

**Unclassified****English text only****18 September 2019****PUBLIC GOVERNANCE DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE****Working Party of Senior Budget Officials****Designing and implementing gender budgeting – a path to action**

By Ronnie Downes\* and Scherie Nicol

Gender inequality is an important and visible issue for OECD countries and the costs are borne at both social and economic levels. In line with the 2015 OECD Recommendation on Gender Equality in Public Life, gender budgeting ensures that gender equality considerations are taken systematically into account in tax and spending 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 process 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 an enabling environment for gender budgeting. Arising from this analysis, this paper proposes initial guidelines for designing and implementing gender budgeting to assist countries in putting in place an effective and sustainable approach. It also presents a first pass at a composite index for gender budgeting which assesses the extent to which OECD countries gender budgeting efforts are characterised by a strong strategic framework, effective tools of implementation and an enabling environment.

\* Ronnie Downes was formerly the Deputy Head of the Budgeting and Public Expenditures Division at the OECD and Scherie Nicol is a Senior Policy Analyst at the Budgeting and Public Expenditures Division at the OECD.

For further information, please contact Scherie NICOL – [scherie.nicol@oecd.org](mailto:scherie.nicol@oecd.org)

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## Executive summary

Gender equality is a keystone of a prosperous modern economy, yet gender gaps persist in OECD countries in all areas of social and economic life. Action is needed to close remaining gender equality gaps. 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. A measure set out in the *2015 Recommendation* that is gaining traction among OECD countries is gender budgeting – which seeks to help redress gender inequalities through the tax and spend decisions of government. Half of OECD countries have now introduced gender budgeting, with more countries having plans to introduce it in the near future.

Given the “power of the purse”, governments increasingly realise that the Central Budget Authority (CBA) has considerable ability to influence government-wide policy-making so that it better targets national goals. This is one of the reasons that we are seeing the emergence of initiatives such as “gender budgeting”, “green budgeting”, “wellbeing budgeting” and “SDG budgeting”. Indeed, when gender budgeting is implemented effectively, it can bring about a reprioritisation of resources to close gender gaps. This paper draws on the experiences of OECD countries to date and seeks to provide insights on how gender budgeting can be designed and implemented so that the budget process becomes a powerful tool for delivering on national gender goals.

The elements which are important for an effective and enduring gender budgeting practice can be brought together into three key areas:

1. A strong **strategic framework**: Gender budgeting efforts require political commitment, strong leadership and clarity of the roles and responsibilities of different actors across government so that a whole-of-government approach is in place. This approach is also most effective where actions are guided by a national gender equality strategy which outlines overarching gender goals.
2. Effective **tools of implementation**: To successfully implement gender budgeting, countries should select an approach that builds on existing elements of their budgeting model. A more advanced approach to gender budgeting benefits from the incorporation a gender perspective at all of the different stages of the budget process.
3. A supportive **enabling environment**: Gender budgeting will be most effective where there is a supportive enabling environment. This includes systematic collection of gender disaggregates data, training and capacity development for government staff, structured engagement with civil society and oversight by accountability institutions such as parliament and the Supreme Audit Institute.

The OECD’s first pass at a composite indicator for gender budgeting measures the extent to which gender budgeting efforts across OECD countries have in place the key elements which this paper identifies as underpinning an effective and sustainable approach. It categorises gender budgeting efforts as “threshold”, “introductory”, “mainstreamed” or “advanced”. Almost half of OECD countries that have implemented gender budgeting are found to have an “introductory” (Belgium, Chile, Finland, Germany, Israel, Italy, Ireland and Portugal), with the remaining countries having a “mainstreamed” approach in place (Austria, Canada, Japan, Korea, Iceland, Mexico, Norway, Spain, and Sweden).

## 1. Introduction

### 1.1. Gender equality: an uphill battle

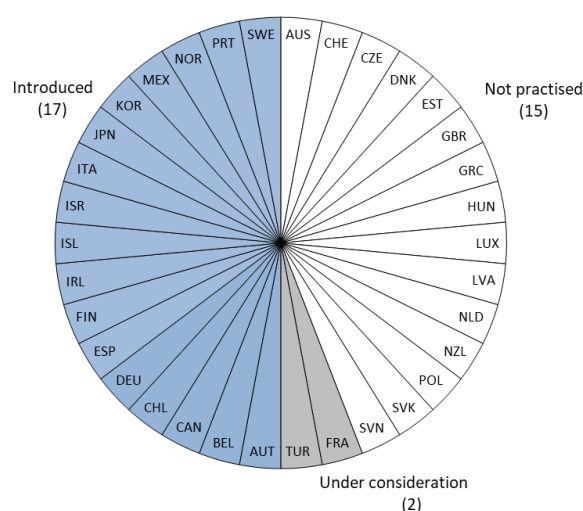
Gender equality is not only a fundamental human right. It is also a keystone of a prosperous, modern economy that provides sustainable inclusive growth. Gender equality is essential for ensuring that men and women can contribute fully at home, at work and in public life, for the betterment of societies and economies at large.

In the past five years, countries have made very little progress in reaching gender equality goals (further illustrated in Box 1.1). 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<sup>[1]</sup>). While movements such as *#metoo* and *#timesup* have helped raise awareness of women's rights in recent years, OECD governments must take greater action if they wish to close remaining gender equality gaps.

### 1.2. Redressing the balance

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 within the budget cycle (OECD, 2016<sup>[2]</sup>). This theme is developed further in *Gender Budgeting in OECD Countries* (Downes, von Trapp and Nicol, 2017<sup>[3]</sup>) and *The Pursuit of Gender Equality: An Uphill Battle* (OECD, 2017<sup>[1]</sup>). The latter report notes that “the practice of gender budgeting is gaining momentum in OECD countries”. Data from the *2018 OECD Budget Practice and Procedures survey* indicates a growth from 12 countries practising gender budgeting in 2016 to 17 in 2018 (Figure 1.1). The survey also indicates two countries – France and Turkey – having plans in place to introduce it in the near future.

**Figure 1.1 OECD countries that practise gender budgeting**



Notes: Data for the United States are not available.

