

# GENDER RESPONSIVE BUDGETS

*A Reference Guide*



OMAR ASGHAR KHAN FOUNDATION

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# A c r o n y m s

|       |   |
|-------|---|
| CEDAW | Convention on the Elimination of<br>All Forms of Discrimination Against Women |
| FY    | Financial Year  |
| GRB   | Gender Responsive Budget  |
| SDGs  | Sustainable Development Goals   |

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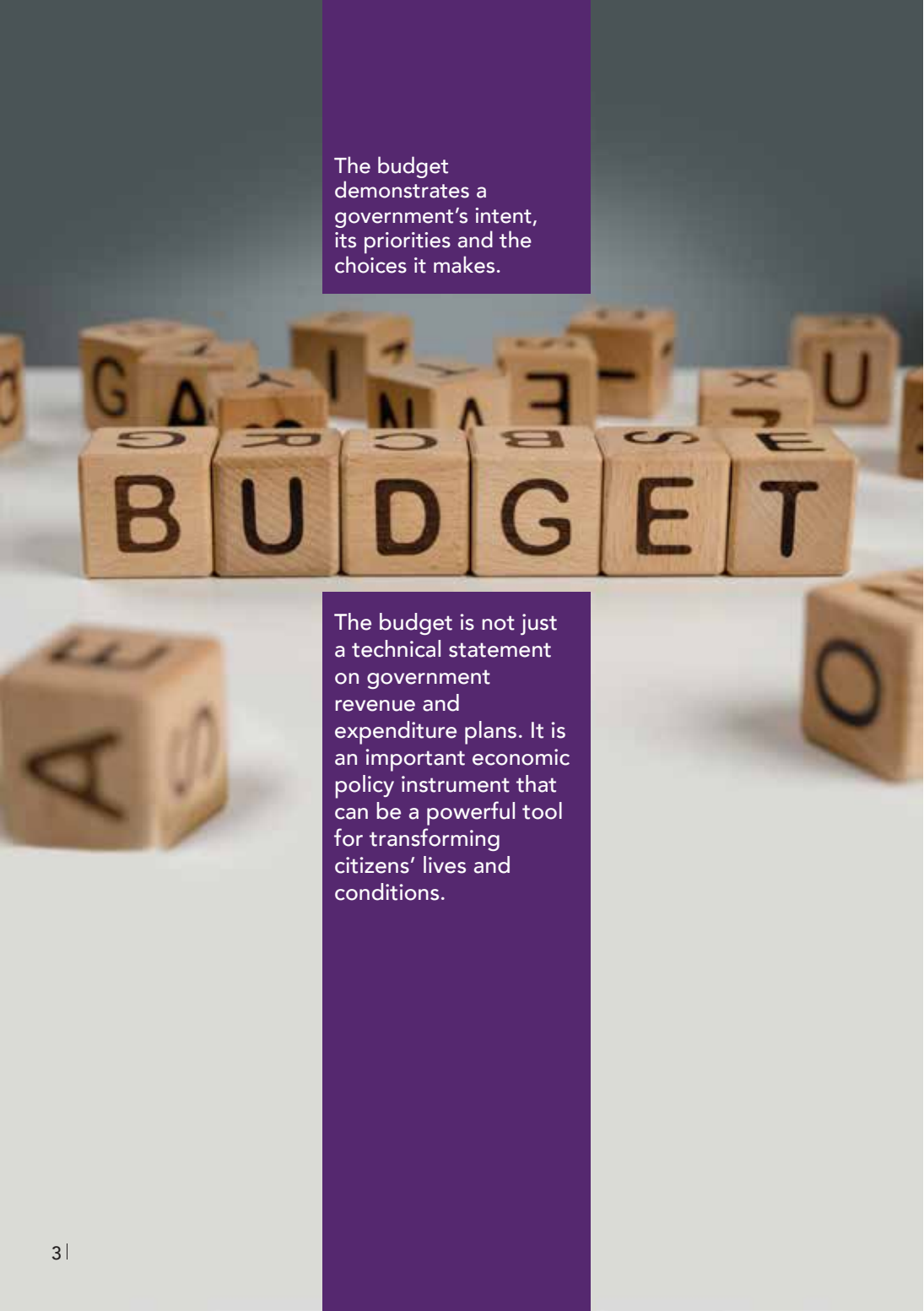


## Introduction

This Reference Guide on Gender Responsive Budgets (GRB) has two sections. The first relates to the context of public finance management. It provides basic information on a government budget and its components. It gives details of the budget process/cycle, drawing attention to different entry points for promoting gender-responsive public finance decisions.

The second section focuses on GRB, giving its definition and explaining its multiple benefits: inclusive democracy, effective governance and fair public finance management. The Guide also provides details of a 5-step approach to promote GRB.

The information in this Guide is tailored to Pakistan's context. It is general, so that it may be useful to parliamentarians, government officials and civil society.

A photograph of several wooden blocks with letters on them. The word "BUDGET" is spelled out in a row of six blocks in the foreground. Other blocks with various letters are scattered in the background and foreground, some out of focus. The background is a plain, light-colored surface.

The budget demonstrates a government's intent, its priorities and the choices it makes.

The budget is not just a technical statement on government revenue and expenditure plans. It is an important economic policy instrument that can be a powerful tool for transforming citizens' lives and conditions.



## What is a government budget?

A government budget is a financial statement of the expected revenue and intended expenditure over the financial year, which in Pakistan is from 1 July to 30 June.

The government budget is approved by the legislature before funds can be spent or income raised. Its details are also publicly available. This makes the government accountable for its public finance decisions to citizens and their representatives. It promotes transparency as it includes details of expected receipts and allocated resources. It also has information on past expenditure and revenue. It is a framework within which government departments carry out their functions – representing data to assess their efficiency and effectiveness.

**Revenue or receipts** is the money that the government expects to receive in a financial year. It includes taxes, fees, federal transfers, loans/grants, etc.

**Expenditure** is the money that the government intends to spend. It is made up of two parts. One is the *Development Programme/Plan*, which includes funds for development schemes/projects such as building new schools, health facilities, roads, etc. These are categorized by sectors/departments. These can be spread over several budget years if a scheme/project takes more than one year to complete. The other is *Current Expenditure*, which estimates spending on recurrent costs like salaries, pensions and operating, maintenance expenses. There is also allocation for capital expenditure involving spending on fixed assets. These allocations are generally spent in the financial year. Connected, the two budget components provide a more complete picture of spending in sectors like education, health, etc. For example, development funds for education will include resources invested in constructing schools and the current side will make provisions for teachers' salaries.

There are four key phases in the budget process.



## The budget process

The annual budget is usually tabled in the federal and provincial legislatures in Pakistan by the Finance Minister in June/July. The budget speech includes an overview of the macro economic situation, reports on the government's achievements over the past financial year and presents its plans for the coming year. Key budget documents in the formulation and approval phases of the budget cycle include: the Budget Speech, the Annual Budget Statement, and, Current & Development Expenditure. A White Paper and a Citizen Budget are also produced in some cases.

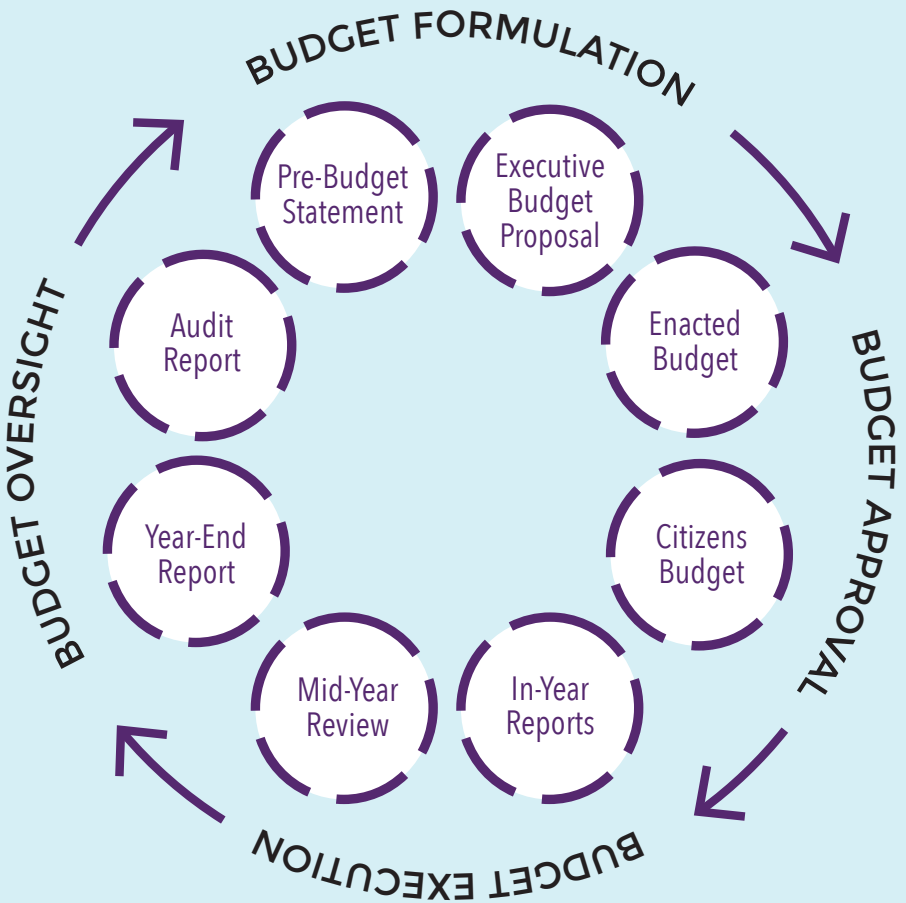
The preparation of a budget goes through several steps before it is presented to the legislature for approval. Generally, around October each year, a Budget Call Circular is issued by the Finance Department. It contains forms, instructions and procedures to be followed by each department in the preparation and submission of detailed budget estimates. These are reviewed by designated committees at the local, provincial or federal levels -- depending on the nature of the action and its budget size.

The legislature debates the budget proposed by the executive and approves it, after making amendments, if needed. The budget debate provides critical opportunities for accountability and transparency, as the government has to defend its estimates, priorities and allocations.

Following the approval by the legislature, the execution of the approved budget by related departments begins. In most cases, mid-year reports are prepared that give details of expenses. The Auditor-General of Pakistan prepares an audit report.

The focus on budgets peaks in June/July as the executive budget proposal is tabled in the federal and provincial legislatures. But budget work continues through the year, and its cycle provides different points of entry or intervention.

The four phases of the budget cycle and eight key budget documents





## What are gender-responsive budgets?

Gender responsive budgets seek to work for everyone – women, men, girls, boys and gender-diverse persons. It is not about separate budgets for women and men, but about equity in government revenue and expenditure plans that help create equal opportunities, reduce social disadvantages and exclusion.

