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Gender responsive budgeting – How can it contribute to reduce gender gaps, promote social justice, economic growth and sustainable development?

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EXECUTIVE SUMMARY:

Gender responsive budgeting is gaining momentum as a way to address gender inequalities. Public finance management is now the focus of most efforts to mainstreaming gender in budget planning, at the expense sometimes of more diverse strategies. Work is producing changes in practices at the meso institutional level but impacts at the macro level (on macroeconomic frameworks) and at the micro level (gender equality "on the ground") remain largely unknown.

Introduction

Since the 1980s, because « budgets are the main indicator of a government's priorities" (Coello-Cremades, 2016), feminist economists have produced a substantial body of knowledge on the shortcomings of macroeconomics and public finance management for gender equality and have advocated for Gender Responsive Budgeting (GRB). The 2005 Aid Efficiency Agenda defined new aid modalities "…to use country systems as the first option for aid programmes in support of activities managed by the public sector". This meant a shift from project-support to programme-oriented aid and budget support, but also from outputs to result-based management and reforms in public finance management (PFM). In 2015, Goal 5 of the Sustainable Development Goals (SDGs) - "to adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels" - led to the inclusion of a GRB indicator in the Addis Ababa Plan of Action, applicable to every country in the world. Between institutional processes and civil society demands, GRB is growing as a key strategy to advance gender equality.

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Concepts and definitions

There is a relative consensus on what GRB is. For the Council of Europe, it is « *an application of gender mainstreaming in the budgetary process. It means a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality"(OECD, 2010)*. Most definitions underline analysis as GRB cornerstone, challenge the neutrality of budgets and stress the power governments have, through public spending and tax policies, to address gender equality: "*GRB initiatives can be described as initiatives aiming both at evaluating public budgets from a gender perspective (using gender as a category of analysis) and changing processes and budgetary policies, the objective being that expenses as well as revenues reflect the differences and inequalities between women and men and produce changes in the collection and the distribution of resources earmarked for the budget, in order to reach positive impacts on gender equality*" (Coello-Cremades, 2015). Although most definitions stipulate that GRB is not just about including gender in existing budgeting lines and procedures but involves some restructuring in public expenditures and tax collection, GRB practice is still often skewed: "*It is a misnomer that GRB refers to making separate budgets for women. It is also wrongly interpreted as the earmarking of funds for gender development.*" (Chakraborty, 2014/2).

GRB stems from two main rationales. On one side, feminist economists justify GRB on gender justice grounds, to address and redress three inter-connected biases underpinning macroeconomics (Elson & Catagay, 2000): first is the *care work bias*, whereby women's free and invisible work (to provide early childhood development and education, care for aging and sick members, security, meals and water, fuels, maintenance of social and family networks etc. to members of their household and community) does not count as work and is kept out of macroeconomic indicators. Ignoring the time women spend doing care work (which can be revealed using time surveys for instance), feminists argue, produces an important flaw in understanding connection between social reproduction and economic production. For instance in India, when GRB started in 2001, "*the aim of the GRB process was to provide thrust to the unpaid care economy, which is statistically invisible. Conceptually, the allocation and efficiency of time spent in the unpaid care economy has repercussions on the market economy*" (Chakraborty, 2014/2). This ignorance can end up generating budgetary decisions that increase the workload women dedicate to the care and sustainability of life, thus increasing the inequalities between men and women derived from the sexual division of labor (Coello-Cremades, 2016).

Then is the *deflationary bias* whereby governments choose to balance the budget and boost the economy by reducing tax collection and cutting on public spending. This negatively impacts social sectors that particularly matter to women, often leading to entitlement failure at the macroeconomic level. Privatisation is part of the deflationary package. Finally, the *male breadwinner bias* that assumes men are in charge of households and therefore need work and income more than women do has resulted in policies that favour "employment for men" and "safety nets" and micro-enterprise, micro-credit and income-generating projects for women.

On the other side, "Invest in women" for efficiency has been international finance institutions' main economic rationale for GRB. The argument, in short, is that it is inefficient for a country to "leave behind" half of its productive forces (meaning women) and that investing in women's education, health or economic activities pays back. Some studies have indeed demonstrated the positive externalities of "investment in women" on macroeconomic indicators (Stotsky, 2016). Feminist economists argue that investing in women is "*reducing the complexity of gender relations in economic development to the supply-side policies of investment in women*" (Oduro &Van Staveren, 2015).

