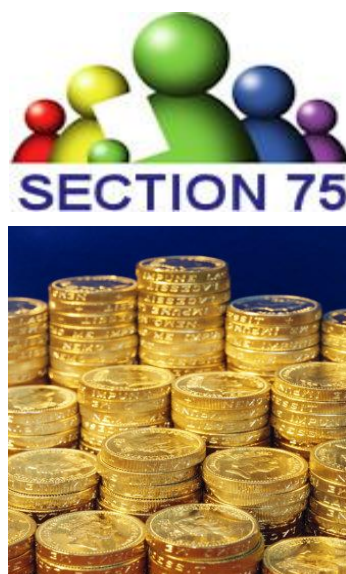


Equality Responsive Budgeting



An expert paper produced for the Equality Commission by
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Equality Commission

FOR NORTHERN IRELAND

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Equality Responsive Budgeting

A paper to propose and detail a conceptual framework to set out how equality responsive budgeting can be used within budgetary processes to further assist public authorities promote equality of opportunity and good relations by contributing to and assisting the existing measures and tools under Section 75 of the Northern Ireland Act 1998 or by providing additional methodologies.

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Executive Summary

Introduction

This paper is the product of a project commissioned by the Equality Commission for Northern Ireland (the Commission) to examine the adaptability of gender responsive budgeting to the broader equality agenda for which public authorities in Northern Ireland have a statutory duty.

The Commission is further developing its work in relation to the budget by exploring how budget work, such as the approach exemplified by gender responsive budgeting, can assist public authorities to deliver better public services and, by extension, public services that deliver better equality outcomes.

In the terms of reference for the project, the Commission took the Council of Europe's (COE) definition of gender responsive budgeting as the basis for a definition of equality responsive budgeting:

“Equality responsive budgeting is an application of equality mainstreaming in the budgetary process. It means an equality-based assessment of budgets, incorporating an equality perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote equality.”

Traditionally the budget has been viewed as a technical instrument of public finance management, one that is free from value and which benefits all members of the public equally without distinction. Principles of equality, social inclusion and human rights are acknowledged as important government goals, but not the concern of the core business of budgeting making.

The paper demonstrates the legitimacy of working with budget processes so as to better progress equality outcomes. It does this by:

- giving a brief discussion of the function of the budget as an instrument of public policy;
- demonstrating how all of the stakeholders in Northern Ireland have accepted that the budget is subject to the duty to promote equality of opportunity as set out in Section 75 of the Northern Ireland Act, 1998;
- providing evidence of how a number of countries have legislated for gender responsive budgeting; and by
- drawing attention to the fact that obligations under the positive duties in relation to gender in Britain include a focus on the budget.

The link between the focus on outcomes and results, which is key to gender responsive budgeting, and a similar focus in performance based budgeting is an important one in the Northern Ireland context. Recommendations in the Revised Guidance published by the Commission in 2010¹ point to a shift in focus away from the processes of implementation to the delivery of outcomes in the lives of people affected by the Section 75 duties. Gender responsive budgeting, and by extension equality responsive budgeting, is about measuring outcomes to ensure results.

The focus on performance and outcomes is important also in the context of the Public Service Agreement (PSA) framework put in place for the implementation of the Northern Ireland Budgets and Programmes for Government (PfGs) 2002-2011. The PSA framework, introduced by HM Treasury in 1998 and in operation until 2010, is recognised as one of the 'advanced' forms of performance based budgeting. In considering enhancing work to mainstream the equality agenda in the Northern Ireland budgetary processes, recalling the underlying principles and goals of the PSA framework should prove useful.

The primary goal of equality responsive budgeting is to promote equality of opportunity and outcome. In the context of the use of public finances, it is about services that take

¹ Equality Commission for Northern Ireland (2010): *Section 75 of the Northern Ireland Act 1998. A Guide for Public Authorities*. Available at: <http://www.equalityni.org/archive/pdf/S75GuideforPublicAuthoritiesApril2010.pdf>

account of people's differing needs and expectations as they are determined by a whole range of demographic characteristics. It is about a constant assessment of the needs of the end users of public services, which entails measuring the differential impact on different populations. In short, equality responsive budgeting:

- is a targeted approach – resulting in better outcomes;
- relies on assessment – resulting in better targeting; and
- links equality policy with public finance management – resulting in compliance with equality duties while achieving more efficient allocation of resources.

The shift to a focus on producing measurable outcomes in relation to the implementation of Section 75 duties necessarily involves considerably more attention to the gathering and management of data. The compiling of Section 75 Audit of Inequalities and Action Plans for measures to promote equality represent the level of information and analysis that is required. Procedures for the implementation for Section 75, whether stipulated in the legislation or coming out of the recommendations of the Commission, involve:

- a targeted approach to addressing inequality – resulting in better outcomes;
- assessment of differential needs – resulting in better targeting; and / or
- linking Section 75 duties with resource allocation allows for better targeting, resulting in better equality outcomes.

Whether moving toward reform of the budgetary processes (as in Austria) or not, government administrations are constantly seeking to improve performance in terms of the management and control of public finance. This is more so in times of economic crisis when a dominant concern is stretching resources across all priorities, along with the need to spend more efficiently. Budgetary decisions that are informed by evidence of performance are likely to be better decisions.

Gender responsive budgeting, as has been demonstrated, has contributed to establishing the legitimacy of applying impact assessment processes to the budget in compliance with government policy to mainstream gender equality in all policy domains.

Developing equality responsive budgeting is a worthwhile enterprise, both in terms of the recognised demand for a deeper application of the Section 75 duties to the budget process but also in terms of the wealth of methodologies associated with gender responsive budgeting which are adaptable to the Northern Ireland context.

In order to progress toward an adequate application of Section 75 processes to the budget, the issue of '*where the responsibility lies*' needs to be resolved. The Office of the First Minister and deputy First Minister (OFMdFM) believes that the responsibility lies with the individual spending departments and that it is at that level where inequalities relating to programme can best be known.² The Commission believes that key inequalities should be addressed through actions associated with the draft Budget and the Programme for Government. The Department of Finance and Personnel (DFP) has expressed support for a whole budget focus, while at the same time providing support for measures to address specific issues identified by the voluntary and community sector.³

Gender responsive budgeting posits that making decisions about spending that promote better equality outcomes can happen at all levels along the spending line. The application of an equality approach applies to both the formulation and also the execution of the budget. A number of countries in Europe (for example: Spain, France, Belgium, Sweden and Iceland) present aggregate level information on how the budget addresses gender equality. At the same time, further decisions made at departmental level and at programme level by subordinate units and agencies contribute to the budget's overall impact on equality outcomes.

In Northern Ireland, it is vital that all levels of government adopt an equality responsive approach to budgeting making as a means of fulfilling Section 75 duties. An important

² AW Trotman Associates (2007): *Assessing the role of the OFMdFM and the NIO in contributing to the effectiveness of Section 75 of the Northern Ireland Act 1998*, page 73.

³ Ibid, page 75.

step in this is a wholehearted acknowledgement that it is the budgeting process where equality proofing and monitoring “is most likely to take sustainable effect.”⁴

Recommendations

These recommendations are addressed to OFMdfM, the DFP and the ECNI. Further exploration of how equality outcomes can be achieved through the formulation and execution of the Budget in Northern Ireland calls for the input and co-operation of all three of these major actors. It is recommended that, following the publication and oral presentation of this paper, the Commission initiates an Implementation Group made up of representatives from each. The function of the group should be to decide on how to respond to the recommendations.

1. This paper could usefully form the basis for a consultation exercise with a number of different stakeholder groups in order to flesh out how an equality responsive budgeting approach ‘fits’ with compliance with Section 75 duties. The exercise would also be a useful way of exploring possible entry points in the policy and budget cycle of the Northern Ireland administration.
2. The Commission, in conjunction with the OFMdfM and the DFP, should consider convening a high-level seminar to further explore the potential for the application of budget work to the promotion of the positive duties. Consideration should be given to inviting the input of senior budget officials from Austria, Belgium and Andalusia, as well as other equality and budget experts and civil society groups.
3. The Commission, in conjunction with the OFMdfM and the DFP, and / or other appropriate people should identify a number of potential pilot projects to test the applicability of tools. Ideally, consideration should be given to identifying a different focus for each pilot project.
4. Policy makers, ordinarily involved in ensuring compliance with Section 75 duties, should be given the opportunity to work with the concepts and proposals set out

⁴ Ibid, page 67.

in this paper. This might be best achieved in workshop type sessions during which exploration and debate can be facilitated.

5. The development and delivery of a training programme would allow for a greater number of civil servants, elected representatives and civil society groups to come to grips with the principles, values and processes relevant to equality responsive budgeting.
6. Consideration should be given to providing support to the community and voluntary sector to enhance its capacity to engage with, and contribute, to the development of equality responsive budgeting in relation to Section 75.

Introduction

Under Section 75 of the Northern Ireland Act 1998, designated public authorities are required “to have due regard to the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; between men and women generally; between persons with a disability and persons without; and between persons with dependants and persons without.”⁵

Since the duties first came into force, the Equality Commission for Northern Ireland (the Commission) has developed a range of supports to assist public authorities.

Revised Guidance, issued in 2010⁶ and based on an extensive review of the effectiveness of Section 75, provides an opportunity to re-focus the approach to Section 75 compliance. A key dimension of re-invigorating methodologies is a shift in emphasis away from the internal work of developing processes and procedures to a more concentrated external focus on delivering equality outcomes in the lives of the people affected by the duties.

.....a more concentrated external focus on delivering equality outcomes in the lives of the people affected by the duties.

In its work to progress the mainstreaming of equality of opportunity at the heart of government and throughout public policy, the Commission has undertaken equality analysis of the Northern Ireland Programme for Government (PfG), the Budget and the Investment Strategy for Northern Ireland (ISNI) as well as direct engagement with departments to identify potential equality outcomes for their budgetary process(es).

⁵ Section 75 (1) of the Northern Ireland Act 1998. Available at: <http://www.legislation.gov.uk/ukpga/1998/47/section/75>

⁶ Equality Commission for Northern Ireland (2010), Op.Cit.

The Commission is keen to expand its work in relation to the budget by exploring how budget work can assist public authorities to deliver better public services, and by extension public services that deliver equality outcomes. Over the last 15 years gender responsive budgeting has evolved as a strategy that has made a considerable contribution to the deepening of gender mainstreaming, and, therefore, to progress on gender equality. The Commission, in commissioning this paper, seeks to determine how gender responsive budgeting can be extended to all equality grounds. It is anticipated that the recommendations from this project will be useful in developing the Commission's approach in this area.

The Commission's working assumption, through the application of a gender budgeting approach across other grounds, is that equality responsive budgeting could be a mainstreaming measure which links equality policy with economic policy at all levels in the belief that budgets are not equality neutral but provide scope for the promotion – and limitation – of equality of opportunity.⁷

⁷ Equality Commission for Northern Ireland (2010): *Terms of Reference: Equality Responsive Budgeting - A paper to propose and detail a conceptual framework to set out how equality responsive budgeting can be used within budgetary processes to further assist public authorities promote equality of opportunity and good relations by contributing to and assisting the existing measures and tools under Section 75 of the Northern Ireland Act 1998 or by providing additional methodologies*. Available at: http://www.equalityni.org/sections/default.asp?cms=Research_Invitations%20to%20tender_recent%20invitations&cmsid=90_95_410&id=410&secid=7

Aims and Objectives

The aim in commissioning this paper was to propose and detail a conceptual framework to set out how equality responsive budgeting can be used within budgetary processes to further assist public authorities promote equality of opportunity and good relations by contributing to and assisting the existing measures and tools under Section 75 of the Northern Ireland Act 1998 or by providing additional methodologies.

The paper should meet the following objectives:

- a brief outline of the relationship between fiscal and public policy, with the provision of a reasoned analysis as to why gender or equality responsive budgeting should be embedded into budgetary and policy development processes;
- the consideration and recommendation of how gender budgeting, its definition, its uses and associated methodologies could be extended to cover all grounds under Section 75 to develop 'equality responsive budgeting';
- through an understanding of the methodologies contained in the Commission's guidance to public authorities, provide an analysis of how Section 75 methodologies and equality responsive budgeting fit together and/or enhance each other;
- a description of how equality responsive budgeting could be used by public authorities in compliance with their Section 75 duties by contributing to and adding to the existing Section 75 measures and tools, leading to the provision of a brief interpretation of equality responsive budgeting to support a conceptual framework;
- in meeting these objectives, set out a framework, whereby equality responsive budgeting is applied to and contributes to budgetary and policy development processes.⁸

⁸ Ibid, page 5.

Methodology

The methodology for the preparation of this paper involved the following elements:

1. Literature review in relation to the following:
 - A review of the current literature on gender responsive budgeting, in particular with a focus on new methodologies for the implementation of the practice;
 - In-depth analysis of methodologies recently put in place in Austria, Belgium and Andalusia. This included email correspondence and telephone conversation with personnel in those jurisdictions responsible for the operation of gender responsive budgeting;
 - An examination of the Commission guidance⁹ to public authorities, in particular the Revised Guide;
 - An examination of the final report of the Section 75 Effectiveness Review and a number of research reports commissioned as part of the Effectiveness Review¹⁰;
 - An examination of a range of Commission documents relating to compliance with Section 75;
 - The review of Northern Ireland Executive (NIE) Budgets for 2008-2011, and for 2011-2015; the NIE Programme for Government (PfG) and Public Service Agreement (PSA) Framework, 2008-2011; the Draft NIE PfG 2011-2015;

⁹ Equality Commission for Northern Ireland (2010): *Section 75 of the Northern Ireland Act 1998. A Guide for Public Authorities.*

Equality Commission for Northern Ireland (2008): *Equality of Opportunity and Sustainable Development in Public Sector Procurement.*

Equality Commission for Northern Ireland (2007): *Section 75 Keeping it Effective; Reviewing the Effectiveness of Section 75 of the Northern Ireland Act, 1998.*

Equality Commission for Northern Ireland (2005): *Section 75 of the Northern Ireland Act 1998 - Practical Guidance on Equality Impact Assessment.*

¹⁰ Available at: http://www.equalityni.org/sections/default.asp?cms=Publications_Statutory_duty_research_reports&cmsid=7_43_431&id=431&secid=8

- A review of a range of responses from civil society organisations to the Draft NIE Budget 2011-2015;
 - An examination of Commission responses to various NIE draft Budgets; and
 - Literature on performance based budgeting, including some on the PSA framework introduced in the United Kingdom (UK) in 1998 and on the relationship between performance based budgeting and gender responsive budgeting.
2. Brief, semi-formal, interviews with personnel from the Office of the First Minister and deputy First Minister (OFMdfM), and the Department of Finance and Personnel (DFP);
 3. Two meetings with the Advisory Board to the project convened by the Commission; and
 4. Two additional meetings supported by numerous discussions with Commission project personnel.