Gender responsive budgets ensure that the needs and interests of individuals from different social groups, particularly the vulnerable, are covered in the government budget.

| Is GRB about:  |           |
|--|-----------|
| Separate budgets for ♀ ?   | No        |
| More spending on ♀'s needs?  | Partially |
| Budgets that work for everyone?  | Yes       |
| Helping create equal opportunities for all?  | Yes       |
| Analysing budget implications on different groups of citizens?                                   | Yes       |
| Collecting, allocating & spending public resources to promote gender equality & ♀'s empowerment? | Yes       |

# Inequality

Unequal access  
to opportunities



# Equality?

Evenly distributed  
tools and assistance





# Equity

Custom tools that identify and address inequality



# Justice

Fixing the system to offer equal access to both tools & opportunities







## What can GRBs achieve?

GRBs can help to improve economic governance and financial management. They can provide feedback to government on whether it is meeting the needs of different groups of women, men, girls, boys and gender-diverse persons. Reviewing budgets through a gender lens provides information that helps make better public finance decisions for achieving the goal of gender equality and inclusive governance. They encourage transparency, accountability and participation.

Gender responsive budgeting can promote the active participation of women and other disadvantaged citizens who are excluded from public decision-making.

- ❶ Improves efficiency and impact of public resources by ensuring that expenditure benefits those who need it the most.
- ❷ Helps report progress on the government's commitment to democracy, equitable economic development and women's rights and equality.
- ❸ Improves transparency and accountability and helps effective implementation of policies.
- ❹ Assists in tracking budgets and reduces corruption.
- ❺ Expands opportunities for government to work with citizens and civil society to enhance democratic governance and transparency.
- ❻ Demonstrates government's progress on compliance with national and international gender-related commitments, recommendations and action plans (e.g. the Convention on the Elimination of All Forms of Discrimination against Women-CEDAW and Sustainable Development Goals-SDGs).

## GRB Benefits

- ❶ Recognises the needs of the poorest and the powerless.
- ❷ Acknowledges ways in which women contribute to the society and economy with their unpaid labour in bearing, rearing and caring for citizens.
- ❸ Strengthens advocacy and monitoring initiatives by citizens.
- ❹ Provides information to challenge discrimination, inefficiency and corruption and to propose feasible policy solutions.
- ❺ Helps hold public representatives and the government accountable for their performance.



## GRB: the five-step approach

The budget provides excellent opportunities to assess gender-responsiveness of government policy and programmes and to advocate increased attention on gender justice. However, limited capacity to understand gender implications and the lack of sex-disaggregated data restricts the ability to show gender-responsiveness of policies and budgets.

Governments need to be encouraged to develop capacities to assess gender-responsiveness while compiling budget documents so that they may be able to demonstrate their commitment to gender equality.

Analysis of budgets to reveal implicit gender implications can be done using a five-step approach.

1

**Analyse the situation** of women, men, girls, boys and gender-diverse persons. Use the findings to define problems that need to be addressed. For example, the lack of shelters may be the problem if data shows that survivors of domestic violence and those at risk remain in abusive relations because they have nowhere to go.

2

**Assess policies with a gender lens** to review policy actions, if any, taken by the government to address problems identified. It will also indicate policy gaps. For example, review if a policy to assist farmers will benefit both female & male farmers. The policy will have a gap if it is gender-neutral.

3

**Review budget allocations** -- this is often considered more challenging due to limited information included in budget documents. While more data and details would be helpful, it is possible to draw relevant information even from the most basic dataset.

4

**Monitor spending & service delivery**, so that the assessment extends beyond allocation of budgets. For example, assess if allocated budgets are effectively used for installing ultrasound equipment to improve obstetric care in hospitals.

5

**Assess outcomes** – this helps review whether the use of public resources helps move towards gender equality. For example, assess whether public resources expended to increase the number of schools for girls are leading to decreasing the gender gap in access to education.

Omar Asghar Khan Foundation strengthens the voice, visibility and resilience of citizens to claim their rights & entitlements from the state, curb inequalities and exclusion & reduce the burden of poverty.

Founded in 2000 as a public advocacy organization, the Foundation's skilled and experienced team of professionals works with local communities, civil society and governments. Using social accountability and budget analysis the Foundation opens channels of citizen engagement that makes governance responsive, increases trust in public institutions and helps people make a difference in their lives. Combining learning and connecting, it also promotes social inclusion, climate resilience and poverty reduction.