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**GENDER RESPONSIVE BUDGETING
IN THE CONTEXT OF POVERTY
REDUCTION AND
BUDGETARY REFORM**

Volume 1: Short version of Guidelines

Guidelines for pro-poor budgeting using gender analysis

1 Introduction

1.1 The purpose of the guidelines

1. These sets of guidelines are for use by all the actors involved in the policy and budgetary processes. This means the process of linking policy with planning, with budget preparation and execution, with monitoring and evaluation.
2. The guidelines have been produced
 - to facilitate effective participation in this process
 - by providing a common platform of communication for policy makers, analysts, planners, budget officials, statisticians, parliamentarians, civil society organisations and the media.
3. The guidelines are about how to adopt a results-based pro-poor approach to the budget.

This means

- keeping sight of the transformation desired in people's- women, men, girls and boys- lives.
 - steering the policy, planning and budgeting process accordingly and
 - evaluating the effectiveness of government intervention to achieve this transformation at each point of the process.
4. They identify the entry points for preparing and analysing budgets from a gender-responsive approach¹ at each step of the policy process.
 5. They show the value-added of using gender analysis to achieve this transformation, in line with the commitments made by states for poverty and inequality reduction and development.
 6. They explain what is gender analysis, why it needs to be an integral part of the socio-economic analysis to develop , review, monitor and evaluate policies. They explain how to do so.

1.2 How to use the guidelines

7. The guidelines are organised as follows:
 - Each term and step is explained, using simple definitions, concrete examples and illustrations.
 - The guidelines are accompanied with a set of technical documents, for more in-depth analysis and documentation.
 - This set of technical documents has three linked components:

¹ A gender-responsive approach means to use the tools of gender analysis as part of socio-economic analysis, to identify gender gaps and inequalities and to formulate, implement and evaluate policies in response to this socio-economic analysis and these inequalities.

- The background analytical documents
- Technical Notes and
- Briefing Notes

(These references to these notes are contained in the guidelines. If used as a set of electronic files on the computer, there are hyperlinks between the guidelines and the technical documents the text. By clicking on the shaded reference, you can link up to the relevant document.)

A power point presented at the East African Budget Network Conference in October 2003 also accompanies these guidelines.

[Presentation on gender budgeting for time and energy poverty reduction.ppt](#)

2 What is public expenditure management?

2.1 What is a budget?

8. It is a plan of how to match resources with the use of these resources.

2.2 Why is there a need to plan this allocation of resources?

9. Resources are always scarce in relation to what we need and want to do. How then to make the best use of them, for whom?

2.3 How is a budget part of macroeconomic policy?

10. The plan- the budget- is based on a policy, fiscal policy, which spells out the goal and objectives the budget is intended to achieve.
11. This fiscal policy in turn is based on an understanding, on a model of how the budget will affect the economy, and how the state of the economy will affect the budget.
12. Fiscal policy is outcome-oriented: It focuses on the outcomes expected- in terms of macro-economic indicators.

2.4 What does the management of the budget involve?

13. There are 3 basic levels of managing the budget, given budget systems and processes. It needs to be looked at both from the static point of view and the dynamic point of view.
 - Level 1: Macro-economic: Aggregate fiscal discipline
 - Level 2: Strategic: An allocation of resources in line with strategic policy priorities
 - Level 3: Operational: An effective and efficient use of the resources allocated

Level	Phase/processes	Outputs/results
1 Aggregate fiscal discipline	Macro-fiscal framework	Budget Circular/Guidelines
2 An efficient allocation of resources(among sectors and in line with priorities)	Budget preparation (1) Budget negotiations	Composition of spending, sector/agency ceilings
2 Efficient allocation of resources (within sector, in line with priorities)	Line Budget preparation (2) Budget presentation Budget approval	Line agency/sector budgets (given sector ceilings of Level 2.) Budget Appropriations
3. Effective and efficient use of resources	Budget execution and Reporting	Budget outturns -the amounts actually spent) The actual services and programmes delivered Budget reports, audits

- Looking at it from the static point of view, there are three levels and steps

2.4.1 Level 1: Aggregate fiscal discipline

14. The amount of resources matches the amount of spending.

The spending on aggregate, taking all items and sectors into consideration is equal to the aggregate resources, from various sources. If spending is greater than available resources, there is a deficit and the financing of this deficit –for example through borrowing - may not be sustainable.