Findings and Discussion

Introduction

This section forms the bulk of the paper. The discussion seeks to position gender responsive budgeting, and by extension equality responsive budgeting, in the context of the budget as an instrument of public policy and of improvement of public finance management. It also seeks to forefront what is broadly accepted but rarely acted upon, that is the legitimacy of making the achievement of equality outcomes a core concern of budget-making.

The section begins by providing the overall context in which the case for equality responsive budgeting is argued. This is done with an introductory overview of the following:

- The Budget as an instrument of public policy;
- Gender Responsive Budgeting;
- The Northern Ireland Section 75 Duties; and
- The global trend toward measuring budget performance.

The discussion then deepens by looking up close at the evolution of gender responsive budgeting, its origins and uptake and the growing institutional support for the strategy, including at governmental and inter-governmental level. In presenting the tools, approaches and methodologies associated with gender responsive budgeting the focus is to make the link to existing Section 75 processes and thus facilitate an exploration of their adaptability to the broader equality agenda. The discussion takes account of the recent review of the effectiveness of Section 75 and the subsequent revised guidance published by the Commission. The overall focus is how equality responsive budgeting can enhance the implementation of Section 75 duties and points to the convergence of shared objectives and tools.

Civil society plays a vital role in the implementation of Section 75; similarly, with gender responsive budgeting. There is an overview of the contribution made by the different elements of civil society.

The section ends with a set of recommendations. Finally, Annex 1 deals with four examples of how gender responsive budgeting is being implemented in Australia, Austria, Andalusia and Belgium, while Annex 2 gives some detail of specific examples of civil society groups across Europe with a focus on gender budgeting issues.

Context

The Budget as an Instrument of Public Policy

Traditionally the budget has been viewed as a technical instrument of public finance management, one that is free from value and which benefits all members of the public equally without distinction. From the perspective of civil service technocrats, the budget is an instrument of control and management which, in order to obtain optimum results, is guided by concerns of economy and value for money. Within an environment of competing priorities, the primary goal is to work to ensure that available resources are allocated to ensure maximum public good. From a policy perspective, the budget is the financial mirror of government policy. It is arguably the most important policy of government. More than any other policy document, it reflects government's values and priorities, in that it is an articulation of support (or lack of support) for specific measures and activities through the distribution of public finances. Essentially, among all the policy positions adopted by government and its ministries, those which are matched with an allocation in the budget can be regarded as priorities.

In the public's mind there is something both remote and immediate about the budget formulation processes and its outcomes. There is a sense that the task is complex, involves a language known only to a few and, in other respects is an elitist enterprise. On the other hand, the impact of the budget –

on the price of petrol, the rate of tax, the level of healthcare, the provision of housing etc. – is the stuff of daily life.

While a full discussion of the multi-dimensional nature of budget formulation and execution, and the relevance to the delivery of social outcomes, is outside the scope of this paper, it is important, in the context of the overall aim of the paper, to point to both the technical processes and also the political decisions. In advocating for an equality perspective approach to budget processes, both domains come into play. There is also, of course, the interplay between both domains. The political dimension of budget making is not restricted to how and why decisions of elected representatives (whether within government or parliament) come into play in the formulation of the budget. The politics of the budget process is about how budget decisions are made, about the assumptions informing budgets; it is about who makes decisions and who influences decisions and it is about who is denied influence.¹¹

Increasingly, in response to demands for more accountability and transparency, mechanisms, such as budget submissions and consultation exercises have been introduced to allow for more public input and scrutiny. In addition, there has been some shift in some of the underlying guiding principles of budget-making away from a focus on inputs and outputs to a focus on performance, effectiveness and the realisation of outcomes. While these are important and welcomed improvements that have the potential to contribute to better social outcomes, the primary orientation in the budgetary process is a long way from that of

The politics of the budget process is about how budget decisions are made, about the assumptions informing budgets; it is about who makes decisions and who influences decisions and it is about who is denied influence..

¹¹ Elson, D. and Norton, A. (2002): *What's Behind the Budget?* Overseas Development Institute, London.

pro-equality in any real sense.¹² Principles of equality, social inclusion and human rights are acknowledged as important government goals, but not the concern of the core business of budgeting making.

Gender Responsive Budgeting – An Overview

Of the numerous budget initiatives in recent years that have sought to advance social goals, gender responsive budgeting has gained considerable momentum in many countries across the world. A 2005 report by the Commonwealth Secretariat estimated approximately fifty countries engaged to some degree.¹³ Within the EU, it is safe to say that all member states have undertaken a pilot project in gender responsive budgeting.¹⁴ All EU member states have transposed the provisions of Directives on gender equality so as to give gender mainstreaming a legal basis at national level. As evidence of the breadth of activity across Europe, it is worth noting that there are currently just over 100 members of the European Gender Budget Network, representing 25 countries.

Gender responsive budgeting is a people-centered approach to the formulation and execution of the national budget. As such, it is a strategy that is complementary to other budget reform and improvement processes being undertaken by many governments across Europe and beyond.¹⁵ Motivated by concerns of accountability and efficiency, the trend is to move away from a budgetary system that focuses on inputs to one that focuses on results.¹⁶ Planning for outcomes and measuring results becomes crucial in budgetary decisions. When public services fail to deliver or fall short of the projected outcomes, medium and long-term review mechanisms – such as the UK

¹² Ibid.

¹³ Budlender, D., Elson, D., Hewitt, G. and Mukhopadhyay, T. (2002): *Gender Budgets Make Cents: Understanding gender responsive budgets*, Commonwealth Secretariat, London.

¹⁴ Council of Europe (2005): *Final report of the Group of specialists on gender budgeting*, Directorate General of Human Rights, (EG-S-GB), Strasbourg. Available at: [http://www.gender-](http://www.gender-budgets.org/index.php?option=com_joomdoc&view=documents&path=resources/by-region-country/europe-cee-and-cis-documents/gender-budgeting-final-report-europe&Itemid=542)

[budgets.org/index.php?option=com_joomdoc&view=documents&path=resources/by-region-country/europe-cee-and-cis-documents/gender-budgeting-final-report-europe&Itemid=542](http://www.gender-budgets.org/index.php?option=com_joomdoc&view=documents&path=resources/by-region-country/europe-cee-and-cis-documents/gender-budgeting-final-report-europe&Itemid=542)

¹⁵ Sharp, R. (2003): *Budgeting for Equity: Gender budget initiatives within a framework of performance oriented budgeting*, United Nations Development Fund for Women UNIFEM.

¹⁶ Joyce, P. G. (2003): *Linking Performance and Budgeting: Opportunities in the Federal Budget Process*, IBM Center for the Business of Government, Arlington, Virginia.

spending reviews – will call for adjustments, not only in the distribution of resources across sectors, but also in the strategic targeting underpinning the delivery of funded programmes. Gender responsive budgeting, with its focus on delivering better gender equality outcomes relies heavily on knowing the actual needs of the users of public services and on targeting services accordingly. Meeting actual needs means recognising how gender informs those needs. Gender responsive budgeting involves the examination of how budgetary allocations affect the economic and social opportunities of women and men. Measuring the impact of public spending in relation to objectives is a key element of gender responsive budgeting. In this respect, gender responsive budgeting can function as a management control in respect of measurement of performance.¹⁷

In Austria, for example, gender responsive budgeting has been introduced as part of a broader budgetary reform process. New legislation and a constitutional amendment in 2007 paved the way for a comprehensive reform of the budgetary process with the move to performance oriented budgeting by 2013. The entire management process and budget cycle, including the medium term strategy as well as the annual budget, the formulation, execution and control of the budget are affected. Among the four strategic outcomes specified in the amended constitution is that of gender equality; the others are transparency, efficiency and a true and fair view of the financial position of the federal government of Austria.¹⁸ The Austrian administration views the constitutionally defined objective of gender equality as corresponding to the internationally established concept of gender budgeting or gender-equitable budgeting. Gender responsive budgeting thus constitutes the financial policy instrument for the implementation of Austria's gender mainstreaming strategy.¹⁹

Gender Responsive Budgeting Defined

The Council of Europe has defined gender responsive budgeting thus:

¹⁷ Steger, G., Director General Budget Directorate, Ministry of Finance, Austria (2010): *Gender Budgeting - the Austrian Experience*.

¹⁸ Federal Budget Reform e-learning. Available at: <http://ratgeber.bmf.gv.at/budgetreform-elearning/haashaltsrecht.eng/index.html>

¹⁹ Ibid.

*Gender budgeting 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.*²⁰

Given the link with gender mainstreaming, it is important to recall the Council definition of gender mainstreaming:

*Gender mainstreaming is the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making.*²¹

Thus, the primary and long-term goal of gender responsive budgeting is to work toward embedding (or mainstreaming) gender as a category of analysis in the budgetary process so as to ensure better gender equality outcomes. It is important to note the dual nature of this goal, in that changing mainstream processes is essential to the achievement of better gender equality outcomes. Gender mainstreaming, after all, is underpinned by the premise that a transformation of institutions and / or organisations may be necessary to establish gender equality.²² Other gender equality strategies – such as legislation and other formal measures as well as specific measures targeted toward women – essentially viewed women as the problem to be addressed and ignored the institutional structures and processes. Gender mainstreaming aims to ensure that any unintentional systemic gender bias is

²⁰ Council of Europe (2004): *Gender mainstreaming: Conceptual framework, methodology and presentation of good practices - Final report of activities of the Group of Specialists on Mainstreaming (EG-S-MS)*, Directorate General of Human Rights, EG-S-MS (98) 2 rev. Available at: http://www.coe.int/t/dghl/standardsetting/equality/03themes/gender-mainstreaming/EG_S_MS_98_2_rev_en.pdf

²¹ Council of Europe (2004), Op. Cit.

²² European Commission (2008): *Manual for gender mainstreaming employment, social inclusion and social protection policies*, Office for Official Publications of the European Communities, Luxembourg.

countered by a systematic assessment of and response to any potential bias at every and all stages of the policy process.²³

In relation to the more general aspect of transparency in the use of public budgets, gender responsive budgeting is seen as part of a broader response to increasing political and public demands. Similarly in the context of budgetary management and control, gender responsive budgeting is used as a tool to enhance the effectiveness of policies by taking account of the socio-economic needs of men and women. This in turn impacts positively on the quality of public services.

Some budget reform experts have described gender responsive budgeting as simply ‘good budgeting’ and point to the positive externalities that can derive from such an approach.²⁴ Others acknowledge that it is the “budget where policy objectives are reconciled and implemented in concrete terms, thus giving effect to countries economic and political priorities.”²⁵

Gender Responsive Budgeting - Linking Policy Making with Budget Making

The gap between stated policies and their satisfactory translation into funded measures has long been recognised as a feature of the disconnect between policy making and resource allocation. It is common to all policy domains not only that of gender equality. Gender responsive budgeting is an important mechanism for ensuring greater consistency between economic goals and social commitments. With its explicit focus on the budget, gender responsive budgeting has the capacity to bring together the policy making process with

Gender responsive budgeting is an important mechanism for ensuring greater consistency between economic goals and social commitments.

²³ Council of Europe (2004), Op. Cit.

²⁴ Stotsky, J. (2006): *Gender Budgeting*, IMF Working Paper.

²⁵ Hutton, T., Director, Public Management Directorate, OECD (October 2001): *Conference on Strengthening Economic and Financial Governance*. Brussels,

the budget making process. Further, gender responsive budgeting brings together two sets of information that traditionally have been kept separate: information on gender equality and information on public finance.²⁶ Public finance management has been viewed as a process with no potential for impacting on gender equality. There is also the view that gender equality strategies should be the responsibility of the social ministries. This has meant that issues relating to overcoming gender inequality and to reforming public policy so as to achieve gender equality have not been considered within the context of public finance management. Gender responsive budgeting is about bridging the gap between policy development and resource allocation and it is also about demonstrating that gender equality issues should be considered in budgetary decision making arenas. Gender responsive budgeting, with its framing of gender issues in the terms of economic discourse, has the effect of 'liberating' gender from the arena of 'soft' social issues "to the level of macroeconomics, which is often thought of as technical, value-free and gender-neutral."²⁷

Section 75 Duties – An Overview

Introduction

The positive duties encapsulated in Section 75 of the Northern Ireland Act 1998, are widely viewed as innovative, "an active anticipatory duty"²⁸ with the potential for bringing about significant changes in policy making and outcomes for equality categories through the mandatory application of an equality lens. This is borne out in the academic and policy literature and, as the author can attest, talked about with great interest and admiration on the ground by equality advocates and practitioners. At a very basic level, 'positive duties' are seen as going beyond prevention and remediation of discrimination to a proactive promotion of equality.

²⁶ Elson, D. (2002): *Gender Responsive Budget Initiatives: Some Key Dimensions and Practical Examples*.

²⁷ Holvoet, N. (2006): *Gender Budgeting: Its Usefulness in Programme-Based Approaches to Aid*, EC Gender Help Desk.

²⁸ Equality Commission for Northern Ireland (2007), Op. Cit.

Under the legislation, in carrying out their functions relating to Northern Ireland public authorities are required to have due regard to the need to promote equality of opportunity between the nine equality categories and have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

It is useful to recall the principles upon which Section 75 duties are based. These were identified by Professor Christopher McCrudden²⁹ as:

- a clear statutory duty to promote equality of opportunity by public authorities across all areas of government policy making and activities;
- the participation of affected groups in determining how this should be achieved;
- the assessment of impact of existing and future government policies on affected groups;
- consideration of the alternatives which have less of an adverse impact;
- the consideration of how to mitigate adverse impacts which cannot be avoided;
- transparency and openness in the process of assessment.

.....the intention is to transform the policy making process by making the goal of equality and good relations a central concern and a guiding principle for all policy processes and service delivery

Section 75 involves a mainstreaming approach to the promotion of equal opportunities and good relations. As such, the intention is to transform the policy making process by making the goal of equality and good relations a

²⁹ Dickson, B. and Harvey, C. (2006): *Assessing the Role of the Equality Commission in the Effectiveness of Section 75 of the Northern Ireland Act 1998* (Equality Commission for Northern Ireland).

central concern and a guiding principle for all policy processes and service delivery.³⁰ The intention is also for the implementation of Section 75 duties to be transformative for the lives of people in Northern Ireland, and, in particular, those most at risk of discrimination, disadvantage and inequality. As the principles articulated by McCrudden indicate, designing policies in compliance with Section 75 requires a process that is participatory of the affected groups, is open and transparent, and thorough in the scope of the required assessment.

Schedule 9 of the Northern Ireland Act 1998 outlines the role of the Commission in relation to the enforcement of the duties. This role includes the provision of advice and guidance, the approval of Equality Schemes, the investigation of complaints, and reporting annually on steps taken by the relevant authorities in Northern Ireland to promote equality of opportunity.

Effectiveness Review

The Commission launched its first review of the effectiveness of Section 75 in 2006. This was a multi-faceted and comprehensive exercise, comprising independent reviews of all relevant oversight bodies, analysis of public authority Equality Schemes and annual reports, engagement with key actors, and the production and consideration of a consultation report reflecting the findings of the early stages of the review process.

The final report of the Effectiveness Review³¹ detailed a number of achievements since the inception of Section 75 duties, as well as some of the challenges that need further work. These are presented here in summary.

Achievements:

- Working with Section 75 duties has made a positive impact on policy making with a greater reliance on evidence;
- Overall the extent and nature of external consultation has improved, thus enhancing the transparency and credibility of the decision-making process; and

³⁰ Equality Commission for Northern Ireland (2010), Op. Cit.

³¹ Equality Commission for Northern Ireland (2007), Op. Cit.

- Positive impacts on some populations have been noted. For example, men’s issues now in the debate, better access for minority ethnic groups, issues of youth inequality highlighted, sexual orientation better understood, better anticipation of the needs of people with disability.

Challenges:

- Lack of awareness of the reality of inequality;
- Targets not identified;
- Possibility of creativity in policy making being stymied by adherence to a system. According to the research, “there is more fear of getting it wrong and less scope for individual flair”;
- Inadequate assessment of impact of ‘high level’ policies; and
- Real impact difficult to measure;

Revised Guidance

Based on the recommendations arising from the Effectiveness Review, the Commission revised its guidance to public authorities. A key aim in developing a Revised Guide³² was to encourage a shift in focus away from the processes involved in implementation to the attainment of outcomes. Published in 2010, the Revised Guide reflects the learning from the review by, among other things:

- allowing public authorities flexibility on delivering on their Equality Schemes,
- encouraging the integration of Equality Schemes into the already established corporate planning cycle, and
- by providing support for the development of specific actions that promote equality of opportunity, fairness and good relations.

The Equality Scheme is the primary guiding document for the implementation of Section 75 duties. The statutory duty on public authorities is to produce a scheme in which they outline how they propose to fulfill the duties. In particular, the legislation requires them to state their arrangements in relation

³² Equality Commission for Northern Ireland (2010): Op. Cit.

to a range of mechanisms, including assessment, consultation, monitoring, training, publication of information, as well as ensuring public access to information and services. The purpose of developing an Equality Scheme is to change how policy is made by making the promotion of equality central to decision making, and at the same time, increasing participation and inclusion.³³ Once the Commission approves the scheme, the public authority is bound by its terms.

A central dimension to the duties is the assessment of policies – as part of the policy development process – so as to determine their potential impact on the promotion of equality. There are two aspects to the focus of assessment. On the one hand there is the requirement to assess the potential for adverse impact on any of the categories of people protected by the legislation. On the other hand, the objective of assessment is to assist the bringing forward of policy that can best promote equality of opportunity and good relations. The assessment process recommended by the Commission involves two stages. A Screening Exercise, involving the gathering and analysis of qualitative and quantitative data, is conducted as an initial way of determining the potential impact. If the policy is deemed to have the potential to impact, then it should be subjected to an Equality Impact Assessment (EQIA).

Screening, then, is the first step in the assessment of potential impact, and as such is critical to the entire function of promoting equality. Screening enables public authorities to identify which policies are more relevant to the Section 75 duties and at the same time to identify those which have the potential to deliver on equality and good relations. Overall, the screening exercise, with its requirement to gather and consider data relevant to equality and good relations, is an opportunity to improve the decision-making process.³⁴

The Revised Guide proposed to improve the screening process. Previously, decisions on screening resulted in a policy being screening ‘in’ or ‘out’. If screened out, no further action was recommended; if screened in, the recommendation was to proceed to a full equality impact assessment. The

³³ Equality Commission for Northern Ireland, (2010): Op. Cit.

³⁴ Ibid.

revised procedure allows for three possible decisions at the point of screening. Four questions guide the screening decision.³⁵ If the public authority concludes that the policy is not likely to have any impact on the Section 75 categories, then the policy can be screened out. If the conclusion is that there is the potential for a significant impact, then consideration should be given to an EQIA. The third possibility is that the public authority decides that the potential for impact on equality is likely to be minor. In this instance, the recommendation is that the policy is screened out but that some measure of mitigation is put in place or an alternative policy is considered. The screening template and flowchart provided in the guide suggests that in this schema of decision making, policies can be designated as follows:

- None – policy deemed to have no impact on equality and is screened out, thus no further action is needed in terms of assessment;
- Minor – consideration should be given to an EQIA. Alternatively, consideration should be given to measures to mitigate adverse impact, or an alternative policy to better promote equality;
- Major – a full EQIA should be carried out.

In all cases, evidence should be provided to demonstrate how the decision was reached.

The Commission published Guidance³⁶ on how to carry out an EQIA in 2001 (EQIA Guidance). Impact assessment is one of the primary tools for any mainstreaming strategy and in drafting the EQIA Guidance, practices in other jurisdictions in relation to environmental, social and gender impact assessments were examined. The recommended procedure begins by defining the aims of the policy and goes on to cover seven separate elements. These are:

- Consideration of available data and research;
- Assessment of impacts;
- Consideration of mitigation measures or alternative policies;

³⁵ Equality Commission for Northern Ireland (2010):Op.Cit., page 54.

³⁶ Equality Commission for Northern Ireland (2001): *Section 75 of the Northern Ireland Act 1998 - Practical Guidance on Equality Impact Assessment*.

- Formal consultation;
- Decision by public authority;
- Publication of results of EQIA; and
- Monitoring for adverse impacts and publication of results.

The EQIA Guidance includes details on a range of methodologies than can be used in the analytic exercise to determine impacts. These include consultation, focus groups, surveys, secondary analysis and review of complaints. Included also in the EQIA Guidance are the results of an audit of key sources of data within Northern Ireland Departments.

The Commission recommends that public authorities use assessment of impact – which includes both screening and EQIA – as part of the policy development process, rather than an exercise added on when the policy is in place.³⁷ The EQIA is intended to be a thorough and systematic analysis, with the primary function of determining the extent of any differential impact³⁸ of the policy under analysis.³⁹

Overview of Northern Ireland Budget Process

The Budget process in Northern Ireland relates primarily to the allocation of public expenditure. The Northern Ireland Executive (NIE) has limited revenue raising powers, in that there is a limited number of fiscal policy instruments available to it by HM Treasury.⁴⁰ There are four main sources of funding for public expenditure in Northern Ireland.⁴¹ These are:

- A share of United Kingdom (UK) Public Expenditure allocations. The Barnett formula determines the population-based share of UK public expenditure that goes to the devolved administrations of Scotland, Wales and Northern Ireland;

³⁷ Equality Commission for Northern Ireland (2010): Op. Cit.

³⁸ The focus on differential impact, rather than on adverse, is important and is discussed in more detail later in this paper.

³⁹ Equality Commission for Northern Ireland (2010), Op.Cit.

⁴⁰ Northern Ireland Executive: *Budget 2008-2011*. Available at:

<http://www.northernireland.gov.uk/finalbudget.pdf>

⁴¹ Ibid.

- Regional Rates – revenue received from taxation on business and domestic property in Northern Ireland;
- Borrowing under the Reinvestment and Reform Initiative (RRI). With a limit of £200 million per annum, this borrowing is intended for major capital infrastructure projects; and
- EU Funding.⁴²

The framework for the control of public expenditure is comprised of the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME). Under the October 2010 UK Spending Review, DEL totals for Northern Ireland have been fixed for four years. DEL funds are allocated at the discretion of the Executive to address local needs and priorities. AME, on the other hand, because it is largely comprised of demand-led programmes such as social security benefits, is controlled annually. Therefore, the main focus of the Budget in Northern Ireland is on DEL funding, which is delineated into Current Expenditure and Capital Investment.

The Programme for Government (PfG) provides the strategic framework for the budget process. According to the then Minister of Finance, the PfG was the “principal mechanism by which the Executive determined policy and spending priorities” for Budget 2008-2011.⁴³ Two crosscutting themes underpinned the PfG for that period – a shared and better future and sustainability – and the NIE’s overarching aim of building a peaceful, fair and prosperous society was articulated in the Budget for that period. The 23 Public Service Agreements (PSAs) spelled out the activities to be implemented, using the PfG as the strategic policy framework and the Budget 2008-2011 and the funding framework.

Since the PfG for the Budget period 2011-2015 was developed after the Budget, neither document stresses their strategic link, as was the case for the 2008-2011 period. It is in the section for the Department of Regional Development where the Executive’s priorities are named: “to stimulate the

⁴² Northern Ireland Executive: *Budget 2011-2015*. Available at: <http://www.northernireland.gov.uk/index/work-of-the-executive/budget2010.htm>

⁴³ Northern Ireland Executive: *Budget 2008-2011*. Available at: <http://www.northernireland.gov.uk/finalbudget.pdf>

economy, tackle disadvantage, protect the most vulnerable in our society and protect frontline services.”⁴⁴ The subsequent PfG published in October 2011 lists the following five priorities:

- Growing a Sustainable Economy and Investing in the Future;
- Creating Opportunities, Tackling Disadvantage and Improving Health and Well-Being;
- Protecting Our People, the Environment and Creating Safer Communities;
- Building a Strong and Shared Community; and
- Delivering High Quality and Efficient Public Services.

The Global Trend Toward Measuring Budget Performance

Of the many public sector reforms in relation to budgeting in the last decade the two that deal with the issue of performance have had the most impact.

One is about measuring the performance of budgets and the other, referred to as performance budgeting or performance-based budgeting, is about linking the findings of performance measures to budget allocations.⁴⁵ In other words, the former is about gathering information on performance; the latter is about going one step further to use that information to make budgetary decisions. Performance information in the budget can help decision makers assess

how different programmes contribute to the achievement of the government’s policies and priorities. In addition, it can help show why some programmes work better than others and whether they represent value for money.

Performance information can help show why some programmes work better than others and whether they represent value for money.

⁴⁴ Northern Ireland Executive: Budget 2011-2015, page 91. Available at:

<http://www.northernireland.gov.uk/index/work-of-the-executive/budget2010.htm>

⁴⁵ Aristovnik, A. and Seljak, J. (2009) *Performance budgeting: selected international experiences and some lessons from Slovenia*, MPRA.

The development of performance information has been a long-term, widespread and evolving trend. Currently, most member states of Organisation for Economic Co-operation and Development (OECD) present performance objectives to parliament and the public in either government-wide performance plans or ministerial or agency plans.⁴⁶ Performance based budgeting is a way of allocating resources to achieve specific objectives based on programme goals and measured results. According to some experts, the key to understanding performance budgeting lies with the word 'result'.⁴⁷ With this method the entire planning and budgeting framework is results oriented. There are objectives, with activities designed to achieve the objectives and these form the foundations of the overall evaluations. Performance budgeting aims to give more money to activities that produce desired results and less to those that do not.⁴⁸

The NIE modeled the organisation of Budget 2008-2011 on the framework that had been put in place by the UK Treasury in the late 1990s. Described by the OECD as a highly advanced total-system approach to performance budgeting,⁴⁹ the framework for Public Service Agreements (PSAs) and their associated Service Delivery Agreements (SDAs), was the central planning control mechanism.⁵⁰ As designed by the Treasury, PSAs were the government priorities and strategic objectives with measurable targets and outcomes.⁵¹ In guidance to government Departments, the Treasury directed that performance measures in the budgets should be relevant, able to avoid

⁴⁶ OECD (2005): *Modernising Government: The Way Forward*, OECD Publishing, Paris

⁴⁷ Young, R. D. (2003): *Performance-Based Budget Systems – Public Policy & Practice*, USC Institute for Public Service and Policy Research

⁴⁸ Ibid

⁴⁹ Organisation for Economic Co-Operation and Development (2007): *Performance Based Budgeting in OECD Countries*, Part 2, Country Case Studies, Chapter 12 UK. Available at: http://www.bmf.gv.at/Budget/Haushaltsrechtsreform/Literatur/OECD_Studie_Performance_Budgeting.pdf

⁵⁰ Madri, C., 6th Transatlantic Dialogue (TAD) on "Rethinking Financial Management in the Public Sector." Performance Budgeting and Accrual Budgeting: A Comparison of the United Kingdom, New Zealand and Australia.

⁵¹ HM Treasury (2004): *Devolving decision making: – Delivering better public services: refining targets and performance management*. Available at: http://www.hm-treasury.gov.uk/d/devolving_decision1_409.pdf

perverse incentives, attributable, well-defined, timely, reliable, comparable and verifiable.⁵²

Since their introduction following the 1998 Comprehensive Spending Review, the PSA framework has evolved in a number of ways. The initial 600 performance targets reduced to 110 following the 2004 spending review. A revised format encouraged a more considered approach to inter-departmental targets, and the introduction of Technical Notes called for details on how PSA targets are defined, which data sources are used to measure progress and a description of how the target can be judged as met or otherwise.⁵³

It is not within the scope of this paper to explore how the PSA framework fared in the Northern Ireland context. At the time of writing it is not clear what will replace the PSA system. It is worth noting that the DFP launched a Review of Financial Processes early in 2010. Two strategic objectives underline the Review: i) to improve transparency by alignment of the Budget, the Estimates and the Accounts; and ii) to create a single coordinated public revenue and expenditure process.⁵⁴

In support of the review, the Northern Ireland Assembly Research and Information Service prepared a Briefing Paper⁵⁵ drawing together a number of recommendations made by the Committee for Finance during the previous mandate of the Northern Ireland Assembly (the Assembly). Among the recommendations is one calling for Budget documentation to show the linkages between expenditure and performance outcomes. Another recommendation in the briefing paper is for the Budget process to include a strategic phase that would precede the production of the draft Budget with the purpose of enabling the Assembly to debate both revenue and spending priorities.

⁵² Her Majesty's Treasury, Cabinet Office, National Audit Office, Audit Commission, Office for National Statistics (2001): *Choosing the right fabric: A framework for performance information*. Available at: http://archive.treasury.gov.uk/performance_info/fabric.pdf

⁵³ HM Treasury (2004): *Spending Review Public Service Agreements 2005-2008*. Available at: http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/psa_complete_120704.pdf

⁵⁴ Pidgeon, C. (2011): *DFP's Review of Financial Process: Considerations for improving the budget process*, Northern Ireland Assembly Research and Information Service Briefing Paper. Available at: <http://www.niassembly.gov.uk/researchandlibrary/2011/6211.pdf>

⁵⁵ Ibid.

A major focus of the guidance issued by DFP in preparation for Budget 2011-2015 was for Departments to develop a plan on how they would delivery on savings in order to generate resources to make up for the overall cuts in public spending anticipated to result from the UK-wide spending review.⁵⁶ In relation to new spending proposals, the DFP guidance⁵⁷ points to the Public Service Agreement (PSA) framework developed for the implementation of Budget 2008-2011 as the guiding framework. It is unclear at the time of writing how PSAs will feature in the implementation of the 2011-2015 Budget. HM Treasury has decided to replace the PSA framework with what it calls a Transparency Framework. Whether the NIE will follow suit remains to be seen. The PfG refers to progress made toward the attainment of the PSAs pursued by the previous Executive, stating that this work will form the basis for the forthcoming period.⁵⁸

Section 75 and the Northern Ireland Budget

The DFP guidance draws attention to the statutory duties under Section 75, reminding departments that the focus on the duty should be applied throughout the Budget process. In addition to this general guidance, Departments are reminded that spending proposals which are deemed to have a positive impact on equality, good relations, poverty, social inclusion or sustainable development will fair better in the assessment process and have a better chance of being recommended to Ministers.⁵⁹

As stated earlier, the national or jurisdictional budget has traditionally been viewed as an instrument of government that is free from value, the impact of which is without discrimination or distinction. Furthermore, responsibility for issues of equality generally falls to one of the social ministries, with the Finance ministry being the least likely to deal with equality. This orthodoxy,

⁵⁶ DFP Public Spending Directorate (June 2010): *Northern Ireland Executive Budget 2010, Guidance for Departments*.

⁵⁷ *Ibid.*

⁵⁸ Northern Ireland Executive: *Programme for Government 2011-2015*. Available at: <http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf>

⁵⁹ Department of Finance and Personnel (March 2007): *Priorities and Budget 2007. Guidance for Departments*; and DFP Public Spending Directorate (June 2010): *NI Executive Budget 2010*.

however, has been challenged on a number of fronts, in particular in the light of equality legislation.

It is well recognised by all stakeholders that the Section 75 duties apply to the budget process. Notwithstanding the challenges of assessing impact of aggregate level budget decisions, the duty to do so is accepted. The Commission has always stressed the universal applicability of the Section 75 duties to all stages of the policy process and to all policies and has been meeting with the DFP, the Economic Policy Unit and the OFMdfM since 2002 on the need to mainstream equality consideration into the budgetary process.⁶⁰

The Commission has established that the term policy covers all the ways in which a public authority carries out its function, which includes all aspects of the dynamic nature of how policy is adapted and amended in response to the changing environment to which it applies. Importantly the Section 75 duties are applied to all policies, regardless of how they are designated – draft, pilot or high level – within the organisation.⁶¹

In its 2007 Guidance to departments, the DFP introduced the practice of High Level Impact Assessment (HLIA). A methodology, which recommended adherence to the seven steps outlined for the EQIA, was provided to Departments along with a template to guide the process and to record the results. Beyond Northern Ireland, governments of other jurisdictions are responding to legislation obligating them to consider the impact of the budget on one or more grounds of equality.⁶² Importantly, the Budget 2011-2015 acknowledges “the fact that the allocation of resources has always the potential to impact on Section 75 groupings.”⁶³

⁶⁰ AW Trotman Associates (2007): Op. Cit.

⁶¹ Equality Commission for Northern Ireland (2010): Op. Cit.

⁶² For example, UK under the 2006 gender duty and 2010 broader equality duty; Belgium under 2007 gender mainstreaming legislation; Spain under gender equality legislation, Austria under budget reform legislation.

⁶³ Northern Ireland Executive Budget 2011-2015, para 6.9. Available at: <http://www.northernireland.gov.uk/index/work-of-the-executive/budget2010.htm>

Progress on an adequate equality assessment of the budget in Northern Ireland has been slow. In its response to the draft 2004 Budget the Commission argued the importance of mainstreaming equality by the use of “meaningful, practical and productive methodologies.”⁶⁴ At that time the OFMdfM’s position was that it was too administratively difficult and also counterproductive to Section 75 to carry out a full EQIA.⁶⁵ It was at this time that the DFP introduced the practice of HLIA referred to above. A recent assessment of progress on impact assessment of the Budget noted a lack of vision and a lack of coherence, with neutral or positive impact being most often reported in relation to both spending proposals and savings plans. Even in instances of job losses or facilities closing, a neutral impact was recorded. It was also found that data used in HLIA was often very limited, making it difficult to gauge the extent of impact. Overall, the assessment found that much more could have been done to mainstream equality and good relations in the Budget process.⁶⁶

Overall, the assessment found that much more could have been done to mainstream equality and good relations in the Budget process.

Responses from civil society groups and the Commission to this most recent Budget process (2011-2015) would indicate that, rather than any progress having been made, the management of the Budget process this time around shows even less regard than previously for equality considerations. The DFP points to time constraints in relation to processes at Westminster, which impacted on their timetable, which in turn put restrictions on the length of the

⁶⁴ Equality Commission for Northern Ireland (2004): *Response to the OFMdfM Consultation on Draft Priorities and Budget 2005-08*. Available at:

<http://www.equOFMDFMNIOfinRpt03071gramamendalityni.org/archive/pdf/.pdf>

⁶⁵ AW Trotman Associates (2007): Op. Cit.

⁶⁶ Equality Commission for Northern Ireland (April 2011): *NI Executive Budget 2011-2015: Assessment of actions in relation to Section 75 requirements and proposals for further action*. Available at: <http://www.equalityni.org/archive/foi/cmeeting200411/EC-11-4-2%20+Annex1.pdf>

consultation process. The Comprehensive Spending Review (CSR), which provides the immediate context for Northern Ireland's draft budget, was published on 20 October 2010. The draft budget was presented to the Northern Ireland Assembly on 15 December and published for consultation. The draft EQIA was not published until 24 January 2011.

There were a number of issues raised by civil society groups in relation to the draft Budget 2011-2015. The Northern Ireland Commissioner for Children and Young People (NICCY) found it difficult to comment on a Budget that focused more on what it would save, rather than what it would spend; expressed disappointment at the overall level of detail and in particular at the lack of equality proofing. Disability Action found only cursory attention had been paid to equality and noted the difficulty of properly reading the Budget in the absence of the PfG. Age NI found it impossible to engage effectively with the draft EQIA with a turnaround of only one week. It also noted that while the government articulated its commitment to promoting the social inclusion of older people, the budget showed no indication of how this was to be achieved. In its Budget response, the Children's Law Centre was of the view that the failure to equality proof the Budget may constitute a breach of Section 75 and referred to a statement by the Home Secretary, Theresa May who, in speaking about the UK Budget process, warned of the risk of legal challenge "if there are no processes in place to show that equality issues have been taken into account."

The Commission's response to the draft Budget⁶⁷ focused on four areas:

- application of the statutory duties;
- coherence;
- consolidation and continuation of previous priorities; and
- promotion of equality and good relations.

The following are some of the key concerns raised by the Commission:

- The draft EQIA was not available with the draft Budget;

⁶⁷ Equality Commission for Northern Ireland (February 2011): Op Cit.

- The difficulty of gaining a coherent picture without the PfG and the Investment Strategy for Northern Ireland (ISNI), two documents which have been available in previous years;
- Lack of information on outcomes and impacts, with associated plans for delivery on equality of opportunity and good relations;
- Consultation process was compromised because of lack of time and absence of information;
- The lateness of the EQIA, the short time for response and the lack of relatedness to Departmental plans; and
- Departments risk exacerbating inequalities by failing to act on key inequalities within its area of responsibility.

In relation to the impossibility, as claimed by the OFMdfM, of assessing the impact of the Budget on equality, it is useful to look briefly at experience in Great Britain. The positive duty in relation to gender equality has been in place there since 2007. In August 2010, the Fawcett Society sought a judicial review of the government's failure to pay due regard to gender equality laws in its preparation of the UK emergency Budget introduced earlier in that year. In their submission the Fawcett Society referred to analysis done by the House of Commons Library at the request of Yvette Cooper MP which revealed that of £8 billion to be raised by Budget changes in direct taxes and benefits, £5.8 billion would be paid by women.⁶⁸

While leave for review was denied by the High Court, the presiding Justice did acknowledge that "policies set to have such a dramatically different impact on women and men merit further scrutiny".⁶⁹ The Justice also pointed to the need for improved data collection and analysis in order to adequately assess the impact of budget measures on equality between men and women. In early 2011, the Fawcett Society commissioned the Institute for Fiscal Studies (IFS) to conduct an analysis of the impact of 2010-15 tax and benefit changes on women and men. The analysis demonstrated that single mothers will

⁶⁸ These findings were also highlighted by the UK Women's Budget Group in its response to the Coalition Government emergency budget in June 2010.

⁶⁹ "Fawcett's day in court: our response to today's hearing and judgement". Available at: <http://www.fawcettsociety.org.uk/index.asp?PageID=1204>

suffer most as a result of these measures. The findings of the analysis are important. What is perhaps of particular significance is that this level of analysis was achievable with easily accessible data and tax-benefit modeling systems, available also to HM Treasury.⁷⁰

Using Budgets to Promote Equality

The focus of this paper returns now to gender responsive budgeting. We want now to get to the heart of the matter, so to speak, and explore the “how to” of this practice by examining approaches, methodologies and tools. In particular, the goal is to lay out a framework for the application of gender responsive budgeting tools to the broader equality agenda in Northern Ireland. This part of the paper demonstrates the synergies between a number of aspects of the recommendations in the Revised Guide on Section 75 and gender responsive budgeting tools currently in use.

The section begins, though, with an overview of the evolution of gender responsive budgeting and of the institutional support for the practice.

Evolution of Gender Responsive Budgeting

Australia was the first country to introduce gender responsive budgeting, in 1984. During the 1980s and 1990s the exercise expanded to include all budgets at federal, state and territorial levels. The results of the analyses were published as Women’s Budget Statements and became part of the official budget documentation that was presented to parliament for debate. While the formal process of gender budget analysis has been discontinued, a form of the women’s budget statement is still published by all levels of government.⁷¹

The approach adopted in Australia had gender mainstreaming as a primary objective. This was greatly facilitated by the placement of the Office on the Status of Women – which was responsible for co-coordinating the work on

⁷⁰ Browne, J. (2011): *The impact of tax and benefit reforms by sex: some simple analysis*, Institute for Fiscal Studies, IFS Briefing Note 118. London.

⁷¹ Sharp, R and Broornhill, R. (1990): *Women and Government Budgets*, Australian Journal of Social Issues, Vol. 25, No 1, pp 1- 4.

gender responsive budgeting of all the ministries – in the Department of the Prime Minister and Cabinet. This allowed for high-level access to and potential influence on top-level decision about programmes and budgets.

The ending of apartheid and consequent establishment of new democratic structures of governance in South Africa provided the opportunity for the adoption of a range of equality focused policies, including gender responsive budgeting. The methodologies used in these two countries were adapted as a framework, which subsequently became the basis for much of the training on gender responsive budgeting around the world.

The Commonwealth Secretariat was the first international agency to actively promote gender responsive budgeting in its member states. Beginning in 1995 it pioneered the production of tools, methodologies and capacity-building materials, engaging prominent experts in the field, including leading economists. It continues to support numerous initiatives at country level.

Several of the UN agencies, led by United Nations Agency for Women (UNIFEM) (now UNWOMEN) and including United Nations Development Programme (UNDP), the International Labour Organisation (ILO), United Nations Economic Council for Europe (UNECE) and United Nations Entity for Gender Equality and the Empowerment of Women (UN INSTRAW), are responsible for an extensive and ambitious portfolio of work in much of the global south and in central and eastern Europe. In addition to work on the ground, primarily with Ministries of Finance and within the framework of ending poverty and implementing the Millennium Development Goals, these agencies have produced numerous tools and have facilitated the deepening debate on harnessing macroeconomic policy to advance human rights, social inclusion and equality.

The Council of Europe, whose group of specialists devised the working definition and framework for gender mainstreaming that has become the international standard, did the same for gender responsive budgeting. Following from that, in 2009 the Council commissioned the drafting of a

manual on the practical implementation of gender responsive budgeting, which has gained significant currency in many member states.⁷²

The EU's first formal recognition and promotion of gender responsive budgeting was in 2001 during Belgium's Presidency. In conjunction with UNIFEM, the Nordic Council of Ministers and the OECD, the EU convened a High Level Conference on 'Strengthening Economic and Financial Governance Through Gender Responsive Budgeting'. The conference, significant for bringing into focus the need to mainstream gender in budgetary activities in order to achieve the targets of the Beijing Platform for Action, concluded by setting 2015 as a target for the adoption of gender responsive budgeting in all EU Member States. A 2003 opinion of the European Union Advisory Committee on Equal Opportunities for Women and Men noted that the call for gender budgeting is rooted in the Treaty of Amsterdam. The Committee called for specific actions by the Commission to ensure gender responsive budgeting within the EC budget process and to encourage and resource initiatives at national level.⁷³

Since the late 1990s a substantial body of learning, has emerged from a wide range of gender budget initiatives across Europe. In some jurisdictions progress has been made in raising awareness of the impact on gender equality of budgetary decisions and prioritising sector level programmes for closer examination. In some of the countries of Europe the project to develop gender sensitive budgets has been put on a legislative basis. In others, where gender mainstreaming has been embedded in government activities, systems, procedures, tools, expertise and experience gained in a number of policy domains are being applied to budgetary processes. In other places, gender budget initiatives, generally in the form of pilot projects, are in progress as a way of testing the waters.

⁷² Quinn, S. (2009): *Gender responsive budgeting practical implementation handbook*, Council of Europe, Strasbourg.

⁷³ European Union Advisory Committee on Equal Opportunities for Women and Men (May 2003): *Opinion on gender budgeting*. Available at: http://www.lex.unict.it/eurolabor/documentazione/altridoc/po/opinion_may03.pdf

Adapting Gender Responsive Budgeting and Applying Equality Responsive Budgeting in Northern Ireland

Gender responsive budgeting is largely⁷⁴ a single equality ground approach to the budget. Clearly there are challenges associated with extending the approach to encompass all nine grounds of Section 75. It is not within the scope of this paper to enumerate, never mind research, the challenges. Nevertheless, they are likely to be similar to those that have already been experienced and documented in applying the Section 75 duties to all grounds. The perceived complexity of the task should not be a factor of discouragement or dismissal. While the legislative duty applies to all grounds, an incremental approach – that is to say where one or a small number of grounds become the focus of a pilot project – would fall within the scope of the Commission’s guidance.

The next section of this report will look in some detail at stages, approaches and tools employed in gender responsive budgeting and will suggest how these might be applied to Section 75. By way of introduction to this section it is important to point out that we are talking about a mainstreaming approach to all the budgetary processes and that this includes the allocation of resources. Analysis, reformulation (if necessary), monitoring and accounting of the amount of money actually spent forms part of the approach. Working with the strategic framework (e.g. the PfG) that informs budget formulation and execution is limited unless it is clearly linked to the financial control framework.

The Three Stages of Gender Responsive Budgeting

Based on a review of a large number of gender responsive budget initiatives across the twenty seven member states of the European Union, Quinn⁷⁵ identified three stages of gender responsive budgeting:

⁷⁴ In some instances race, ethnicity and age have been combined with gender as the focus of analysis.

⁷⁵ Quinn, S. (2009):Op. Cit.

Stage 1: Gender sensitive analysis of all budgetary activities

Traditionally, the focus of budget officials has been on fiscal discipline in the distribution of public expenditure across a broad portfolio range so as to maximise efficiency and effectiveness. As values of control and economy are supplemented with additional goals of achievement and performance, analysis of budget impact is becoming an important tool in budgetary decisions. Gender sensitive analysis of the budget is a potent starting place in satisfying the statutory requirement in relation to the promotion of gender equality. By adding gender sensitive analysis to the current tools of analysis employed by government ministries, budget officials and policy makers are better equipped to make decisions that will result in better gender equality outcomes, and thus contribute to the fulfillment of their statutory duties.

The analysis usually begins with a sex-disaggregated benefit incidence analysis. A benefit incidence analysis is a method of computing the distribution of public expenditure across different demographic groups, such as women and men.⁷⁶ The procedure involves calculating the unit cost for public services – for example, the cost to put one child through primary school, the cost of a hospital bed per night, the cost per person of a labour market activation scheme. With sex-disaggregated benefit incidence analysis the calculation is extended to determine how much has been spent on men and how much on women.

The analysis relies on the collection of data on users of public services. If the data is available, it is possible to determine the distribution across a range of demographic groups with the beneficiary group. Theoretically, then, it should be possible to determine the number of each of the nine Section 75 groupings that are availing of public services. In reality, data capture and management is complex and challenging and the relating

⁷⁶ OECD Glossary of Statistical Terms. Available at: <http://stats.oecd.org/glossary/>

issues are discussed in some detail in the Commission's Section 75 guidance.

Improving data systems not only assists the promotion of better equality focused budgetary allocations, but also facilitates better targeted and more efficient and effective use of public funds in general.

Probing deeper from a gender perspective, the analysis can go on to demonstrate:

- the degree to which the budget has satisfied the needs of the recipients;
- how the gendered needs and roles of the recipients contribute to the level of satisfaction;
- the challenges and barriers faced by those in the target group who have not accessed services;
- the degree to which the budget has reduced, exacerbated or left unchanged gender inequality;
- the relationship – more often than not, the disconnect – between stated policies – particularly gender equality policies – and budgetary decisions;
- why the budget needs to take account of the differing participation rates of women and men in the care economy.

Elson draws attention to a vital guiding question: For the budgetary item under analysis, what is the impact on gender inequality: has it reduced, exacerbated or made no impact on gender inequality?⁷⁷

Applying this level of analysis to Section 75 will mean reformulating Elson's question to focus on one or more of the nine groupings. What is the impact on equality of opportunity for:

- people with disabilities,
- for people of different religious belief, or
- for people from different racial groups?

The analysis will necessarily involve drawing on a range of qualitative and quantitative data. It will also involve intra- and inter-departmental consultation as well as consultation with users and / or user representatives.

It is the level of analysis that is recommended in the Commission's Guidance for Public Authorities in relation to assessment of impact – both for screening and for the EQIA. Just as gender responsive budget analysis enables policy makers to unpick assumptions of gender neutrality and examine potential 'gender blindness' when developing policy and evaluating policy outcomes, this level of budget analysis will enable Northern Ireland policy makers to build up a true picture of the nature and extent of the differential impact on the Section 75 groupings. This is the primary purpose of the EQIA and it is a fundamental step in policy makers

For the budgetary item under analysis, what is the impact on gender inequality: has it reduced, exacerbated or made no impact on gender inequality?

⁷⁷ Elson, D. (2003): *Gender mainstreaming and gender budgeting*. Paper given at Conference on Gender Equality and Europe's Future, hosted by DG Education and Culture.

gaining an understanding of the nature and extent of inequality as experienced by those affected. Working with this level of analysis, even if it reveals no disproportionate impact on any of the groupings can contribute to the larger project of becoming conversant with the actual needs and expectations of the full range of public service users.

Stage 2: Reformulation of spending lines so as to produce better gender equality outcomes.

When gender sensitive analysis informs budget decisions and results in the restructuring of budgetary lines, the government's gender equality strategy stands a better chance of being resourced and implemented. At the same time, any unintentional gender biases can be revealed and mitigated. Where analysis reveals that budget resources have not been distributed in a gender equitable way, a response from the budget is required to redress the inequity. Where the distribution of budget resources does not match the government's gender equality policies, realignment is required. In some instances restructuring may mean a positive action measure, a temporary additional spending line specifically targeted at an identified problem.

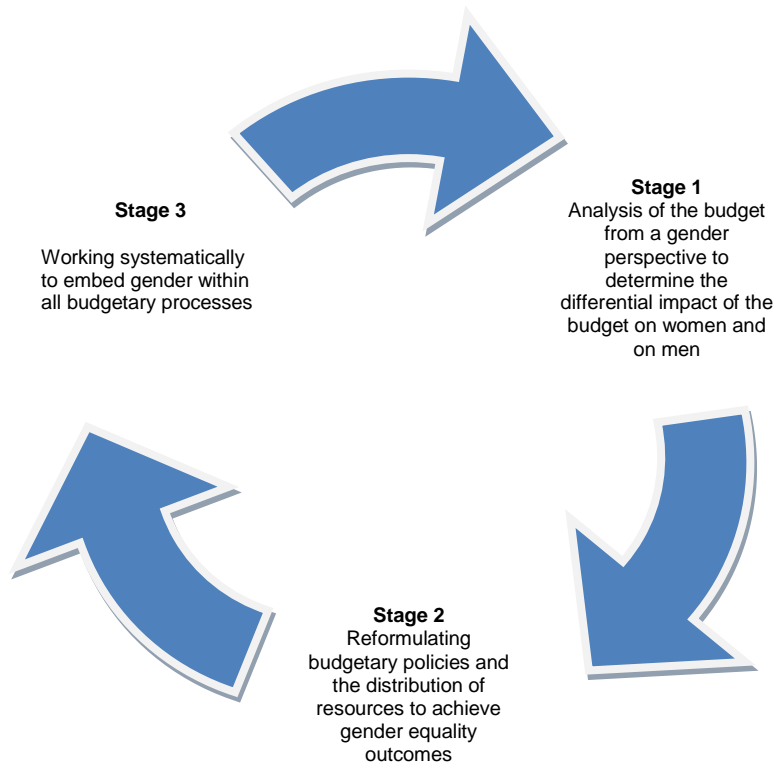
When gender sensitive analysis informs budget decisions and results in the restructuring of budgetary lines, the government's gender equality strategy stands a better chance of being resourced and implemented.

However, temporary or once-off solutions do not address the fundamental finding of a gender sensitive analysis, which is that budgets are not gender neutral. Accepting the gender impact of budgets requires changing the mainstream funding line so as to more permanently correct

the inequity and better target the need for which the spending line was designed.

This second stage is akin to adjusting the policy so as to mitigate the adverse impact or devising an alternative policy to better promote equality under Section 75. The key difference, as is the case with all three stages, is that the focus is on the allocation of resources. It is about making sure to bridge the gap between policy design and resource allocation by ensuring that any change in design is matched by any necessary change in the level and distribution of budgetary allocation.

Figure 1



Stage 3: Working systematically to embed gender within all budgetary processes.

This is essentially a mainstreaming process with the objective to integrate gender as a category of analysis in the formulation and the execution of the budget.

Gender budgeting is not just about the content of budgets; it is also about the processes involved in budget-making. It is about how budget decisions are made, about the assumptions informing budgets; it is about who makes decisions and who influences decisions and it is about who is denied influence. Essentially, public expenditure management is a political process and not simply a technocratic one. So that while understanding the technicalities of budget formulation and execution is important, understanding the political influences on the system is also important.⁷⁸ In many gender budget initiatives, the role of civil society to hold government accountable has played a significant part in bringing political influence to bear.

Mainstreaming gender as a category of analysis in the budgetary process is a long-term exercise of analysis, monitoring and restructuring. It is a process of refinement based on new analysis pointing to more targeted objectives and more effective spending of public money. Mainstreaming gender budgeting requires an ongoing commitment to understanding gender, which includes analysis and consultation, and ongoing budget readjustments to take account of the changing needs of women and men.

Stage three involves making the practice of responding to the differing needs of service users central to the budget decision making processes. Just as Section 75 was intended to ensure that principles of equality and good relations are at the heart of policy making, keeping the focus on the budget will expedite that agenda.

Mainstreaming involves changing work practices, working systematically to embed new approaches into the everyday operational processes, changing the work culture so that considerations of equality become reflex. The three Stages outlined above are iterative, with the practice of analysis and reformulation becoming continuous, building capacity and developing systems to bring about a changed work culture where equality considerations become embedded (see Figure 1 page 43).

⁷⁸ Elson, D. and Norton, A. (2002): *What's Behind the Budget?* Overseas Development Institute, London.

These three stages provide the framework for the work of mainstreaming equality considerations in the budget. The next section discusses ways in which the work can be initiated and progressed. Following that a number of tools are detailed.

Two Approaches for the Introduction of Gender Responsive Budgeting

Broadly speaking there are two approaches for the introduction of gender responsive budgeting.

- Approach 1 - The establishment of one or more gender equality objective(s) and the design of appropriate activities and identification of budget allocation(s) to achieve the objective(s);
- Approach 2 - The systematic examination of all budgetary items with the objective of making any necessary changes to produce more gender equitable outcomes.

The strategic difference between the two approaches is that with the former (establishing gender equality objectives) the focus is on the status of gender equality in the sector and the identification of areas for improvement. For example: what are the gender imbalances in education? Are more girls than boys progressing to third level? Are boys doing better at science? In relation to sport, the participation rates of males and females could be a focus. This sectoral analysis will lead to an understanding of how gender inequality is manifest and in turn to the identification of measures and resources to improve the situation.

With the second approach the focus is on the existing activities / programmes and their associated budget lines. For each budgetary activity the purpose of the analysis is to discover the differential impact on men and on women; to determine if there is an adverse impact on one gender or another and to redesign the activity so as to redress the imbalance and so promote gender equality.

Approach 1: Establish Gender Equality Budget Objectives

This is the approach adopted by the Austrian government as part of its introduction of gender responsive budgeting. New legislation in Austria mandates that for each of the three levels of budget (chapter, global and detail budgets) all government departments are required to set at least one gender equality objective each year (for more on the reform of the budgetary processes in Austria, see Annex 1).

The Austrian format is as follows:

- Outcome Objective;
- Why this objective;
- What is planned to achieve this objective;
- What would success look like.

It is clear that in order to supply the information required for this format there needs to be a level of awareness of how gender inequality is present within the department's area of responsibility.

A closer look at the language used in the Austrian format is useful to understanding the level of analysis that is required. Notice that the objective is described as an outcome objective. In the traditional budget formulation process the terms 'input' and 'output' are used. The input is the amount of spending allocated to an activity or measure and the output is what is produced or 'bought'. For example, within the area of spending on healthcare a line item of spending dedicated to doctors' salaries is considered the input and the output is the number of doctors employed. The term outcome refers to something beyond the output; for example a reduction in the incidence of prostate cancer. This specific outcome would involve the input of the salaries of oncologists, as well as other inputs, such as, for example, upgrading medical equipment, improving regional access to cancer preventive services, etc. As demonstrated, the outcome of a reduction in the incidence of prostate cancer might not be achieved simply by making sure that there is enough in the budget to pay doctors.

So an outcome objective points to a result, to progress, to a benefit to the public. It is something concrete and measurable. It is not simply aspirational. In the context of gender responsive budgeting, specifying a gender equality outcome objective means being able to identify areas within a department's responsibility where there is room for improvement in terms of gender equality. For each sector – education, health, labour market and social security, rural and regional development, enterprise, etc – knowing where and how gender inequality exists and what the priority issues are will enable policy makers to set concrete and evidence-based objectives.

In considering how this approach could be adapted, it is useful to recall the recommended shift in focus in the application of the Section 75 duties away from the processes of implementation toward the realisation of outcomes. To assist this refocus the Revised Guidance recommends that public authorities produce a Section 75 Action Plan in which they detail specific activities designed to promote equality. This recommendation is a response to a finding of the Effectiveness Review that policy makers lacked awareness of the reality of inequality. A similar critique was leveled at gender mainstreaming when it was characterized as a strategy without an objective. Verloo argues that unless and until policy makers have quantified gender inequality as it is experienced by their local population, it is not possible to set realistic and meaningful objectives⁷⁹. Broad, national-level gender equality objectives, such as reducing the gender pay gap, ending gender based violence or increasing women's economic independence, need to be translated into sector- and location-specific objectives. Likewise in order to set realistic and meaningful objectives for the realization of equality of opportunity, assessment must become more than identifying potential adverse impact. Measuring for differential impact is of a different order of assessment. Measuring for differential impact should allow policy makers to unpick assumptions

⁷⁹ Verloo, M. (2002): *The Development of Gender Mainstreaming as a Political Concept for Europe*. Paper delivered at Conference on Gender Learning, Leipzig.

about the homogeneity of the end users of public services and thus learn about the needs and expectations of a diverse population.

A useful starting place is the Section 75 Audit of Inequalities. Recommended in the Revised Guidance, a Section 75 Audit of Inequalities would provide public authorities with a profile of the populations within their remit. The nature and scale of inequality among the different groupings revealed through the audit could form the basis for the setting of equality objectives that are pertinent. In addition, the Section 75 Audit of Inequalities is an important tool toward the development of baseline data, recommended by the Effectiveness Review to enable the setting of targets and the measurement of outcomes. Within a framework of equality responsive budgeting, the setting of equality objectives would be undertaken in conjunction with resource allocation. The PSA Framework – in place for the NI Budget 2008-2011 and discussed earlier in the paper – is well suited to the alignment of budgetary decisions and strategic policy decisions.

Approach 2: Applying gender responsive budgeting to all budgetary activities

The second approach is to assess each budgetary activity for its capacity to deliver gender equality outcomes. This is the approach adopted by the Belgium government as mandated by 2007 legislation on Gender Mainstreaming (for more on gender responsive budgeting in Belgium, see page Annex 1).

The logic of this approach is:

- men and women (and boys and girls) are the end users of public policies and services;
- gender mainstreaming is premised on the fact that public policies can impact men and women differently;
- the budget is an instrument of public policy and its budgeted activities can impact men and women differently; and

- all budgetary activities have the potential of affecting equality between men and women.

In the Belgium context, this approach comes out of legislation designed to deepen the implementation of gender mainstreaming. It is a mainstreaming approach in that the intention is for the eventual integration of gender as a category of analysis and control in all budget decisions. The procedures, prescribed in the legislation and communicated in some through standard budget circulars, mean that gender equality issues are no longer extraneous or add-ons to the budget.

This approach can also be viewed from the perspective of improving the efficiency and effectiveness of the management of public finances. In general, such improvements can be achieved by continuously updating the profile of the target group of end users in terms of size of population, geographical location, and a range of demographic and socio-economic characteristics. A gender budgeting approach encompasses the needs of men and women based on their gendered roles and status. As with determinants such as age, ethnicity, disability etc, the differing social and cultural roles of men and women in the family and in society have a bearing on their needs and on their expectations of public services.

Obligations under the Section 75 duties are similar to those in the Belgian legislation in that both mandate a mainstreaming strategy. The essential difference is that the Belgian law specifically names the budget as a policy domain that is covered by the obligation to mainstream for gender. As discussed earlier, it is accepted that the budget is subject to the Section 75 duties. Equality responsive budgeting, by adapting the tools of gender responsive budgeting, could prove useful to public authorities in Northern

Ireland in addressing the challenges experienced in advancing equality of opportunity through the budget. The process demands that policy makers and those responsible for the budget work together to ensure coherence between the two domains.

Prioritising According to Relevance

For both approaches described above the task of prioritising policies according to their relevance is the first step. Mainstreaming, necessarily, means an incremental approach. As such, how and where to begin is part of the strategic planning associated with mainstreaming. Some policies are more relevant than others to the promotion of equality and have, therefore, more potential to produce equality outcomes. Public authorities in Northern Ireland are minded to apply the duty to promote equality of opportunity in a way that is proportionate to a particular function.⁸⁰ It becomes necessary, therefore, to select those programmes that are most likely to have the optimum impact in response to evidence of inequality. Setting priorities is a task that will involve an exercise between those responsible for the delivery of activities, as well as those responsible for the budget. The Section 75 Audit of Inequalities will play a key guiding role.

It is useful to look at two examples of how programmes have been prioritised in the context of gender responsive budgeting. The first is in Belgium where, as part of the statutory duty on gender equality, all spending units are required to assign a rating to each budgeted programme and to record this rating in the documentation submitted to the Federal Public Service Budget and Management Control. The process of categorisation is the first step in the process and is similar to the screening process associated with Section 75, by which policies are designated as having ‘none’, ‘minor’ or ‘major’ impact on equality. In the Belgium situation, each item in the budget is assigned to one of three categories. The first category applies to budget items which concern internal functioning or which do not contain a gender perspective. Category 2 is made up of those budget items that are related to activities specifically targeted to achieving gender equality. This includes any ‘positive action’ measures aimed at redressing past discrimination or current particular disadvantage. They are likely to be part of a gender equality strategy and, therefore, easily identifiable. Finally, Category 3 items are those items which are deemed to have a gender dimension and which will therefore impact on

⁸⁰ Equality Commission for Northern Ireland (2010): Op. Cit.

men and women differently and thus have the potential to affect the balance of gender equality.⁸¹

The legislation detailing the procedure for the categorisation process has been translated in to a Budget Circular issued by the Federal Public Service Budget and Management Control, which has responsibility in Belgium for all functions of the national budget. The Circular states that Category 2 items are to be accompanied by a 'gender note' and Category 3 items by a 'gender comment'. The gender note is comprised of a series of 5 column entries in a table which is the standard format for all budgetary items. The gender comment, on the other hand, is more detailed and is based on the results of a gender impact assessment. The guidance to spending units is that if there is a doubt as to which category applies, then the item should be assigned to Category 3 and be subjected to a gender impact assessment.

In terms of using the budget to promote equality, what is key in the Belgium situation, and indeed with other gender responsive budget initiatives, is that the quantitative and qualitative information contained in the gender notes and gender comments becomes part of the official budget documentation. Thus, Parliament and the general public can discover how and to what extent public expenditure has been used to promote equality; the budget becomes a focus of scrutiny for equality as well as a basis for advocacy; and issues of accountability and transparency are better served.

A similar methodology of categorisation is in operation in Andalusia in Spain. A 2003 law on Fiscal and Administrative Measures provides the basis for gender responsive budgeting. A key provision of the law is that the budget presented to parliament should contain a Gender Impact Report.⁸² Referred to as the G+ project, four criteria are used to select programmes that are most relevant to advancing gender equality. They are programmes that:

- have a transformative capacity;

⁸¹ Institute for the Equality of Women and Men (2011): *Manual of the application of gender budgeting within the Belgian federal administration*.

⁸² This is modeled on the Gender Aware Budget Statement, one of the Commonwealth Secretariat tools.

- have the capacity to impact on a large scale;
- have the capacity to reduce gender inequality; and
- relate to employment in the administration of the Region.

There are four ratings for the G+ Scale: g0 signifies a programme with no identifiable relevance to gender equality; the scale then ranges from g1, to G and lastly G+ for programmes with maximum potential to affect gender equality. While each Department is responsible for rating their programmes on the G+ Scale, the Gender Impact Commission of the Andalusian budget is required to review all programmes and recommend re-designation if necessary.

So far in this section in the discussion dealing with how to do gender responsive budgeting, we have looked at:

- Three stages that provide the long term framework for the mainstreaming of an equality perspective into budget formulation and execution;
- Two approaches that provide a choice in how to approach the work: i) by setting specific objectives at sectoral level, or ii) by working systematically to mainstream equality perspective into all budgetary programmes; and
- Two examples of how to prioritise budgetary programmes for their relevance to equality

Methodologies and Tools

The next part of this section presents some of the most commonly used tools. Some are tools of oversight and accountability, as with the Women's Budget Statement; others are analytic tools and others are tools of management. As with most mainstreaming processes, the literature on gender responsive budgeting is very clear about the lack of a standard methodology or set of tools. Gender budgeting has the advantage over gender mainstreaming in that it is conceptually much more delineated. Nevertheless, there is no clear-

cut blueprint for its implementation.⁸³ What is important is to integrate an approach that can be best accommodated by current policy development processes and to adapt the tools to suit local circumstances.

The following tools are presented with a discussion as to their applicability to Section 75:

- The Women's Budget Statement;
- The Commonwealth Secretariat Tools:
 - *Gender-Disaggregated Beneficiary Assessment of Public Service Delivery and Budget Priorities*
 - *Gender-Disaggregated Public Expenditure Incidence Analysis*
 - *Gender-Aware Policy Appraisal*
 - *Gender Aware Budget Statement*
 - *Gender-Disaggregated Analysis of the Budget on Time Use*
 - *Gender Aware Medium Term Economic Policy Framework*
 - *Gender-Disaggregated Public Revenue Incidence Analysis;*
- The Budget Circular.

The Women's Budget Statement

The Women's Budget Statement is the instrument pioneered in Australia. It is the end product of a series of analytic exercises measuring the impact of budgetary activities. At its core, this is an accountability instrument in that each ministry is required to account for its spending on gender equality. The Office on the Status of Women, which produces an aggregate account compiled from all ministries, is situated within the Department of the Prime Minister and Cabinet. This allows for high-level access to and potential influence on top-level decisions about programmes and budgets. The production of the Statement requires a high degree of co-operation and commitment throughout the machinery of government.

⁸³ Holovet, N.: *Gender Budgeting in Belgium: Findings from a pilot project*. Available at: http://www.gender-budgets.org/index.php?option=com_joomdoc&view=documents&path=resources/by-region-country/europe-cee-and-cis-documents/gender-budgeting-in-belgium-findings-from-a-pilot-project&Itemid=542

When first used in the Australian administration, the analysis of government expenditure was based on the following distinction between three specific types of expenditure:

1. Expenditure on programmes designed to redress identified gender imbalances:
 - Health programmes targeted specifically at men and women
 - Special initiatives for girls
 - Labour market initiatives for women
 - Reintegration programmes for male soldiers
 - Initiatives to address violence against women
 - Micro credit programmes for women
 - Educational scholarships for women;
2. Expenditure on promoting equal opportunities for government employees;
3. General or mainstream expenditure by all government departments.

The Women's Budget Statement, which has been modeled and adapted in many other jurisdictions and is most commonly now called A Gender Budget Statement,⁸⁴ is instrumental in a number of key ways:

- It 'reveals' the level of committed resources targeted at gender equality, at both the aggregate and sector level;
- It facilitates the identification of priority areas;
- It allows for an assessment of the adequacy, or otherwise, of funds to address gender inequality;
- Targets, and associated indicators, are revised year on year, thus allowing for a constant improvement of gender equality outcomes;

⁸⁴ Budlender, D., Elson, D., Hewitt G. and Mukhopadhyay, T. (2002): *Gender Budgets Make Cents: Understanding gender responsive budget*, Commonwealth Secretariat, London. Available at:

http://www.thecommonwealth.org/shared_asp_files/uploadedfiles/%257BBE440E9C-4B8C-408E-B862-E28610A579F6%257D_GBMC%25201%2520Understanding%2520GB.pdf

- The analysis builds the capacity of civil servants in relation to awareness of gender issues and the ability to conduct gender sensitive analysis;
- It acts as a lever for the production of gender specific data; and
- It proves a useful resource for women in government entering into debate about specific budgetary policies.⁸⁵

In the Northern Ireland context this tool could be adapted to provide an accounting at the aggregate level of how the budget is addressing the promotion of equality of opportunity. Its compilation would be reliant on returns from all departments. Presentation of information in this way to the Northern Ireland Executive would represent the totality of work done at all levels of the budget formulation and execution process. Within a managed structure led by the DFP in conjunction with OFMdfM and with the oversight and support of an advisory and/or co-ordination group, the Equality Budget Statement could act as a focus and goal for the work with a framework of transparency and accountability.

Commonwealth Secretariat Tools

The Commonwealth Secretariat commissioned Diane Elson to develop this set of seven tools. Some are modeled on conventional economic analytic tools, and most deal with the expenditure side of the budget. They were first published in 1999 and remain a mainstay of the repertoire of available tools.

1. *Gender-Disaggregated Beneficiary Assessment of Public Service Delivery and Budget Priorities*. The assessment is developed on the basis of qualitative information obtained via opinion polls, focus groups, attitude surveys, etc, asking actual or potential beneficiaries about the extent to which government policies and programmes reflect their priorities and meet their needs. This kind of tool – without the disaggregation by gender – is used by

⁸⁵ Sharp, R. and Broornhill, R. (1990): *Women and Government Budgets*, Australian Journal of Social Issues, Vol. 25, No 1, pages 1- 4. Available at: <http://stats.oecd.org/glossary/>

mainstream researchers to investigate people's perceptions of public expenditure.

This is an analytic tool used to provide data on a key dimension of the effectiveness of public services. Within the context of the Section 75 duties, this type of tool is recommended:

- a) in the **performance of an EQIA**. As a means of determining the degree to which public services meet the needs and expectations of service users, this tool could be adapted to survey the categories of people covered under Section 75;
- b) **its findings could contribute to a Section 75 Audit of Inequalities**. Conversely, an existing Audit of Inequalities could point to the need for such an assessment so as to ascertain the specificity of how public services may fail to meet the needs of one or more sections of the population.

2. *Gender-Disaggregated Public Expenditure Incidence Analysis.*

This is a quantitative tool that measures the unit cost of public services and how public expenditure is distributed between women and men on the basis of their respective take up of services. It involves calculating the unit cost of a service and determining how many men and how many women benefit from that service. At an aggregate level data from household surveys can be used; to obtain a more accurate picture the analysis is best done at programme level.

As stated earlier, this is most commonly used as a starting point in a gender analysis of budgetary programmes. It is a simple way of determining the gender balance of the population benefitting from any one public service or programme. The findings are best understood alongside a gender breakdown of the broader target group for whom the policy / service was designed. Ideally, the gender balance of both groups should be similar.

Use of this tool in the context of Section 75 categories could prove challenging in terms of the data available. Lack of data, either because of inadequate systems for capturing the data or because of sensitivity in obtaining data from some of the groupings will limit the effectiveness of this tool. Nevertheless, consideration should be given as to how the tool can be used for one or a small number of the groupings, rather than all nine.

3. *Gender-Aware Policy Appraisal*. This is used to evaluate the policies that underlie budget appropriations so as to identify their likely impact on women and men. It questions the assumption that budgetary policies are ‘gender neutral’ in their effects and asks instead: “In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequality?”⁸⁶

In effect, this tool comprises a number of elements that are generally associated with impact assessment. It draws on a range of data sources, both qualitative and quantitative, on the demographic make-up of the target group of service users, including performance information. The appraisal necessarily involves an assessment of the articulated policy in tandem with the spending allocation.

4. *Gender Aware Budget Statement*.⁸⁷ This is used to demonstrate how public expenditure as a whole, and by sectoral ministries, is expected to address issues of gender inequality. It involves the disaggregation of projected expenditure into gender-relevant categories. Conventionally, public expenditure is organised by Ministry and functional division, by recurrent and capital expenses and by line-items, e.g. personnel, equipment etc. Examples of

⁸⁶ Elson, D. (2002): *Gender Responsive Budget Initiatives: Some Key Dimensions and Practical Examples*. Available at: http://www2.law.columbia.edu/faculty/franke/Gender_Devel/Elsen%20Gender%20Sensitive%20Budgeting.pdf

⁸⁷ Note that this is modeled on the Women’s Budget Statement.

gender relevant categories are: the share of expenditure targeted explicitly to women and men to redress inequality; share of expenditure targeted to income transfers of highest priority in reducing women's income inequality; the share of expenditure targeted for business support, the share of expenditure targeted to the national gender machinery, etc (for more discussion on this tool, including its applicability to Section 75, see "The Women's Budget Statement").

5. *Gender-Disaggregated Analysis of the Budget on Time Use.* This tool is one way of identifying the relationship between the national budget and unpaid labour, often referred to as the care economy. The objective is to find a way to quantify unpaid labour, show the distribution between women and men and develop budgetary policies that take account of the contribution of unpaid labour to the economy. Women share a greater share of the burden of unpaid labour and are therefore restricted in the time available to them to pursue other activities, including labour market opportunities.
6. *Gender Aware Medium Term Economic Policy Framework.* Current medium term macroeconomic policy frameworks are formulated using a variety of economy-wide models, none of which take account of gender. Building in gender could be accomplished by either disaggregating variables, where possible, or by constructing new models that are gender sensitive.
7. *Gender-Disaggregated Public Revenue Incidence Analysis.* This examines both direct and indirect forms of taxation in order to calculate how much taxation is paid by different categories of individuals or households.

The World Bank Public Expenditure Management (PEM) Handbook points to three distinct areas for consideration in relation to formulating the national budget. These are concerned with how the budget affects:

- macroeconomic performance,
- allocation of resources, and
- efficiency and effectiveness of resource use in service provision.⁸⁸

Elson suggests that the Commonwealth Secretariat range of tools can be used to integrate a gender dimension at these three levels of decision-making. She further suggests, and indeed the experience with the tools would verify, that they are most readily implementable at two of the three levels: decisions on the allocation of resources and efficient and effective service provision.⁸⁹

Budget Circulars in Belgium

The Ministry of Finance in Belgium issues two circulars that deal with GRB.

1. The Circular on the Drafting of the Budget

This Circular which contains the full range of instructions to ministries on budget, formulation processes, fiscal and management rules, the format in which bids are to be presented and any and all other information relevant to the current budget under preparation.

The Circular on the Drafting of the Budget first mentioned gender budgeting in 2009. It stipulated that all ministries were to identify the programmes chosen for the application of a gender responsive budgeting approach. Since then the information in this circular has been expanded each year and in 2011 contained an explanation of the legal basis for gender responsive budgeting and drew attention to the new circular dealing specifically with gender responsive budgeting.

⁸⁸The World Bank (1998): *Public Expenditure Management Handbook*, Washington, D.C. Available at: <http://www1.worldbank.org/publicsector/pe/handbook/pem98.pdf>

⁸⁹ Elson, D. (1998): *Gender Budget Initiative Background Papers*, Commonwealth Secretariat. Available at: <http://www.undp.mn/publications/GenderBudgets/Budgets%20CD%20section%203/3.1%20gender%20neutral%20gender%20blind.pdf>

2. The Circular on Gender Budgeting

This circular was first issued by the Federal Public Service (the body responsible for the budget in Belgium) in 2010 as part of the guidance for the preparation of the 2011 budget. It covers an extensive range of issues in relation to both the legal and policy foundation for GRB as well as the processes to be undertaken by each ministry.

The following issues are included:

- An explanation of the legislation of 2007, the focus of which is gender mainstreaming as a way of achieving equality between men and women in all aspects of society;
- Specific provisions of the law, including the mandate to integrate a gender perspective in all budgetary processes and to produce a “gender note” for each budget line identified as having the capacity to achieve gender equality;
- Definitions of gender mainstreaming, gender budgeting, gender perspective and analysis from a gender perspective;
- The rationale for and method for categorization of budgetary items; and
- Details of the 4-step procedure to be applied by all the relevant actors in the implementation of gender budgeting.

Budget circulars in Belgium are similar to the guidance documents issued by the DFP in Northern Ireland. As discussed in brief earlier in this paper, the DFP guidance to departments includes a section on Section 75 duties. In the context of an equality responsive budgeting approach, these guidance documents could serve to ensure that all spending departments are following the same approach and that there is clarity regarding what the DFP require in order to present aggregate level evidence of adequate assessment and adjustment in relation to equality outcomes. Leadership, in terms of guidance for the led department is an important factor in the success of a new policy approach.

The Role of Civil Society⁹⁰

Civil society has been engaged in advocating for adequately resourced social policies long before gender budgeting became an available strategy.

Disappointed with the inadequate implementation of gender mainstreaming, many advocates and practitioners believe that gender budgeting has the potential to re-invigorate the mainstreaming of equality.

The early literature on gender budgeting discusses the mix of players involved in gender budget initiatives worldwide. Where gender budgeting has had the most impact, this has been due in part to the co-existence of civil society working 'outside' government and an 'inside' set of government administrators. In many situations there has been close co-operation between the two sets of players, with exchange of expertise and experience; in other instances the outside civil society group has encouraged the work inside the administration while maintaining its independence as a monitor and critic.

Academics have a significant role to play, both as members of civil society groups and as individual experts. They contribute to the development of tools and methodologies, to the elaboration and deepening of the conceptual framework and to research in the relevant fields.

The functions performed by civil society are many and include:

- articulating the rationale for gender budgeting,
- demonstration of the analytic tools,
- bringing political pressure to bear in terms of holding government so to account,
- public education initiatives,
- lobbying,
- conducting costing exercises,
- training and consultative services to public administrators,
- producing tools and handbooks, and

⁹⁰ Adapted and updated from Quinn, S. (2009): Op Cit.

- drafting shadow reports and other monitoring activities.

Working with parliamentarians is a key element of work of civil society groups. The nature of budgetary processes, where one government department and one government minister is in charge and where decisions are made by a few, means that parliamentarians have limited input. They are often very open, therefore, to learn of ways of effectively intervening to challenge decisions, to present new analysis, to ensure transparency and to seek to promote the interests of the public.

Civil society has played a key role in advocating for, and contributing to, the implementation of Section 75. Consultation with civil society is a requirement under the legislation. Lessons learned through the Effectiveness Review include ways to ensure that consultation mechanisms are targeted and efficient. The objective in this respect is not simply to lessen the risk of consultation fatigue but also to ensure that policy makers make best use of the expertise and experience available to them.

Conclusion

Findings

The primary goal of equality responsive budgeting is to promote equality of opportunity and outcome. In the context of the use of public finances, it is about services that take account of people's differing needs and expectations as they are determined by a whole range of demographic characteristics. It is about a constant assessment of the needs of the end users of public services, which entails measuring the differential impact on different populations. In short, equality responsive budgeting:

- is a targeted approach – resulting in better outcomes;
- relies on assessment – resulting in better targeting;
- links equality policy with public finance management – resulting in compliance with equality duties while achieving more efficient allocation of resources.

The shift to a focus on producing measurable outcomes in relation to the implementation of Section 75 duties necessarily involves considerably more attention to the gathering and management of data. The compiling of Section 75 Audit of Inequalities and Action Plans for measures to advance equality represent the level of information and analysis that is required. Procedures for the implementation for Section 75, whether stipulated in the legislation or coming out of the recommendations of the Commission, involve:

- a targeted approach to addressing inequality – resulting in better outcomes;
- assessment of differential needs – resulting in better targeting;
- linking Section 75 duties with resource allocation allows for better targeting, resulting in better equality outcomes.

Whether moving toward reform of the budgetary processes (as in Austria) or not, government administrations are constantly seeking to improve

performance in terms of the management and control of public finance. This is more so in times of economic crisis when a dominant concern is stretching resources across all priorities, along with the need to spend more efficiently. Budgetary decisions that are informed by evidence of performance are likely to be better decisions.

Gender responsive budgeting, as has been demonstrated, has contributed to establishing the legitimacy of applying impact assessment processes to the budget in compliance with government policy to mainstream gender equality in all policy domains. Developing equality responsive budgeting is a worthwhile enterprise, both in terms of the recognised demand for a deeper application of the Section 75 duties to the budget process but also in terms of the wealth of methodologies associated with gender responsive budgeting which are adaptable to the Northern Ireland context.

In order to progress toward an adequate application of Section 75 processes to the budget, the issue of where the responsibility lies needs to be resolved. OFMdFM appears to believe that the responsibility lies with the individual spending departments and that it is at that level where inequality relating to programme can best be known.⁹¹ The Commission believes that key inequalities should be addressed through actions associated with the draft Budget and the Programme for Government. The DFP has expressed support for a whole budget focus, while at the same time providing support for measures to address specific issues identified by the voluntary and community sector.⁹²

Gender responsive budgeting posits that making decisions about spending that promote better equality outcomes can happen at all levels along the spending line. The application of an equality approach applies to both the formulation and also the execution of the budget. A number of countries in the Europe (for example: Spain, France, Belgium, Sweden and Iceland) present aggregate level information on how the budget addresses gender equality. At the same time, further decisions made at departmental level and

⁹¹ AW Trotman Associates (2007): Op. Cit. page 73.

⁹² Ibid, page 75.

at programme level by subordinate units and agencies contribute to the budget's overall impact on equality outcomes.