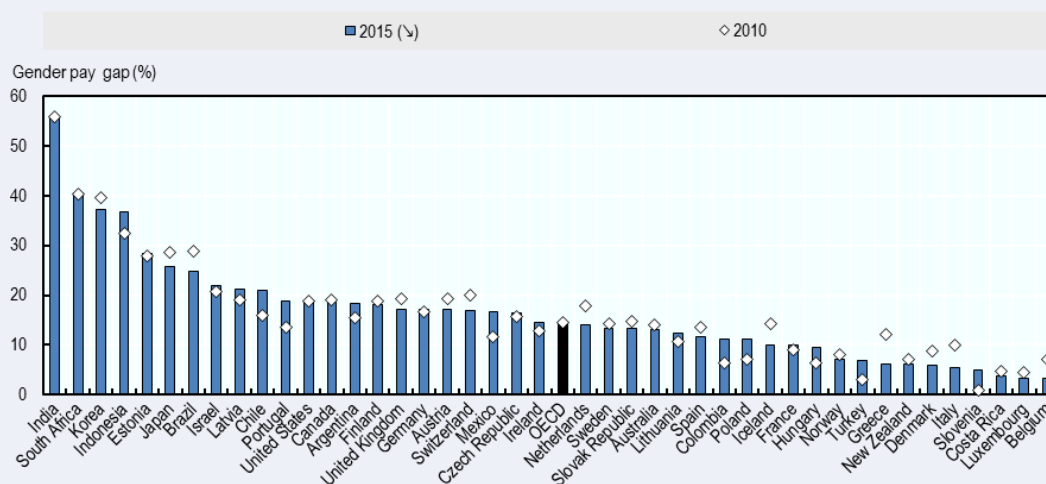
*Source:* OECD (2018), OECD Budget Practices and Procedures Survey, Questions 32 and 36, OECD, Paris.

### Box 1.1 Gender equality gaps across the OECD

Despite incremental improvements over the decades, gender disparities are still persistent today. Girls and young women surpass boys and young men in educational attainment and yet gender gaps in employment, entrepreneurship and public life still exist (OECD, 2017<sup>[1]</sup>). For example:

- In the labour market, women are less likely than men to engage in paid work, more likely to work part-time, less likely to become managers and entrepreneurs.
- The median full-time female worker earns 15% less than her male counterpart, on average across the OECD.

**Gender gap in median monthly earnings,<sup>a</sup> full-time employees, 2010 and 2015 or latest available year<sup>b</sup>**



Note: The gender gap in median monthly earnings is defined as the difference between male and female median monthly earnings divided by male median monthly earnings, for full-time employees. Full-time employees are defined as those individuals with usual weekly working hours equal to or greater than 30 hours per week.

- Data refer to weekly earnings for Australia, Canada, India, Ireland, the United Kingdom and the United States, and to hourly wages for Denmark, Greece, Iceland, New Zealand, Portugal and Spain.
- Data refer to 2014, not 2015, for Argentina, Belgium, Brazil, Estonia, France, Germany, Indonesia, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Poland, Slovenia, Spain, Switzerland and Turkey. They refer to 2013 for Sweden, 2012 for India and South Africa, and 2011 for Israel. Data refer to 2011, not 2010, for Brazil, Chile and Costa Rica.
- In public life, only 34 % of the highest-ranking civil servants were comprised of women across the OECD in 2015. In terms of the number of women holding public office, significant differences are seen across countries where Sweden (44%) and Mexico (42%) lead women's representation whilst Hungary and Japan barely maintain 10% share of women in parliament (OECD, 2019<sup>[4]</sup>).

Source: OECD Employment Database (<http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm>) for OECD countries, Colombia and Costa Rica; and OECD Secretariat calculations based on the Encuesta Permanente de Hogares (EPH) for Argentina, the Pesquisa Nacional por Amostra de Domicílio (PNAD) for Brazil, the National Sample Survey (NSS) for India, the National Labour Force Survey (SAKERNAS) for Indonesia, and the General Household Survey (GHS) for South Africa.

Against this background, and in order to support the implementation of effective gender budgeting, this paper seeks to expand on its rationale and to 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?

The *2015 OECD Recommendation of the Council on Budgetary Governance* acknowledges that “the budget is a central policy document of government, showing how annual and multi-annual objectives will be prioritised and achieved. Alongside other instruments of government policy – such as laws, regulation and joint action with other actors in society – the budget aims to turn plans and aspirations into reality.”

However the budget process alone cannot, and should not, try to assume onto itself the responsibility for solving all the problems of society. The contribution of all government ministries and agencies is essential in areas such as understanding societal needs, setting of priorities, as well as policy development and implementation. The skills-sets of the Central Budget Authority (CBA) are not necessarily attuned to complex gender equality issues; and these ministries often have an inherent culture of conservatism which, while well-suited to the rigours of sound fiscal management and delivery of the annual budget, are in tension with the requirements of deep-seated social change.

The *OECD Recommendation on Budgetary Governance* does, however, recognise a role for modern budgeting that goes beyond a traditional technocratic exercise, stating that it can help “*show how annual and multi-annual objectives will be prioritised and achieved*” (OECD, 2015<sup>[5]</sup>). In its stewardship of the “power of the purse”, the CBA has considerable ability to influence government-wide policy-making. This is one of the reasons that we are seeing the emergence of initiatives such as “green budgeting”<sup>1</sup>, “wellbeing budgeting”<sup>2</sup> and “SDG budgeting”<sup>3</sup>. Governments increasingly realise that the budget process is a powerful tool for delivering on national policy goals. Applying this in support of gender equality, and reconciling this modern role with the traditional priority of effective budgetary management, is the central challenge of gender budgeting, as outlined in the remainder of this paper.

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<sup>1</sup> “Green Budgeting” refers to an approach of using the tools of budgetary policy-making to help achieve climate and environmental goals. The term was coined by the Paris Collaborative on Green Budgeting, a group of countries convened by the OECD which seek to develop new tools and methodologies that are sensible and effective in aligning national policy frameworks and financial flows with climate change targets set in the Paris Agreement, as well as the Aichi Biodiversity Targets and the United Nations’ Sustainable Development Goals.

<sup>2</sup> “Wellbeing budgeting” refers to an approach to budgeting, popularised by New Zealand in 2019, to tackle a broader set of priorities of wellbeing, such as child poverty, developing a sustainable economy, mental health, and improving the livelihood of indigenous communities. Wellbeing budgeting aims to develop an evidence-based approach which fosters greater inter-ministry cooperation and thinking of longer-term intergenerational approaches to policymaking.

<sup>3</sup> “SDG budgeting” refers to the practice of showing the link between the national performance framework and spending to the achievement of the Sustainable Development Goals (SDGs).



