

Tracking Climate Change Funding: Learning from Gender-Responsive Budgeting

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1 Introduction

This paper, commissioned by the International Budget Partnership, aims to guide lesson-learning from the experience of gender-responsive budgeting (GRB) initiatives — and to a lesser extent child-friendly budgeting initiatives — that might inform initiatives in respect of budgeting for climate change. It draws on the author’s experience, over nearly 20 years, of working on GRB and child-friendly budgeting in more than 30 countries and advising even more countries long distance on these topics.

The paper does not give firm guidelines on any of the many aspects it covers. Such guidelines are best derived by those who have experience in the area of climate change and who can thus assess which aspects of GRB experience are relevant and useful. The subsections in the main part of the paper often start with italicized quotes and paraphrases from climate change literature and from interviews and emails with climate change experts. These quotes and paraphrases are included to highlight possible parallels in GRB and child-friendly budget work with questions and observations that have already arisen in climate change budget work. Further, each subsection also ends with italicized suggestions of what might be useful considerations for those interested in climate change budget work.

The paper discusses issues that have arisen over the nearly 20 years in which GRB initiatives have been implemented in countries around the world. GRB has been used in a number of very different ways and this paper cannot hope to cover all of them. The wide range of approaches, as well as the diverse ways in which government functions are allocated and budgets designed in different countries, also means that it is not possible to identify a single “best practice” or offer advice that will suit every situation. Nevertheless, given the many parallels between the questions that have faced those embarking on climate change budget work and the questions that those doing GRB have confronted, the paper might help climate change work avoid some pitfalls and maximize some opportunities. The paper will thus point to what has “not worked” for some GRB initiatives as well as what has “worked.”

The paper highlights some experiences and challenges faced in all types of GRB initiatives, rather than focusing only on those conducted in and by government. However, it places special emphasis on initiatives conducted from within government (as the primary “duty-bearer”). Within the focus on government-led initiatives, special attention is given to issues arising from exercises that involve government’s production of what might be loosely termed “gender budget statements” or other ways of identifying (or “marking”) allocations that contribute to gender equality.

A separate companion document describes in more technical detail, and illustrates, the approach taken by various countries to gender budget statements. This second document provides further pointers on the different aspects to be considered in developing a format for “climate budget statements” based on the experience across a range of countries in developing and using such statements to account for gender-responsive budget allocations.

The main body of the paper, titled Considerations, contains four sections:

- Section 2.1 discusses the diverse purposes of GRB initiatives, the roles of different actors, and what the variation in terms of purpose and roles implies for the nature of the activities involved.

- Section 2.2 discusses the strengths and weaknesses of different ways of identifying gender-responsive allocations and expenditures and the different categories that may be identified.
- Section 2.3 raises questions as to the scope of a GRB or climate change exercise in terms of the parts of government and types of allocations covered. It also highlights considerations as to whether the exercise should look beyond allocations to revenue and expenditure.
- Finally, Section 2.4 highlights the challenges in trying to determine the exact amount allocated to promote gender equality.

At the outset, it is important to emphasize that the term GRB covers a very wide range of activities with different purposes and uses. In essence, GRB is a tool to promote gender equality that is itself made up of many “sub-tools.” The central question GRB asks is: What is the impact of the government budget on women and men, girls and boys, and different subgroups of these categories? Expressed differently, GRB assesses, or tries to increase, budget allocations and expenditure that promote gender equality. As noted above, this paper emphasizes initiatives from within government and, in particular, those that aim to identify gender-responsive allocations and expenditures. The wide variety of GRB initiatives, the varying contexts in which they have occurred, the diversity of actors, and the varying extent and quality of the work done in the initiatives is reflected in widely differing outcomes. Budlender (2006) highlights instances in which GRB initiatives have contributed to important changes in budget allocations, as well as instances where they have contributed to other policy and governance-related changes. Not all GRB initiatives have achieved on this level. Budlender emphasizes that where major achievements occur, the GRB initiatives contributed alongside a range of other factors that favor the positive outcomes. Similarly, excellent GRB work may have limited or no positive achievements because of countervailing negative factors and context. This caution acts as a warning against seeing climate change budget-related work as a “magic bullet.”

2 CONSIDERATIONS

2.1 How, who, what, and when

How did it all start?

The term climate finance comes out of international negotiations – COP (Conference of the Parties) in Durban, UN Framework Convention on Climate Change. We would not have the idea of climate change finance if we did not have the funds. (Interview)

Over the period studied, available evidence does not show significant levels of funding to have come from international climate funds . . . National Vision 2040 expects significant financing for national climate change-related expenditures to come from international climate funds. (Tumushabe et al, 2013 [Uganda])

What we have seen time and time again is that some quantification changes the nature of the debate. (Interview)

Three of the earliest GRB initiatives — in Australia, Philippines, and South Africa — were led by gender advocates who were inside or close to government. All began in contexts where there was a fairly clear stated commitment on the part of government to promote gender equality. In all cases a key realization that drove the initiative was that any policy is of little worth unless it is accompanied by the necessary budget to implement it. The advocates thus set about the technical task of investigating to what extent the government budget provided the resources to implement gender-responsive policies and programs.

The Australian initiative in the mid-1980s attracted little attention. In contrast, the Philippines and South African initiatives inspired a global “fashion.” The heightened interest was encouraged by the Beijing U.N. Conference on Women of 1995, as well as the world-wide interest in South Africa in the years immediately following the first democratic and post-apartheid elections of 1994. The focus on the “serious” issue of finances attracted attention from audiences that might have previously ignored the “soft” issue of gender.

GRB initiatives have been undertaken by diverse actors, including governments, civil society organizations (CSOs), legislatures, academics, and donors. The identity of the lead actors to some extent determines the purpose of the exercise.

Governments are the main focus of this paper. Governments may undertake a GRB initiative so as to be more accountable, whether to donors, the legislature, or citizens more generally. If the accountability is to donors, then an underlying motive would presumably be to garner further support from the donor (whether through showing how bad the situation is and thus how much support is needed, or through showing how much government is doing and thus government's commitment to addressing the issue). Another motivation could be to inform (government) management as to what it is spending on gender equality and what it is achieving, in pursuance of government policy that commits to gender equality. This management purpose should ideally include a wish to use the evidence gathered for better planning and implementation. If this is the case, the motivation extends beyond transparency and accountability to a desire to effect change. A related motivation could be to raise awareness, among both government officials and other actors, of the many different ways in which government expenditure can contribute to gender equality and/or raise awareness of the limited extent to which government expenditure is currently contributing to this goal. In particular, GRB work can put gender issues "on the table" for audiences, such as government planners, economists, and finance specialists, who would otherwise not think about the issue.

Overall, more GRB work has happened in developing countries than in developed countries. This pattern to some extent reflects the role that donors — multilateral, bilateral, and non-"official" (i.e., funds that do not come from governments) — have played in promoting and supporting GRB work. Nevertheless, GRB work is unlikely to be sustained in a country unless the initiative is driven by internal actors.

Climate change considerations

The initial impetus behind GRB and climate change finance initiatives seem to differ to the extent that the climate change finance focus originated at the international level whereas GRB began at the national level. Over time, the climate change finance work has extended to

domestic finances, but access to international funds, including private-sector investment, remains a major driver. In contrast, GRB initiatives have often been supported by international actors but perhaps have aimed less at attracting international funding for the programs and budgets reported on than is the case for climate change initiatives. Both GRB and climate change initiatives have often had awareness raising as a central aim. However, as suggested below, awareness raising on its own is unlikely to achieve substantive results. This single aim also is unlikely to merit the amount of effort required for good budget analysis.