GRB tools and classification

Basic gender-analytical tools provide the foundation for a lot of GRB tools. The gender division of labour provides a picture of the roles women and men (in their diversity) play in a specific context. Practical needs or/and strategic gender interests of women and men as well as the analysis of access/control over resources, and of levels of empowerment (Guérin & Droy, 2016) are cornerstones of the GRB toolbox. There are three broad categories of GRB tools. They are not mutually exclusive within and between the three categories (O'Hagan & Klatzer, 2018).

Ex-ante tools are used early in the budgeting cycle to generate gender-aware data, in order to - in theory - guide sectoral and fiscal policies and shape budgets. *Gender-aware assessments of beneficiaries* provide quantitative and qualitative data on current development issues from a gender perspective. Gender can be mainstreamed in sectoral assessments and/or assessment or be the focus of specific assessments. Assessments can also include a review of institutional capacities and arrangements in place for gender institutionalisation. *Costing-exercises* are used to demonstrate the cost of acting/not acting on gender equality. Several recent studies (including through the EU Daphne programme in Europe) have shown that it is more cost-effective to prevent gender-based violence than to be for "damages" it causes (sick leaves, hospital, legal, police and prison costs, care for long-lasting psychological distress and sickness, impact on children etc.). Finally, a *policy analysis* reviews the coherence between gender gaps, the legal framework – including budget laws – and policies (sectoral, fiscal, tax). The importance of examining tax policies has been emphasized (Grown, 2005) but remains largely undone (Stotsky, 2016). *Gender markers* derived from early OECD markers have been adapted and are used in different institutions and countries. In summary, policies and programmes are marked G-2 when gender equality is their principal objective, G-1 when gender equality is a significant, but not the principal objective and G-0 when gender is not targeted. Generally, G-markers tend to grade the gender intentions of objectives rather than the budget or gender impacts of the actions *in fine* (Ioannides, 2017, 26).

Concurrent tools mainly review budgets and budgetary processes. A *budget analysis* seeks to determine the level of gender equity in mainstream expenditures, looking at all budget components. It also reviews the existence and relevance of budgets specifically dedicated to gender equality and budgets specifically allocated to gender institutionalization. The focus can be on expenditures spent on beneficiaries and/or on staff (to measure equality at work). Sectoral budgets as well as expenditure frameworks (e.g. mid-term expenditure frameworks) can be analysed. A budget analysis also examines revenues, looking at all sources of revenue (tax mainly). In practice though, revenue analyses are less frequent than expenditure reviews and sources of governments' income (loans, subsidies etc.) are difficult to track (Seguino, 2016). *Gender benefit incidence analysis* is the measurement of the unit cost of providing a particular service and the number of units utilized by the gender. Finally, the analysis of the *budgetary process* looks at the role and participation of "actors" – including women - at all stages of the budget planning cycle. This aspect tends to be overlooked in government/PFM focused GRB.

Ex-post GRB tools measure implementation and impacts. Countries (North and South) are increasingly using *gender*

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budget statements (GBS), also known as *gender budget reports,* to evaluate policies and budget at the end and, increasingly, at the start of the cycle. Different formats exist. A *Gender beneficiary impact assessment* is the recommended tool to provide a qualitative and quantitative evaluation of how women and men have really benefited from policies and programmes and their budgets. This type of evaluation is still seldom carried out in development practice in general.

Gender-disaggregated indicators (qualitative and quantitative) provide the foundation for GRB and as such are recommended as ex-ante, concurrent and ex-post tools. The shift to performance based budgeting coupled with GRB is increasing the call for indicators at every step of the planning cycle, in particular when setting-up objectives and expected results. In all countries, the endemic lack of gender-aware data is a challenge. In Uganda for instance, less certificates of compliance with gender equity (a form of G-marker delivered prior to Parliamentary vote) have been attributed to policies and programmes since the shift from Output Based Budgeting to Performance Based Budgeting. This is because Ministries, Department and Agencies have encountered challenges in formulating and committing to outcomes/outcome indicators that are gender and equity responsive, among other requirements (Stotsky *et al.,* 2016).

