
INPUT PAPER: SOCIALLY INCLUSIVE & GENDER RESPONSIVE BUDGETING



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0. Introduction

During the second half of 2017, SDC's Democratization, Decentralization and Local Governance Network (DDLGN) and Gender Equality Network embarked on a joint learning journey together with the strategic partner Institute of Development Studies (IDS) and the backstopping organization HELVETAS Swiss Intercooperation (HELVETAS) with the overall aim to understand the state of play of socially inclusive and gender responsive budgeting (SIB/GRB). More specifically, the learning journey attempts to research current SDC, other donor and development partner practices in order to design a programming framework, guidelines and support tools for its network members to strengthen their programme and project efforts in the field. The specific scope of the learning journey is to analyze and propose how SIB/GRB can be integrated into local governance processes and in this regards emphasis is on the expenditure side of public finance management, rather than the tax income and revenue side.

The purpose of this input paper is to introduce and engage network members in the learning journey. Accordingly, its content serves as a basis for further discussion at respectively a 3 days e-discussion 16-18th April 2018 facilitated by IDS and the DDLGN Face2Face event in Kiev Ukraine 14-17th May 2018. The exchanges will center around jointly conceptualizing and sharing experiences on SIB/GRB which will ultimately lead to a guidance note and SDC programme framework for socially inclusive and gender responsive budgeting in local governance processes. Accordingly, this paper will in three interlinked parts focus on:

- i. Conceptual framing of socially inclusive and gender responsive budgeting
- ii. Donor and development partner experiences on SIB/GRB
- iii. Programming framework for SIB/GRB in local governance

1. Conceptual framing of socially inclusive and gender responsive budgeting

Gender responsive budgeting was originally developed not only as a technical budgetary instrument but as a feminist tool for transformative societal change. Its use is meant to help alter norms and challenge deeply-rooted patriarchal structures and institutions.

GRB is the process of constructing and implementing public budgets that consider the different needs of women and men and prevailing gender (and other forms of) inequalities. It is a common misconception amongst practitioners that GRB only looks at the needs of women and that a gender responsive budget equals separate budget lines for women's priorities. On the contrary, GRB establishes equity and fairness for all citizens which is one of most crucial functions in public finance management¹. GRB is therefore a pertinent political economy process because it refers to decision making that prioritises the allocation of available, and often scarce, financial resources.

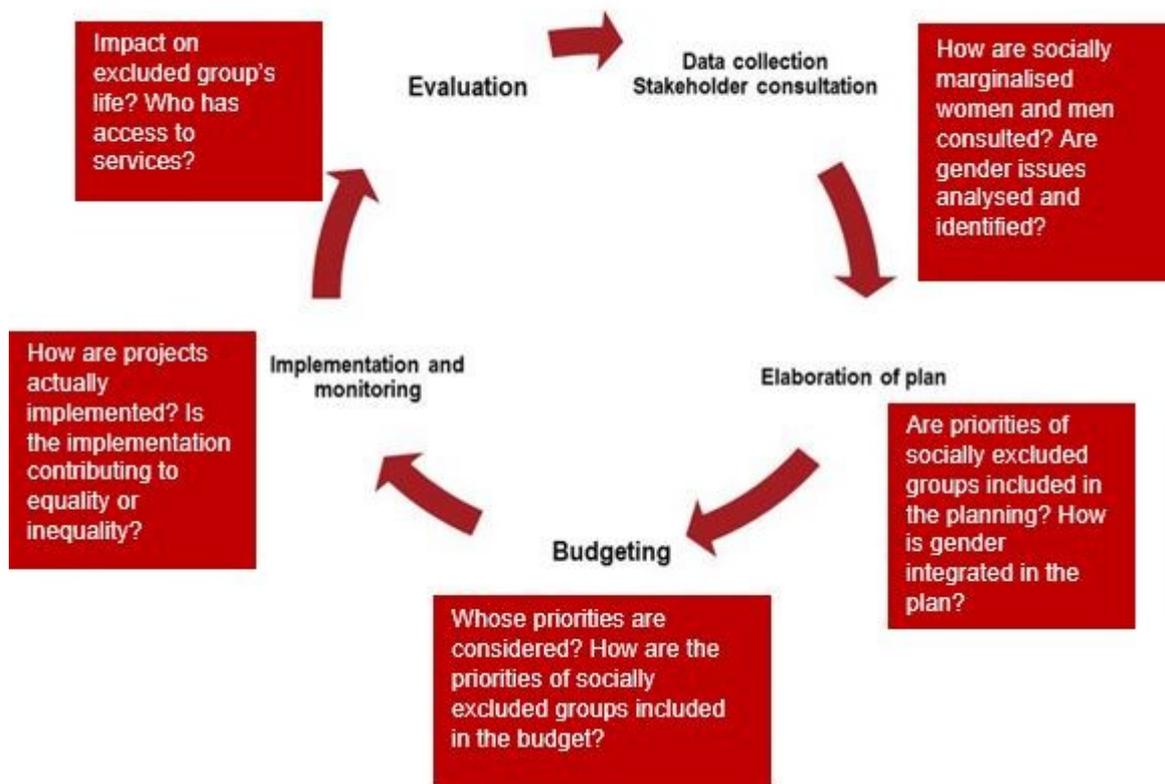
While the practice of GRB is quite well known amongst development practitioners and -researchers, socially inclusive budgeting is a more recent and not yet so established terminology. Socially inclusive budgeting can be described as a process by which the rights of all of the population groups, in particular those suffering from poverty and exclusion, are better reflected in public policymaking, notably in the government budget. One could therefore argue, that SIB is a more appropriate umbrella terminology for a budgeting methodology which integrates the rights and needs of all socially excluded groups, including women.