### 3. Designing and implementing gender budgeting

#### 3.1. The strategic dimension

Principle 2 of the *OECD Recommendation on Budgetary Governance* calls for close alignment of budgets with the medium-term strategic priorities of government; a call which is echoed in the *OECD Good Practices for Performance Budgeting* (OECD, 2019<sup>[6]</sup>). 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 gender equality goals** towards which resources can be directed. To stand up to scrutiny, goals should be SMART (Specific, Measurable, Achievable, Realistic and Time-bound). They may also be linked to an **indicator framework** which helps tracks progress across a broader range of related indicators. An example of an indicators framework is provided by Canada (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. Under this framework, the federal government has identified six key areas where change is required to advance gender equality:



Each goal has a number of objectives and indicators that sit under it. During the preparation of the budget, the Gender Results Framework provides a useful framework for policy discussion and helps guide Ministerial decision making in relation to resource allocation.

Source: (Government of Canada, 2019<sup>[7]</sup>)

The *OECD Toolkit on Mainstreaming and Implementing Gender Equality* outlines the importance of a whole-of-government approach in building any strategic framework (OECD, 2016<sup>[8]</sup>). This ensures that the framework has inputs from government stakeholders that will be affected by it, and will be responsible for implementing it, and gives it political validity.

A key challenge is also building a strategy that has societal validity. Engaging with expert groups in the development of a strategy is a critical element of this and helps ensure that the development of the strategy benefits from their knowledge. The *2017 OECD Recommendation of the Council on Open Government* notes that this sort of participative approach renews trust in government and the policies with which they make. This facilitates good governance, strengthens democracy and sets the condition for more inclusive growth. (OECD, 2017<sup>[9]</sup>).

## 3.2. Active engagement with civil society

In the same way that governments are unlikely to devise an optimal strategic framework for gender equality without input from civil society, government stakeholders are also

unlikely to be able to devise optimal policies and budget proposals to tackle deep-seated gender equality alone.

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*. OECD countries have made stronger efforts in recent years to help citizen’s understand and engage with the budget process (OECD, 2019<sup>[10]</sup>). 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<sup>[11]</sup>).

An open government approach can ensure that the policies and programmes advocated in the budget proposal respond to the needs of citizens in relation to gender equality, and helps ensure 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**. These assessments help to examine the extent to which existing government policies meet and affect gender equality needs in a sector by identifying implicit forms of gender discrimination – such as the way with which language is used within the judiciary (OECD, 2016<sup>[8]</sup>). In this process, 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 3.2).

### Box 3.2. 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.

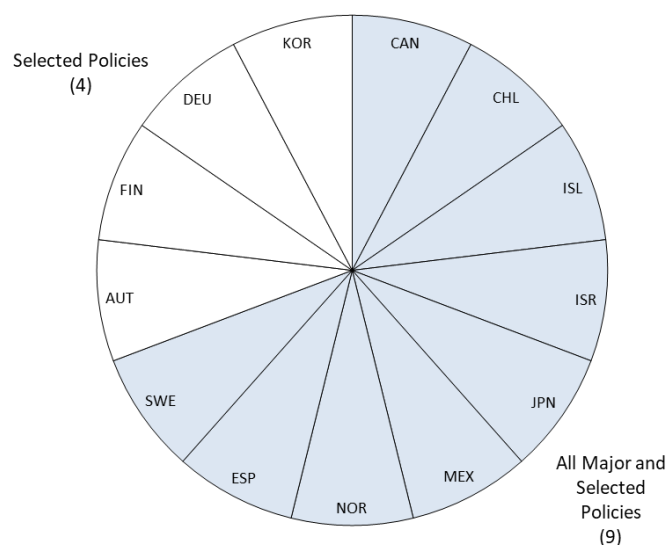
*Source: Authors, 2019*

## 3.3. Building evidence to inform policy development

A broader range of stakeholder engagement adds to the evidence base for public policy-making. In line with the *2015 OECD Recommendation on Gender Equality in Public Life*, 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 can be undertaken for new tax and spend proposals included in the budget. Two thirds of OECD countries that implement gender budgeting conduct assessments on all major and selected policies, as shown in Figure 3.1 (OECD, 2018<sup>[12]</sup>).

**Figure 3.1 OECD countries which undertake *ex ante* gender impact assessments**



*Notes:* Data shown only for the OECD countries which have introduced gender budgeting.

*Source:* OECD (2018), OECD Budget Practices and Procedures Survey, Question 34, OECD, Paris.

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. At times, assessments are at risk of being part of the bureaucratic process - becoming a 'tick box' exercise. To address this, some governments have worked to make sure the correct incentives are in place ensuring assessments are well thought-through and of high-quality. Canada's *ex ante* gender impact assessment tool, GBA+, serves as one example which illustrates this (see Box 3.3).

### Box 3.3. *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.

Since 2017, the Minister of Finance has set out in the annual budget circular that GBA+ assessments must be presented alongside new budget proposals. This has helped ensure that assessments are carefully reviewed and of sufficient quality – disincentivising public managers to treat this as a bureaucratic ‘box ticking’ exercise.

In addition, the Department of Finance has taken further measures in recent years to drive improvement in the quality of GBA+ assessments being put forward with budget proposals. This includes highlighting examples of GBA+ undertaken for Budget 2018 where there is “room for improvement” and publically committing to publishing GBA+ of all budget items starting from Budget 2019.

*Source:* (Office of the Auditor General of Canada, 2016<sup>[13]</sup>)

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 3.4).

### Box 3.4. 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.

#### 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 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.

*Source: Authors, 2019*

### 3.4. Taking action in the budget to close gender gaps

Where information on the impact of the baseline budget on gender equality and the potential impact of new budget proposals on gender equality is available, this provides useful insights for the CBA on how they might use the budget to close gender gaps and facilitates a **gender perspective in resource allocation**.

There are a number of countries where gender impact assessments of new budget proposals are available, but where the information is not used by the CBA as part of budget decision-making. This may be because the quality of the impact assessments is insufficient, or because the CBA does not have an understanding of the key policy priorities in relation to gender equality, or senses a lack of political appetite for measures in this area. Canada provides an example of a country which is working to overcome these challenges, and seeks

to use information on the gender impact of new budget measures in selecting which budget proposals to take forward (see Box 3.5).

### Box 3.5. Gender perspective in resource allocation in Canada

In Canada, the Minister of Finance explicitly references the need for clear and rigorous GBA+ in all budget and off-cycle funding proposals in letters to Ministers. The core requirements relating to this development were outlined in instructions distributed to departments explaining the nature of the supporting analysis that should be provided. Departmental stakeholders report that these changes have already encouraged them to think in a more structured way about the design and conduct of GBA+ and more profoundly about the potential gender impact of new policies and budget proposals.

The information provided in the GBA+ accompanying new budget measures, together with the Gender Results Framework provides a useful framework for policy discussion during the budget preparation process and helps guide Ministerial decision making in relation to resource allocation. The Department of Finance seeks to ensure that the budget proposal includes measures that will help meet goals identified in the Gender Results Framework.

*Source:* (OECD, 2018<sup>[14]</sup>)

## 3.5. Tracking progress towards gender goals

Performance frameworks are useful tools for policy development and resource allocation as they provide information on the extent to which policies and programmes are achieving their intended results. Performance targets accompanying budget measures should ideally be aligned with national objectives, including gender objectives. This creates a framework for accountability by allowing stakeholders such as the legislature and civil society to track the action the government is taking to achieve national outcomes and the progress being made. This oversight 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 Good Practices on Performance Budgeting*.

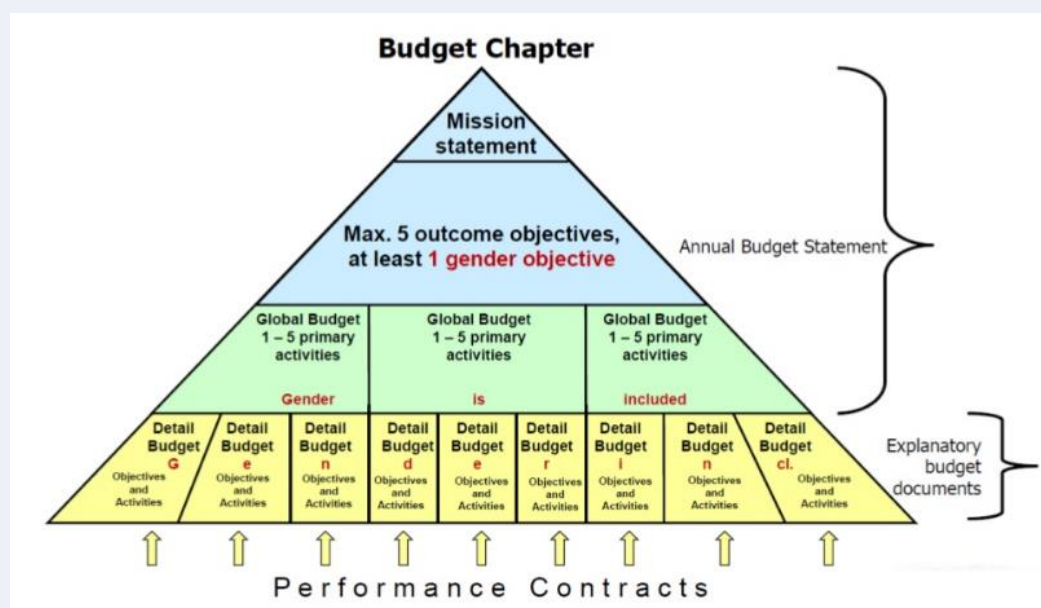
Integrating a **gender perspective in performance setting** can be a useful tool for gender-responsive policymaking. On the one hand, it encourages policy makers to think about what they are trying to achieve in relation to gender and what programmes and funding they need in order to achieve it. On the other hand, it ensures that information is collected on the extent to which policies and programmes are achieving outcomes in relation to gender equality. More than half of OECD countries that engage in gender budgeting apply a gender perspective in performance setting<sup>4</sup>. An example is provided by Austria (see Box 3.6).

<sup>4</sup> Including: Austria, Canada, Chile, Iceland, Ireland, Japan, Korea, Mexico, Spain, and Sweden.



### Box 3.6. 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, 2018<sup>[15]</sup>).

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

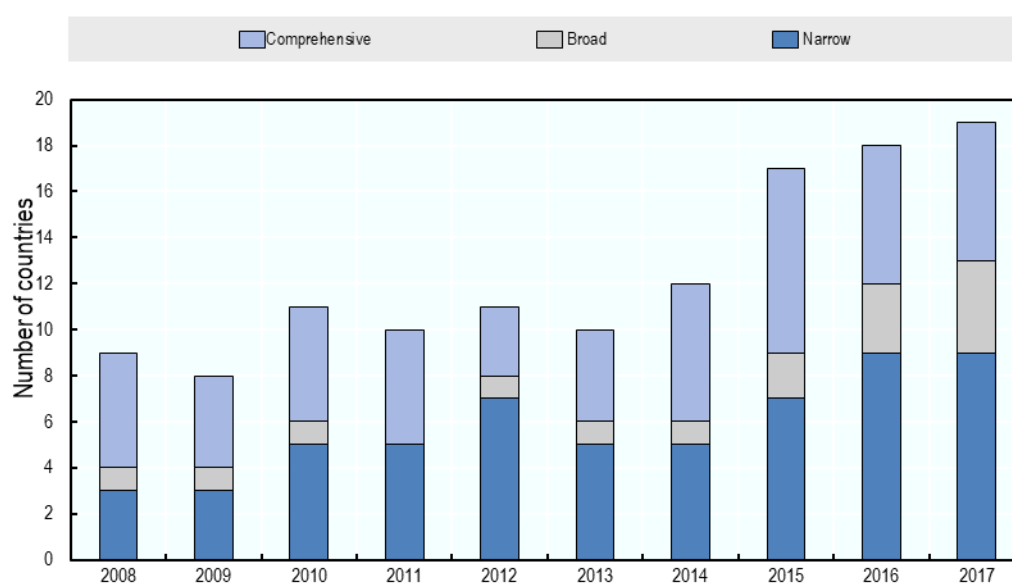
As more gender performance objectives become embedded in the programmes of government, a **gender perspective to evaluation and audit** - which assess the effectiveness of policies and programmes at achieving their objectives - becomes automatic. *Ex post* evaluations and audits allow for learning about the extent to which gender objectives are being met or, if needed, inform why they have not been met. Lessons from these evaluations can inform improvements in future processes to improve outcomes.