Revenue and spending forecasts are made, as well as the expected outcomes of the budget in terms of macro-economic aggregates. How will it affect economic growth, inflation, the balance of payments, savings and investment?

Based on this assessment, within this macro-fiscal framework[MFF], the aggregate resource envelope is worked out. This in turn is the basis for issuing the budget guidelines.

2.4.2 Level 2 An efficient² allocation of resources

15. The aggregate resource envelope is allocated among different sectors and uses according to national strategic priorities (allocation among sectors).

² Efficient in this case is in the economic sense of allocative efficiency: the allocation is consistent with political, national priorities. It targets the achievement of the objectives of these policies. It is not technical efficiency: this is about how efficiently resources are used to produce a service or good. For example fewer resources used for the same level and quality of service.

This is part of the overall budget preparation process.

2.4.3 Level 3 An efficient use of the money allocated

16. This is the sectoral or line agency budget preparation and execution process, so as to make the best of resources allocated, given the scarce resources.

2.5 Allocating resources for growth and development

- If the purpose of fiscal policy is growth and development, we need to take a dynamic view and look at the linkages among the three levels of public expenditure management.

2.5.1 How can the budget be an instrument for growth and development?

17. We have to live within our means. This can be the principle behind level 1, aggregate fiscal discipline.

But we also have to give ourselves the means to live better.

- This means that the way we spend, what we spend on, can maintain or increase our resources. Savings can be reinvested to increase resources.
- There are trade-offs but there are also complementarities and synergies, at Level 2³.
- Spending more efficiently and with economy and discipline at Level 3 can release resources for Level 1.
- Positive budgetary (sectoral) outcomes at Level 2 and 3 can lead to increased resources and thus increased expenditures at Level 1.

2.5.2 How can the budget be an instrument for achieving desired people-oriented outcomes?

18. If the purpose of fiscal policy is to achieve growth and development which seeks to make a transformation in people's lives, then the linkages among these three levels have to be scrutinised more closely.
19. The objectives of public expenditure reform are to be able to achieve outcomes at Levels 1, 2, 3.
 - But what should be the links among the three levels?
 - What are the trade-offs, of concentrating on one to the possible detriment of the other levels?
 - What should be the appropriate consideration for an efficient and equitable mix of policies at all three levels?

³ Trade-offs: It is either this or that. Complementarities: This and that are both needed. Synergies: One plus one is equal to more than two.

20. Macroeconomic stabilisation, achieving level 1, cannot be the exclusive target of people-oriented fiscal policy. It is a means to achieve an end, not an end in itself. Yet so far the outcome-focus has been targeted to this level and has dominated the resource allocation process and objectives.
21. It is really Level 2 and Level 3 outcomes that can have an impact on people's lives. It is not about macroeconomic outcomes of the budget, but outcomes in terms of people's lives and livelihoods.
22. If what we really want to achieve is transformation in the lives of people, then we have to
 - Start from people's lives, their situation.
 - Decide on what are the priorities based on an analysis of their situation.
 - Decide on the results one wants to achieve and work out what needs to be done to achieve that result.
 - Make sure that we identify and choose the smartest ways to achieve the transformation desired, the most efficient and equitable way of deciding upon trade-offs, the most effective way of using synergy.
23. Volume 2. The Analytical Document sets out the analysis for the three levels of public expenditure management. **Refer to Section 5.3 Gender responsive guidelines analytical documents cover page.doc**

2.6 Why do we need gender analysis for people-oriented budgeting?

24. There are four interlinked reasons why we need gender analysis.
25. First, people-oriented, pro-poor budgeting cannot be abstract.
 - It has to be concrete and focus on, make a difference to actual, real people.
 - Individual people are not all the same, and cannot be presumed to be the same.
 - First there are known differences innate to people: sex, age, ethnicity, race.
 - Then there are differences based on economy, society, culture, geography, environment, climate. These differences among people depend on different contexts, can change over time. These changes may be dependent on a number of factors.
 - Some of these differences may be great, some may be small. Some may be meaningful, some not.
26. Second, people cannot be considered as isolated, unrelated individuals.
 - They live in society, form relationships and groups.
 - These relationships are at the basis of how society and the economy is organised; this social cooperation can and does lead to a division of labour, resources and responsibilities.
 - The differences and relationships are linked.
 - Relationships between women and men are the basis of this social and economic organisation, whether in the family, household, and other institutions.
 - The nature of the relationships between women and men depend on many factors. They cannot be presumed to be symmetrical.