In Northern Ireland, it is vital that all levels of government adopt an equality responsive approach to budgeting making as a means of fulfilling Section 75 duties. An important step in this is a wholehearted acknowledgement that it is the budgeting process where equality proofing and monitoring “is most likely to take sustainable effect.”⁹³

Recommendations

These recommendations are addressed to OFMdfM, the DFP and the ECNI. Further exploration of how equality outcomes can be achieved through the formulation and execution of the Budget in Northern Ireland calls for the input and co-operation of all three of these major actors. It is recommended that, following the publication and oral presentation of this paper, the Commission initiates an Implementation Group made up of representatives from each. The function of the group should be to decide on how to respond to the recommendations.

1. This paper could usefully form the basis for a consultation exercise with a number of different stakeholder groups in order to flesh out how an equality responsive budgeting approach ‘fits’ with compliance with Section 75 duties. The exercise would also be a useful way of exploring possible entry points in the policy and budget cycle of the Northern Ireland administration.
2. The Commission, in conjunction with the OFMdfM and the DFP, should consider convening a high-level seminar to further explore the potential for the application of budget work to the promotion of the positive duties. Consideration should be given to inviting the input of senior budget officials from Austria, Belgium and Andalusia, as well as other equality and budget expert and civil society groups.

⁹³ Ibid, page 67.

3. The Commission, in conjunction with the OFMdfM and the DFP, and/or other appropriate people should identify a number of potential pilot projects to test the applicability of tools. Ideally, consideration should be given to identifying a different focus for each pilot project.
4. Policy makers, ordinarily involved in ensuring compliance with Section 75 duties, should be given the opportunity to work with the concepts and proposals set out in this paper. This might be best achieved in workshop type sessions during which exploration and debate can be facilitated.
5. The development and delivery of a training programme would allow for a greater number of civil servants, elected representatives and civil society groups to come to grips with the principles, values and processes relevant to equality responsive budgeting. Consideration should be given to providing support to the community and voluntary sector to enhance its capacity to engage with, and contribute to the development of equality responsive budgeting in relation to Section 75.

Annex 1: Examples of Gender Responsive Budgeting

Example 1 - Gender Responsive Budgeting in Australia

Australia was the first country to introduce gender responsive budgeting, in 1984. This was, and remains, a government-led initiative. During the 1980s and 1990s the exercise expanded to include all budgets at federal, state and territorial levels. The results of the analyses were published as Women's Budget Statements and became part of the official budget documentation that was presented to parliament for debate. While the formal process of gender budget analysis has been discontinued, a form of the women's budget statement is still published by all levels of government.⁹⁴

Australian gender responsive budgeting had three interrelated goals:

- To raise awareness of the gendered impact of the budgets and the policies it funds;
- To make governments accountable for their commitments to gender equality; and
- To bring about changes to policies and budget that would raise the social and economic status of women and further gender equality.

The approach adopted in Australia had gender mainstreaming as a primary objective. The creation of the Office on the Status of Women in the Department of the Prime Minister and Cabinet meant high-level access to and potential influence on top-level decision about programmes and budgets.

The analysis was based on the following distinction between three specific types of expenditures:

- Expenditure on programmes designed to redress identified gender imbalances that disadvantaged women:
 - Health programmes targeted specifically at men and women;
 - Special initiatives for girls;

⁹⁴ Sharp, R. and Broornhill, R. (1990): Op. Cit pages 1- 4.

- Labour market initiatives for women;
- Reintegration programmes for male soldiers;
- Initiatives to address violence against women;
- Micro credit programmes for women;
- Educational scholarships for women;
- Expenditure on promoting equal opportunities for government employees;
- General or mainstream expenditure by all government departments.

Example 2 - Performance Based Budgeting and Gender Responsive Budgeting in Austria⁹⁵

New legislation and a constitutional amendment in 2007 in Austria paved the way for a comprehensive reform of the budgetary process with the move toward performance based budgeting by 2013. The entire management processes and budget cycle, including the medium term strategy as well as the annual budget, the formulation, execution and control of the budget, is affected. Among the four strategic outcomes specified in the constitution is that of gender equality; the others are transparency, efficiency and a true and fair view of the financial position of the federal government of Austria. The Austrian administration views the constitutionally defined objective of gender quality as corresponding to the internationally established concept of gender budgeting or gender-equitable budgeting. Gender responsive budgeting thus constitutes the financial policy instrument for the implementation of Austria's gender mainstreaming strategy.⁹⁶

Under the new structure, the annual budget is made up of three levels of budget organization: chapter, global and detail budgets. Outcomes are to be specified for all levels with the instruction that outcomes are to be:

- Relevant;

⁹⁵ Compiled based on material received from and conversations with Austrian officials.

⁹⁶ Steger, G., Director General, Budget Directorate, Ministry of Finance Austria. Presentation given at Conference in Dubai (October 2010) and confirmed with the author via email.

- Consistent across all budget levels;
- Comprehensible;
- Auditable;
- Comparable;
- Verifiable.

The table below illustrates how objectives, including gender equality objectives, are to be documented in the budget documents.

Contribution to objective(s)	Key Measures	What constitutes success? Milestones/performance figures for n+1	What constitutes success? Milestones/performance figures for n
		At least one milestone	Carrying forward the milestone/benchmark from the previous year for comparative purposes

Recognising the challenges in measuring outcomes, the Chancellery has issued guidance on limiting benchmarks to a manageable number and on identifying milestones on the way to the achievement of outcomes. In addition, the guidance encourages the use of qualitative information in the budget documents.

The inclusion of gender equality as a budgetary principle in the constitution means the integration of a gender focus at all budgetary levels. This means that gender responsive budgeting becomes an instrument of analysis and control which aims at achieving gender equality through a change in the policies that govern budget management.

Example 3 - Gender Responsive Budgeting in Andalusia

The basis for gender responsive budgeting in Andalusia is a 2003 law on Fiscal and Administrative Measures. The law establishes two provisions: the first is the requirement that the regional budget presented to parliament

contain a Gender Impact Report ⁹⁷ and the second is the setting up of a Commission within the Ministry of Finance to oversee the execution and approval of the Gender Impact Report.

A particular innovation of the G+ classification system is its use to prioritise those budget programmes that are most relevant to advancing gender equality. Four criteria are used to select programmes that:

- have a transformative capacity;
- have the capacity to impact on a large scale;
- have the capacity to reduce gender inequality; and
- relate to employment in the administration of the Region.

⁹⁷ This is modeled on the Gender Aware Budget Statement, one of the Commonwealth Secretariat tools.

Each programme is rated as indicated in the chart below:

G+ Scale

	Gender Sensitivity	
Relevance	Yes	No
Low	g1 Programmes affecting people of a basically internal or instrumental nature	g1 Programmes that have no direct effect on persons and with a low or inexistent indirect effect
Medium	G Low impact programmes, of limited transformative capacity or reduced functional relevance	
High	G+ Programmes of major interest due to their transformative capacity, impact and recognised functional relevance	

The scoring process is accomplished through a participative process involving input from all administrative centers on all budgetary items combined with objective information on target groups of service users as well as academic input.

While each agency is responsible for classifying its programmes, the Gender Impact Commission (an inter-departmental coordinating body) must approve them. In addition, each programme is reviewed annually with the expectation that as expertise develops among the staff, programmes that previously had been perceived as having no or little gender relevance might be reclassified as having gender relevance.

Once classification is in place, strategic objectives with corresponding actions are planned, along with indicators and an evaluation and monitoring system. Since its introduction the methodology has been improved year on year with a

continuous programme of capacity building for civil servants. An organizational change process underpins the shift to gender responsive budgeting whereby there is a focus on changing values, priorities and stereotypes through new learning processes and the provision of expert technical assistance.

The Gender Impact Report of the 2010 budget points to significant progress toward the goal of the standardization of a system of analysis within the day-day operations of each agency. Among the progress listed are:

- a decrease in the number of projects designated as having no gender relevance
- an increase in the number and quality of indicators – 21 more gender equality indicators between 2009 and 2010
- the introduction of the strategic guidance document for each 0000of progress on gender equality outcomes.

Example 4 - Gender Responsive Budgeting in Belgium⁹⁸

As with Austria and Andalusia, gender responsive budgeting is a legal requirement in Belgium. The 2007 law was introduced in the context of gender mainstreaming. It specifies a legal obligation to integrate a gender dimension in the budgetary preparations. The law gives details of how the process is to be conducted:

- Each ministry is to begin by classifying all budgetary items (the term credits is used in Belgium) according to their gender relevance:
 - Category 1 is comprised of budgetary lines perceived to have no relevance to gender, plus expenditure on internal functioning;
 - Category 2 refers to specific actions for the promotion of equality between women and men; and

⁹⁸ Based on email correspondence and telephone interviews with a Belgian official in the Institute for Equality between Men and Women, the body responsible for development of tools and provision of supports.

- Category 3 budgetary items which have an evident gender dimension;
- No action is required in respect of category 1 items. There is, however, an expectation that as expertise is developed, some of the items will be re-classified as Category 3 and become subject to gender analysis;
- For each Category 2 item, a “gender note’ must be prepared. This is a fairly simple table which acts as a way of keeping an account of expenditure on the promotion of equal opportunities. The gender note from each department would list all equal opportunities expenditure in one table. This becomes annexed to the budget justification and become part of the official budget documentation that goes to parliament;
- Category 3 items are subjected to gender sensitive analysis (sometimes referred to as a gender impact assessment). The results of the analysis, which should combine both a qualitative and quantitative analysis, are to be compiled into a ‘gender comment’. The gender comment becomes part of the budgetary justification;
- In Belgium the Federal Public Service – an agency separate from the Ministry of Finance, carries out budget preparation. The Federal Public Service is tasked with preparing and disseminating instructions on how gender responsive budgeting is to be implemented. There is reference to gender responsive budgeting in the Service’s regular circular on budget preparation. In addition there is a specific detailed circular on processes involved in gender responsible budgeting;
- The Budget and Management department in each ministry is responsible for coordination of the work of the ‘dossier’ managers whose job it is to conduct the analysis for the gender comment and to compile the information for the gender note;
- Gender has been integrated as a category within the systems of budgetary control. This means that the inspectors of finance and

the court of audit are required to monitor adherence to the legal obligations in respect of gender responsive budgeting.

Notable in this example is the specificity of the legislation in outlining how gender responsive budgeting is to be implemented and how it is to be supported and monitoring by the existing machinery of the state. Additionally the legislation mandates that each ministry is to ensure the collection and management of sex-disaggregated data and to establish gender indicators relevant to the area of responsibility.⁹⁹

⁹⁹ Institute for the Equality of Women and Men (2011): *Manual of the application of gender budgeting within the Belgian federal administration*. Available at: http://igvm-iefh.belgium.be/fr/binaries/Manual%20gender%20budgeting_tcm337-120670.pdf

Annex 2: Examples of Civil Society Groups

The civil society group in Austria, **Watch Group**, played a key role in lobbying the government on the reform of the budgetary laws. As a result, legislation, adopted in 2007 includes a provision on gender responsive budgeting. This means that budgeting for the effective equality of women and men has been incorporated in constitutional law, both as an objective as well as a fundamental principle of budgeting.

The Federal Initiative Gender Budget, BigBudget, was set up in 2006 and works toward the goal of anchoring the strategy Gender Budgeting on a federal level in Germany. Its main fields of activity include lobbying, open letters, contributions to shadow reports and networking with other NGOs. It pushed for the publication of a feasibility study on Gender Budgeting of the German federal government, which was finally issued in October 2007. Since 2009, based on the observation that the work inside government is a largely technical exercise focused on quantitative analysis, the group has been concerned to bring a feminist analysis to bear.

La Plataforma Impacto de Género Ya (Platform for Gender Impact Now), a grouping of feminist and women's collectives, issue-based associations and regional forums, formed in order to challenge the Spanish government's failure to publish a Gender Impact Assessment (GIA) of the national budget. The legal obligation to produce a GIA is provided for in the Gender Impact Assessment Law of 2003 and also via the Equality Law of 2007. In 2007, the La Plataforma Impacto de Género Ya, initiated a legal challenge against the government. Ultimately, the first Equality Impact Assessment of the national budget was published in 2008. Since then La Plataforma has worked to deepen the analysis.

The UK Women's Budget Group (WBG) is one of the best known and most documented civil society groups working in the area of gender budgeting. Formed in 1989, the WBG brings together feminist economists, researchers,

policy experts, trade unionists and activists to work towards a vision of a gender equal society in which women's financial independence gives them greater autonomy at work, home, and in civil society.

The work of the WBG is informed by the fundamental question, “Where are resources going, and what is their impact on gender equality? The group’s responses to the national budget have become a hallmark of its work. Informed and strengthened by members’ work and research as academics, as well as by their experiences as public policy advocates the responses aim to be rigorous and representative of women’s needs, while at the same time exploiting current political opportunities. The analysis is a valuable tool to many, both inside and outside government.

The European Gender Budget Network was formed in February 2006 at a seminar in Vienna organized by the Austrian civil society group, Watchgroup. The focus of the seminar was to bring together activists and academics, who are involved in outside government initiatives with a view to strengthening networking and exchange of experience, and to take advantage of the Austrian EU Presidency and lobby for the integration of Gender Budgeting within the EU.

An important outcome of this inaugural meeting was the elaboration of a manifesto statement and a call to the European heads of state and governments (as well as the European Commission). The Network currently has just over 100 members representing 25 countries. Cognisant of the prerequisites for a transparent and effective implementation of gender budgeting, the EGBN argues for an enhanced dialogue of public institutions and civil society.

The EGBN made a submission, through the public consultation process, to the recent review of the EU Budget, in which it further developed and adapted the demands articulated in its Manifesto. Central to its lobbying agenda is a call for the Commission and national governments to support civil society in its work with gender budgeting. The EGBN believes that the contribution from

civil society is vital and that the voice and role of women needs to be promoted and resourced by government.



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