As an input to the learning journey, IDS has recently conducted a literature review aimed at generating local level evidence and practices on SIB and related methodologies: Unsurprisingly, the review finds that gender responsive budgeting is the most developed, both in theory and practice. Some conceptual work has been done on disability budgeting but very little has been done in practice. There are some practical examples on caste and ethnicity budgeting but these are highly specific to particular contexts often with long and dramatic histories of inequality. Child budgeting has more robust literature, given the long term support received from major INGOs like Save the Children and UNICEF. Elderly people have received almost no attention from the perspectives in budget processes. A common thread is that most SIB experiences have been made at national level, thus not focusing on integrating such practices in local governance processes.

In practice, SIB/GRB should be integrated in all 4 phases of the budget cycle: preparation; approval; execution; and auditing & assessment. A socially inclusive budget process requires the involvement of various participants including civil society organisations at each stage depending on whether the process is

¹ The UN Women Gender & Economics Training Manual, 2017

on a national or local scale. The illustration² below outlines which questions to address throughout the budget cycle



Whereas most governments have expressed a commitment to gender equality goals there are often inconsistencies between policy statements and the ways in which public finances are raised and spent. Most governments have also expressed a commitment to greater transparency and accountability. However, participation and consultation in the formulation of budgets, as well as articulation of finance reforms, is still often limited so that the different priorities of socially excluded groups of society are not fully reflected in the way finances are actually allocated and used. Instead, participative, inclusive and transparent state-citizen budget processes and public finance reforms are often undermined since the real decision making and allocation of resources happens behind closed doors where powerful and hidden stakeholders call the shots. It is therefore recommended to apply a political economy and power analysis lens (PEPA) when engaging in budgeting processes.

A recent UKaid paper on the gender dimensions of expenditure and revenue policy and systems³ therefore asks the question “*How can public finance reforms be made gender responsive and how can they best incorporate gender responsive budgeting elements?*”. The paper argues that a fully implemented gender responsive budget requires an advanced form of Public Finance Management (PFM) reform, tracking the allocation of funds and their implications in terms of gender equality outcomes with the objective of ensuring that allocations are efficiently used. However, only limited evidence exists on the impact and outcomes of using GRB initiatives as part of PFM reforms. Still, there are several actions that can be taken to ensure that PFM reforms are both gender responsive and socially inclusive, can incorporate SIB/GRB elements, and are moving towards being socially transformative, i.e. able to reduce inequalities and help change unequal power relations. Such actions include:

² Adapted from “Manual with practical guidelines on Gender Responsive Planning and Budgeting at local level, based on experiences with municipalities in Kosovo”, SDC funded LOGOS II project implemented by HELVETAS Swiss Intercooperation

³ Birchall J, Fontana M. (2015) The gender dimensions of expenditure and revenue policy and systems. UKaid.

- Engaging and building capacity across all levels and sectors of government
- Recognising political and country-specific contexts
- Transparency, accountability and participatory budgeting
- Using available tools to ensure gender responsive planning and costing (e.g. policy appraisals, disaggregated beneficiary assessments and -public expenditure analysis, responsive budget statements, assessment of Medium-Term Expenditure Frameworks, and time use analysis of Unpaid Care Work)
- Maintaining a gender focus during budget implementation
- Introducing performance/outcome based approaches and evaluation
- Better collection and analysis of sex disaggregated data

2. Donor and development partner experiences on SIB/GRB

Whereas the previous section conceptualises and outlines the bigger picture on SIB/GRB in relation to public finance management, this part of the input paper looks at the concrete experiences of donors and development partners. Based on these experiences, coupled with the upcoming e-discussion and DDLGN Face2Face meeting in Kiev SDC, in collaboration with IDS and HELVETAS, seeks to establish its programme framework and adjacent guidance notes on socially inclusive and gender responsive local budgeting at local government level. Apart from the fact that most current practices are at national level, understanding the local level is important as decentralization of services continues to be an important trend in development. The theory behind this is that service delivery will improve if decision-making functions are given to local authorities. However, it is important to note that this theory is often hampered by lack of capacity, difference between political decentralisation and administrative decentralisation, and capture by local elites⁴.