OECD countries are also employing greater usage and variety of spending reviews in recent years (Figure 3.2). It is another exercise which is increasingly used by OECD governments



to assess and re-prioritise existing spending. Governments, by large, utilise spending reviews to carry out budget consolidation and reprioritise expenditure to ensure greater efficiencies in spending and alignment to policy priorities. 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. This is particularly pertinent in the face of evidence that fiscal consolidation post financial crisis targeted sectors in which women were over-represented (the public sector, social services, etc.) (Périvier, 2018<sup>[16]</sup>). A gender perspective to spending review can help ensure that re-prioritisation of spend by governments does not exacerbate gender gaps, as it has in the past. The German federal government has plans to implement a gender perspective to spending review in coming years.

**Figure 3.2 Prevalence of different types of spending reviews**



Notes: Data for Israel and the United States are not available.

Source: OECD (2018), OECD Performance Budgeting Survey, Question 39, OECD, Paris.

### 3.6. Making actions and progress open to scrutiny

Making the practice of gender budgeting open to scrutiny is in line with Principle 5 of the *OECD Recommendation on Budgetary Governance* which states that governments should provide for “an inclusive, participative and realistic debate on budgetary choices”. Providing information on gender budgeting to the public provides for systematic oversight, accountability, and engagement. This information can help civil society understand the extent to which tax and spend measures align with, and help contribute towards, overarching gender goals.

**Budget tagging** is one way through which governments can make public the 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.

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. Moreover, the volume of spending aimed at “gender positive” policies may not

be the correct target for government action, and risks providing an easy alternative to the more thorough-going policy appraisal that may be needed to get to the heart of persistent gender inequalities. However, tracking the level of resources allocated in support of gender equality provides the public with 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 (see Box 3.7).

### Box 3.7. Gender budget tagging

#### 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<sup>[17]</sup>)

The information from budget tagging is sometimes presented in a consolidated **gender budget statement**. Where this statement is published as part of, or alongside, the draft budget proposal, it can help the public input into budget deliberations. Such a statement may include different types of information, which may have different applications and value in supporting the task of public scrutiny. For example:

- 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. Such a factual report can promote transparency and awareness of gender equality linkages.
- A **general gender budget statement** summarising in broad narrative terms how the range of measures introduced in the budget are intended to support gender equality priorities and goals.
- A **gender equality progress statement** which provides a more detailed exposition of how the budget measures advance the government's gender equality agenda, by reference to established objectives and indicators.
- **Gender impact analysis** which provides a distributional assessment of how specific measures (both revenue and expenditure) or the budget as a whole affect men and women in different ways, and serves to promote gender equality.

Eight OECD countries publish gender statements as part of, or alongside, the budget proposal. These various types of gender statement 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 3.1).

**Table 3.1. Information presented in gender statements across OECD countries**

OECD Country	General gender budget statement	Gender allocations report	Gender impact analysis of specific budget measures	Gender equality progress statement	Gender impact analysis of budget as a whole
Canada	●		●	●	●
Iceland			●		
Japan	●	●			
Korea	●	●	●	●	
Mexico	●	●	●	●	●
Portugal	●	●			
Spain	●	●	●	●	●
Sweden		●	●		
Total	6	6	6	4	3

*Note:* Data shown only for the OECD countries which have introduced gender budgeting.

*Source:* OECD (2018), OECD Budget Practices and Procedures Survey, Question 34, OECD, Paris.

As part of these statements, it would also be useful if countries monitored and published information relating to the achievement of SDG 5 “*Achieve gender equality and empower all women and girls*”. Specifically, SDG Indicator 5.c.1 seeks governments to measure efforts to track budget allocations for gender equality throughout the public finance management cycle and to make these publicly available. The indicator aims to encourage national governments to develop appropriate budget tracking and monitoring systems and commit to making information about allocations for gender equality readily available to the public (UN, 2019<sup>[18]</sup>).

### 3.7. Engaging accountability 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. Ideally, these institutions would seek to hold the government to account for their actions on gender budgeting, for example, through examining any gender budget statement published as part of, or alongside, the draft budget. Effective oversight of this information promotes the integrity, quality and credibility of national budgeting, in line with Principle 10 of the *OECD Recommendation on Budgetary Governance*.

An example of parliamentary scrutiny of an equalities statement presented alongside the budget is provided by the Scottish Parliament (see Box 3.8).

### **Box 3.8. Parliamentary scrutiny of the equality 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". The recommendations in this report are considered by the Finance and Constitution Committee as part of its centralised response to the Scottish Government on the draft budget proposal.

*Source:* (Scottish Parliament Equalities and Human Rights Committee, 2017<sup>[19]</sup>)

Parliamentary scrutiny of the budget can be strengthened through the involvement of a Parliamentary Budget Office (PBO) or scrutiny unit. 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 PBO (see Box 3.9).

### Box 3.9. 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
- Supporting parliament in its analysis of performance and gender budgeting

Specifically, the PBO provides analyses to parliament on government documents related to gender budgeting and gender equality. This helps stimulate the parliamentary debate on gender issues.

In undertaking this role, the PBO provides clear guidance for Members of Parliament on all the gender-related performance objectives, measures and indicators shown in the different budget chapters. Its budget analyses always include a comprehensive section on gender budgeting. These analyses discuss key issues such as, the quality of the information provided, the level of ambition of the objectives, the suitability and the development of relevant indicators (also international comparison), the availability of gender-disaggregated data, and levels of coordination between ministries. The PBO also submits proposals for how reports presented by the government might be improved through greater presentation of sex-disaggregated data (e.g. the grant report).

This legal budget framework and the PBO's support to parliament has resulted in higher awareness of gender budgeting and gender equality, and has brought about intensive discussions of gender objectives in the budget committee and in the plenary sessions. Gender issues are thus becoming an essential part of the budget debate, which is at the heart of parliament's work.

*Source: Austrian Parliamentary Budget Office, 2018*

Supreme Audit Institutions (SAI) also play a critical role in providing oversight and accountability for all government programs and policies. In line with Principle 10 of the *OECD Recommendation of Budgetary Governance*, SAIs help to promote the integrity of the budget process by allowing for rigorous quality assurance and independent auditing. There are two obvious areas where the 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. Data from the *2014 OECD Mini-Survey on Supreme Audit Institutions and Performance-related Budgeting* indicate about 38% of countries in the OECD conduct audits on the achievement of performance objectives often or always. (OECD, 2015<sub>[20]</sub>)

Performance audits can 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-related performance objectives become embedded in the programmes of government, SAIs should ideally be able to integrate a **gender perspective in performance audit**. An example of a SAI which undertakes such an approach is provided by the Austrian Court of Auditors (see Box 3.10).

**Box 3.10. Gender dimension to performance audit by the Austrian Court of Auditors**

The Austrian Court of Audit 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 3.11).