GRB strategies are diverse in their origin, approach (top-down/bottom-up/state/civil-society), strategies, or entry points in the planning cycle. Different strategies have produced *different types of GRB*. A recent IMF review found GRB in Latin America fit into four categories based on the types of incentives they use (Perez Fragoso & Rodriguez Enriquez, 2016): soft incentives emphasize persuasion and socialization (creation of working groups, training, tools development etc.). Hard incentives include political and technical changes (makers and bench marking, indicators and target setting in planning and monitoring frameworks used for disbursement decisions). The four identified categories are: changing budget classification system; adapting the planning cycle of policies, programs, actions, and resources; changing the laws to establish a legislative basis for GRB; and encouraging better citizenship. Hard incentives tend to meet with more resistance because they challenge technical and organisational cultures as well as power around budgeting decisions. Experiences show that nearly everywhere GRB use a combination of soft and hard incentives. An OCDE study (Downes, Von Trapp & Nicol, 2017) describes three broad categories of GRB interventions based on entry points in the budgeting cycle: formulation of policies based on gender data and evaluation of their prospective impact on gender equality; analysis of budgets from a gender perspective; elaboration of budgets based on needs-based assessment.

GRB methodologies are evolving. For instance, in the gender and well-being gender budgeting approach, the focus is on developing capabilities which are essential to women's and men's well-being (for example being educated, well-sheltered and in good health) and, in a participatory way, giving voice to people who are usually not heard in public policy-making (Addabbo *et al.*, 2017). The rationale is that public institutions are responsible for ensuring the social and institutional conditions and for providing the resources and entitlements that support the well-being of individuals. The approach focuses on ultimate outcomes and is particularly suited at sub-regional and local level GRB. Italy, where the approach was developed, but also Australia, Bhutan, Bolivia, Canada, Ecuador, Germany, Italy, the Netherlands, Senegal, Spain, Turkey and the UK have experimented this approach.

Key lessons learnt

GRB initiatives started in the early 2000s, with a significant acceleration from 2010. Evaluations are now producing lessons and good practices. Broadly, they confirm that "*GRB is emerging as a significant socioeconomic tool for transparency and accountability by analysing budgetary policies and identifying their effects on gender development. It has two inevitable dimensions: equity and efficiency*" (Chakraborty, 2014/2, 2). A recent study of GRB in African countries reports that "*in the countries with the most success in gender budgeting, there was a clear consensus by officials in government that gender budgeting would contribute not only to the well-being of females but to the welfare of society as a whole*" (Stosky, *et al.,* 2016). Several recent reviews (IMF, OECD, UNWOMEN etc.) show that recipes vary, but key ingredients and actors are more or less the same. Lessons from developed/developing countries are not conclusively different. A key difference is that international donors are very present in GRB work in developing countries, in particular to finance institutionalization efforts. This raises issues of local ownership and long-term sustainability. Everywhere, when GRB works, it does because of political will, coherent strategies and strong synergies inside and outside of government.

Lessons point to common flaws and difficulties. Some are conceptual: for instance, a lack of understanding of gender issues persists. The intersection between gender and other identities and discriminations (based on race, ethnicity, class and caste, disability, sexual orientation, age etc.) is overlooked. A researcher recalls that in India "*the interface between gender and ethnicity is an impending issue and it is therefore compelling to promote gender budgeting on the assumption that 'all women are not equal'*" (Chakraborty, 2014/2, 5). GRB is still conflated with funding women, with women's immediate basic needs receiving more attention than their long-term strategic interests. Others flaws are technical: the rigidity of formats (budget nomenclature) impedes gender visibility in budgets. The lack of gender-disaggregated data often constrains the analysis. Some problems are linked to strategies: GRB progress is slow when budget systems are too focused on quantitative measures, when GRB strategies remain a one-off activity (e.g. sensitization workshops, trainings, analyses), are not institutionalized, not supported by the Ministry of Finance and not sufficiently tuned in with on-going national public finance reforms (Bosnic & Schmitz, 2014). The emphasis on result-based management and the pressure to deliver fast tangible results favour indicators showing short-term and quick results rather than long-lasting changes in gender power relations (Das & Mishra, 2006). The focus is on sex-disaggregation rather than on gender-indicators and on quantitative rather than qualitative monitoring (Stotsky, *et al*., 2016; Perez Fragoso & Rodriguez Enriquez, 2016). Macro impact on policy frameworks and micro impact on gender equality on the ground are under-reported so far. However, most flaws and challenges are political: many institutions resist GRB, visibly or invisibly, because they are anchored in hierarchical and male dominated systems. They may be willing to go as far as budgeting to increase "women's access to resources", less so to promote overall "women's empowerment", gender justice and eliminate patriarchal bias in macroeconomics. GRB mainly concern public finance systems and governments at national level. Yet, in practice, they do not raise many issues of accountability, transparency and corruption. Resistance and/or complacency, including from donors, mean that transparency, democracy and good governance appear as pre-conditions for, rarely as expected outcomes of, GRB. There is marginal questioning of political regimes, and of the role of civil society in linking PFM and GRB work, even in countries hailed as GRB success. The room-for-manoeuvre GRB *really* have to transform macroeconomic policies framed by globalization and liberal economics is not central to the analysis and debate. Women's participation in data collection, analysis and decision-making is not receiving much attention. GRB at local levels remain marginal, despite the potential they carry, in particular vis-à-vis women's and civil society's participation.

Good practices come from everywhere. According to the OCDE, over 90 countries in the world have experimented some form of GRB over the past decade, with encouraging results. 15 out of 34 OECD member countries have introduced, plan to introduce or actively consider the introduction of gender budgeting (Downes, von Trapp & Nicol, 2017). Sub-Saharan Africa, with the exception of Rwanda, Uganda, to a lesser extent South Africa and Tanzania and now Senegal as a "new comer", is where less GRB seem to be in place. Latin America counts with many initiatives at national and federal levels, and on the Asian continent, countries such as Philippines, India, Bhutan, Indonesia, Bangladesh etc. have active GRB going on (Chakraborty, 2016).

Practice indicates that integrating GRB in PFM calls for changes in procedures, processes and instruments.

In terms of procedures, *reforming the legal framework of the budgetary process* produces visible effects. Most OECD countries doing GRB now have some form of legal foundation for their practice. In Italy, the general accounting and finance law has been amended in 2017 to introduce an assessment of the impact of fiscal policy by gender, on an experimental basis. Some countries (Austria, Belgium, Mexico, Norway and Spain**)** have even enshrined GRB in their Constitution (Downes, von Trapp & Nicol, 2017). Countries that reform budget laws to introduce GRB in PFM rely on two key instruments to implement the reform: *Budget call circulars and gender budget reports or statements.* Increasingly, budget call circulars are issued with instructions on how to produce gender-aware plans and budgets and how to use reporting formats. In three quarters of OECD countries that have introduced gender budgeting, the budget authority provides guidelines for implementation (Austria, Belgium, Finland, Iceland, Israel, Korea, Mexico, Norway, Spain). Rwanda passed a GRB budget law in 2013 and has actively pursued changes in PFM since. In Morocco, GRB started in 2007, budgetary laws changed in 2014, and an extensive methodological toolbox has been developed (there now is a regional GRB Centre of Excellence in the country). *Gender budget statements/ reports* are generalizing in Latin America, Asia and Europe. In Senegal, the Ministry of Economy, Finance and Plan has released its second Gender Budgetary Document (Ministère de l'Economie, des Finances et du Plan du Sénégal, 2018). For each of the 11 ministries undergoing GRB, the document presents a summary of achievements, challenges and budgeted. GBS can be separate gender-focused documents (like in Morocco or Senegal), or they can be part of general policy assessments at the end of a budgeting cycle (like in Rwanda). In Uganda, the Public Finance Management Act introduced The Certificate of compliance to look at the compliance of the different Ministries, Departments and Agencies to interest and issues of men and women, youths and the elderly, children, ethnic minorities, the rural and the poor among others. No budget can be approved without this certificate, issued by the Equal Opportunity Commission. Most GBS focus on inputs (disbursement) and their immediate or short-term results and processes (what was done to implement GRB). So far, they tend to say little on impacts.

In terms of processes, experiences globally show that PFM reforms on their own lead to no impacts on gender equality. The *sequencing* is important to actively *merge concepts of PFM and GRB* and link-up the two processes (Rao, 2015). For instance, Bosnia and Herzegovina (BiH) has been undergoing PFM reform since 2007. System at national and entity levels and the need to report against gender indicators was included in budget instructions for line ministries. Because GRB work was initiated after the PFM reform had already created new budget documents and framework, only limited changes in the budget documents were possible and a new set of gender indicators was introduced in budget management (Bosnic & Schmitz, 2014). On the contrary, Morocco started the two processes simultaneously, which proved efficient. The *choice of actors* and of a *participatory approach* can be decisive. At government level, GRB works best when it involves leadership by Ministries of finance/economy in conjunction with the National gender machinery (like in Mauritius) and synergies with gender focal cells in sectors. Whenever civil society is actively involved, the process is more transparent and owned. Working groups (or committees) composed of gender experts from inside and outside governments have positive impacts. Policy dialogue must systematically questions gender. Parliamentarians (and municipal counsellor in local GRB) are key actors, though they tend to be unskilled in GRB and gender in general.

In terms of instruments, attention is focused on the *planning cycle of policies and programmes, in a result-based management approach*. Ex-ante gender-aware analysis of contexts or sectors is a *sine qua none* condition to inform objectives at the very beginning of the process. For instance, time-surveys produced by government and/ or NGO in different places (Tanzania, India, Benin, Tunisia amongst others) have produced sexo-specific statistics that enabled the identification of complementary fiscal services (around water provision for instance). However, when gender data was only incorporated in analysis, without pervading all stages of the cycle, the GRB processes evaporated. For instance, gender indicators have been included in Performance Assessment Frameworks (PFAs) since these are important instruments during joint (sector) reviews and disbursement decisions. Though the creation of specific GRB instruments (manuals, check list, guidelines etc.) has been useful, the best practice has proven to be when a gender perspective pervades all planning documents, formats (logical frameworks for instance) and matrices (for monitoring for instance), at all levels (outputs, outcomes and impacts) of the chain of results. This was Rwanda's approach and it proved to be efficient. In most countries, governments have followed an *incremental approach*. In Rwanda, GRB started with four pilot sectors—health, education, agriculture, and infrastructure. Senegal, India, Morocco and Serbia, amongst others, proceeded in in the same way.

A key instrument is the budget itself. To assess and/or plan its gender-responsiveness, countries have used different tools and strategies. Some countries have used t*arget setting*, meaning an agreed percentage of public finance is dedicated to gender equality, in addition to, or instead of mainstreaming gender across the whole budget. Many GRB activists see this as a "second-best principle of gender budgeting". In the Philippines, a minimum of 5% of the national and local government budgets is earmarked for activities supporting gender equality. To make national agencies and local government units more responsive to gender equality and women's empowerment, the use of the 5% is outlined in a gender and development plan prepared by each national agency. In Senegal, the strategy requires local, departmental, and regional governments to allocate 15 percent of their budget to women's advancement (Stotsky, *et al.,* 2016). In India, 30 percent was earmarked for women's benefits when GRB started in the late 90s. Critics suggested that it would have been more effective to prioritize the expenditure based on a generic list of appropriate programs and policies for women than ad hoc targeting of 30 percent across sectors. A recent study showed no increase, and even a decrease, in allocation for women/gender (Misra & Gadhai, 2017). Many governments have designed some form of *markers or a classification system to score expenditures*. In Ecuador, the system is called Function K. The system made the government to question its expenditures, tough many agencies did not use the scheme. In India, between 2001 and 2011, three categories of expenditures were tracked: (i) Specifically targeted expenditure to women and girls; (ii) Pro-women allocations, i.e. schemes with a significant women's component and (iii) Residual public expenditures that have gender-differential impacts. Results show that most gender-related public expenditure fell under protective and welfare services, hence reinforcing the patriarchal thinking in framing policies for women. Allocations for employment programmes and microfinance, among others, were negligible in nature (Misra & Gadhai, 2017). When formulating gender-responsive budgets, a good practice is to make gender visible in actual programme budgets, not to formulate separate gender budgets. This strategy, followed by Rwanda and Morocco, anchors the responsibility of GRB in the planning and monitoring of mid-term expenditure frameworks with the Ministry of Finance. Finally, GRB practitioners have found out line-items budgets to be the most difficult to use for GRB (in terms of both analysis and planning) as they organise expenditures by object (inputs or resources purchased) with no mention of objectives and beneficiaries. Programme budgets, because they organise expenditure by broad government objectives (such as education or transportation), offer more opportunities to include gender. A performance-based approach to budgeting offers a better entry point for GRB as it organises budgets expenditures by tasks, activities, outputs, or outcomes, hence easing the assessment of impacts of spending through performance measures. This said, the rigidity of formats could be an excuse. "*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*" (Bosnic & Schmitz, 2014). Ultimately, leadership by the ministry of finance is critical for enduring effects and to ensure sectorial ministries and local governments incorporate gender in their goals and objectives. "*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*" (Rao, 2015).

As was already mentioned, impact on gender equality is still difficult to assess though there are many examples of change triggered by GRB. In Latin America, for instance, some specific programs emerged from GRB, especially in the areas of women's education and health and addressing violence against women and women's safety. GRB main achievements could be operational (more systematic incorporation of gender-oriented concerns throughout the budget process and across sectors, better transparency and monitoring of the budget) (Perez Fragoso & Rodriguez Enriquez, 2016). In Uganda, more attention was provided to women's access to education and health and some fiscal policies were changed.

Implications and policy recommendations

Globally, the rule is that there is none. Adopt, adapt, be practical, "do together", try, learn and share. There are no GRB recipes. According to sectors, types of aid provided and countries, opportunities and challenges will vary. The recommendations that follow support those expressed in the 2015 "Evaluation of EU support to Gender Equality and Women's Empowerment" (Watkins & Co, 2015). They first concern actions DEVCO and EUD (European Union Delegations) could take *internally* to foster GRB, and then actions to be carried out *externally*, with partners. They focus on EU cooperation with/in developing countries.

Internally, DEVCO and EUD can familiarize their teams with GRB, sharing existing information and tools. Data on national GRB efforts (linked to PFM reforms) could be integrated in country profiles and National Indicative Programmes. Similarly, for key sectors, GRB experiences could be collected and shared. Gender focal points in EUDs and in DEVCO could play a part in this process. Information could also circulate on SDG indicator 5c1, the indicator developed to monitor target 5.c of the Sustainable Development Goals 5 relating to gender equality. It sets an international standard on GRB and links national budgeting systems with implementation of legislation and policies for gender equality and women's empowerment. It aims to capture "the proportion of countries with systems to track and make public allocations for gender equality and women's empowerment". Gaining familiarity with this indicator (including through GRB training) would be useful for policy dialogue in countries.

Teams (on a country and/or sectoral basis) could benefit from hands-on

GRB training, integrated in regular result-based management training or as a specific scheme. Training should aim at operationally merging EU gender markers with current planning and budgeting tools, so as to ensure an integrated gender-responsive-result-based management. Departments or EUDs could apply selected ex-ante, concurrent and ex-post GRB tools to their own (or a sample of) policies, programmes and budgets to check gender integration at different steps of the cycle. This, in other words, would mean that they carry out a participatory audit of their own budgeting processes, identifying strengths and weaknesses for GRB, including looking at the level of female/male representation in all processes. Experts can be hired to help, but it is important not to externalise the whole exercise.

At a more structural level, gender markers and/or a classification system of expenditures could be tested in selected sectors and/or countries to capture financial volumes promoting gender equality, in a mainstreamed or specific way, and to qualitatively analyse their use (and impact). Gender tracking of financial volumes invested to subsidize projects selected through "calls for project" could also be piloted.

Several thematic areas deserve attention, because of their centrality in EU/DEVCO work. One area is *employment creation and entrepreneurship development*. Critics increasingly denounce micro-credits for women as a dead-end, not only because they have little or no effect on poverty reduction, but also because they increase women's debts and erase their capital (Guérin). Tracking DEVCO budget record in support to women's work would map micro-credit versus integrating women's concerns in mainstream employment development programmes, supporting women's access to collective bargaining, work/life balance issues, ICTs and training, as well as promoting zero-stereotype work places, a conducive legal framework, a supporting banking environment etc. Another area is *trade and commerce*, because there should be no assumption that globalization and liberalization policies are positive for women (Hendricks & Hutton, 2008). Trade policies impact sectoral structure of production, influence consumption prices and patterns, wages, cultures etc. Women may fare better or worse. For instance, GATs impact on education and health has proved to disrupt women's access to services and goods, the commodification of tourism has increased the care work of women in the hospitality sector, as well as sex tourism (Williams, 2003). Since Agreements on Agriculture (1994), the opening borders and tariffs and the rapid introduction of transnational corporations in the food markets have worsened small farmers' situation around the world, including that of many women. GRB in trade directly links to *tax policies*, an issue DEVCO should not overlook in policy dialogue. For instance, when governments waive direct taxes on high earnings or companies or reduce trade barriers, they usually compensate the revenue loss with increased indirect taxes (VAT mainly) and/or reduced public spending (meaning, often, the introduction of user-fees). Both measures impact women disproportionately. Indirect taxes (mainly VAT) are regressive taxes: women are usually poorer than men yet they pay the same rate. Women and men buy different products. For instance, indirect taxes on basic food products weigh more heavily on women as primary caretakers of families. In South Africa, GRB work led to no taxes on basic food items and paraffin, in contrast to high taxes on alcohol and tobacco (Seguino, 2016). In Uganda, Parliament removed the 18 percent VAT on agricultural inputs and equipment for fiscal year 2014/15 benefiting farmers, the majority of whom are women (Stotsky, *et al.* 2016). In some European countries, civil societies lobbied governments to lower the tax on tampons, taxed as luxury items. A GRB research in Senegal showed that women where important contributors to communal budgets through market taxes, yet they benefited little from expenditures (Sakho & Vouhé, 2017). Direct taxes can also be gender-biased, when, like is the case in a number of African countries, men have priority over women to register their children on their tax claims and obtain rebates. In the UK, the Women-Budget Group's regularly produces analysis on gender, fiscal policies and tax issues. Supporting civil society to document gender in fiscal and tax policies, in relation to trade (for instance, in 2016, the Kosovo Women's Network produced guidelines on GRB in Trade and Industry) but also to social sectors, is a strong recommendation to DEVCO.

Defence and armed forces (DAF) often receive a large chunk of the national budget, even in countries that are not at war. For example, in 2007 in South Africa, the Department of Defence received the third largest budget allocation, more than double the allocation to health, just under double the education budget and nearly four times larger than the housing allocation. Within government's overall budget, positive and negative gender externalities of that sector can be assessed and compared to other sectors (housing, education, employment and health etc.). Defence, like the environment, is considered a non-rival and non-excludable public good/service. However, budget items can be partitioned on gender lines to look at a number of DAF internal issues linked to equal opportunities in recruitment, promotion, salaries, working conditions – housing, equipment, health and social protection, and, of course, protection of women staff from sexual harassment and violence. Externally, issues linked to gender relate to how women and men, as citizens, benefit from DAF services. DEVCO could integrate these two dimensions in its support to DAF, including to promote women's participation (as citizens and as defence professionals) in peace-building operations and implementation of gender-oriented UN resolutions like Resolution 1325 (Hendricks & Hutton, 2008).

Externally, *policy dialogue* is central to GRB, to establish consensual gender conditionalities, i.e. joint targets meeting all partners' interests and commitments. DEVCO and EUD teams should rely on countries' international and national commitments (e.g. CEDAW) and Goal 5 of SGDs (including indicator 5.c.1 of the Addis Ababa Action Plan). To argue in favour of GRB in non-social sectors where gender issues are still less acknowledged (infrastructure, extractive mining, trade, DAF, climate change etc.), DEVCO should ensure gender issues in these sectors are documented. In most places though, there is a need to improve the capacity of people and infrastructure providing gender-disaggregated statistics and gender data generally. *Investing in gender-aware research and statistics mechanisms and skills* is another strong recommendation to DEVCO. *Inclusiveness and participation* in policy dialogue is critical. A strong recommendation is to bring in more women from all walks of life, as well as gender experts (women and men from government, university, civil society). They can help create a contextualized conceptual framework for GRB and provide evidence-based gender data etc. Though they tend to be weak within most governments, National Gender Mechanisms need to be part of the dialogue, for all sectors, and possibly reinforced (skills, finances) to play an active part. Research has shown that successful GRB require sustained efforts on the part of governments, institutionalization in government laws and a strong mandate from the Ministry of Finance.

Policy dialogue around gender is particularly important at times of *elaborating and reviewing medium-term fiscal frameworks*, such as the Medium-term Expenditures Frameworks, looking both at expenditures and tax policies sustaining expenditures. DEVCO is ultimately accountable for the use of aid it provides: gender sensitive analysis of contexts, tracking expenditure and checking impacts are usual recommended mainstreaming strategies. Thus, *linking gender budgets to outcome budgets and performance budgeting* are equally important. One dimension of tracking expenditure and changing budgetary classification is to ensure transparency and accountability, hence avoiding that funds allocated to women and gender “evaporate”, as studies showed deviation and leakages between budget estimates and actuals. Besides training of its own staff, DEVCO should *reinforce actors and partners’ skills to institutionalize and sustain GRB* in budget norms, routines, habits and procedures as a normal part of their work. Whenever DEVCO supports transparency and governance, women and men who form part of elected representative bodies (Members of parliament or municipal councillors) can be trained on gender issues with a GRB component.

Although governments need to be supported in their leadership role for GRB, other actors do need support too. The implication of civil society has been determining in many places to kick-start national processes. (ex. Tanzania), to provide data, build government and citizens’ capacity and play an observation role on GRB. Where governments and international donors are mainly (or exclusively) in charge of GRB, the process tends to be more technocratic, focusing on processes and tools, and less on issues, impacts and women’s participation. A recommendation to the EU would therefore be to *support non-governmental actors* to take an active part in GRB. In particular, in countries going for decentralisation, a strong entry point is to support GRB of local authorities, with a strong civil society component.

GRB may be less attractive to governments (or municipalities) in times of recession, as there is fear that they may increase budgets. In fact, this should be an argument for more, rather than less, GRB as women tend to get worst hit by economic recession. The funds gender equality needs can come from redistribution within and between sectors. “Gender equality is not just about more access to resources for girls and women – as if we lived in a world of plenty. Gender equality often implies less of the same resource provided to boys and men, as shown by gender budget analyses (Oduro & van Staveren, 2015). The paradox is that the underutilization of budgets (gender and general) is common (see for instance in India Misra & Gadhai, 2017 or in Senegal Sakho & Vouhé, 2017). The re-allocation and implementation of budgets, more than scarcity, is the challenge.

Conclusions

Gender equality is a human rights as well as a development issue. Currently, increased funds released through GRB go to improving women's access to basic social services in the reproduction sphere (health, education, sanitation and water) and microeconomics (credit, small farming etc.). This calls for a critical re-assessment of GRB as a strategy to achieve macroeconomic stability and remove impediments to long-term sustainable growth before they are implemented. Otherwise, GRB will remain a way to fix gender inequalities created or maintained by macroeconomic frameworks. Participation is critical as a budget reflects the power held by different social groups, as well as the values and the claims made by these groups. Around the world, women and girls feature massively amongst the least powerful social groups, affecting not only their access to public resources but their citizenship, the two feeding on one another. GRB cannot truly happen without women's participation. GRB, like gender mainstreaming, is often portrayed as a win-win process for both women and men. "Win-win" can of course be a strategic argument as well as a long-term gain. However, GRB, in a short to medium-term, can take away socio-economic resources from men, to redistribute them to women within sectors. But GRB is not just about redistributing sectoral funds more equitably between women and men. It is about redefining public finance priorities between sectors, allocating more public resources where there are more benefits to gender equality and sustainable development. GRB can of course be applied to DAF and make it more gender-friendly. Will this ever make DAF more likely to promote sustainable and just development than spending on education, housing, decent work and employment, rural development, justice for gender-based violence, climate change or health?

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