The subsequent narrative on donor and development partner practices and experiences is informed by two resource papers and a survey: (i) IDS donor mapping; (ii) IDS literature review on SIB; and an internal HELVETAS survey on GRB/SIB (which will be complemented by a similar stock taking exercise with SDCs Cooperation Offices).

2.1. IDS Donor mapping

The donor mapping of DFID, GIZ, Sida, Global Affairs, UNDP, UN Women, World Bank re-confirms that donor projects more often comprise elements of gender responsive budgeting than socially inclusive budgeting. Furthermore, most projects appear to be implemented at national level, i.e. less focus on municipal and district level albeit many developing and transitional countries have decentralised systems of governance. Other key findings are listed below

- Donors have a clear focus on gender in programming related to budgets, but often no other areas. All of the donors asked have had some programming related to gender-responsive budgeting. Gender equality has been a cornerstone of aid frameworks and agreements for many years. In the 2015 Addis Ababa Action Agenda, countries are urged to track and report resource allocations of international public finance for gender equality and women's empowerment. Many GRB programmes emphasise: (i) Gender analysis of budgets including policy analysis, beneficiary assessments, disaggregated public expenditure analyses; (ii) Participation of women in the creation of budgets
- Some donors do have participatory budgeting programmes, which are seen as a key mechanism at the local level to get people involved in budget processes. However, the literature review did not find evidence for systematic efforts for social inclusion.
- A significant amount of work happens at the national level, though there are an increasing number of GRB projects at the local level. However, local level programmes are often part of larger national umbrella programmes.
- Many donor agencies work on GRB and SIB programmes in a variety of ways: as direct implementers with local CSO and government collaborators; through NGOs; and through multilateral organisations in funding pools.

⁴ Perezniето P, Reddy G, & Mayuri K. (2007). Improving child-focused spending in local bodies in Andhra Pradesh: Constraints and Opportunities. UNICEF.

- Capacity building on budgeting tools and awareness building on the importance of budget analysis is a key staple of every donor's work. This is often accompanied by curriculum and toolkit development, training of trainers, workshops, meetings. Ongoing relationship-based trainings are generally targeted at parliamentarians, government officials (including ministry staff and civil servants), CSO and NGO staff, and in some cases academics and researchers.
- Advocacy by CSOs and training for advocacy and participation in planning and budgeting processes is common across donors and so is funding for research.

2.2. IDS literature review on SIB

Since most experiences, current practices and documented learnings revolve around GRB, the literature review opted to zoom in on SIB practices. Consequently, the main findings of the IDS literature review on current SIB practices can be summarized as follows:

- Few countries or localities have holistic, socially inclusive budget processes
- The majority of programmes take place at national and state levels. Where local programmes do exist, they are often preceded by programmes at higher levels of government first. Additionally, national levels are often major influencers in adoption of socially inclusive budgeting at the local levels.
- The majority of evolution in local budget processes has happened within participatory budgeting, which evidence has shown is not necessarily inclusive unless targeted efforts are undertaken.
- While there is significant evidence of what makes implementation of socially inclusive budgeting work, there is little evidence that systematically evaluates the long-term impacts of these initiatives. Of the evidence that does exist, it reveals a mixed picture about whether these practices have actual impact.

Furthermore, the literature review found that the key conditions for success are:

- Both political support for principles of socially inclusive budgeting from both national and local governments, adequate capacity of those groups to implement, and the power to actually control budgets, particularly at the local level are critical factors that influence impact.
- Institutionalisation through laws and guidelines is critical to the long-term implementation of SIB.
- Support of CSOs is crucial to implementation, institutionalisation, and effectiveness of socially inclusive budgeting. However, advocacy groups often operate at national levels and engage in national budget processes; at the local level they can be spread too thin.
- International donors, multilaterals, and INGOs have been key to the spread and implementation of socially inclusive budgeting – particularly gender, child, and ethnicity budgeting. Technical capacity and targeted missions are particularly important here.
- Availability and quality of disaggregated data based on axes of exclusion is an issue for all marginalised groups. It is also key to undertaking budget analyses so is a key area for future programming and development.