- Because of this relationship, what affects one individual can affect the other, indirectly. But again this cannot be presumed to be symmetrical between women and between men.

27. Third, what women and men, of all ages and in different contexts, can make of their lives depend on their situation :

- The activities they do,
- The resources they use,
- The power they have to make decisions, to control assets and dispose of them
- The rights, the entitlements they have and actually enjoy.
- The obligations they face,
- The norms, rules and values they live under.

These reveal the differences as well as the relationships between women and men.

28. Fourth, government policies and budgets intend to have an impact on this situation.

They need to take into account these differences and relationships. This is the case because

- The policies and budgets will have an impact on different groups differently even when there is no discrimination, exclusion or preference intended.
- These relationships among people will affect how individuals can benefit from and respond to policies and budgets.
- This in turn will reflect on the success of policy objectives
- The policies aim to identify and reduce inequalities among different groups.

2.7 What is and how to use gender analysis?

29. Gender analysis seeks to analyse the social differences between women and men, as well as among women and men. It analyses the differences as well the relationships between women and men. The purpose is to identify gaps and inequalities of power between women and men.

30. The tools of gender analysis are explained further in the background analytical documents and the technical and briefing notes.

Set 2 Gender analysis tools\Guidelines\EASRO Gender-responsive budget guidelines analytical document.doc

Briefing notes 1,4,5,6 Technical Notes 1,2 3,Guidelines\Gender responsive guidelines briefing and technical notes.doc

3 How to do pro-poor people-oriented budgeting?

3.1 Start from the household, the individual.

31. The basic principle is to start from the household, the individual, from the analysis of the situation. And to pose a series of basic questions.
- What does one mean by poverty?
 - How does one live on \$1 a day?
 - How does one manage on such a money budget?
32. The important thing is not to define poverty as “lack” but to understand what resources the poor live on to survive. If one only has \$1 a day or less and no physical assets then one only has .
- Individual time and energy (human) to mobilise natural resources⁴. Without time and energy it is impossible to mobilise, use natural resources.
 - Claims on other people’s time and energy (intangible, social resources)⁵.

For further analysis, Refer to Briefing Note 2: the context of time and energy poverty in Sub-Saharan Africa Guidelines\Gender responsive guidelines briefing and technical notes.doc

3.2 What are the resources of the poor? The time and energy budget.

33. At the level of basic subsistence therefore, survival depends on one’s energy and time budget. Time and energy is scarce in relation to one’s needs. There are only 24 hours in a day. There is a limit to human exertion without periods of rest and calorie intake (to renew energy levels). At the same time tasks take time because one is only using human energy which is very limited compared to other forms of energy.
34. One’s life span is limited. If one is in debt, for instance a whole lifespan might not be enough to pay off a debt. Reducing consumption, working harder to pay off the debt can shorten life⁶. There is thus a time and energy budget. There are resources of time and energy and uses of time and energy. Depletion of time and energy budgets over and above resources can be unsustainable. It can quite simply be deadly.
35. Resources of time and energy (work) can be used to produce items of consumption for survival, such as food and other basic necessities. They can be used to obtain money. Either through working for somebody (labour market) or selling the goods and services from working (goods market). There is then a time/energy budget plus a money budget. Money can buy the time and energy of others. It can increase consumption. But that does depend on having the time and energy to generate the money in the first place. That is the energy-poverty trap.
36. The poverty data (on income poverty) tells us that it is concentrated in rural areas and among rural women.

⁴ The ability to use natural resources depends in turn on whether one is entitled to use them, without charge and/or according to the rules of belonging to some community.

⁵ This means what other people can provide you by using their time and energy to give you things or do things for you (provide you a service) without money being exchanged. It can be because of what you are entitled to as part of a relationship, because of mutual exchanges, solidarity.

⁶ One can begin to look at how HIV-AIDS can affect this time-energy budget.

3.3 What does costing and budgeting mean for the rural poor?

37. If one focuses on this group, one can see the linkages among resources and spending. The poverty line (for income poverty) is set in terms of the money expenditure on basic items of consumption. But what is the time and energy budget at or below this poverty line?

38. What is the **cost of a meal** daily, every day, on less than 1\$ a day?

1. Get water
2. Get firewood
3. Grind, pound, dehusk etc.(food processing)
4. Collect "wild" ingredients
5. Cook meal
6. Serve meal
7. Wash and clean up

39. What are the direct costs/expenditure per meal?

They can be categorised as

- Time/energy (human)
- Materials (non-cultivated and cultivated biological resources)
- Inanimate energy; heat from biomass for cooking and heating.

40. We can see that the total cost per meal in terms of is high, in terms of total activity-based costing of the range of inputs that go into the meal. The meal may be free in terms of money but costs a lot in terms of time and energy of the individuals who are engaged in the entire process. And because human energy is limited, the productivity per meal is low : How long (in terms of minutes and hours of a person's time) does it take per meal, even if many people are fed?

41. Of course, if food is not sufficient for survival, then less energy and time is spent preparing it, but then this means that energy levels are reduced to such an extent that hunger, stunting, malnutrition, inertia sets in. Energy levels adjust to food intake. This is the discipline under such a budget.

42. We can see that there is a flow of materials and energy. Food stores energy. To obtain energy from food, one has to grow it, but also to prepare it, cook it, serve it. This process uses up a lot of human energy and time. Then it is transformed in energy in the human body. This energy from eating food is spent to grow food. And so on.

43. Yet poverty analysis does not take this into account. There is no data on the use of time and energy by poor women and girls whether in male-headed and female-headed households. In fact, not all this expenditure of time and energy is counted as economic activity in the System of National Accounts. According to SNA Version 4 of 1993, which many states have yet to convert to, water, firewood, gathering of "wild" foods, food processing should be counted as economic activity. But the service of actual cooking, serving, cleaning, keeping a kitchen is not.

44. The main reason seems to be that there is no systematic information about who does all these interrelated activities.

3.4 How do households pooling and using resources live on less than \$1 a day? The use of gender analysis.

45. So far we have been talking in the abstract, in terms of the poor, of people. We need to understand how real people in households operate, how meals are produced, in order to have a better understanding of poverty and its costs. We need to know who does what, in terms of activities, to link this with resources. We need to understand how work is organised between women and men.
46. We need to use the tools of gender analysis, for the reasons outlined in section 2.6 Such a tool is the 10 Key Questions Tool. See Volume 3: Briefing Note 4 and Technical Note 1
47. One way of doing this analysis is to look at the daily lives of women and men, their dairies and daily calendars. We need to do this in much the same way as diaries are used in determining what is consumed by households in household budget surveys.
48. We know that in most contexts the tasks of preparing a meal is overwhelmingly the obligation of women and girls. So the total direct costs of preparing a meal is borne by women and girls.
49. We can compare the calendar of activities of members of the household to see how they are interrelated. How the men's sequence of activities –say growing food- depend on the women's sequence of activities –say of preparing food , throughout the day and every day. We have answered the question, who does what, for whom and with whom? When working out the cost of the meal, we have answered the question, how, and with what resources?
50. We can begin to build a profile of the women and girls' total workload as well as the men's. Women also grow food as well as contribute to growing cash crops either as unpaid family labour or paid labourers.
51. We can ask questions of why it is women who do these many tasks. Men and other women, children have a claim on women's and girls' time and energy. Depending on the context, this is due to the norms that dictate women's obligations. It is due to their inability to secure rights over resources to fulfil those obligations and to the lack of power to impose a different, and more balanced division of tasks and responsibilities within the household to change the norms.

3.5 The social and economic costs: What are the indirect costs of a meal?

52. Women and girls cumulate many tasks and obligations. We need to find out the indirect costs of this food preparation. The time and energy used in preparing food is at the expense of what, given the time and energy budget? It can be at the expense of
 - growing food
 - growing cash crops for income
 - resting
 - going to school
 - Looking after children
 - Doing these better and more productively and satisfyingly
53. To consider the range of opportunity costs, the costs in terms of other uses of time and energy, given a limited budget, we can look at Briefing Note 3 on Time Use Classifications

54. We can see that the costs of meal preparation can be at the expense of being able to reduce income poverty and to reduce human poverty (education, nutrition and health)
55. Women have other obligations and roles. Besides housework they are mainly responsible for caring for members of the household, children, the sick, disabled and the elderly. These are the tasks of the caring economy which are also unpaid. The energy used is not just physical but psychological and emotional also. It can be individual energy or collective and social energy. Take for example the songs and dances that accompany the arduous physical agricultural and food processing tasks. See Section 2.1.3 of Volume 2 Analytical Document .

3.6 What are poor women and girls' budgetary choices?

56. Can women get out of the energy-poverty trap? It is in fact an energy-poverty trap for women but which also affects men, because of their economic and social dependence on women's work. At the same time, it is an energy-poverty trap which falls more severely on women because of the power relations of men over women.
57. What are women's budgetary choices to the extent that

they cannot have a claim on –mobilise -others' time and energy

- Through paying for it in the market
- Through entitlements to state resources,
- Through entitlements from NGO organisations, networks, politicians
- Through commanding other people's labour, through being able to give orders and delegate work.

they have limited rights over their own labour time/energy.

they have limited entitlements in your own right to household assets, cultivated and non-cultivated assets and natural resources. Their limited and tenuous rights are derived from their husband or sons.

58. Why does the problem exist? By using the Hierarchy of Causes tool [See Volume 3: Briefing Note 5], we can analyse the reasons for such a situation, trace the causes at the level of the household, village, at the meso level of the state budget, the state information system and the market

4 What should state budget priorities be?

4.1 Understanding the information framework for a gender analysis of the budget.

59. The concept of gender and the tools of gender analysis need to be used to look at the budget. Many states are now revising their System of National Accounts according to Version 4 of the SNA 1993. The budget as an instrument of macroeconomic analysis will be increasingly based on this information framework. Gender analysis of the budget and gender-responsive preparation of the budget needs to be within this framework.

60. Volume 2 ; Analytical document provides guidelines about and analyses this framework.

4.2 What are the criteria for prioritisation in the allocation of state resources.

61. In the context of budgetary reform, public expenditure is justified where markets fail to work efficiently in the allocation of resources. The cases where markets fail are where there is a natural monopoly, public goods, and externalities, whether positive or negative.
62. Public expenditure is also justified where there are inequalities leading to poverty and vulnerability.
63. Misallocation of resources arises if markets fail to estimate correctly the resources used, to value correctly the costs and the benefits of using resources. In both cases they are underestimated.
64. Positive externalities (where the benefits in one use or for one individual also generates uncounted benefits for others, has knock-on effects on other dimensions) . The social returns of girls' education are higher than the private benefits. It leads to other benefits, such as increased nutrition, levels of well-being of the children and other family members. These benefits occur because of the transmission through gender relations
65. In the case of the unpaid care economy, the market fails to account for the hidden costs of the resources used, because they are invisible and uncounted.
66. There is both misallocation of resources and inequalities where there is time and energy poverty for poor rural women. These are strong grounds for state intervention and strong criteria for prioritisation.
67. Easing the time and energy constraint can give women better budgetary choices to allocate their time and energy budgets effectively. It can reduce both direct and indirect costs.

4.3 Understanding how does the state budget affect the time and energy poverty of women and in turn gender equality.

68. The state budget can reduce the time energy burden of unpaid SNA productive work through enabling access to modern energy services and technologies which substitute for human energy and time. This is the case for energy, transport, water, roads. This economic infrastructure. increases the productivity of these tasks.
69. The state budget can reduce or increase the "care burden" on women and girls. It can reduce public expenditure on social infrastructure, health, education, childcare and shift the costs to mostly women providers in the household and community. It can do the reverse.
70. The knock-on effects of easing the "care burden" is to release productive energies, enhance capabilities (better education and health) and facilitate civic and political participation, reduce gender inequalities in these areas.
71. Focusing on energy services for poor women and men as a platform for integrating other sectoral interventions can create synergies and provide a way out of the energy-poverty trap.

4.4 Where are budget allocations directed actually?

72. Review policy priorities (PRSP and sectoral policies and plans), actual allocations, conduct a gender audit to assess the extent to which they address the energy-poverty trap facing rural women particularly.

4.5 Improve statistics for economic and social policy analysis.

73. Gender analysis of budgets requires accessible, valid, timely, comprehensive, reliable and pertinent disaggregated data. This means data produced by applying gender analysis throughout the information cycle. To do this effectively and prepare the ground for results-based budgeting to address time and energy poverty, there is a need to improve statistics for economic and social decision-making.
74. Volume 2 of the Analytical document contains an extended set of guidelines for doing this in the wake of efforts under way to improve the quality of economic and social data, through the IMF General Data Dissemination System [GDDS].

4.6 How to re-align allocations and ensure accurate costing and budgeting of such priority actions?

75. The steps are to identify entry points in Medium Term Expenditure Frameworks, to construct a results chain.

The guidelines for doing so are in Volume 2 of the analytical document