of Women (OSW) which was established in 1984. The OSW, responsible for reviewing all draft legislation – and subsequently also expenditure programmes – for its gender effect, was attached to the Prime Minister's Office. This gave it a prominent position with the necessary special status in the institutional setting. This status enabled the OSW to perform its assigned tasks appropriately. However, with the change of government in 1996 the OSW lost its prominent position again.



The role of capacity development in institutional strengthening of the gender ministry

Effective implementation of gender policies requires a suitable institutional setting, which is still not adequately established in many countries. Reforms can help to build and expand the necessary organisational, procedural and individual capacity. Thus, capacity development is currently the most successful reform strategy in technical cooperation. In that context, the promotion of gender-sensitive budget processes can be supported as follows:

→ If the gender ministry doesn't have a budget division, or possesses one that has only a peripheral existence, the need for such a division can be demonstrated. Additionally, advice on its institutional set-up, especially on the organisational structure can be given. Furthermore, a key part of the support should focus on the appropriate staffing of the budget division.

→ A major goal is to assign a precise role to the gender ministry's budget division and to establish its opportunities for interventions within the budget process. This applies particularly to its role in drawing up the budget, i.e. right at the start of the budget process. It is conceivable here that the budget division might be given the right to comment on other budget proposals, in order to review the implementation of gender policy throughout the administration. Technical cooperation can support the necessary changes in existing structures and processes. In addition to this, these new structures need to be secured in the medium- and long-term through

⁵ Cf. OECD (2001), *Managing Public Expenditure*, p. 69.