Who leads?

The climate change agenda is often led by the Ministry of Environment, which is reluctant to cede control because of the money available. (Interview)

We discourage countries from seeing climate change purely as an environment issue. (Interview)

Within the focus on government GRB initiatives, there are further “who” questions. First, there is the question of which part of government is responsible for the exercise. The answer based on a mainstreaming approach is the Ministry of Finance, as it is this ministry’s responsibility to ensure that gender is mainstreamed in budget making — one of the ministry’s key functions. Following this logic, where Ministries of Planning play a central role in budget making, they share the responsibility for ensuring that gender is mainstreamed.

In some countries the gender ministries (or women/gender “machineries”) have led the GRB process. The dangers of having the gender ministry lead the initiative include the low status of these ministries in most countries, as well as the tendency for officials in other agencies to see the existence and role of a gender ministry as relieving them of any obligation to address gender equality issues.

Rwanda provides a within-country comparison of what the difference in leadership can mean for a GRB initiative. In the early 2000s the Rwanda government introduced a gender budget initiative that required ministries and districts to compile gender budget statements. The initiative lasted only for the two years that a long-term foreign consultant, funded by donors,

was stationed in the Ministry of Gender and Promotion of Women (MIGEPROFE). Some years later, in 2009, the Ministry of Economic Planning and Finance (MINECOFIN) decided that a GRB initiative would add value to the ongoing planning and budgeting reforms. After considering various options, it chose an approach very similar to that tried in the earlier initiative. The initiative, which was strongly led by the Director of Budget, was strengthened in each subsequent year. The fact that the “holder of the purse strings,” MINECOFIN, is in the lead almost certainly makes line ministries and districts take their own responsibilities more seriously, as does the interest shown by the female-dominated parliament. MIGEPROFE is regarded as a partner in this initiative but plays a relatively small role.

The Rwanda example strongly supports having the finance ministry as lead. As always, however, there are exceptions. In Philippines, one of the first countries to do GRB work, the exercise was led by the National Commission on the Role of Filipino Women, which is the national “gender machinery” (i.e., the lead agency on gender equality). One interesting aspect in Philippines was that National Commission staff participated in the process when the Ministry of Finance assessed budget submissions of agencies. More recently, the Ministry of Women’s Empowerment in Indonesia is playing a lead role in the country’s GRB initiative. However, it does so in partnership with the National Planning Commission (Bappenas) and Ministry of Finance. In some other countries gender ministries have not had the necessary expertise or enthusiasm to engage at the technical level required for GRB.

In Uganda the Ministry of Finance has been the lead agency for the relatively longstanding GRB exercise. However, within the ministry the main person responsible is a long-term donor-financed consultant. The danger with this approach is that other ministry officials see the exercise as an optional “add-on” rather than core work. The failure in Uganda to include the revised gender budget statement in the online “output budgeting tool” might reflect such distancing.

Climate change considerations

For both gender and climate change budget initiatives, the “clout” that accompanies leadership by the Ministry of Finance is likely to achieve more substantive compliance from other agencies

and to open the way for actual budget changes. Involvement of other actors can assist in promoting buy in and by bringing in specific types of expertise and perspectives.

When?

Most of the purposes identified above for governments doing GRB work require regular rather than one-off GRB exercises, especially as a new government budget is drawn up each year. (Regular ongoing engagement may be needed less in some civil society initiatives, for example, where the objective is to achieve a particular change in the budget allocations, expenditure, or process.) Without regular analysis and reporting, government cannot be accountable and cannot manage and plan properly. Without repeated analysis, government and others cannot analyze trends.

For an annual exercise, there is then the question of when in the budget process the exercise is done. Many of the gender budget statement exercises described in the technical companion document are primarily accountability exercises. The statements are drawn up once the budget allocations are decided and reflect rather than influence what is in the budget for a given year. Rwanda is, at first glance, an exception in that the government's budget call circular states explicitly that the gender budget statements will be considered during MINECOFIN's assessment of the ministry and district budget submissions. In practice, it is not clear that the statements have been taken into account to date. Instead it is the Gender Monitoring Office and parliament, in their monitoring roles, that seem to have watched the gender budget statements more closely.

Climate change considerations

If a climate change statement is drawn up after the budget allocation decisions are made, the exercise is primarily about accountability, except to the extent that reaction to the accountability statement could lead to pressure for changes in the future. If a climate change statement is drawn up as part of the budgeting process, there is greater potential for it to influence allocations for that year. However, even if it is part of the budgeting process, it will not automatically have influence. In particular, those assessing budgets must see climate change-related activities as a priority for the statement to be taken seriously.

Who does the detailed work?

There is a concern about the quality of input from the various ministries. Line ministries must submit what they think is environment-related. (Interview)

Since coding exercise takes place at the department level where details of activities are available, planning officers of the departments will be able to evaluate which cost is to be considered as climate expenses, and why. (Government of Nepal, 2012)

Ministries have established 'desks' to mainstream climate change in their respective sectors. However, the current capacity of these climate change desks is restricted by limited knowledge on climate change, compounded by the meagre financial resources allocated to the desks. (Yanda et al, 2013 [Tanzania])

A complex procedure with multiple variables would discourage people to accept it readily. (Government of Nepal, 2012)

While the Ministry of Finance may play the lead role, a host of other government officials, spread across government agencies, need to be involved in the GRB exercise if it is to serve as more than an external auditing or policing function.

Several countries, Bangladesh and Rwanda among them, have envisaged a system in which the Ministry of Finance's budget desk officers responsible for the various sectors understand GRB and are able to advise the ministries falling under them on how to draw up the gender budget statements (or whatever tool is used), as well as how to assess their work. It is not clear the extent to which this vision has been carried through in different countries. Uganda chose to develop trainers from within civil society rather than the budget desk officers. Some training has occurred, both of the trainers and of sector officials, but this approach of using actors from outside government again runs the danger of suggesting that GRB is not a core government exercise.

Within the sector ministries, there is the question of who is responsible for drawing up the gender budget statement. In some countries it is "gender focal points" who are sent for training events and take most interest. However, these officials often have relatively low status and

limited authority and may not have detailed technical knowledge of the programs in an agency. A mainstreaming approach suggests that the same people responsible for drawing up the “main” budget submissions should be responsible for “doing” the GRB exercise. In some countries there are specialized planners who develop the main budget submissions; in others, program managers are responsible. In some countries the tasks of planning and budget are split between different people or even different divisions, perhaps mimicking the split (and often tension) between ministries of finance and planning commissions.

None of the above actors can be assumed to have gender analysis skills. GRB initiatives thus have generally included provision for workshops or some sort of training. The nature of this training has varied from general awareness raising about “gender concepts” to technical hands-on exercises that are followed by agency-by-agency mentoring, handholding, and feedback.

Climate change considerations

Initiatives are most likely to be sustainable, sustained, and accepted as reflecting reality if the work is done by government officials as part of their routine activities. A follow on from this is that the task should not be so demanding in terms of effort and time that it provokes resistance from officials who regard themselves as already overburdened. Early on consultants may play a useful role in guiding and overseeing the work, but there is a danger of lack of ownership if their role is seen as too central. Capacity building needs to go beyond awareness raising in order to give officials the conceptual and analytical knowledge, practical skills, and experience to produce the statements. While the quality of statements may be poor in the early years, quality can improve if officials are given constructive guidance.

What is produced?

Some GRB initiatives have celebrated references to gender or women in the annual budget speech of the Minister of Finance as a GRB achievement. These mentions are symbolically positive but are not necessarily accompanied by any changes in budget policies that promote gender equality and often do not provide any concrete budget information.

A more significant indicator is when the budget call circular that instructs agencies how to compile their budget submissions includes reference to gender. Even here, however, the

indicator is mostly symbolic if the reference is general and does not provide a definite format and other guidelines for how gender should be reflected in the submissions. The second document that accompanies this briefing paper provides examples of different approaches.

The design of the format for the gender budget statement involves trade offs between the need for detailed information and sophisticated analysis on the one hand and, on the other hand, the burden and complexity of the task imposed on officials who already feel overstretched at budget time and may not have a particular interest in gender. The burden can be lessened by building on the format, concepts, and terminology used for the “mainstream” budget process. However, in countries with ongoing public finance management reforms the “new” formats may already be seen as requiring substantially more work than was previously required. In some countries the “reformed” budget systems, with consultants in the lead, seem to exist alongside the old way of budgeting, and it is the latter that reflects the outcome of the “real” budget process. In this situation it is even more difficult to convince government officials to take a GRB initiative seriously.

Climate change considerations

Climate change statements that use concepts and formats that are already known to government officials are more likely to be accepted, will reduce the burden for officials, and will likely enhance the quality of statements. The fact that the climate change work in Nepal and Bangladesh has built on the formats used for gender budget statements in these countries supports this suggestion. However, even if this approach is followed, it might be necessary to produce products for different audiences that vary in length, detail, or even focus.

Who to involve beyond the executive branch of government?

Many donor-funded GRB initiatives plan to engage legislators given their (official) role as key budget decision makers. In practice, the engagement has often not gone beyond workshops. In a few cases, legislators have played a more active role. The South African Women’s Budget Initiative was started as an explicit collaboration between the Finance Committee within the national parliament and two research CSOs. In Uganda GRB work was initiated by the Forum for Women in Democracy (FOWODE), a CSO established by women members of the Constituent

Assembly. Many of FOWODE's members went on to become members of parliament (MPs) and supported other women to be elected to, and perform in, parliament and local government. In Rwanda women in parliament have actively pushed the Ministry of Finance to take forward GRB.

GRB is often conceived as, in and of itself, promoting participation. Participation is also arguably important if the exercise is seen primarily as an accountability exercise, because one cannot be truly accountable if those to whom one is accountable do not "participate" in some way, even if only to listen or read.

In practice, the term GRB spans a range of different exercises, some of which do not encompass any participation element. If participation is desired, this has to be planned as an explicit element, and include consideration of who will participate, and in which stages of the budget process.

Uganda's budget process provides a role for sector working groups, which can include civil society actors alongside government officials and donors. In the past CSOs saw this as a useful forum for advocacy on gender as well as other issues. In recent years it seems that these groups have played less of a role in the budget process.

For effective participation and engagement, those expected to participate need to have the knowledge, resources, and time to do so. The push toward transparency and public finance reforms has tended to substantially increase the amount of information produced during the budget process. The fear is that the sheer volume of information may reduce, rather than increase, budget transparency as users may find it difficult to locate the specific information that they want, or to see the bigger picture.

Some governments produce Citizens Budgets — simplified summaries of the budget — and this practice is encouraged by the Open Budget Initiative. These documents, however, are generally not useful for in-depth engagement and advocacy, especially if one is interested in particular issues (such as gender, children, or the environment). The South African Women's Budget Initiative produced 10-page simple-language summaries of its longer research papers. It was

often these summaries that were used by national parliamentarians rather than the longer documents. The problem is that shorter documents can give the broad picture, but they do not provide a solid basis for readers to convince those who might oppose allocations that are likely to promote gender equality.

As implied in the previous paragraph, the question about the participation of actors beyond the executive adds further elements to the “what” question, namely whether the gender budget statement is made publicly available, or whether it is instead regarded as an internal planning document. If it is made publicly available, there is a choice between including it as sections interspersed within the main budget documents (as is done in Uganda) or as an annex to the main budget documents (as is done in India) and publishing it as a stand-alone document. Further trade offs need to be considered here. A separate document is more likely to be read by gender specialists but less so by “mainstream” policymakers, while few gender specialists will have the expertise or energy to wade through voluminous documents to find the gender-relevant items. If they do so, however, they will have a much better understanding of the extent to which the budget is gender-responsive than if they read only the gender budget statement. This is especially the case if, as can happen, the gender budget statement is seen by government as an “advertisement” of how well it has delivered on gender equality rather than a balanced reflection of strengths and weaknesses.

Climate change considerations

To date the climate change budget analysis appears to have taken the form of relatively lengthy and detailed documents containing serious analysis that will be useful and interesting to experts, but less likely to be read by others, such as legislators and civil society actors, or even many government officials. The challenge is to find format(s) that provide meaningful information and analysis rather than simply easy slogans, but that are nevertheless appealing and understandable to less technical audiences and those with limited time. If the statement is intended only for internal government audiences, there may be less concern around use of technical terms, but an overly long and overly detailed document again may reduce the likelihood of the information being used.

2.2 Categorizing expenditure

... the separation of climate sensitive spend and climate change spend is a qualitative and judgment-led exercise and is open to refinement and constructive criticism. Equally, there is valid debates to be conducted on the separate identification of climate resilience spend, from development deficit spend. . . . (Government of Bangladesh, 2012a)

99 budget heads were found to represent climate related programmes, whereas CPEIR (Climate Public Expenditure and Institutional Review) had found only 83 such programmes. 30 new budget items were found to be climate-related when compared to CPEIR findings, while 14 budget codes which were in the CPEIR findings were dropped. (Government of Nepal, 2013)

How does one determine which expenditures are gender-responsive? The task is complicated for a number of reasons, including different understandings of what gender equality or equity entails, whether one should consider other objectives, such as women's empowerment (and how those should be defined), whether one should be looking beyond women (and girls), differences in gender relations and issues between and within countries, and differences in views as to the appropriate ways to effect change.

Climate change considerations

Just as in GRB there are debates as to how to distinguish between practical gender needs (which address women's needs resulting from their stereotypical gender roles) and strategic gender needs (which relate to the need to transform roles), in climate change there will be ongoing discussions as to how to distinguish between adaptation and mitigation activities. In both cases there will never be a completely clear distinction as some activities can be classified as both. With gender, and likely also with climate, there will be many other debates that will not have a clear-cut answer. Such debates are healthy up to a point but should not be allowed to stymie analysis in the quest for rigid and "pure" categories that apply across all countries, contexts, and exercises.

The paragraphs below discuss different ways in which GRB initiatives have attempted to identify different types of gender-responsive expenditure and to distinguish between them.

Targeted, dedicated spending versus relevant spending

Only two projects across the whole of government could be classified as being highly relevant over the study period. These were the establishment of the Climate Change Unit housed in [Ministry of Water and Environment] and the development project promoting renewable energy and energy efficiency in [Ministry of Energy and Mineral Development]. (Tumushabe et al, 2013 [Uganda])

The term “climate” rarely features in the descriptions of administrative units responsible for delivering adaptations. (Government of Bangladesh, 2012b)

The most obvious gender-responsive allocations are those which are explicitly “labelled” as such. These include expenditure lines related to the national gender machinery, such as the Ministry of Gender; expenditures aimed at addressing violence against women; and expenditure for breast cancer screenings. Such expenditures are what the South Australian categorization referred to as “category 1” expenditures. These expenditures are also more or less equivalent to the “principal objective” category of Organisation for Economic Cooperation and Development’s Development Assistance Committee (OECD-DAC). The test as to whether a particular allocation falls into this category is whether or not the project would exist if the gender objective was removed.

One challenge with analysis that focuses only on category 1 allocations is that in most cases it accounts for a tiny proportion of the budget, whereas there are other allocations that also contribute in some way to gender equality. In South Australia this category never amounted to more than 1 percent of the total budget, and similar patterns are found elsewhere.

Analysis based only on category 1 can be misleading in other ways. One is when those expenditures explicitly targeting women and girls are viewed without considering other related expenditure targeting men and boys. For example, analysis conducted in Pakistan seemed to find an exception in education expenditure, where a much more substantial percentage of the sector budget was allocated for girls’ schools. However, an even bigger percentage was allocated for boys’ schools, and boy pupils predominated in the beneficiaries of the remaining expenditure on mixed schools. In this situation, can one say that Pakistan is performing better

than other countries where 1 percent or less of the education budget is explicitly allocated for gender equality? Similarly, when a Filipino nongovernmental organization found an allocation by a local government for Girl Guides, it could not simply label this as a “good” gender-responsive expenditure when double the amount was allocated for Boy Scouts. This confusion arises largely because “women” and “gender” are often conflated, so any expenditure on women is seen as promoting gender equality. Related to this is an approach that defines any expenditure targeted at either male or female individuals as “gender” even if it does not promote gender equality.

India’s approach, where agencies are required to list women’s schemes, highlighted another challenge in identifying targeted expenditure. In the early years the lists included items that focused on children. There was no indication that these items differentiated — whether negatively or positively — between boys and girls. Instead the items appear to have been included on the assumption that women are responsible for, or concerned with, children and thus allocations for children are ultimately for women. Critics argued that while women in reality do bear the lion’s share of the responsibility for children, labelling in this way reinforced the unequal burden rather than promoted gender equality. These critiques resulted in some refinement of which activities were identified as appropriate for the lists.

Climate change considerations

Analysis that focuses only on budget items that explicitly and primarily target gender or climate will give an incomplete, and probably misleading, picture. The question of whether all targeted expenditures on “women” (or even on “men”) qualify for a gender budget statement (which is meant to be about promotion of gender equality) is in some ways similar to the question of whether all “climate-sensitive” expenditures are relevant, even if they are not about “climate change” in particular. There is a further question, discussed below, as to whether some allocations might have negative implications for gender equality or in respect of climate change adaptation or mitigation.

Beyond targeted spending

Proposed coding appears at programme level, while one needs activity details to evaluate the degree to which a programme is relevant to climate change. (Government of Nepal, 2012)

... activities related to climate expenditure are mostly at the activity level with several exceptions. . . . In the energy sector, however, most climate mitigation related activities are at the sub-activities level or even lower (at the component level), where no information related to actual budget expenditure is available. (Ministry of Finance, Fiscal Policy Agency, 2014 [Indonesia])

An exercise that focuses only on directly targeted expenditure is problematic for at least two reasons. First, it contradicts the objective of “mainstreaming” gender across all policies and programs. Second, it clearly undercounts the extent to which government budgets are promoting gender equality.

The OECD-DAC framework has a second category for projects that do not have gender (or climate change) as a principal objective, but instead have it as a secondary objective. These are projects that would exist even if gender were not an objective, but would qualify on the framework if a gender equality objective is explicitly stated in the project documentation.

The South Australian framework goes beyond cases where gender equality is explicitly named. Their category 3 caters for “general” expenditures that, although not specifically targeted at women or gender issues, are assessed for their (often implicit) contribution to gender equality. Expenditures on water schemes that serve poor households, for example, could be included in this category because, in the absence of easily accessible safe water, it is women and children who usually spend time and energy collecting it. Further, women’s household roles generally mean that they “need” water more than men. This categorization requires greater knowledge, and is more subjective, than that of the OECD-DAC in that the categorization depends on the coder’s understanding of gender.

Climate change considerations

Inclusion of expenditures beyond those that are explicitly targeted is essential to obtain a realistic picture of the extent of gender equality- or climate change-oriented expenditure. The extent to which, and accuracy with which, such expenditures can be identified depends on the approach and level of detail used by the particular government.

Existing or new expenditure

Many of the earlier nationally identified adaptation projects were viewed as “repackaged development interventions.” (Lindsey et al, 2012: 6, citing Kaur et al, 2010)

While climate finance is supposed to be additional and above ODA (Official Development Assistance) targets, contributions to adaptation are often reported as ODA and vice versa and likely to be double counted in the absence of adequate guidance. (Chêne, 2014: 3)

Where GRB or child-friendly initiatives attempt to track allocations over time, consistency in how such allocations are identified becomes important. Safeguarding against possible mislabelling is also important in other instances in that officials responsible for drawing up budgets may “over-claim” allocations, either because they want to show that they are doing well or because of real misunderstanding.

One common form of mislabelling occurs after officials have been told, in training, that gender is about men as well as women, without it being made clear that it is about the relationships and inequalities between the two groups. In such cases, officials will label an allocation as gender-responsive because it targets “male and female” farmers, pupils, or other categories, even if there is no attempt to ensure that there is equitable access for males and females. In some cases this label is attached even where the number of women or girls is substantially below that of men or boys.

Another form occurs where allocations that were not previously considered to fall in a particular category are relabelled as such without any change in the activity itself. This practice can create the appearance that spending for a targeted group or sector has increased when, in fact, it has not. This practice was found in South Africa in the annual reviews of provincial

allocations for implementation of the Children’s Act. The review uncovered that subsidies for early childhood development were suddenly claimed as Expanded Public Works Programme allocations on the grounds that the community-based organizations receiving these subsidies might use them to help pay salaries or stipends for staff members. Yet this form of subsidy had been in existence for many years.

Climate change considerations

Relabelling allocations need not be considered a problem if the label is accurately applied and the aim is to estimate the extent of resources allocated for climate change. It does, however, pose a problem if one wants to analyze trends over time. It is also a problem if the relabelling represents an attempt to “game” the categorization in a way favorable for negotiations linked to the U.N. Framework Convention on Climate Change (UNFCCC).

Types of expenditure

In some countries the gender machinery sees awareness raising as one of its primary functions. In one country the Ministry of Gender was referred to by other actors as the “Ministry of Events.” For GRB this raises the question as to whether money spent on an awareness raising event should be considered equivalent to money spent on delivering services. Similar questions can be asked in cases where large amounts of money are allocated for developing policies when the main rationale for GRB is that policies on their own, without budgets to implement them, are of little or no worth.

The public expenditure identification study in respect of child protection in Tanzania distinguished between five types of activities, namely awareness raising, training (that both builds skills and increases knowledge), service delivery, referral to other services, and monitoring. Bangladesh’s gender budget statement (see section B) requires agencies to distinguish whether a program’s contribution to women’s advancement is achieved through training, generating employment, providing a service, or “other.” The case study document that accompanies this paper provides examples where certain categories of expenditure, such as management-related expenses, are excluded from gender budget statements.

Publicly available budget books often do not show the nature of the activities that the government is funding. In particular, the allocations approved by the legislature are usually at a much higher level — at best at the program level. Coding activities for impact on particular groups or desired outcomes, as in GRB exercises, generally requires access to more detailed internal documents. However, budget documents, such as the ministerial policy statements and budget framework papers in Uganda, provide narrative, detailed activities, and line item budgets that provide strong clues as to the nature of planned activities. For example, major allocations for fuel, travel inland, allowances, hire of venue, and “workshops and seminars” indicate a focus on workshop activities.

Climate change considerations

A focus only on the amount that is allocated, without considering the activities, is likely to overstate the impact of allocations. There is a particular danger in respect to issues like gender and climate change, where there is known international interest in promoting the issues, that large amounts of funds will be allocated to activities such as awareness-raising and activities seen as related to policy-making with relatively small amounts of funds allocated to implementation and service delivery. In particular, awareness-raising alone is likely to achieve little if one subscribes to the belief that people learn very little when they simply hear or read something, and learn much more when they “do” something.

Negative allocations

... considerable sums being invested in fossil fuel power generation, increasing green-house gas emissions ... money diverted in 2011/12, including from climate change, to energy and transport. (Government of Bangladesh, 2012a)

Activities which have negative impact on climate change, for example cutting of trees for electricity generation, are not counted. (Government of Nepal, 2013)

Another important consideration when developing a green economy budget is to include the negative impact of government budget on environmental and social aspects. It will also be important to highlight negative impact expenditure by line Ministries and Ministry of Finance (i.e., incentives for land clearance). (Silvia, undated [Indonesia])

Among the government GRB initiatives covered in the technical companion to this paper, only Bangladesh explicitly makes allowance for allocations that will negatively affect gender equality. Recognition of this possibility is encouraged by the Bangladesh format in which every objective of a ministry must be rated on gender equality and poverty reduction. The negative rating has, however, rarely if ever been used. In the formats of other countries, ministries typically are required to report only on those programs or allocations that they see as contributing to gender equality.

A full GRB evaluation needs to include allocations with negative impact, although what is considered negative and positive might well be contested. A full evaluation would also need to record instances where gender-responsive allocations are halted; for example, eliminating funding for, and thus forcing closure of, shelters for abused women. This could happen, in particular, when donor funding for a specific activity dries up.

Climate change considerations

Negative allocations seem more important in the climate change area than for GRB as the amounts spent in ways that have a negative impact may well outweigh those with a positive impact. While some might argue that they are covered elsewhere, such as in environmental assessments, excluding them from climate change funding analysis can give a very misleading picture.

2.3 The scope of the exercise

There are several factors to consider when deciding on the scope of a GRB or climate change finance exercise.

Sectors and ministries

Climate resilience needs to be integrated into all aspects of national development. Each line ministry takes the lead in integrating a climate change response within its sector policy.

(Government of Nepal, 2012)

Of 27 ministries, nine have climate-related budget allocation in their budget headings. Four ministries account for 84 percent of the total climate change budget. (Government of Nepal, 2013)

At least 37 ministries have at least one climate-sensitive programme. But three ministries together account for at least 60 percent of allocations. (Government of Bangladesh, 2012a)

The South African Women's Budget Initiative analyzed the budgets of all national departments (equivalent to ministries in many other countries) over the first three years of its existence. The full coverage was intended both to provide a full scan of government activities and budgets in the early post-apartheid years and to make the ideological point that gender issues can be found "everywhere."

Subsequent GRB initiatives in other countries often focused on a smaller number of ministries. These were sometimes labelled "pilot" ministries, implying that the exercise would subsequently be extended to all. In practice, some initiatives remained focused on the "pilot" ministries, which typically included (but were not limited to) education, health, agriculture, and ministries responsible for local government. Other initiatives extended to all ministries, but compliance was not always complete. For instance, the government initiative in India, made special efforts to involve the "non-traditional ministries" and to find relevant issues to raise in respect of their budgets.

One danger of forcing all agencies to find gender issues to address is that this may result in an increase in the budget of an agency and thus allocation of resources that could be used more effectively elsewhere in addressing gender equality. In the South African Women's Budget Initiative the question was phrased crudely as: "Do we want to ensure that the Department of Defense budgets for gender equality, or do we want to ensure that the defense budget is reduced as much as possible to free up money for other uses?"

Where the focus is restricted, care must be taken in delimiting the key areas. In the case of gender, there is a danger of focusing only on social sector agencies, with the implication that gender issues are not relevant in the more economic agencies or the protective ones (e.g.,

defense, policing, and regulatory agencies). Delimitation of agencies is also more complicated when the aim is to identify allocations for a problem — such as gender-based violence — that requires interventions across a range of agencies.

Climate change considerations

In terms of effectiveness and efficiency, it probably makes sense to concentrate on ministries with larger overall budgets and/or those that have an important role to play in addressing climate change issues. This is particularly the case in an initiative that involves a study of government budgets by actors outside government. It applies to a lesser extent in an initiative in which agencies are themselves required to report on their contribution to climate change, for example, using climate change budget statements.

Levels of government

Local government has limited power, financial autonomy and capacity to address climate change. (Government of Bangladesh, 2012a)

Local governments are heavily dependent on conditional financial transfers from central government, constituting over 90 per cent of all local government funds. (Tumushabe et al, 2013 [Uganda])

Many of the inside-government GRB initiatives — and particularly those related to gender budget statements — are found in central government. This can be a problem if responsibility for delivery of many of the services most important from a gender perspective, such as education, health and social welfare, is at a subnational level. Typically in such cases the central ministry has responsibility for policy development and overall coordination, which do not require major budget allocations. Preferably, the larger allocations should go to implementation.

In many countries local governments are heavily dependent on grants from central government. If most of the funds are provided in the form of conditional grants (i.e., the use of such funds is restricted to specified activities), then gender-responsiveness can be monitored through examining the amounts, distribution, and rules attached to the conditional grants. In

contrast, if most of the funds are provided in the form of block grants to be spent at the discretion of the local government to achieve defined goals, then the breakdown of the local government budgets is required for monitoring whether allocations and expenditure are gender-responsive.

In a few instances, GRB and child-friendly budget initiatives have examined the formulae used to divide revenue between central and other levels of government and between entities at each of the levels. In South Africa, for example, the formula used for dividing the provincial share between the nine provinces does not include a component relating to social development (welfare). The National Treasury argues that the poverty component covers this aspect because the variables used to calculate a social development share would be the same as those used for the poverty share. The problem with this argument is that the weighting of the poverty component has not increased over the years despite the introduction of new legislation, and in particular the Children's Act, that places substantial, and explicit, new obligations on government to provide and fund a range of services.

Climate change considerations

The extent to which focusing a climate change budget exercise on central government is a problem depends, in large part, on the functional allocation between central and other levels of government, and the form of government resource flows — in particular whether they take the form of conditional or block grants.

Development or recurrent spending

Projects are not the most effective way of addressing problems. So donors are keen to move to programmatic and then want to track. (Interview)

Climate coding will be applied to development (capital) investment and not for recurrent expenses. The recurrent expenditure would occur irrespective of climate change activities. (Government of Nepal, 2012)

Seventy percent of climate change-relevant funding is allocated to development expenditure, which partly reflects the investment nature of climate change mitigation and adaptation

activities, but also the Ministry of Finance's practice of classifying all projects and programmes (including those funded by donors) as "development" expenditure. This implies that the boundary between the development and the recurrent budget is somewhat arbitrary. (Yanda et al, 2013 [Tanzania])

In the past many developing countries had separate budgets for development and recurrent expenditure. The names and definitions of the two parts differed across countries, but generally the development budget contained the allocations for "projects" and, in particular, funding for projects received from donors, while the recurrent budget reflected operational costs funded by government's own revenue. Often the Planning Commission or a similar body bore overall authority in respect of the development budget while the recurrent budget fell under the Ministry of Finance.

Some GRB initiatives have focused on the development (or equivalent) budget, on the basis that the recurrent budget primarily provides for salaries of government officials. This argument overlooks the importance of government officials for delivery of key services that are extremely important from a gender perspective, such as education and health. Ignoring the recurrent budget also excludes investigation of how much money is being allocated for the bureaucracy.

Public finance reforms introduced in many countries have typically attempted to bring the two parts of the budget together, and to place the full budget under the Ministry of Finance. The reforms have also generally attempted to have governments budget in terms of programs (areas of activity) with specified objectives rather than simply treating budgeting as a bookkeeping exercise by institutional units.

Despite reforms, budgets in some countries still reflect the legacy of past practice. In particular, allocations for government officials may be listed separately rather than as part of the function, program, or service to which they contribute. This makes it difficult, if not impossible, to estimate the full cost for particular activities.

Climate change considerations

The recurrent budget is perhaps less important for climate change funding than it is for funding activities to promote gender equality given the bias in climate change funding toward investment rather than service delivery. Nevertheless, it is important to understand the way in which a particular government structures and classifies the components of its allocations.

Donor or own revenue

At present, the climate change budget code may seem of little importance, but its future implications are immense, particularly in the sense that multilateral agencies and bilateral donors are focusing on impacts of climate change. Most of the funds required to take adaptive measures and to mitigate climate change will have to be drawn from globally available funds. (Government of Nepal, 2012, foreword by vice-chairperson of National Planning Commission)

Government funds three-quarters of climate actions in Bangladesh. (Government of Bangladesh, 2012a)

Climate change relevant expenditure has increased steadily as a proportion of the total budget from 4.2 percent in 2009/10 to 6.5 percent in 2012/13. . . . Domestically sourced finance declined by 4 percent over the period while foreign financing grew by 61 percent. (Yanda et al, 2013 [Tanzania])

Related to the question of development or recurrent is the question of whether a GRB exercise covers the use of own revenue, donor revenue, or both. Overall, it is probably true to say that most exercises cover both. However, where exercises focus on the development budget there is usually an implicit focus primarily on donor funding.

The donor issue is important for GRB both because of the commonly heard assertion in some countries that attention to gender is donor imposed, as well as the concern as to what will happen when donor funding dries up.

In one African country in the late 1990s, the Ministry of Gender was referred to unofficially as the “Danida Ministry” because the bulk of its budget came from the Government of Denmark. In South Africa a study of donor funding of government around the same time found that, if

anything, the South African government was pushing gender issues harder than donors. About a decade later, when the Zuma administration established the Ministry of Women, Children and People with Disabilities, many donors were keen to support it while many local gender advocates questioned whether such a ministry should exist at all.

Where both own revenue and donor funding are covered in GRB analysis, a linked question is whether the analysis and reporting distinguishes between the two elements. This was often done in earlier GRB analyses but is more difficult, if not impossible, when donor funding happens through general budget support. This is also an area in which the OECD-DAC markers are of little help.

Some donor countries have tried to address the challenge of ensuring gender responsiveness of general budget support by including gender elements in the indicators monitored in relation to the “variable” tranches of support. (i.e., payments where the amount depends on the recipient government’s performance against pre-specified indicators). In the late 2000s in Mozambique the 13 indicators for the variable tranche included four women/girls output indicators for education and health. In Tanzania around the same time several of the indicators were sex-disaggregated or sex-specific. These indicators included, in education, “Girl/boy ratio in secondary education;” and, in health, “bednet use last night current by pregnant women” and the “HIV prevalence amongst 15-24 year-old women attending antenatal clinics.” In both countries there were indications at the time that use of these indicators would be reduced. Many gender advocates feel uncomfortable with the idea of using gender as what is, in effect, a “conditionality” imposed on the recipient government.

A further challenge in analyzing donor funding is the generally poor transparency of these funds, and the fact that sometimes substantial funding happens “off budget.” In particular, the United States has resisted channeling its funding through government budgets. This has severely hampered gender analysis of funding for HIV and AIDS, an area in which there are stark gender issues.

The distinction between donor and domestic funding can be informative. For example, recent child-friendly budget analysis in Uganda looked at the extent to which the national action plan

for the elimination of the worst forms of child labor was being implemented. The plan included an estimate of the cost of implementation. The analysis found that while the total amount allocated for the largest single element of the plan (construction and rehabilitation of primary schools) had increased, the amount allocated was not as large as the costing of the plan indicated was required, and the amount allocated by government had actually decreased. This analysis raises the issue of fungibility, where extra funds received from donors allow government to shift funds that would have been used on the target activity to another activity that does not address the issue of concern.

Climate change considerations

Distinguishing between donor and own funds seems especially important for climate change funding analysis given the existence of a plethora of funding initiatives and high expectations on the part of governments of poor countries. For climate change, it is probably appropriate to distinguish between different forms of foreign funds, such as those from the global funds and those that come through bilateral and multilateral agencies alongside other Official Development Assistance (ODA). Within the bilateral and multilateral agencies, there is interest in further distinguishing between “development” (i.e., anti-poverty) funds that might contribute to climate change-related activities and funds that are provided by the donor specifically for climate change. A particular challenge for monitoring climate change finance, not found to the same extent for GRB, is the establishment of separate channels that might not be reflected in the standard government budgets. Bangladesh has set up such a separate channel even for its own climate change-related funds.

Private sector practices and related expenditures are probably more important for climate change than they are for GRB. Private sector funding is also not usually the focus of GRB, which is based on the understanding that governments collect and spend public funds, and thus have an obligation to spend the funds for the public good. The private sector (arguably) does not have the same obligation. The private sector is, however, especially important in the area of mitigation. The most common government activities and allocations in this area relate to creating an environment — through laws, policies, incentives, taxes, and the like — that

encourages the private sector to consider mitigation issues. For the most part, areas such as laws, policies, and the like are unlikely to require large allocations by government. Incentives and tax allowances to encourage private sector climate-related investments can be measured as “tax expenditures,” that is the amount of revenue foregone by government through implementing the measure.

Nongovernment budgets

NGOs play a significant role in Bangladesh, including the delivery of climate-related finance. . . . However, the lack of coordination with local government bodies and competition between NGOs present challenges in tracking climate expenditure and aligning efforts to addressing climate change in a more integrated manner. (Government of Bangladesh, 2012)

GRB was conceived in respect of government budgets, based on the rationale that: a) government budgets use public money; therefore b) there must be public accountability; and c) the money must be used for the public good, in particular to help those least able to help themselves. In some cases there have been arguments, especially from government officials, that allocations and contributions by other players should also be considered. In particular, officials might ask that budgets and contributions of nongovernmental organizations be considered. This is especially the case when government perceives NGOs to be competing with them for funds. There are also questions as to how the “community” is contributing, as reflected in use of the term “cost-sharing” when user fees are required for access to basic services, such as education, health, water, sanitation, and electricity.

In South Africa the issue of government responsibility for providing and funding services was raised in a court challenge brought by longstanding welfare organizations in Free State province. These organizations had for many years received a “subsidy” that covered part of the cost of providing services. They were expected to raise the remaining funds elsewhere as best they could and, in the absence of the necessary funds, reduce expenditure through, for example, staffing with volunteers or workers who received much lower pay than similar workers in government employment. A government affidavit explicitly noted that the “spouse” of the manager of residential institutions could provide free services, which would need to be

paid for in government-run institutions. The court did not accept the government's arguments and ordered that policy and practice be revised as government was legally obliged to ensure that the service was provided, and the partial funding policy did not achieve this.

The government's expectation of the "spouse" in this court case points to the implicit gender issue when there are expectations of "contributions" from other actors. A similar implicit gender issue arose when wide scale programs of community- and home-based care were introduced in countries affected by the AIDS epidemic as a means to alleviate the burden placed on health facilities. In these cases members of poor communities — overwhelmingly women — worked for no pay or small stipends providing care to other members of the community. In doing so, they were effectively subsidizing government. German economist Ingrid Palmer took this notion further by referring to the unpaid work (housework, cooking, childcare, and the like, as well as collecting fuel and water in poorer countries) that most women do in their homes as a "tax" that women pay before they enter the labor market. The work done contributes to overall production in the country but, with the woman receiving no payment, she is effectively paying the full value of the work over to the public good.

Climate change considerations

Similar to the argument in respect of the private sector above, civil society organizations do not have the same obligation as government to spend their funds in ways that are accountable to the general public and for the public good. They are therefore not as appropriate a focus for climate change budget statements unless the organization itself decides to conduct such an exercise.

The issue of unpaid and underpaid work and resultant hidden subsidies has its analogies in the climate change world, for instance, when the contribution of nature or the environment is not accounted for in standard economic measures, such as gross domestic product, and thus in most economic planning. There might therefore be questions for a climate change budgeting exercise to ask about the cost of the uncounted damage to the environment through government-funded activities, such as those that destroy forests.

Expenditure or revenue

To date, GRB initiatives have focused much more on the expenditure side of the budget than on the revenue side. In particular, there has been very little examination of revenue from a gender perspective in government-sponsored GRB initiatives. Further, where GRB initiatives have looked at the revenue side, the focus has tended to be on personal income tax. This is understandable given that gender is “found” primarily at the individual level — if one excludes the questionable path of labelling households as male and female on the basis of the sex/gender of their “head.” Most other forms of revenue, in contrast, are either imposed on other units (such as companies or households) or otherwise not easily analyzed from a gender perspective, especially if one wants accurate quantitative analysis. The focus on expenditure rather than revenue can also be seen as appropriate given that in most systems revenue sources are not directly linked with particular expenditure allocations and thus of direct benefit to (gendered) individuals.

A further factor discouraging a focus on revenue is that, for many developing countries, a focus on the easier sources, such as personal income tax, is of limited relevance. Take, for instance, a country where personal income tax is paid by a very small a proportion of the population. In this situation, identifying gender bias among taxpayers might well involve identifying bias against a relatively small number of female individuals who are advantaged in a range of other class and related ways.

One of the strongest reasons for analyzing revenue is that government expenditure cannot happen unless revenue is available. Limits on revenue will limit expansion of services, and the limits might well focus on services targeting rural and other underserved groups where service delivery is more costly. Revenue limits could also affect the number of and levels of pay and benefits for social sector workers, the majority of whom tend to be women. This reasoning has become more important than before in the wake of the global economic and financial crisis, which has put pressure on governments’ own revenue as well as aid. This reasoning also lies behind initiatives funded by the United Nations Children’s Fund to assess the “fiscal space” in

different countries in the hope that additional sources of revenue will be found for child-friendly expenditures.

If the concern is with the overall amount of revenue, then the focus of GRB analysis should fall on the largest revenue items. Both small and large revenue items can, however, incorporate gender bias. User charges for education and health, for example, have clear gender implications, as do user charges for utilities like water and electricity. Tax expenditures — the amounts of tax or revenue that government foregoes through subsidies, allowances, and so on — can also affect women and men differently. Subsidies and allowances for the mining industry, for example, will promote more men's jobs while such provisions for clothing and textiles will likely promote women's jobs. Allowances in respect of retirement and health insurance are likely to benefit more men, and to a greater extent, than women because men are more likely to be formally employed and, when employed, likely to earn more.

Climate change considerations

The relevant questions here for climate change might relate to the ways in which government incentivizes or discourages particular behaviors through the structure of user charges for such services as fuel and water, taxes on particular goods and services, and tax incentives for different types of economic activity.

Identifying and tracking expenditure related to a particular policy or issue

On-budget climate change relevant spending is approximately 0.2 percent of GDP [gross domestic product]. The draft Implementation Strategy of the Climate Change Policy estimated that around 1.6 percent of GDP needs to be spent on climate change-relevant activities.

(Tumushabe et al, 2013)

Only less developed countries were mandated to prepare national adaptation plans of action (NAPAs) under the convention and they were provided with resources from the UN Framework Convention on Climate Change to do this. Most, if not all, NAPAs include a costing but the NAPAs were not intended to be sophisticated pieces of work with complex analytical inputs.

(Email)

In some cases GRB and child-friendly budget initiatives focus on allocations related to a particular policy, legislation, or a particular issue rather than on a particular sector or ministry. With issues, these may be defined as those that relate most closely to the national development plan or national gender policy. In the case of a policy-focused initiative, the concern might be to ensure that resources are given to implement a new policy, or that a particular issue is addressed. In most cases these types of exercises span a range of ministries, and perhaps also different levels of government.

In Tanzania an exercise that was initially planned as a public expenditure tracking survey of child protection was changed into what was called a public expenditure “identification” study when it was recognized that there were extremely few activities related to child protection and also very limited understanding among officials of what the term referred to. The exercise, which was done in 10 districts under guidance from external researchers, involved participatory workshops with district officials in which the concepts were explained and officials then identified activities using pre-specified categories and located the relevant entries in the budget books. The exercise revealed strong clustering of funding around initiatives related to children affected by HIV and AIDS, with very little if anything for other categories of child protection. The clustering followed the emphasis of key donors in previous years.

In South Africa nongovernment experts have produced an annual analysis of the budgets of the nine provincial Departments of Social Development in each year since the Children’s Act came into effect. National Treasury officials are among the most avid readers of this analysis and have increasingly cooperated in providing data and information for it. One concrete outcome has been a change in the budget reporting structure so as to more clearly show the amounts allocated and spent on different child-related services. The exercise has shown steady increases in allocations related to the Children’s Act, but the amounts are still only a fraction of the needed amounts estimated in the costing commission by government while the act was being drawn up.

When a similar exercise was attempted in Uganda in respect of four child-related policies that the government had established in recent years, there was no indication that the policies had

resulted in an increase in relevant funding, except perhaps in one or two cases with donor funding. These findings go to the heart of what underlies GRB and child-friendly budgeting, namely the realization that policies are toothless unless they are accompanied by adequate resources. One of the key challenges in the Uganda exercise was that the cost estimates were done at a relatively high level and the categories used did not match those used in budgeting. A further challenge was that across the four policy documents there were substantially different cost estimates for several key items.

Climate change considerations

There are NAPAs for at least 50 developing countries. One potential area to explore in terms of policy-linked allocations is a comparison of what is actually allocated with the costing estimates included in the NAPAs. However, if — as was suggested by informants — the costing exercises were intended to give rough ballpark figures, this exercise may not be worth the effort involved. If more specific policies exist in a country that clearly relate to climate change, analysis could investigate to what extent the necessary allocations are made and expenditures incurred to undertake the commitments in the policy.

Allocations versus expenditure

Budget estimates are freely available and expenditures not, and there is disconnect between the two. (Interview)

In common with public expenditure more generally, the credibility of budgeting climate change-relevant expenditures is low, with only around half of planned expenditure being spent in each of the four years. (Tumushabe, 2013 [Uganda])

Approximately three-quarters of the development budget is spent in most years. However, the government does not publish detailed outturn data which means that it is not possible to determine specifically where these shortfalls in spending occur. (Yanda et al, 2013 [Tanzania])

Up to this point this paper has used the terms “allocation” and “expenditure” interchangeably. In reality, “allocation” refers to the agreed planned expenditure voted by the legislature, while “expenditure” refers to the actual spending.

Initially most GRB initiatives focused on allocations approved by legislatures. Over time, some initiatives extended attention to expenditure, as well as to midyear revisions in the budget. In some countries the differences between the original and revised budgets, and between these and expenditure, is small. In other countries it is substantial. Where budget documents provide information for multiple years, analysis is easier.

Several countries (for example, Rwanda and Mexico) with gender budget statements have started producing follow-up documents that compare actual expenditure, as well as performance, with what was recorded in the statements. This practice mimics requirements in respect of the “main” budget where one expects a report after the end of the financial year that records performance against the budget estimates produced and enacted (usually) before the start of the financial year.

Climate change considerations

Analysis of expenditure, including comparison with allocations, is especially important in countries that are known to have low-credibility budget estimates. Such exercises are also important where a substantial part of the climate funds are sourced from donors as donor funds are well known to have high levels of variability between commitments, plans, and disbursements.

Engaging with public finance management reforms

The description of programmes in the budget documents was usually very brief, for example “Administration” or “Rural water and sanitation.” (Tumushabe et al, 2013 [Uganda])

Historically budgeting was primarily a bookkeeping or accounting exercise. Public finance management reforms have attempted to transform budgeting into an evidence-based multiyear planning and budgeting exercise. As noted above, in some cases it seems that these reforms are poorly integrated into the “real” budgeting system. However, in virtually all cases these reforms open up possibilities in terms of additional information. In particular, budget documents produced through these reforms provide multiple years of information, narratives alongside budget numbers, and indicators of delivery alongside financial estimates.

The downside of the reforms for an outside analyst is that the available information can be overwhelming. From a gender perspective, the performance indicators introduced in such reforms are of limited use unless they are sex/gender-disaggregated, and the systems may not provide for this. A general problem is that the quality and reliability of the performance indicators are usually much weaker than that of the budget numbers. The annual analysis of the Children’s Act in South Africa, for example, has revealed examples where budget trends completely contradict the planned trends in performance indicators.

Climate change considerations

A country’s approach to budgeting can limit the ability to calculate exact or approximate “numbers” (see below), as well as the potential for GRB more generally. Elements that can constrain effective GRB analysis include the formats used to present budgets, the ways in which governments categorize expenditures — in particular, whether expenditures are categorized by “program” or “subprogram” and in ways that indicate the purpose or focus of the expenditure rather than simply institutional structure (referred to as “program budgeting”), as well as the extent to which performance in nonfinancial terms is measured and reported (referred to as “performance budgeting”).

2.4 Determining the “number” allocated

People are grappling in the complete dark. So, in that context there is sufficient justification to give ballpark figures. (Interview)

[In the OECD DAC system] the marking of the projects by donors themselves is subjective and tends to overestimate the adaptation relevance of projects. Therefore all data was checked for adaptation relevance using a set of criteria. . . . On average, this led to a 17 percent reduction in financial commitments for adaptation-relevant projects. (Terpstra et al, 2013: 7)

It may seem that the most basic question that a GRB or climate exercise must answer is: “How much was allocated for gender equality/climate change adaptation or mitigation?” In practice, it is difficult, if not impossible, to answer this question accurately. The challenges take several forms, many of which have been discussed above.

In practice, relatively few GRB initiatives have tried to come up with a single number. Bangladesh tried to do so, using different weights for the various category ratings (see below). A simpler approach, with fewer assumptions about weights, involves simply reporting the total amount of funding that falls within each of the given categories. However, even this is unreliable in that budgeting is done at different levels of detail in different countries and sometimes even in different agencies and programs in the same country.

Climate change considerations

Any single number estimate is likely to hide as much as it reveals, although it appears to give an easily understandable story. Estimates are, however, useful for measuring trends over time. Instead of aiming for a single number estimate of the amount allocated for adaptation or mitigation, a more achievable and useful aim may be to come up with a set of numbers for different categories of expenditure. If a single number is produced, it is important to be very clear as to exactly what the number measures.

How much is for gender equality?

Do you pick up the full cost or the incremental cost? If you build a road, is it the extra cost of making it higher, tarring and drainage? (Interview)

Mitigation expenditures are often integrated into, or a sub-component of, broader expenditures. For example, expenditure on staff, processes and institutions that address climate change mitigation issues will be a sub-component of the personnel and administrative expenditures of a Ministry of Energy. (Nakhoda et al, 2012)

If an overall neutral programme has a large budget in absolute terms, even 10 percent of that budget might be more than 100 percent of the allocation for a “highly relevant” programme. (Government of Nepal, 2012)

The challenge of coming up with a specific overall number is complicated by the definitional issues discussed earlier in this paper. In particular, where – as is appropriate – GRB extends to expenditures that are not fully targeted at women or gender issues, the question arises as to how much of these allocations can be considered gender-responsive. The OECD emphasizes

that the allocation for its second category, where gender equality is a secondary objective, represents an upper limit in that only a portion of the expenditure is likely to promote gender equality. The OECD does not provide further guidance.

A similar challenge arises in relation to the South Australian category 3 (see above). A practical example relates to police officers, whose duties include responding to women victims (survivors) of domestic violence or rape. Unless there are dedicated officers for this task, it is only through a time use or similar study that one would be able to estimate what proportion of their salary and related costs could be considered relevant. Similar questions relate to court, welfare, and health officers who may offer services for victims and survivors.

Where GRB exercises are extended to all agencies, government officials may feel pressured — and be encouraged in training — to “see” gender where it exists only minimally. To avoid this, in Bangladesh officials were advised not to claim gender impact if doing so required telling a “story” that describes a long chain of causation.

Climate change considerations

While identifying links with climate change in as many places as possible may help in raising awareness and in determining the full extent of government efforts, it is less useful for identifying budget allocations that can be expected with some certainty to have a real impact. The design of the climate change exercise should aim to avoid identifying allocations where there is no direct impact in terms of climate change adaptation or mitigation.

3 Conclusion

The technical companion to this paper includes a set of recommendations relating to the more technical aspects of gender or climate change budget statements. Each of the subsections of this paper has ended with “climate change considerations” that suggest ways in which climate change work might draw from the GRB experience. Which considerations are most useful will differ across readers. However, one can draw out some broad learnings from GRB.

1. GRB or climate change budget work requires substantial effort if it is done properly and it is unlikely to have impact unless the work is sustained over a number of years. Those embarking on the work therefore should be clear as to why they are doing it, and that the energy and resources are available to sustain the work.
2. Overburdened government officials, particularly those who work on planning and finance – have many other demands on their time. They are more likely to devote the necessary time and energy if the climate change work is mainstreamed. Mainstreaming means, among other things, that the exercise should be led by the Ministry of Finance, that the climate change analysis should be part of their routine activities, and that the work should as far as possible use the concepts and formats used for general budgeting.
3. An exercise that is limited in scope might be of better quality and may gain better commitment from the relevant government officials than one that is too wide ranging. One obvious way of limiting scope is to focus on the ministries that can contribute most to mitigation and adaptation rather than trying to find each and every allocation, no matter how marginal, that contributes in some way.
4. Climate change budget work should include analysis of and reporting on expenditure alongside allocations. Because of the substantial differences seen in many countries between planned and actual spending, an analysis that looks only at allocations is unlikely to paint an accurate picture of what government is actually doing on mitigation and adaptation.

5. Climate change budget exercises must be clear as to what is being measured. Clearly identifying expenditure categories will increase the accuracy and credibility of findings and will allow for spending to be more easily tracked over time. A broad range of spending could be identified as having an impact on mitigation and adaptation, so ideally climate change budget exercises would focus on spending that is likely to have the greatest impact on climate change.

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