



نماء للارتقاء بالمرأة
NAMA WOMEN ADVANCEMENT

**IS GENDER
BUDGETING
THE
SOLUTION
TO
INCLUSION?**

**EXPO 2020
PANEL DISCUSSION: SUMMARY**



INTRODUCTION

Women's empowerment and integration in the workforce is one of the most effective ways of driving inclusive growth and development. International Monetary Fund (IMF) studies have shown that in countries with low female labor market participation, closing the gender gap could raise Gross Domestic Product (GDP) by an average of 35%. Nevertheless, women continue to face a myriad of challenges in employment and are often more active in unpaid care work.

That is particularly true in the current context of the Covid-19 crisis. A focus on gender-sensitive approaches to development has never been more important. The pandemic has exacerbated pre-existing economic inequalities and increased the burden of unpaid work on women. Hard-won gains in closing gender gaps have been eroded, and millions of women have dropped out of the workforce.¹ In February, McKinsey and Oxford Economics estimated that employment for women may not recover to pre-pandemic levels until at least 2024.² It is therefore important that the economic recovery pays special attention to women's needs and priorities to drive forward a more equitable and sustainable growth.

In this context, applying gender-responsive budgeting (GRB) in public finance management could help governments allocate resources more efficiently and achieve gender-specific outcomes. At the same time, private organisations can act as catalysts to advance women's economic empowerment and use GRB tools in supply chains to support women-led businesses. Indeed, GRB has long been recognised and used as an innovative tool for mainstreaming gender into budget policies; yet its implementation has been rather slow and inconsistent.

With this in mind, NAMA Women Advancement organised a high-level panel discussion at the Women's Pavilion in Expo 2020 Dubai on 16 November 2021 to explore the potential of GRB in enhancing development impact and promoting gender equality. The session brought together experts and decision-makers from the public and private sectors to share experiences and best practices on gender-responsive budgeting. They also exchanged views on how to embed this process in different organisational structures in the region.



WELCOME REMARKS

H.E. Reem Bin Karam, Director of NAMA Women Advancement, opened the session by welcoming participants to the Women's Pavilion at Expo, a venue exemplifying women's valuable contribution to human advancement and the UAE's commitment to place gender equality at the heart of its future development. Her Excellency highlighted the role of GRB as a critical catalyst in achieving the collective objectives of growth, employment and social cohesion. Her Excellency also underscored the importance of applying targeted measures to support a GRB process and enhance the development impact.

Her Excellency noted that gender-responsive approaches reflect the vision of Her Highness Sheikha Jawaher bint Mohammed Al Qasimi, Chairperson of NAMA Women Advancement, and wife of the Ruler of Sharjah, who believes that inclusive and equitable economic growth can only be possible with women's full economic empowerment. Referring to the UAE's experience in institutionalising gender budgeting in 2015 through the Gender Balance Council, Her Excellency emphasized how gender-informed resource allocation can contribute to good governance and improve efficiency and accountability.

¹ Ewing-Nelson, Claire. "Another 275,000 Women Left the Labor Force in January." National Women's Law Center. February 2021. Available at: <https://nwlc.org/wp-content/uploads/2021/02/January-Jobs-Day-FS.pdf>

² "Achieving an inclusive US economic recovery." McKinsey & Company. February 2021. Available at: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/achieving-an-inclusive-us-economic-recovery>



GENDER - RESPONSIVE BUDGETING – A BUDGET THAT WORKS FOR EVERYONE

APPLYING GRB IN PUBLIC FINANCE MANAGEMENT: BENEFITS AND LESSONS LEARNED

GRB is a process that entails integrating a gender perspective at the various stages of policy and budget processes. It involves assessing gender disparities, reviewing policies and guidelines, and allocating resources in order to ensure that government budgets are contributing to equal opportunities for all.

A gender-responsive budget is not about creating a separate budget for women. Nor is it about dividing the government budget between men and women, but rather, it is a budget that reflects the interests and priorities of men, women, boys, and girls. Accordingly, the main objectives of a gender-responsive budget is to target public expenditure more effectively to meet the needs of the local population and offset any unintended gender consequences.

GRB involves a range of tools and activities implemented by various actors, including governments, donors, academia, multilateral organisations, and civil society organisation. At the national level, ministries of finance play a leading role in institutionalizing GRB processes as part of public finance management reforms and aligning budgetary decision-making with policies. National statistics offices provide important input and data, including gender-disaggregated statistics, that feed into the process of gender-responsive planning and budgeting. Furthermore, civil society organisations engage in building alliances in support of GRB and draw up outcomes to hold governments to account.

Given the participatory nature of the GRB process, it has the potential to achieve greater coordination for programme implementation at the country level. GRB works best when understood and practiced as both a political commitment and a technical tool for achieving better and more equitable budgeting.

The importance of closing gender gaps for development has been widely recognised by governments around the world and has been epitomized by the Sustainable Development Goals (SDGs), particularly SDG indicator 5. c.1., which is intended to measure and track the progress of countries in allocating budgets for women empowerment and gender equality.

Today, many countries around the world are at different stages of implementing GRB processes to improve economic governance and support gender equality objectives. Based on current practices, it is evident that GRB brings a much-needed paradigm shift to public finance management systems. In particular, the process contributes to:

- Enhanced connections within and between government entities, most prominently between the policy side and the financial side of the government that often work in silos.
- Improved ability to determine the proportion of resources allocated towards gender-specific programmes.
- Raising awareness of existing gender disparities in society and the impact of budgets on women and men.
- Transparency and social accountability; GRB creates the space for governments to work with different stakeholders to enhance development impact and good governance.
- Increasing a country's GDP by addressing labor market impediments to female participation and facilitating inclusive growth.

COUNTRY-SPECIFIC EXPERIENCES DEMONSTRATING CONCRETE RESULTS:

THE FOLLOWING FINDINGS WERE SHARED BY THE PANELISTS BASED ON THEIR GRB WORK AND ENGAGEMENTS AT THE COUNTRY LEVEL.

MOROCCO

Morocco has pioneered the implementation of gender-responsive planning and budgeting with over 20 years of experience. In the early 2000s, the country initiated a series of public sector reforms, including results-based budgeting and management, to improve service delivery and advance development objectives. Around the same time, Morocco launched its National Strategy for Equity and Equality Between Men and Women in Development Policy and Planning. It is within this context of reform that the GRB initiative was introduced to act as a driving force for aligning national policies on women empowerment with the required budgetary expenditures. The creation of the Center of Excellence for GRB in 2013 under the umbrella of the Ministry of Economy and Finance has been an important step towards institutionalising

GRB processes and disseminating its methodology at different levels within the government.

Perhaps one of the most tangible outcomes of the GRB initiative in Morocco was the reduction of school dropouts among girls in primary school by 4 points between 2018 and 2020. Despite deep-rooted social norms that are less favorable to girls' education, the government facilitated the provision of financial support to families in rural areas to empower young girls and close gender gaps in education. And while the impact may vary across the different sectors, gradual progress can be observed in regard to embedding the culture of inclusive budgetary management in government authorities.

UKRAINE

The case of Ukraine is particularly interesting because GRB was introduced at a time marked by political instability and many changes within the government. Despite the many challenges, GRB has made it onto the agenda of the Ministry of Finance of Ukraine and became an integral part of the work of ministries and institutions at all levels. The main objective was to increase the effectiveness of budget allocation, considering the needs of men and women in Ukraine. Accordingly, the work on GRB started with the collection of data on inequalities in budget programmes to inform public finance management reform. Gender analysis was therefore at the heart of the GRB work in Ukraine from the earliest stages. More than 300 programmes focusing on different sectors

were analyzed. While most programmes did not provide women with sufficient access to funds, few programmes in the health sector were putting men in an unfavorable position. That is why, the GRB process was particularly useful in discovering prevalent gender gaps and other inefficiencies in the design of preventive programmes.

As a result of the GRB programme - funded by the Swedish government - women in Ukraine are now able to attend military schools, and more girls are practicing sports. At the same time, key ministries in Ukraine today regularly analyze their budget programmes from a gender perspective.

INDONESIA

Indonesia has been mainstreaming gender in its national budget processes using different public finance management (PFM) tools since the 2000s. The country is also among the few in the world that has a dedicated ministry responsible for leading and coordinating the work on women empowerment. In 2012, the government introduced the National Strategy on the Acceleration of Gender Mainstreaming through Implementation of GRB, led and coordinated by four ministries. Indonesia has subsequently seen an increase in the human development index. However, its GRB efforts have had mixed results in closing gender gaps. For that reason, Indonesia has undertaken a GRB assessment in cooperation with the World Bank to track progress and further strengthen gender mainstreaming in budget processes.

The assessment found that Indonesia has successfully developed a solid framework underpinning the implementation of GRB, however, clear top-down direction and guidance on how to design gender-specific policies were needed to close gender gaps. Another important lesson learned from this program was that strengthening the capacities of ministries to carry out gender analyses of budget policies and monitor their impact on gender equality is crucial to ensure sustainable results. In terms of the next steps, the program will focus on embedding the GRB methodology within the public finance management system so that it becomes a 'business-as-usual' exercise in the government.



CHALLENGES IN THE IMPLEMENTATION OF GRB



PROMOTING EQUITY, DIVERSITY AND INCLUSION IN THE PRIVATE SECTOR

Even though GRB has gained increasing momentum over the past few years and concrete results have been documented in many areas around the world, there continue to be gaps in implementation. Participants noted the following key challenges during the discussion:



Resistance and lack of awareness around how gender relates to the day-to-day work of government entities that arguably operate in gender-neutral sectors, such as infrastructure.



The absence of sex-disaggregated data and the need for specialised expertise can limit the application of GRB processes.



There is a prevailing perception that GRB can be implemented overnight, while in fact GRB is a process that requires substantial time, effort, and resources to make a real impact. It is often the case that donors request to see immediate results, but there needs to be a greater focus on 'continuity' to ensure sustainable results.



Measuring the success of GRB processes and setting key performance indicators (KPIs) is often a difficult task because the results are not always quantifiable.

The private sector can play an important role in advancing gender equality in the workforce and driving more inclusive economic growth. For organisations that want to make real change, it is important to place the role of equity, diversity, and inclusion within the organisation at the 'top table' (i.e. part of the executive team). This is to ensure that the person leading on this agenda is at a senior enough position within the organisation to be able to drive change forward. Another important aspect is to increase leadership accountability when it comes to disseminating equity, diversity and inclusion goals in the organisation. Global KPIs need to be set to motivate leaders within the organisation to deliver on gender and inclusion targets.

One of the pitfalls that private organisations commonly do is that they compartmentalize the functions of equity, diversity and

inclusion into an HR activity, while they should be championed by all employees and integrated as part of the organisational culture. This also applies to the communities they work with and serve. Public and private organisations have a massive opportunity to use their spending power to increase diversity in supply chains by engaging women-led organisations and businesses-led by under-represented groups. In turn, this will reflect positively on the image of the organisation, making it easier to attract and retain the best talent. Today, more and more people choose to work for organisations that have a purpose as well as are profitable. If organisations can demonstrate their commitment to diversity in the workforce, they become a more attractive prospect than other organisations that are not actively promoting these values.

KEY TAKEAWAYS AND RECOMMENDATIONS

GRB must not be reduced to a technical budgetary instrument. It should become the budgetary management culture of all organisations seeking to achieve real change.

Strengthened gender mainstreaming capacity in public and private organisations is necessary to ensure that gender analysis is systematically integrated into all budgeting processes.

A strong regulatory and structural framework is often required to support the institutionalisation of GRB processes within governments.

Greater focus needs to be placed on the revenue side of GRB processes to gain a more nuanced understanding of the wider impact of gender-responsive budget initiatives.

Integrating 'equity, diversity and inclusion' as part of the organisation's culture is not only the right thing to do, but it also makes business sense.



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