**Box 3.11. 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<sup>[13]</sup>)

**3.8. Broader public and societal accountability**

Apart from traditional budgetary accountability, broader societal dimensions of accountability can also be provided by civil society, and facilitated by transparency on the part of the government with regard to its gender budgeting, for example through the tabling of gender budget statements, as previously mentioned.

Where adequately resourced and equipped with necessary skill sets, gender equality advocacy groups may also be in a position to present their own **social audit of the budget**. This type of civil society scrutiny can be particularly useful in providing an independent “challenge” function as to whether public policies are really addressing core issues than can lead to persistent gender inequalities, especially in cases where the government does not produce any gender-specific information alongside the budget (see Box 3.12 for the example of Australia).



### Box 3.12. 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<sup>[21]</sup>) and (Morrissey, 2018<sup>[22]</sup>)

## 4. The final missing pieces of the jigsaw

Gender budgeting presents significant social and economic opportunities for OECD countries. However, implementing an effective and sustainable gender budgeting approach can be challenging. Sustaining it over the long-run requires an enabling environment which supports the use of gender considerations in programs and policies – particularly at times when political momentum loses traction. The following sections outline essential elements to help successfully embed a gender perspective within budgeting. Many of these elements are equally the desiderata of good budgeting and good policy formulation and so a budget process which effectively incorporates gender budgeting should converge with international good practices on budgeting. Furthermore, in line with the *2015 OECD Recommendation of the Council on Gender Equality in Public Life*, these elements are linked an effective functioning gender mainstreaming framework. Despite the growth in gender budgeting practices across the OECD, these efforts are unlikely to be effective or enduring without the requisite enabling environment in place to fully embed the practice.

### 4.1. 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 4.1).



#### Box 4.1. 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

## 4.2. 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. However, through this time, the Statement was seen as an internal bureaucratic exercise not-synced to the normal budgeting process, and of little relevance to the women's movement. Oftentimes, spending and taxing decisions were already made by the time the Women's Budget Statement was completed (Sharp and Broomhill, 2013<sup>[21]</sup>). As such, 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. Of the 17 OECD countries that have implemented gender budgeting, ten countries have legal provisions (either in the budget law, or another legal provision) underpinning the practice (Austria, Belgium, Canada, Iceland, Italy, Korea, Mexico, Norway, Portugal, and Spain) (see Box 4.2 for examples). In other OECD countries, the basis for gender budgeting is most often high level political commitment or administrative practices, as shown in Figure 4.1.

#### **Box 4.2. Legal provisions 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.

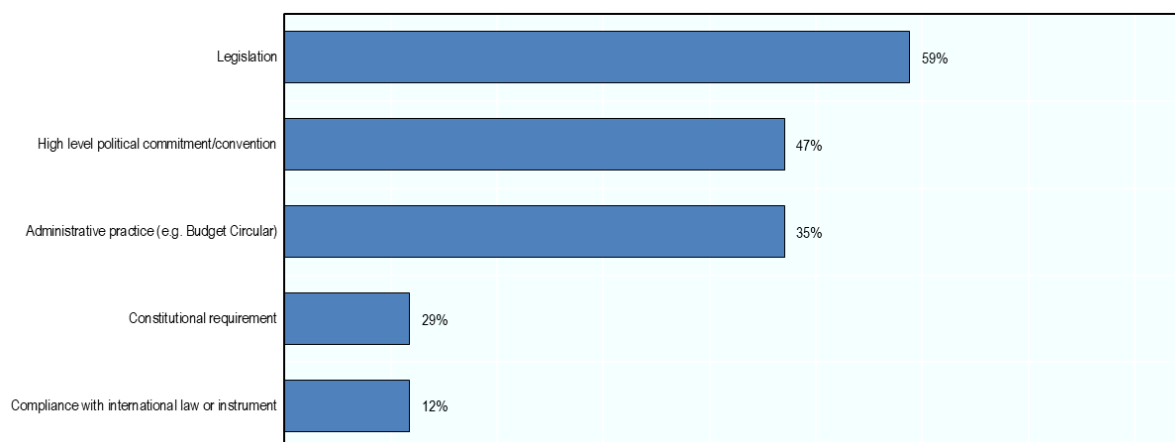
##### **Spain**

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: Authors, 2019

**Figure 4.1 Legal basis for Gender Budgeting**

*Notes:* Data shown only for the OECD countries which have introduced gender budgeting.

*Source:* OECD (2018), OECD Budget Practices and Procedures Survey, Question 33, OECD, Paris.

### 4.3. Clear roles and responsibilities and strong coordination mechanisms

The CBA has a central leadership role in relation to gender budgeting. However, to embed gender budgeting throughout the budget cycle requires the collective effort of a number of government and non-government stakeholders. A particularly important stakeholder is the Ministry for Equality or Equality Institution (sometimes referred to as the national equalities machineries). The CBA often works hand-in-hand with their equality counterparts in implementing gender budgeting. As part of the leadership role of these institutions, clear responsibilities for the different actors involved (including departments, the national statistical office and citizens) should be set out.

Additionally, strong co-ordination mechanisms (for example, an inter-agency working group) can be a valuable element of any approach to gender budgeting that involves different stakeholders. This facilitates a comprehensive approach, as well as exchange of good practices among different stakeholders. According to the *2018 OECD Budget and Procedures Survey*, almost half of OECD countries who have implemented gender budgeting (41%) report that they have an inter-agency working group such as this. An example is provided by Iceland's Gender Budgeting Committee (see Box 4.3).

### Box 4.3. 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.

Source: Authors, 2019

## 4.4. 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.

The *2016 OECD Survey on National Gender Equality Frameworks and Public Policies* points 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. This poses problems as systemic issues – gone unnoticed – will likely perpetuate inequalities seen across many areas of public and economic life. Gender budgeting helps to address this by providing an opportunity to test and bring attention to these assumptions and providing a framework to keep governments accountable to overcoming these challenges. Other factors may also be hindering better availability of gender-disaggregated data, 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; lack of understanding of how to disaggregate household 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 is 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 4.4).

**Box 4.4. 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 (*ex post*) initiated a process of a more balanced allocation of resources. In sports, the data on gender has sparked widespread public debate about how government money is spent in this sector. 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: (Downes, von Trapp and Nicol, 2017<sup>[31]</sup>)

**4.5. Training and capacity development**

**Training and capacity development** can be crucial factors in order to increase openness towards gender-responsive policies throughout the public sector. Training 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. In Canada, the government takes forward its commitment to gender impact assessment, named GBA+, through training to strengthen capacity across departments and organisations. An implementation survey found that 57% of organisations had mandatory GBA+ training in 2017, and almost 75% of organisation used the GBA+ course as mandatory or recommended training for policy analysts (OECD, 2018<sup>[14]</sup>; Government of Canada, 2018<sup>[23]</sup>). In Mexico, Gender Units are in place across the public administration to help train in gender policies and this helps develop capacity in relation to gender budgeting (see Box 4.5).

**Box 4.5. Gender Units in Mexico**

In Mexico, Gender Units were created to support the public administration in incorporating a gender perspective into different fields of work, and to promote the advancement of women in the public sector. By 2017, 27 Gender Units had been set up, with their main activities including; assessing the work environment, helping design public policies with a gender perspective, providing training in gender policies, tracking and evaluating the incorporation of a gender perspective and ensuring the use of inclusive language.

Source: (Government of Mexico, 2017<sup>[24]</sup>)

**4.6. Review and evaluation of the impact of gender budgeting**

A whole-of-government vision for gender budgeting steers and aligns planning, implementation, evaluation and the application of key learnings to the forward stages of

the policy cycle. Given this, it is 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. Results can also help inform improvements to the approach to gender budgeting, ensuring that it is impactful.

The effectiveness of gender budgeting can be measured in a number of different ways. Examples include:

- a. Development and application of gender related indicators that feed back to higher-level 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 4.6).

#### Box 4.6. 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

## 5. Bringing it all together

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 has aimed 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 an enabling environment to ensure an effective and sustainable approach. As part of this, it has highlighted elements which are important for an effective and enduring gender budgeting practice. Through an effective practice, gender budgeting can help ensure that tax and spending is better targeted to meet overarching gender goals. These elements can be brought together into three key areas:

1. Strategic framework
2. Tools of implementation
3. Enabling environment

### 5.1. Core elements of gender budgeting

#### 5.1.1. Strategic framework

A **national gender equality strategy** that sets out **overarching gender equality goals** is the centrepiece to a strong strategic framework for gender budgeting. Using gender budgeting as a tool to help deliver on this strategy relies on strong **political commitment** that give momentum to gender budgeting reforms and help drive a change in culture across the government. Building a **legal framework** provides a foundation to allow gender budgeting to become embedded in existing budgeting processes and ensures practices withstand changes in political priorities. Gender budgeting efforts are most effective when there is **strong administrative leadership** by the CBA, in close cooperation with the national equalities machineries. Those in charge should ensure the provision of clear

**guidelines on applying gender budgeting** and set out **institutional roles and responsibilities**, so that there is a well-coordinated and cohesive approach to gender budgeting, adapted to the country's governance structures. Instituting an **inter-agency working group** ensures a wide range of stakeholders are engaged through the process, and gives opportunities to share good practice.

### 5.1.2. Tools of implementation

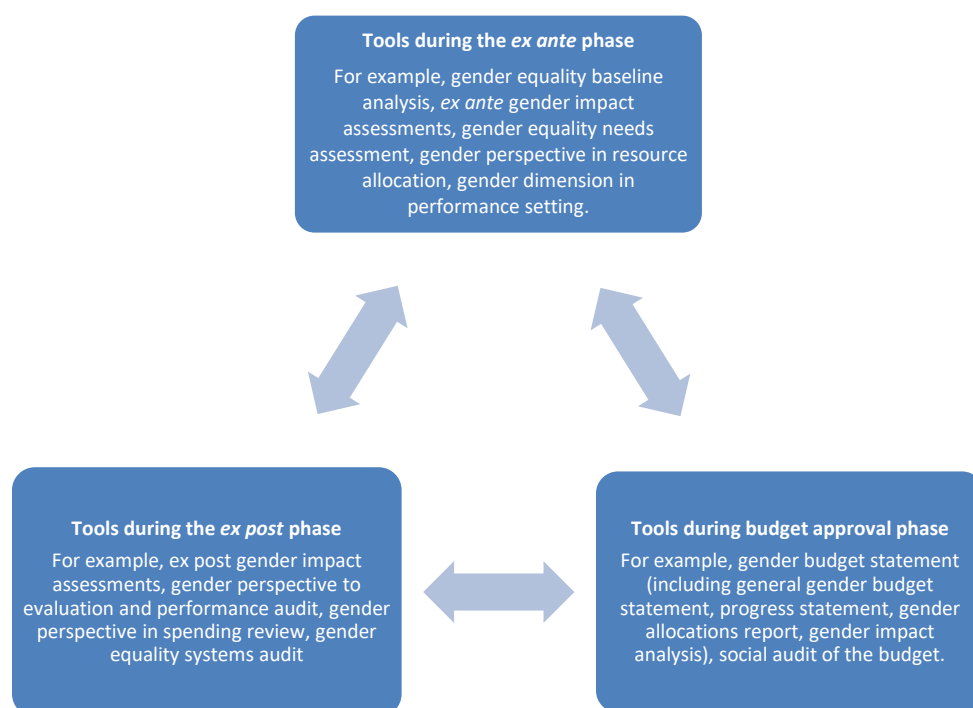
To successfully implement gender budgeting, OECD countries have adopted a variety of operational tools across different stages of the budget process (see Figure 5.1).

Before the budget proposal is laid before parliament – during the *ex ante* phase – a **gender equality baselines analysis** and **ex ante gender impact assessments** of new budget measures can help the CBA gain an understanding of how different policies are/can impact gender equality. Information from these – taken together with a **gender equality needs assessment** which outlines the main gender gaps across different policy areas - helps underpin the application of a **gender perspective in resource allocation**. This allows for the CBA to put forward a budget proposal containing measures which are understood to help close priority gender equality gaps. A **gender dimension in performance setting** also facilitates an understanding of how budget measures relate to different gender equality goals, and enables civil society to track progress.

When the budget proposal is being tabled at parliament, a **gender budget statement** can be a useful tool in highlighting the measures that the government has taken to achieve gender equality outcomes. This statement may include a **general gender budget statement** summarising how measures in the budget are intended to support gender equality priorities, together with a **progress statement** outlining the government's progress in supporting and resourcing high-level priorities and goals in relation to gender equality. It may also include a **gender allocations report**, informed by **budget tagging** of spend related to gender, which helps stakeholders identify the quantity of financial flows allocated to policies promoting gender equality. And it may include a **gender impact analysis** of specific measures, or of the whole budget, which provides an assessment of the distributional effect of the budget between genders. Where information is missing from the gender budget statement, or no statement is provided, gender equality advocacy groups may choose to present **social audit of the budget** which assesses whether the budget is addressing the core issues bringing about gender inequalities.

After the budget has been spent – during the *ex post* phase – **ex post gender impact assessments** and a **gender perspective to evaluation and performance audit** help identify whether the intended results of different budget measures were achieved. A **gender perspective in spending review** also helps ensure that any decisions to reallocate expenditures from one area to another take into account the potential for these decisions to impact on gender inequality. Assessments, such as the **gender equality systems audit**, help identify how well the gender budgeting initiative, and the elements underpinning it, are functioning.



**Figure 5.1. Gender budgeting tools at different stages of the budget process**

Gender budgeting initiatives are being pursued in various forms across OECD countries. The OECD has refrained from adopting an “ideological” preference with regard to the tools of gender budgeting that should be used. Countries should select an approach that builds on existing elements of their budgeting model. However, a more advanced approach to gender budgeting benefits from the incorporation a gender perspective at all of the different stages of the budget process.

### 5.1.3. *Enabling environment*

Finally, successful implementation of gender budgeting relies on a strong enabling environment. Building upon the strategic context of political commitment, legal frameworks, and strong and accountable institutions, practising gender budgeting requires a wide range of supporting factors to ensure its success. Having a sufficient base of information is critical to informing assessments, impacts, and decision-making. As such, systematic collection of **gender disaggregated data** is pivotal in enabling governments develop effective gender-sensitive and evidence-based policies. To increase openness and understanding in relation to gender budgeting through the public sector, **training and capacity development** can help to institute practices over the long-run, as do details and **instructions on the application of gender budgeting in the annual budget circular**. Other factors, such as engaging and consulting citizens and experts, for example, through **structured engagement with civil society** or setting up an **expert/consultative group to advise on gender budgeting**, can become important to inform ongoing gender budgeting efforts and ensure it remains open to a broad range of inputs and viewpoints, especially critical viewpoints. Equally important is for gender budgeting to be subject to **oversight by accountability institutions** such as parliament and the supreme audit institution, so that the government is held to account publically for its implementation.

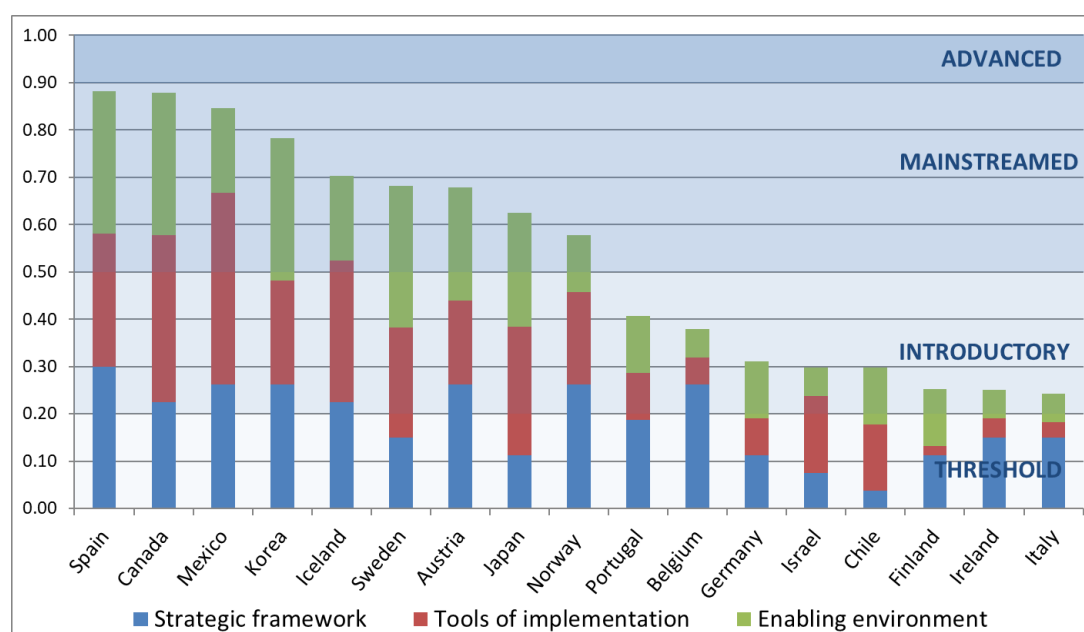
## 5.2. First pass at a composite indicator on gender budgeting

OECD countries are at various stages of implementing gender budgeting. This first pass at a composite indicator for gender budgeting measures the extent to which the design and implementation of gender budgeting across OECD countries aligns with the framework set out in this paper. Specifically, it looks at the extent to which countries have in place the necessary elements of the strategic framework for gender budgeting, tools of implementation and an enabling environment. The composite index contains fifteen variables that cover information for which data is available across these measures (see Annex 1 for further information). The weightings used emphasise the tools of implementing gender budgeting (40%), followed by the strategic framework and the enabling environment (each 30%).

Countries that receive a high score have created a comprehensive gender budgeting framework with key strategic aspects in place, employ a wide range of tools across the budget cycle, and have a strong enabling environment 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 0.2 and 0.5) or a threshold gender budgeting practice, where there is no or limited gender budgeting in place (score of 0 to 0.2). The index provides that almost half of OECD countries that have introduced gender budgeting are categorised as having an “introductory” practice (Belgium, Chile, Finland, Germany, Ireland, Israel, Italy and Portugal). Spain, Mexico, Korea, Japan, Iceland, Sweden, Canada, Austria, and Norway all have successfully attained a level of gender budgeting practice that can be categorised as “mainstreamed” although no country yet qualifies as “advanced practice” (see Figure 5.2).

**Figure 5.2. First pass at a composite indicator on gender budgeting**



*Note:* Only shows scores for OECD countries that have introduced gender budgeting. Information used for this index reflects data represented in the *2018 OECD Budget Practice and Procedures Survey*. Data for Canada has been updated to reflect the introduction of the Canada Gender Budgeting Act in December 2018. Information for countries will continue to be updated as new information is collected.

*Source:* (OECD, 2019<sup>[25]</sup>)

The OECD's first pass at a composite indicator on gender budgeting will be further refined over time in order to ensure it captures the elements that underpin a comprehensive gender budgeting framework.

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## Annex 1 - First pass at a composite indicator on gender budgeting: variables and weights