2.3. HELVETAS survey on SIB/GRB

The following selected findings pertain to an internal survey conducted by HELVETAS with the purpose to map out organisational experiences with GRB/SIB and to understand what additional resources, knowledge and capacities would be necessary to further work with these approaches. 19 country programmes across Africa, Asia, Europe and Latin America responded to the survey⁵:

- 45% of the respondents indicated that their respective national Governments in one way or the other practice gender responsive budgeting. GRB is only in few cases properly institutionalised and formalised and is typically piloted and driven by international partners. 50% confirmed that their national Governments practices Socially Inclusive Budgeting in one way or the other.
- In the implemented projects most emphasis has been given to awareness raising and trainings on GRB/SIB. The objectives of projects typically revolve around: applying GRB/SIB in municipal

⁵ Afghanistan, Albania, Bangladesh, Bolivia, Burkina Faso, Ethiopia, Guatemala, Haiti, Kosovo, Kyrgyzstan, Laos, Madagascar, Mali, Mozambique, Myanmar, Nepal, Peru, Sri Lanka, Tajikistan

budgeting practices; analysing GSE impacts of budget allocations; elaboration of service improvement plans through citizens' participation mechanisms in service definition, -execution and -monitoring

- The partnerships are quite varied and span from local Governments to provincial and national Government and from CBOs and communities to NGOs and national level CSO networks. There is however no common red thread in terms of partnership focus and support, and how to link different actors through e.g. enabling policy dialogue and spaces for advocacy. Also, responses indicate, that some of the countries do not strictly distinguish between GRB and SIB.
- Countries alluded to a rather common set of constraints to GRB and SIB such as: insufficient knowledge and capacities amongst both duty bearers and rights holders; lack of institutionalization of GRB/SIB approaches; lack of transparent, participative and accountable systems of governance; lack of political will; and inadequate population data.
- A plethora of different categorizations of poor and socially excluded people exist in respective Government policies such as: families with more than two persons with disabilities; families with more than six persons; disabled people; orphans; pensioners; war veterans; abused women; indigenous population; ethnic minorities, elderly people; young mothers, school dropouts; unemployed migrants; destitutes; relocated communities, etc.
- 79 % answered that country programmes would be keen to either deepen or initiate work on GRB/SIB.
- The top five prioritised requests for additional support to country programmes and partners were as follows:
 1. learning space to share experiences and learn from each other
 2. hands-on material and tools that can be used by local partners to analyse budgets
 3. a methodology for analysing the gender-responsiveness and social inclusiveness of own (organisational) budgets
 4. guidance on development of strategies and orientation of programmes/projects on GRB/SIB
 5. guidance on design of local-national GRB/SIB advocacy strategies

3. Programming framework for SIB/GRB in local governance

Based on the inputs in this paper and the upcoming e-discussion and F2F meeting, SDC aims to design a programme framework for socially inclusive and gender responsive local government budgeting. The vision of such a framework is to ensure that the budgets of local governments sufficiently address the needs of the socially excluded, including women. The framework adopts a systemic approach to development and is therefore anchored in the Human Rights Based Approach (HRBA). From the perspective of democratic governance, the framework stresses the pertinence of local governments managing their scarce financial resources in the most transparent, accountable, participative, inclusive and sustainable way as a means to reduce poverty and inequality through provision of public services that are related to the attainment of basic human rights such as access to education, health, housing and water. In a nutshell HRBA focuses on both rights holders and duty bearers. More specifically, empowering citizens and strengthening civil society to raise their voices, challenge injustices, hold power holders to account and participate effectively to influence decisions while at the same time strengthening the capacities of local governments to manage public resources and delivers services more effectively and efficiently.

The Theory of Change (ToC) for GRB/SIB programmes and projects can therefore be formulated as:

To achieve the vision of socially inclusive and gender responsive budgets that address the needs and priorities of the most vulnerable and marginalised, SDC programmes and projects will empower them to have a voice and through individual or collective action claim their rights and engage in local governance processes with capable, accountable and effective public institutions that are committed to social change

The ToC and achievement of the stated goal relies on a set of assumptions and prerequisites, namely:

- Political will and commitment to mainstream GRB/SIB in government legislation, policies, strategies, programmes and projects
- A conducive and enabling environment for civil society to individually and collectively raise the voices of the socially marginalised and to engage in policy dialogue with public institutions
- Adequate capacities of civil society to analyse and advocate for gender responsive and socially inclusive budgets
- Adequate capacities of state actors to plan, budget and implement gender responsive and socially inclusive policies, strategies, programmes and projects
- Effective accountability processes and monitoring and evaluation (M&E) systems that track performance and set disaggregated target and impact indicators in addressing needs and priorities of women and socially excluded

In accordance with the HRBA and the generic ToC, the main components and entry points for GRB/SIB programmes and projects can be framed as follows:

