



## **FISCAL AFFAIRS**

# **Gender Responsive Budgeting Tools Some conclusions from survey (G20 and other regions)**

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- 1. What is Gender Budgeting and why?**
- 2. Integrating the gender approach throughout the budget cycle**
- 3. Experience in G20 and other regions and income levels**
- 4. Lessons and conclusions**

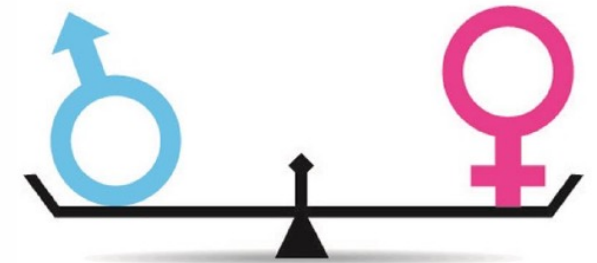


# What is Gender Budgeting?

*An approach that uses **fiscal policy and public financial management instruments** to promote **gender equality** and girls' and women's development. (Stotsky 2016)*

*Integrating a clear gender perspective within the overall context of the **budgetary process**, through the use of **special processes and analytical tools**, with a view to **promoting gender-responsive policies** (OECD).*

- It is **not just** about funding explicit gender equality initiatives.
- It entails analyzing **fiscal policies and budgets** to understand the intended and unintended impact on gender equality.
- And using this information to design and implement **more effective gender equality policies**.



# Why gender budgeting

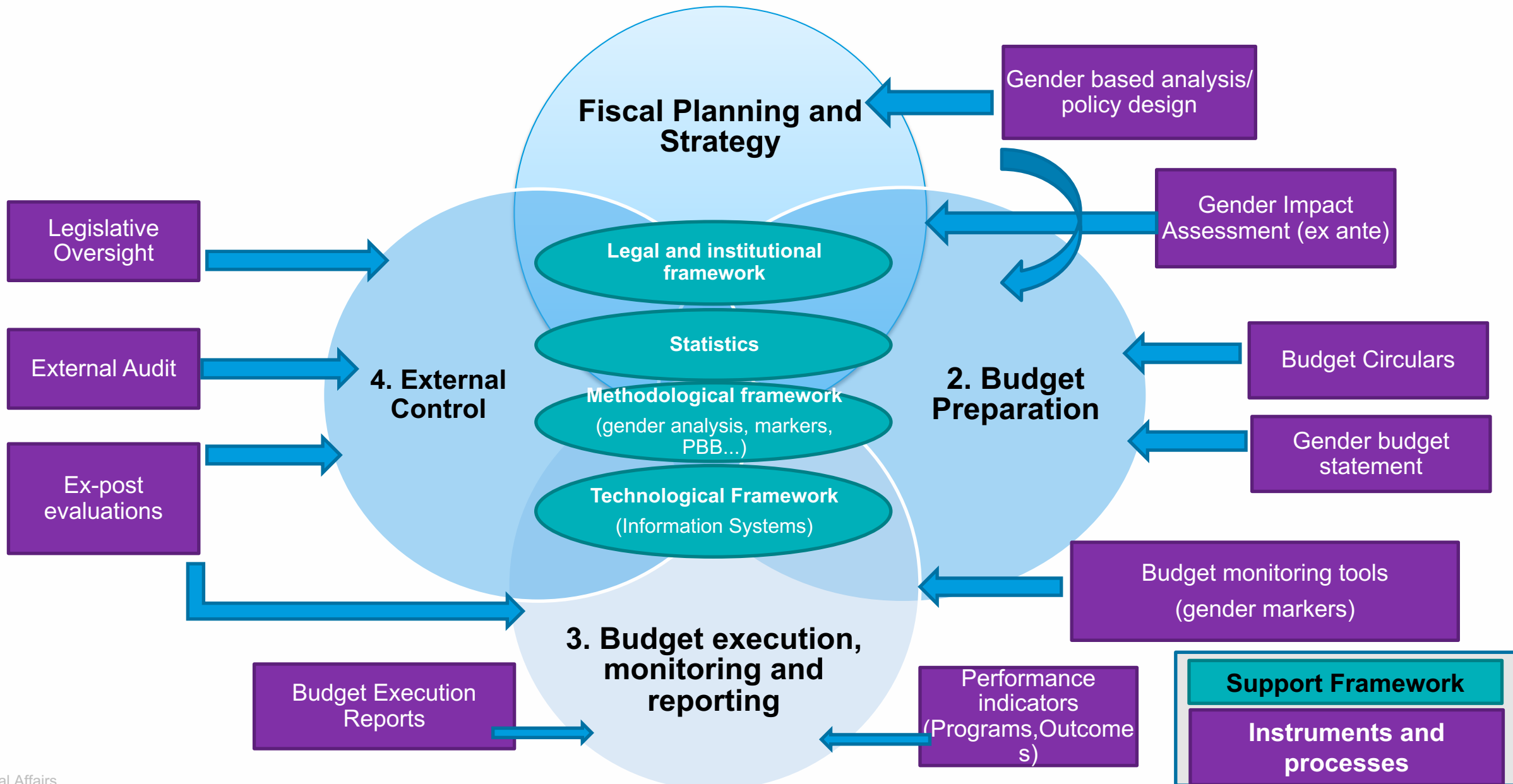
- Context: Worsening inequality with economic crisis and pandemic in LAC
- Use of gender budgeting (GB) tools can identify gender gaps and focus on more effective targeted policies, spending allocations and revenue measures that reach the entire population or are non-discriminatory (**often unintentionally due to lack of information or inertia**).



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# Gender-sensitive budget framework



# Integrating gender policies with the budget process

## Phase 1: Fiscal Planning and Strategy

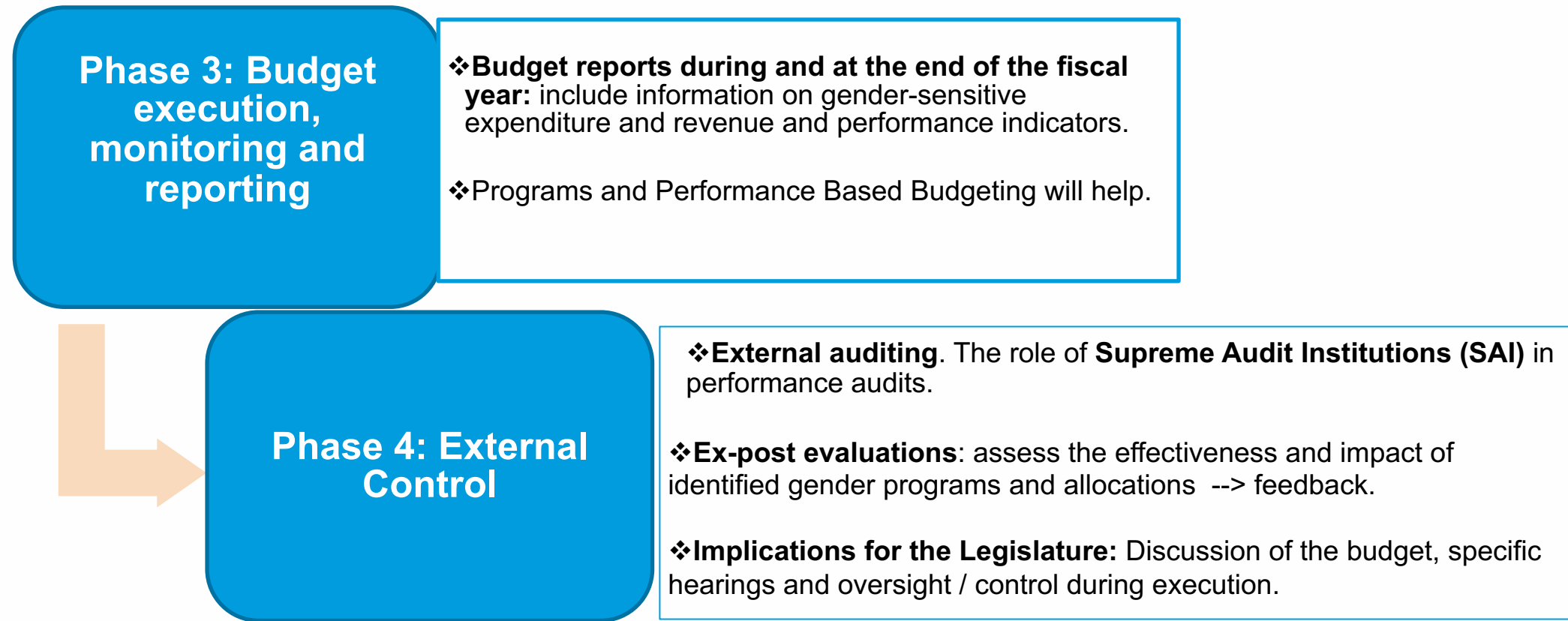
- ❖ **National gender equality strategies:** SDGs and development plans provide the overall framework.
- ❖ **Gender-based analysis** - situation and gaps prior to policy design



## Phase 2: Budget preparation

- ❖ **Gender Impact Assessments:** analyzes spending and revenue proposals on equality
- ❖ **Budget Circulars:** Instructions and guidelines from the Ministry of Finance to line ministries / entities (MDAs) to prepare the budget considering gender impact, markers, etc.
- ❖ **Gender Budget Statements:** Document that accompanies the draft Budget. It discusses the impact of policies on the forthcoming allocation of resources to achieve the strategy's objectives, ideally summarizing the impact v-a-v targets.
- ❖ **Institutional coordination mechanisms in budget preparation:** Coordinate the discussion of resource allocation with information on gender considerations.

# Integrating gender policies with the budget process (2)



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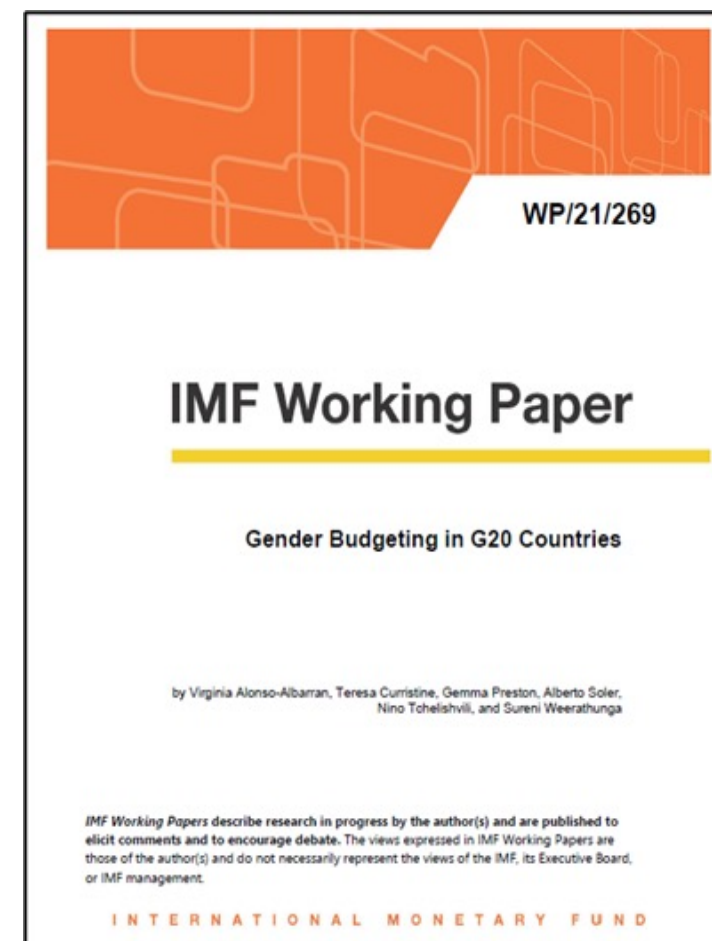
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# Experience in G20 and other regions and income levels

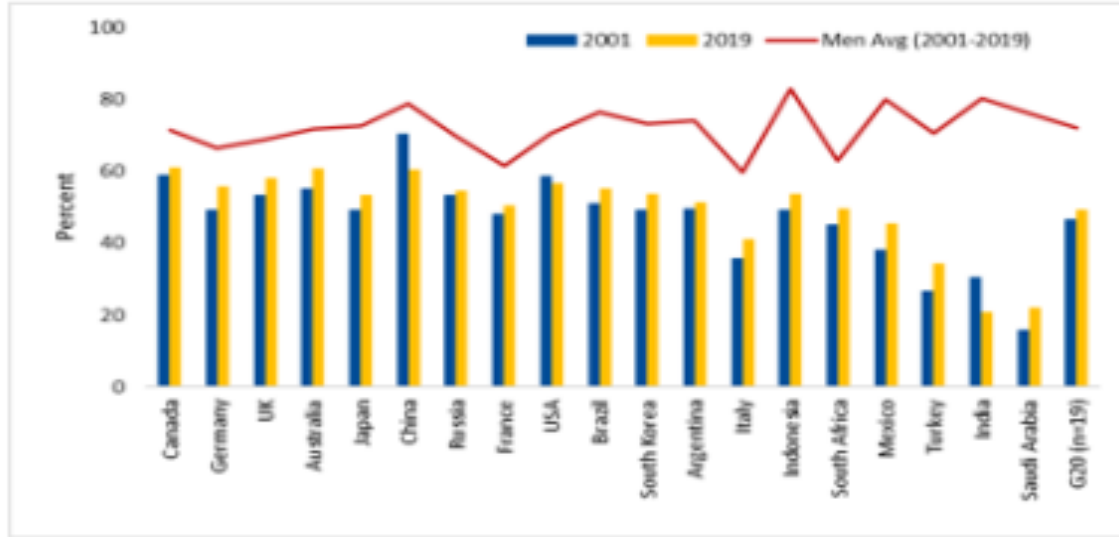
## Gender Budgeting in G20 countries (Working paper 2021)

- Analyzes GB tools throughout the budget cycle.
- Studies GB practices in G20 countries.
- Compares the practices of each country using a **Gender Budget Index (GBI)**:
  - Among G20 countries
  - Between regions and income level groups
- Information based on IMF FAD Survey of more than 90 countries.
- Analyzes interrelationships between GB tools.
- Support from other PFM reforms is noted.
- Draws conclusions for GB reform.



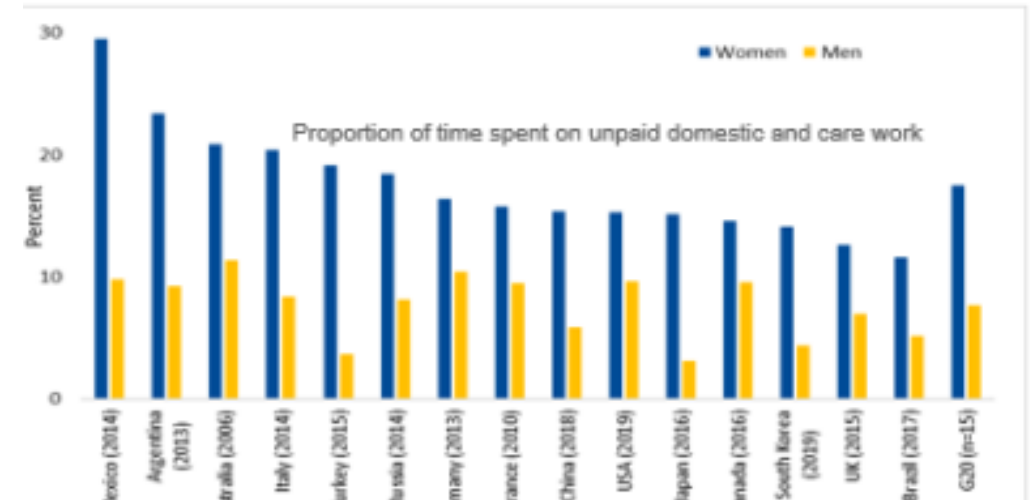
# Gender inequality remains a significant challenge...

Women's labor participation rates remain **below** men's...



Source: World Bank

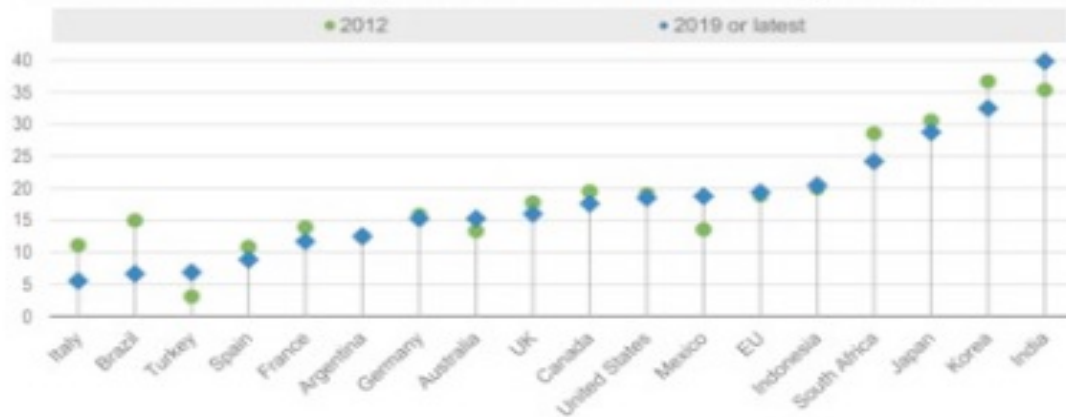
And the **burden** of unpaid work falls on women



Source: UN Global SDG database

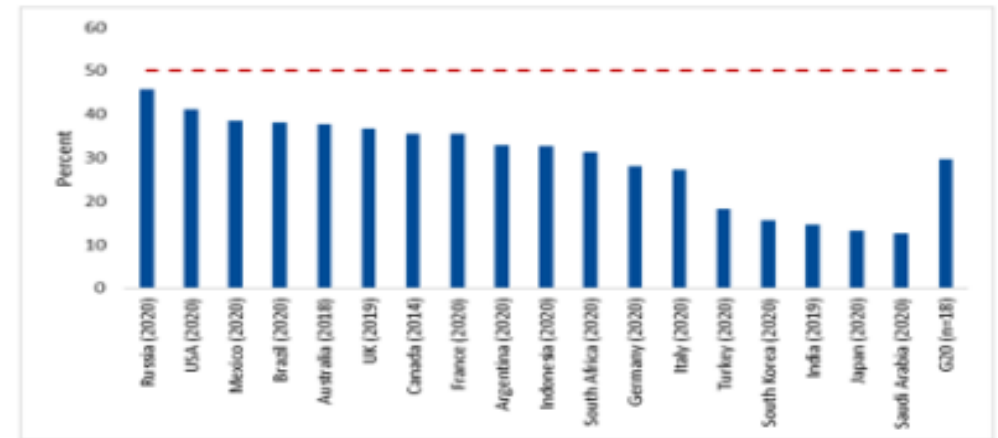
The gender pay **gap** is substantial...

Difference in median full-time earnings between men and women as a % of earnings for men, 2012 and 2019



Source: OECD, 2020

And women's managerial leadership remains **below** 50%.



Source: ILO

# All G20 countries have gender fiscal policies ... but less attention to the revenue side.



All fiscal policies, even if "gender" is not the primary objective, can have an impact on gender equality.



*More frequent*

## Expenditure

Objectives:

Improve women's participation in the labor market and income support, health programs, education, pensions, international cooperation.

*Less frequent*

## Income

Correct labor market distortions (second income earner with individual vs. joint family taxation) and tax incentives for work, part-time, etc.

Lesser-used "in-work" tax deductions vs. passive policies.

# IMF Survey of GB Practices



# The Gender Budget Index

## Objectives

- Are there gender-responsiveness fiscal policy and PFM gender budgeting instruments?
- In-depth coverage, qualitative analysis
- Informs FAD analytical and CD work

## Structure

- 5 Areas of focus
- Builds & expands the G7 paper survey.



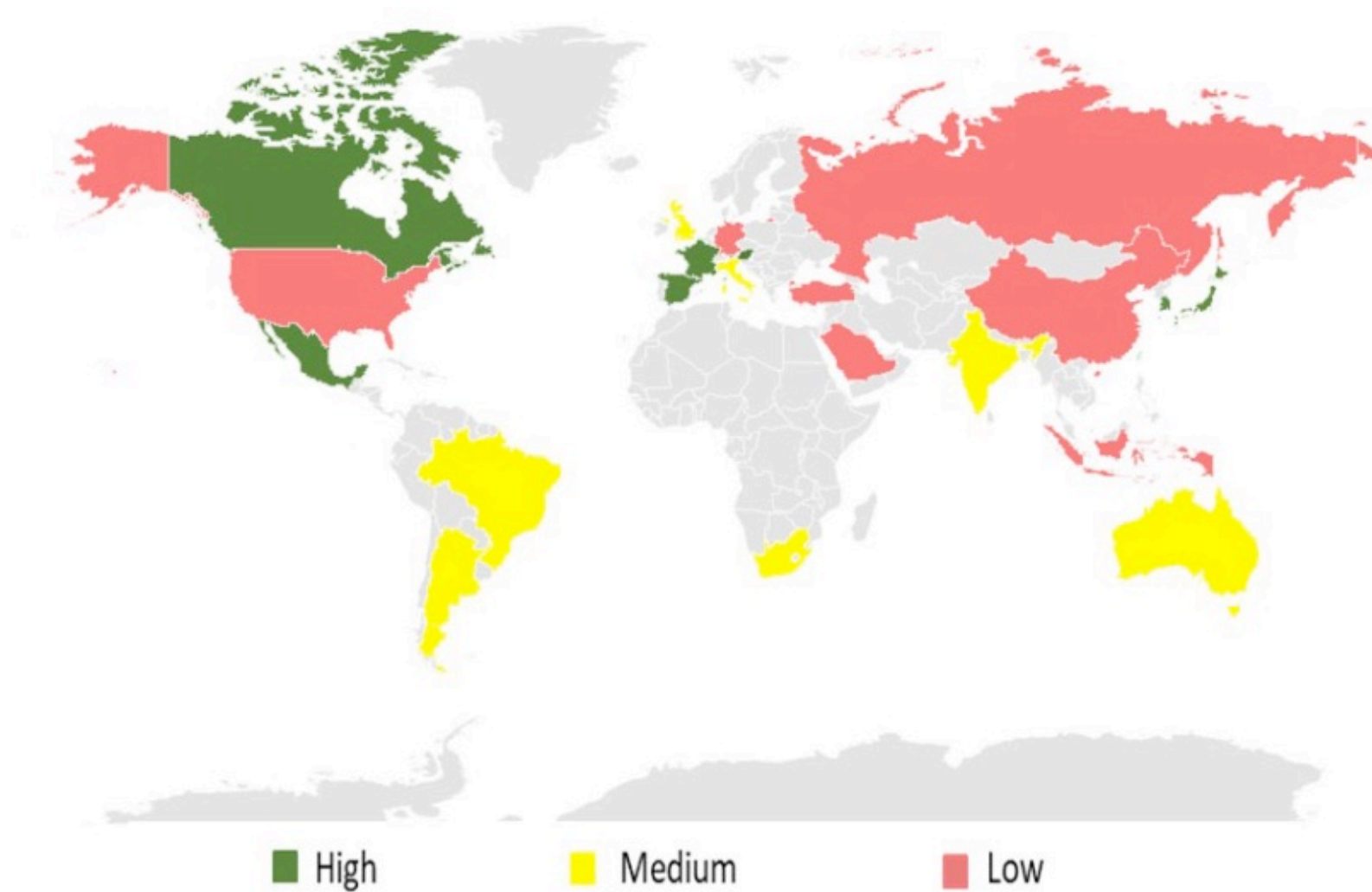
## Coverage

- Representative sample.
- 91 country responses to date
- Updated to 2020.

Group	Count
G-20+	20
Non-G20+	71
Low income	29
Middle income	46
High income	16
Africa	30
Europe-CA	26
Asia	14
MENA	10
WH	11

- Operationalizes survey results against the IMF GB framework.
- Calculated by assigning a score (from zero to three) to 23 key questions within the survey.
- Unweighted average of 23 questions is equal to overall country GBI
- Scores take into consideration:
  - Soundness of GB Tool & PFM practices.
  - Design quality of GB
- Detailed results in heat map
- Not aiming at evaluating the impact of GB strategy on equality outcomes, but at the actual deployment of GB practices to support policies

**Some countries perform better than others and a cluster of 'higher' practice countries emerges.....**



# GB practices are at varying stages of maturity...

Table 3. Heat Map: Level of GB Practices in G20 Countries Across the GB Cycle

	G20																			Non G20	
	Canada	Mexico	France	South Korea	Japan	Italy	Argentina	South Africa	India	UK	Brazil	Australia	Turkey	Indonesia	Russian Federation	Saudi Arabia	Germany	USA	China	Austria	Spain
<b>Legal and Institutional Framework</b>																					
Legal Framework on GRB																					
Institutional framework																					
Fiscal data disaggregated by gender																					
<b>Budget Preparation</b>																					
Gender statements																					
Ex-ante gender impact assessment to assess the impact of proposed policies on gender equality																					
Budget circular containing specific guidelines on gender objectives																					
Linking gender goals to programs and performance indicators																					
Budget classification incorporates a gender perspective																					
<b>Budget Execution and Monitoring</b>																					
Budget execution reports incorporate gender perspective																					
Ex-post gender impact assessments to assess the impact of policies on gender goals																					
<b>Audit and Parliamentary oversight</b>																					
Gender related audits																					
Parliamentary oversight																					

Source: IMF staff. Note: The information has been drawn from the IMF survey.

No individual country has overall *advanced* level at all stages of the budget cycle

LEGEND	LEVEL OF PRACTICE-Gender Budget Index (GBI)			
	No practice GBI = 0	Limited practice GBI = 0.1-1	Good practice GBI = 1.1-2.4	Advanced practice GBI = 2.5 -3

# Overall, the average level of GB in G20 countries is relatively low...though individual practices may have high scores

- **Relatively low average (1.17) for G20+**
  - Better in budget preparation than in execution
  - Gaps in GIA
- **Advanced economies score higher across:**
  - Use of statistics, ex-ante GIA and gender budget statements
- **Emerging countries better in:**
  - Performance indicators and budget markers (LAC)
- **Considerable intra-group differences**
  - Canada, France, Austria and Spain vs. Germany, UK or USA
  - Mexico vs. Turkey, Indonesia or Russia

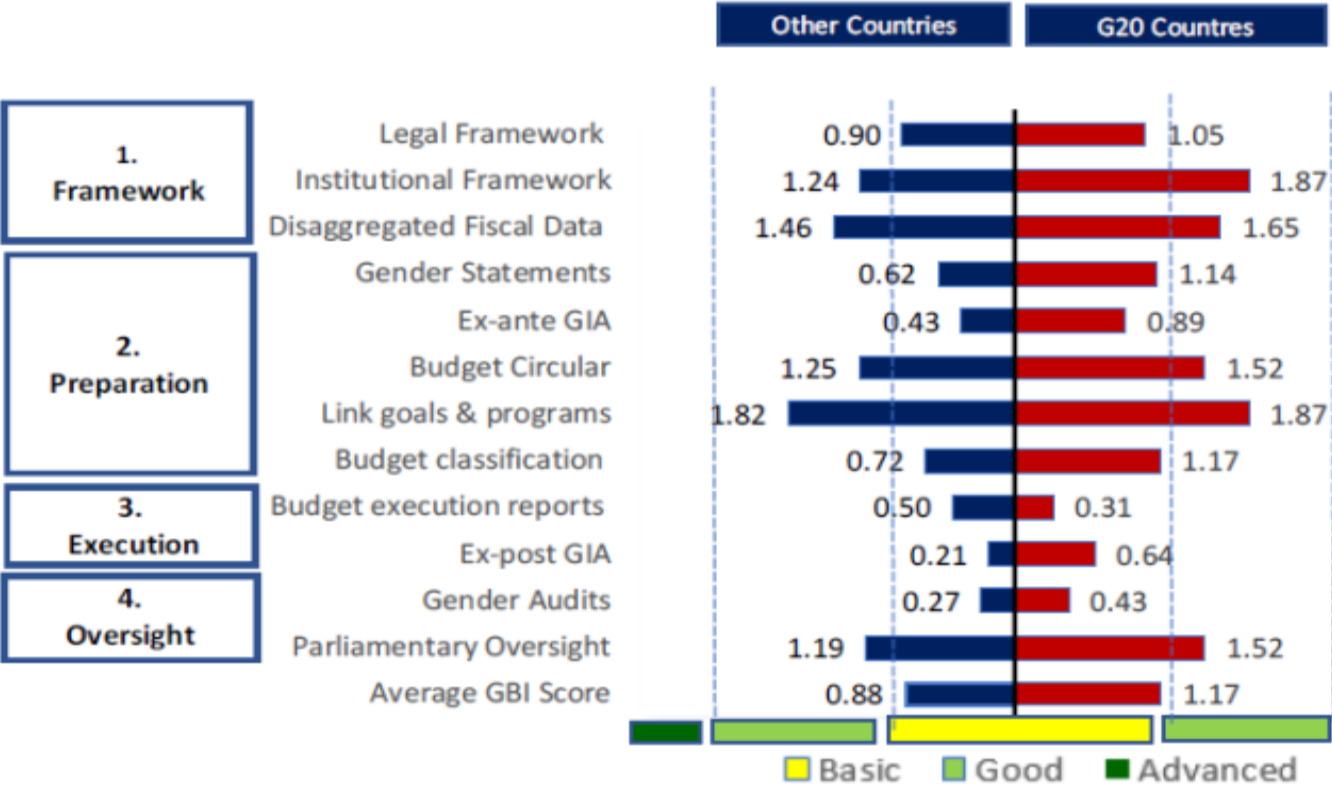
Table 2. Average GBI Indexes for the G20+ and by Income Group (Rank 0-3)

	Averages		
	G20 + Austria + Spain	Advanced G20	Emerging G20
<b>1. GB Framework</b>	<b>1.52</b>	<b>1.88</b>	<b>1.13</b>
Legal Framework on GRB	1.05	1.27	0.80
Institutional framework	1.87	2.06	1.67
Fiscal data disaggregated by gender	1.65	2.30	0.93
<b>2. GB Preparation Approval</b>	<b>1.32</b>	<b>1.53</b>	<b>1.08</b>
Gender statements	1.14	1.64	0.60
Ex-ante gender impact assessment to assess the impact of proposed policies on gender equality	0.89	1.64	0.07
Budget circular containing specific guidelines on gender objectives	1.52	1.64	1.40
Linking gender goals to programs and performance indicators	1.87	1.76	2.00
Budget classification incorporates a gender perspective	1.17	1.00	1.35
<b>3. GB Execution, Reporting &amp; Monitoring</b>	<b>0.48</b>	<b>0.66</b>	<b>0.28</b>
Budget execution reports incorporate gender perspective	0.31	0.36	0.25
Ex-post gender impact assessments to assess the impact of policies on gender goals	0.64	0.95	0.30
<b>4. GB Audits &amp; External Oversight</b>	<b>0.98</b>	<b>1.14</b>	<b>0.80</b>
Gender related audits	0.43	0.45	0.40
Parliamentary oversight	1.52	1.82	1.20
<b>Total GBI</b>	<b>1.17</b>	<b>1.41</b>	<b>0.91</b>

Source: IMF survey and IMF staff.

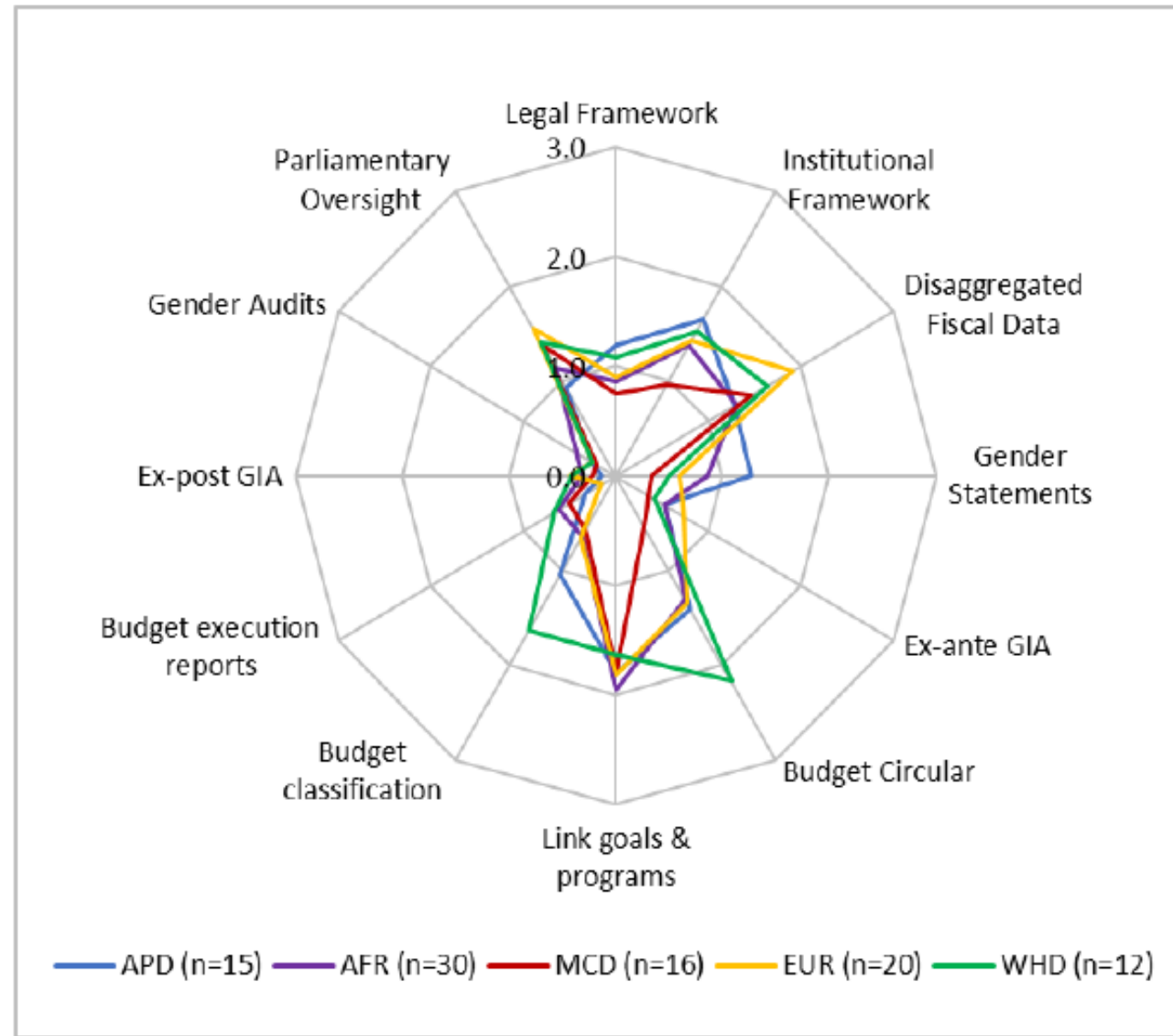
# Beyond the G20: Strengths and weaknesses broadly mirror the experience of the G20

Deployment of GB Tools: G20 & Other Countries



Outside of the G20, areas of weaknesses are much more pronounced, with G20 scores often more than double for PFM practices like GB statements, ex-post & ex-ante GIA (though low)

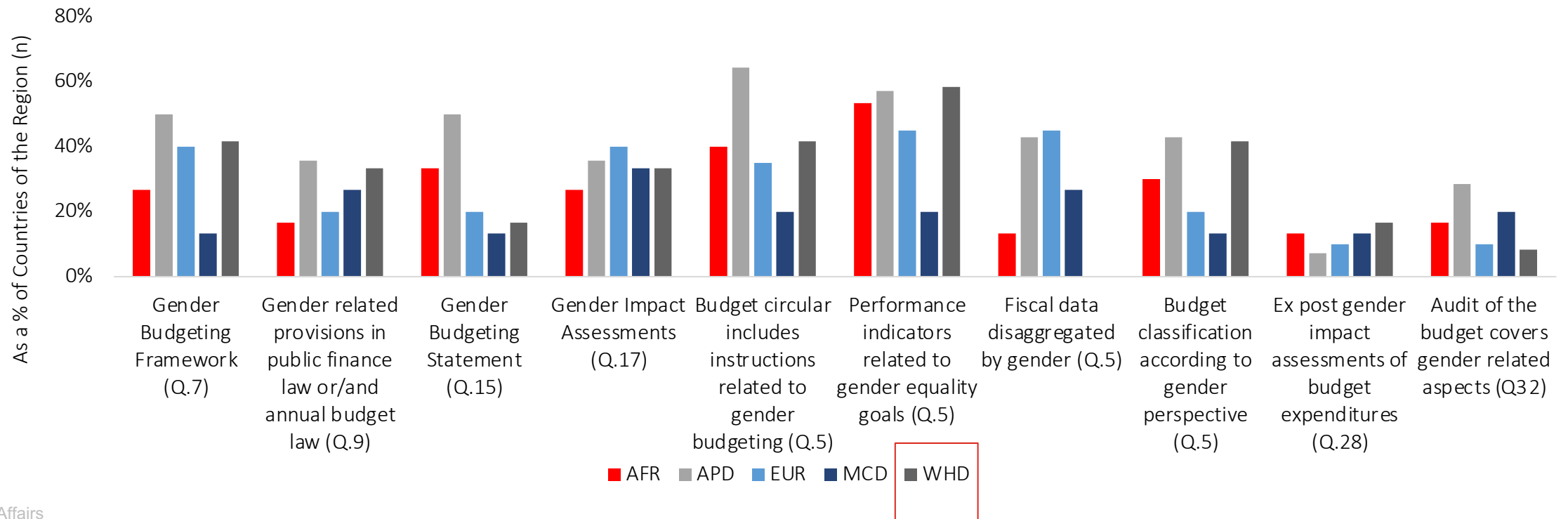
# Comparison of GB tools by geographic region



# Gender Budgeting in Latin America and Caribbean

- ❖ In general, the use of GB in budget execution is lower than in budget preparation. But critical phases such as gender-based analyses and ex ante impact analysis (GIA) are not applied.
- ❖ The Latin American region (WHD) performs better in institutional framework, performance budgeting, classifiers/markers. But below in GB statements, ex post evaluation and audits.

GB tools in different regions of the world



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# Main findings in Latin American countries

- **Avoiding implicit gender bias** in fiscal policies for the recovery
- On average, comparatively advanced GB tools in the LAC region: many countries have introduced elements and some pioneers (Mexico) and **new initiatives from some countries** (Colombia, Argentina).
- **Ministries of Finance** assume a central role (but it **requires institutional coordination and information systems**).
- **Ex ante gender impact assessment** even more necessary. Identifying gender impacts in policy and budget proposals. But **there are data and capacity gaps**.
- **Indicators and ex-post evaluations** not generally used. Should be connected to **Performance-based budgeting (PBB)** strategies, **there is a growing interest in evaluating the effectiveness of gender and inclusion policies**.
- **Progress in transparency** including gender markers, open data on allocations, knowing the destination of actual expenditures (Argentina, Mexico, Uruguay). **GB can track government action even if effectiveness is difficult to measure (accountability)**. There is room for improvement in presenting information in **Gender Budget statements**.
- **Interest in the intersection** with other priority budget agendas, **particularly inequality gaps and the SDGs**.

# Conclusions.

## Success factors, challenges and GB impact.



*Success factors*

Political environment is key to success: support for gender equality  
Legal framework provides visibility in the medium term  
Active support from the Ministry of Finance

*Challenges*

Technical challenges stand out as obstacles to implementing GB and include, in general terms, manuals/guidelines, data, quality of impact assessment, IT, coordination and experience.

*Impact*

Positive impact of GB: Increased awareness of use of resources, policy focus on gender equality objectives. *Better informed policy choices.*

A better understanding of the intended and unintended impact of the budget on gender equality.

But feedback to subsequent policy decisions is lacking.



**Thank you!**