

## Helpdesk Research Report

# Examples of PFM impacts on gender equality

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### Question

*Identify examples of public financial management (PFM) reforms which have impacted on gender equality? Where possible, identify if specific types of PFM reform are more likely than other reforms to impact on gender equality, and if these PFM reforms are more likely to impact on gender equality than other policy objectives.*

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### 1. Overview

Research for this report was unable to find conclusive cases where public financial management (PFM) reform led to impacts on gender equality. This is because PFM reform does not necessarily lead to gender equality impacts, and conversely improvements in gender equality do not always require, or follow on from, PFM reform. It may also be that gender impacts are rarely covered in impact analyses as gender is not the focus of most PFM reforms<sup>1</sup>. Consequently, this report identifies a range of literature which finds links between aspects of PFM and gender. Research for this report did not identify evidence which compared PFM reforms to other reforms in terms of their impact on gender equality. Neither was there material identified which compares the impact of PFM reforms on gender equality to the impact on other policy objectives.

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<sup>1</sup> Expert comment

The main literature which links gender impacts with PFM is that on Gender Responsive Budgeting (GRB)<sup>2</sup>. GRB looks to incorporate a gender equality perspective into the budgetary process and to restructure revenues and expenditures to strengthen gender equality and women's empowerment (OECD, 2010). There is other material, which though not explicitly taking a GRB approach, looks to include a gender perspective or improve gender sensitivity. Key insights from the literature are as follows:

- GRB is **possible with all types of budget format** (e.g. line item, performance, programme, zero-based budgeting) but performance-based budgeting may provide more opportunities through gender-focused performance indicators (Rubin & Bartle, 2005).
- GRB can be integrated into **performance metrics**, and monitoring can be through **gender disaggregated indicators**, analysing **allocations against planned expenditures**, and **ex ante possible impact assessments** (Bosnic & Schmitz, 2014; Merima & Faruk, 2012).
- In many countries there is a need for **improvements in data quality** and **greater statistical capacity**, in terms of people and infrastructure, to provide gender disaggregated statistics (OECD, 2010). To understand gender impacts there often needs to be a better understanding of economic **processes and interrelations**, and the use of **qualitative analyses** as well as quantitative analyses (Klatzer, 2008; Schneider, 2007).
- A shift to **participatory budgeting** approaches and **participatory research** can allow (though would not necessarily result in) greater gender impacts (Combaz, 2014).
- **GRB concepts** can and should be **merged with PFM concepts** (Bosnic & Schmitz, 2014) and **GRB activities** should be directly **linked with ongoing PFM reforms** (Schneider, 2007). The introduction of GRB through overarching PFM reforms is a more practical and comprehensive mechanism to achieving effective GRB (Merima & Faruk, 2012).
- Reform of the **legal framework of the budgetary process** can result in processes that are more gender sensitive (Klatzer, 2008). Harmonisation of budget-related laws with domestic and international **gender laws and conventions** can help facilitate GRB (PKF, 2008).
- The establishment of **gender units** within finance and sectoral ministries can help mainstream gender and provide a focal point for knowledge of gender issues within sectors (Schneider, 2007).
- The **sequencing of reforms** is important for effective GRB (PKF, 2008).
- In addition to domestic monitoring, the use of gender disaggregated **budget support monitoring indicators** and **gender working groups** has been found to have positive gender impacts (Holvoet & Inberg, 2013).

## 2. Relationship between PFM and gender equality

Experts consulted, and research reviewed for this report, suggest that PFM reforms on their own would not necessarily bring about an impact on gender equality. PFM reforms might open space for Gender Responsive Budgeting (GRB) but this is not intrinsic to PFM reforms<sup>3</sup>. There are examples of PFM reforms

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<sup>2</sup> For further information on the impact of GRB on gender equality see: Combaz, E. (2013). *Impact of Gender-Responsive Budgeting*. GSDRC Helpdesk Research Report 977. Birmingham, UK: GSDRC, University of Birmingham. <http://gsdrc.org/docs/open/HDQ977.pdf>

<sup>3</sup> Expert comment

which helped allow gender responsive or gender sensitive budgeting such as where reforms to improve public participation had a gender sensitive requirement, or adding a programme classification to the budget classification system to make clearer the allocation of resources<sup>4</sup>. An example from Bosnia and Herzegovina, and Macedonia, is that Ministry of Finance budget instructions require users to provide analysis of potential gender impact<sup>5</sup>.

Arguably, PFM is a policy neutral tool, and improving gender equality, through efforts to require a set amount of expenditure on gender-related activities is a policy change rather than a change in public finance processes *per se*<sup>6</sup>. Certain PFM reforms, such as improving information availability, can improve delivery of policy in general and would therefore also improve gender-related policy. Participatory budgeting approaches can allow greater allocation to previously marginalised groups which depending on the context may include women. Also human resource reforms which ensure that women are more represented at higher levels of management may ensure budgeting which impacts more on gender issues but as PFM roles are to deliver rather than set budget allocation, some experts argue that this is unlikely<sup>7</sup>.

### 3. Annotated bibliography

The following is a selection of literature which draws out insights relating to the links between PFM and gender.

#### ***Integrating gender into government budgets: A new perspective***

Marks Rubin, M., & Bartle, J. R. (2005). *Public Administration Review*, 65(3), 259-272.  
<http://dx.doi.org/10.1111/j.1540-6210.2005.00452.x>

This paper looks at the issue of bringing in gender-responsive budgeting into the mainstream of research on public administration and into the practice of government budgeting. They note that various budget formats have differing organising mechanisms and different opportunities for gender integration (see figure 1).

**Figure 1: Illustration of Gender Integration into various budget formats**

Budget format	Organising mechanism	Gender integration
<i>Line item</i>	Expenditures organised by object of expenditure (inputs or resources purchased)	<ul style="list-style-type: none"> <li>▪ Percentage of wages and salaries to women</li> <li>▪ Percentage of contracts to women-owned firms</li> </ul>

<sup>4</sup> Expert comment

<sup>5</sup> Expert comment

<sup>6</sup> Expert comment

<sup>7</sup> Expert comment

<i>Performance</i>	Expenditures organised by tasks, activities, outputs, or outcomes	<ul style="list-style-type: none"> <li>▪ Percentage of programme recipients who are female</li> <li>▪ Gender goals and objectives incorporated into performance measures</li> </ul>
<i>Programme</i>	Expenditure organised by broad government objectives (such as education or transportation)	<ul style="list-style-type: none"> <li>▪ Programme impact by gender</li> <li>▪ Programme impact on gender equity goals</li> </ul>
<i>Zero-based budgeting</i>	Expenditures organised by decision packages associated with varying levels of funding	<ul style="list-style-type: none"> <li>▪ Gender impact at various decision-making levels</li> </ul>

**Source:** Adapted from p. 269

The authors note that a performance-based approach permits the inclusion of the gender impacts of spending through performance measures. Though this approach may lend itself better to the inclusion of gender concerns, the authors argue that gender budgeting can be integrated into all major budget formats. Gender-responsive budgeting does not require a new budget format, just that it be included in the decision-making process. The authors highlight the need for a political climate conducive to change and acceptance of gender-responsive budgeting. Stakeholders, both inside and outside government, must see an equity gap and agree it should be closed. Only if they are willing to change their thinking and behaviour to close this equity gap; and only if they are willing to assure that there are the necessary funds and time to support gender-disaggregated data collection and analysis, then there is the potential for gender-responsive budgeting to change budget decision-making.

### ***Rethinking PFM - How is GRB helping PFM reforms?***

Bosnic, M. & Schmitz, C. (2014). Discussion Paper for the International Conference at the Vienna University of Economics and Business. Gender Responsive Budgeting: Theory and Practice in Perspective. Vienna, 6.-8 November 2014.

<http://www.wu.ac.at/vw3/grb/bosnicschmitz>

Based on case studies from Bosnia and Herzegovina, Ukraine and Sweden, this paper outlines a number of PFM issues that relate to GRB. The authors find that in many countries gender budgeting work has been limited in impact because initiatives used an approach not suitable for the countries' budget systems. Gender budgeting work in many countries remained a one-off activity (e.g. workshops, trainings, analysis) and was not institutionalised by the relevant finance ministries. The gender responsive budgeting activities were normally not linked up with ongoing PFM reforms in the country. The authors argue that GRB concepts can and should be merged with PFM concepts to facilitate a common vocabulary and understanding of how GRB is an essential component of core PFM development.

The authors argue that GRB can be integrated into the performance metrics of budget programmes. This can be through the use of gender disaggregated indicators, by assessing budget and policy plans against

actual allocations and programme implementation, and providing information for monitoring progress towards increased gender responsiveness and equality.

Gender budget analysis of programmes can lead to better understanding of the impact of programmes. Without this, the study finds that results of programmes were not entirely understood. Developing gender indicators to measure gender impact of budgets may add significant value to performance data in the budget process and facilitate increased awareness, transparency, accountability and resource allocation changes in relation to gender.

### ***Integrating Gender Equality Dimensions into Public Financial Management Reforms.***

OECD (2010). Gender Equality, Women's Empowerment and the Paris Declaration on Aid Effectiveness (Issues Brief No. 6). OECD, DAC Network on Gender Equality. <http://www.oecd.org/dac/gender-development/46142807.pdf>

This issues brief looks at the integration of a gender equality perspective into PFM in partner countries using GRB. The paper identifies ways of using GRB techniques and argues that GRB is a form of financial management that seeks to ensure an efficient allocation of resources based on the needs identified; can offer a win-win situation by both strengthening gender equality and enhancing economic growth; but has so far been more about advocacy than action.

A key PFM constraint to GRB is limited availability of data disaggregated by sex. This impedes the ability to identify and address gender-based disadvantages. Initiatives directed to strengthening statistical systems in developing countries will typically involve both capacity building of the data-collecting institutions and the establishment of a data collection infrastructure.

The brief outlines a number of case studies. In the Philippines, the author argues that a promising example has been from the Department of Environment and Natural Resources. A land administration reform project ("LAMP2") has improved administration policy, systems and procedures in areas such as titling, adjudication, data collection and records management which promotes and protect the rights of both women and men.

In India, civil society lobbying led to the Ministry of Finance ensuring all ministries establish Gender Budgeting Cells and asking ministries to submit annual reports and performance budgets highlighting budgetary allocations for women. Key barriers to full implementation include limited financial devolution, barriers to the effective participation by women in budget planning and implementation, and lack of data on both Government allocations and gender equality outcomes.

The brief argues that though Tanzania is a leader of gender responsive budgeting in sub-Saharan Africa, the capacity and resources of the Tanzanian central administration are constrained. Therefore, whilst the Ministry of Finance has supported GRB initiatives in the past, the overall budgeting process in Tanzania remains stretched and there is very little capacity to undertake any type of analyses during the budgeting phase.

### ***Practical guidance to integrate gender into public financial management***

Combaz, E. (2014). GSDRC Helpdesk Research Report 1095. Birmingham, UK: GSDRC, University of Birmingham.

<http://www.gsdrc.org/docs/open/HDQ1095.pdf>

This paper looks to identify practical guidance on integrating gender into public financial management systems in developing countries with evidence on what has worked and what has not worked. The author finds that in relation to guidance on effective approaches, overall requirements are: securing the known enabling factors (such as sustained political support, sufficient capacities and conducive institutional arrangements); adapting to context; involving a range of stakeholders at all stages; and generating sex-disaggregated data. In relation to the three phases of GRB (awareness, accountability, change), evidence suggests that it has proven hardest to move from analysis to a change in budgets. Suggestions for progress include impact evaluations of GRB, country-specific methodologies, the mainstreaming of gender into participatory budgeting initiatives, and gender-sensitive participatory research.

The budget process can be made gender-responsive through an approach tailored to the stages of budget preparation, approval, execution, and audit and evaluation. A gender-specific breakdown of expenditures can look at women-specific targeted expenditures, expenditures on equal employment, and mainstream expenditures. Specific tools have been developed on revenues such as gender-disaggregated analyses which are effective tools to work on tax incidence (direct and indirect taxes), user fees, and government debt. On expenditures, effective tools for gender-aware work are available for policy appraisal, beneficiary assessment, incidence analysis of public expenditure, analysis of the impact of budgets on time use, budget statements, and medium-term frameworks of economic policy.

### ***The integration of gender budgeting in performance-based budgeting***

Klatzer, E. (2008, June 9-10). In Watch Group, Gender and Public Finance. Paper presented at the conference 'Public Budgeting Responsible for Gender Equality. Presupuestación Pública Responsable con la Igualdad de Género', Bilbao.

[http://www.minecofin.gov.rw/fileadmin/library/National\\_Budget\\_Directorate/1.National\\_Budget/3.Budget%20Documentation/3.%20GRB%20Documentation/The%20Integration%20of%20Gender%20Budgeting%20in%20Performance-Based%20Budgeting.pdf](http://www.minecofin.gov.rw/fileadmin/library/National_Budget_Directorate/1.National_Budget/3.Budget%20Documentation/3.%20GRB%20Documentation/The%20Integration%20of%20Gender%20Budgeting%20in%20Performance-Based%20Budgeting.pdf)

This paper looks at the inter-relation between Gender Budgeting and Performance-Based Budgeting (PBB), which the author argues are two relatively recent PFM concepts which are becoming popular and challenge the traditional way of "doing public budgeting". The authors argue that performance oriented budgeting presents a good point to integrate Gender Budgeting into the reform process. For performance-oriented budgeting institutions, actors and processes need to be reformed and at the same time can be "engendered" through building up gender sensitivity and gender know-how.

Performance measurement is central to any PBB and to Gender Budgeting as well, and the integration of gender equality considerations into the concepts of economy, efficiency and effectiveness is important. Equity can be an explicit dimension of performance measurement with indicators at all levels – input, output, outcomes as well as process. There can be a regular gender evaluation of policies, processes and institutions. There can also be legal integration of gender equality. For example, in Austria, Gender Budgeting has been integrated into the legal framework of the budgetary process.

At the same time the paper points out limitations. Effective Gender Budgeting calls for an enlargement of traditional economic frameworks and models. It requires developing a better understanding of economic processes and interrelations. This includes the unpaid economy, and economic interrelations between the paid and unpaid sectors of the economy. Performance-based approaches, on their own, would not address this. Furthermore a reliance on quantitatively measurable performance indicators through PBB would ignore the needed differentiated analysis of policy impacts on gender relations.

### ***Public Finance Management, Including Gender-Responsive Budgeting***

Schneider, K. (2007, 4-7 September). EGM/FFGE/2007/EP.3. Draft. United Nations Division for the Advancement of Women: Expert Group Meeting on financing for gender equality and the empowerment of women. Oslo, Norway.

[http://www.un.org/womenwatch/daw/egm/financing\\_gender\\_equality/ExpertPapers/EP.%203%20Schneider.pdf](http://www.un.org/womenwatch/daw/egm/financing_gender_equality/ExpertPapers/EP.%203%20Schneider.pdf)

This paper outlines the concept of GRB as well as challenges of doing GRB work and concludes with a set of recommendations to institutionalise a gender equality perspective in public finance. The author notes that one of the reasons for failure of GRB is that it is not suited to the countries' budget systems. In many cases GRB activities were not linked up with ongoing PFM reforms. There also needs to be further effort to bring in a gender perspective to discussions on new aid modalities, good economic governance, and PFM system transparency.

Establishing gender units within the ministry of finance and sector ministries may help to monitor budgetary processes for GRB. They also provide a focal point to contribute towards effective gender mainstreaming especially in sector ministries where they would combine sector knowledge with gender expertise. Separate ministries of women's affairs/gender can lobby for gender mainstreaming and can focus on a coordinating role though in many countries the role of such ministries is unclear.

Statisticians are important as gender budget analyses and gender-sensitive planning and budgeting depend on the availability and processing of reliable data including sex-disaggregated data and other gender-relevant statistics.

The authors suggests that standard budget guidelines and reporting forms should be changed in a way that includes gender aspects so that the public finance gender responsiveness becomes routine. Strengthening inter-sectoral coordination and impact monitoring could have positive gender impacts. For example, effective delivery of transport and water services can help increase girls' primary school enrolment.

More efforts need to be undertaken to improve sex disaggregated and gender-specific data collection and analysis. In particular quantitative data should be complemented by qualitative data. This could provide information about changes in gender relations and provide peoples' views about public performance in delivering services.

The paper recommends that multilateral and bilateral donors ensure that tools to assess public financial managements systems, such as Public Expenditure Reviews, Public Expenditure Tracking Surveys, Public Expenditure and Financial Accountability, Country Financial Accountability Assessments etc. incorporate a gender perspective. Also the paper suggests that governments and donors should carry out an *ex-ante* assessment of possible impacts on women and men and think of mitigation strategies if necessary.

## ***Gender Responsive Budgeting as Smart Economics: A Comparative Analysis between Bosnia and Herzegovina and Republic of Macedonia***

Merima, A., & Faruk, H. (2012). *Journal of Economic and Social Studies*, 2(2).  
<http://eprints.ibu.edu.ba/1394/>

This paper compares frameworks for inclusion of gender through GRB in two former Yugoslavian republics: Bosnia and Herzegovina (BiH) and Republic of Macedonia (Macedonia). In BiH GRB was introduced through overall public finance management (PFM) reform within programme based budgeting, whereas in Macedonia GRB was introduced through specific programme level initiatives and interventions without an overall integration with budgetary system and performance budgeting as a baseline concept. The paper concludes that the introduction of GRB through overarching PFM reforms is a more practical and comprehensive mechanism. The authors argue that integration of GRB practices within the PFM reforms is an attractive model given that those reforms are already taking place. They also argue that gender equality through GRB mainstreamed through PFM reforms contributes to overall socio-economic prosperity.

The paper finds that budget instructions (i.e. the guidance for annual or medium-term budget framework) that are released by ministries should require organisations and institutions that are funded by public budgets to provide information related to gender sensitivity/equality of the proposed programme. These budget instructions should provide an explanation on the importance and definition of gender-sensitive budgets as well as a short introduction of the existing legal framework for its implementation. Where possible all relevant performance indicators be should gender disaggregated and gender related indicators should be included wherever relevant.

### ***Implementing Gender Sensitive Budgeting In BiH***

PKF. (2008). Discussion Paper No. 5. Strengthening Public Expenditure Management Project. Sarajevo, Bosnia And Herzegovina.

This paper outlines a review and recommendations regarding improving Gender Sensitive Budgeting in Bosnia and Herzegovina (BiH) including a number of PFM observations and recommendations. In BiH the authors note a detrimental factor has been the lack of involvement of the Ministry of Finance. There is a lack of resources and capacities in the gender institutions, particularly the State Gender Agency. Though the international community has supported the development of laws, discussion papers, strategies, suggested approaches and the creation of institutions to support gender issues, there has been little progress in building capacities of line Ministries and Budget Users to implement these reforms.

The paper notes a lack of gender disaggregated data and data about final beneficiaries of programmes and there are questions about the reliability and quality of the existing gender disaggregated statistical data that do exist. In budgeting, the budget resources are appropriated by line item, rather than to programmes, which can make it difficult to identify gender impact. There has also been inappropriate sequencing of reforms which the authors argue is a precondition for implementing effective Gender Sensitive Budgeting.

The paper outlines a number of recommendations. Ministries of finance should review all budget related laws and ensure they are harmonised with domestic and international laws and conventions relating to gender. The budget planning and preparation process should be adapted to facilitate Gender Sensitive

Budgeting. This includes the amendment of budget instructions to require Budget Users to submit gender specific information, and the amendment of supporting budget documentation to include explanation of gender impact of budget funded programmes. The paper suggests gender sensitive forms and procedures, the strengthening of gender related statistical collections, and a template for a Gender-aware Budget Statement. It recommends intensive technical assistance be provided to finance ministries and gender institutions, in consultation with statistical institutes, to facilitate and build capacity in the implementation of the reforms.

***Multiple Pathways to Gender-Sensitive Budget Support in the Education Sector: Analysing the Effectiveness of Sex-Disaggregated Indicators in Performance Assessment Frameworks and Gender Working Groups in (Education) Budget Support to Sub-Saharan Africa Countries.***

Holvoet, N. & Inberg, L. (2013). UNU-WIDER Research Paper No. WP2013/105. Helsinki: UNU World Institute for Development Economics Research.

[http://www.wider.unu.edu/publications/working-papers/2013/en\\_GB/wp2013-105/\\_files/90571730884952384/default/WP2013-105.pdf](http://www.wider.unu.edu/publications/working-papers/2013/en_GB/wp2013-105/_files/90571730884952384/default/WP2013-105.pdf)

This paper studies the effectiveness of joint donor-partner gender working groups (GWG) and the integration of sex-disaggregated indicators and targets in the Performance Assessment Framework monitoring tool in the context of education sector budget support. The study finds that the presence of a GWG contributed to an increase in female net enrolment rates (NER) in primary schools. The presence of sex-disaggregated NER monitoring indicators in the PAFs combined with the presence of a GWG was effective in a wider range of contexts. In countries with free education and low gender discrimination the presence of a GWG has been sufficient to increase female NER. In countries without these, the inclusion of sex-disaggregated NER indicators in the PAFs has been crucial. The authors argue that the inclusion of gender and/or sex-disaggregated indicators and targets in PAFs are effective to improve gender equality in education, and suggest they be used beyond the education (and health) sector to economic and productive sectors.

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