How can PFM Reforms Contribute to Gender Equality Outcomes?
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Executive Summary

This paper provides advice for practitioners working on Public Finance Management (PFM) reforms on how to make these reforms gender responsive to ensure maximum impact on gender equality outcome. Examples of relevant tools and successful cases on Gender Responsive Budgeting (GRB) are included throughout the paper to this end. The paper also provides gender experts an overview of PFM reforms and explains how and why they are important to achieve gender equality outcomes. The paper aims to link ongoing work on GRB with broader PFM reform work by increasing the understanding of GRB among PFM practitioners and increasing the understanding of PFM reforms among gender experts for better results for gender equality and women’s empowerment.

How do good PFM systems help to achieve gender equality policy objectives?

Ultimately, PFM improvements will only impact gender inequality if the government’s objectives and policies are themselves gender responsive. If a government has strong gender equality policies, then a good PFM system will implement these efficiently given the available resources. If PFM systems are transparent and provide comprehensive information on how the public resources are being spent then policy makers and planners can use this information to develop better policies and plans to reduce inequalities. However note that while good PFM systems can facilitate and encourage good decisions, they cannot guarantee them. PFM techniques are only tools and their impact relies on a political environment that will implement them successfully.

Within certain parts of the PFM cycle, specific reforms and approaches can facilitate gender equality goals being achieved, as highlighted below.

Policy – if it is not clear what governments’ policies are then it is impossible to know what the budgeting system is supposed to be achieving and thus would be extremely difficult to hold a government accountable for meeting its policy goals. In a good PFM system it should be clear what the government’s policy is to achieve gender equality and the specific policy areas that a government has set out for desired gender equality objectives.

Strategic Planning – once policy goals have been established, these can become quickly meaningless in practice without consideration of how the design of public services (including setting out revised legislative and procedural arrangements) should be organised. Thus a crucial part of whether gender equality policies are achieved is whether they are well planned for (including costing plans, realistic timetables, clear responsibilities and well defined outputs/targets).

Budget Preparation – if there are gender specific policies and plans, to achieve these it should be clear how these are reflected in the budget and the level of budget appropriation that links to these gender-specific objectives of the budget.

Budget Execution – even a well-planned and gender-responsive budget will be ineffective in achieving specified gender equality aims if it is not implemented as planned. So, the key to ensuring that gender equality policies are carried out at this stage of the PFM cycle is more to do with ensuring the effectiveness of the systems associated with budget execution.

Enabling factors that allow PFM reforms to have greater impact on gender equality outcomes

Conducive Political environment - effectiveness of any effort to integrate gender into PFM hinges on enabling factors such as sustained political support and conducive institutional arrangements, at all levels.

Sufficient capacity and resources - capacity development and awareness raising on GRB is key for effectively linking gender equality objectives with PFM reforms.

Accountability, Transparency and Participation – a PFM system that provides comprehensive and timely information on how resources are allocated can be a first stepping stone to participation and accountability which can contribute to equitable outcomes if other enabling conditions also hold.

Tax Policy, Administration and Gender Equality

Given the importance of the revenue system to PFM, it is important to examine how the tax system can impact gender equality if a country’s tax regime has a regressive bias against either men or women. This is examined by assessing where the tax burden falls (as determined through tax policy) and how taxes are collected (as determined through tax administration).
A. Introduction

Many countries around the world overhaul their Public Financial Management systems to improve effectiveness and efficiency in revenue collection, budgeting and spending. Over the past two decades, external support is increasing as a growing number of actors are providing technical support to strengthen PFM systems in developing countries. OECD-DAC data reveals that the value of external support for PFM reforms increased from $85 million in 1995 to $931 million in 2007 (ODI 2010). Similarly, the scope of these reforms is also broadening as aspects such as budget transparency and effective public spending for better service delivery and results are becoming part of the reform process.

The growing interest from external partners and the widening scope of these reforms provide an important opportunity to deliver better results for reducing inequality including gender inequality by increasing effectiveness and efficiency of PFM systems. If a gender perspective can be consistently and practically embedded into public finance systems and administration, and included as a key component in the reform of these systems, the likelihood of creating a strong and sustainable impact on gender equality will grow (Bridge, 2015). However, current practices on PFM reforms and dominant literature on PFM systems appears to be largely gender-blind or very limited in its approach to gender (Combaz 2014).

On the other hand, gender responsive budgeting (GRB) work, which was started more than twenty years ago to integrate gender perspectives in government budgets and plans, has been growing in many countries. In 2014, GRB was implemented in 73 countries (UN Women 2015). Despite growing interest and demand for GRB, gender budgeting work in many countries often has not been mainstreamed and linked with broader PFM reforms and was not institutionalized (Bosnic & Schmitz 2014) and Schneider (2007)).

This paper attempts to address these challenges by providing advice for practitioners working on PFM reforms on how to make these reforms gender responsive to ensure maximum impact on gender equality outcome. Examples of relevant tools and successful cases on GRB are included throughout the paper to the end. The paper also provides gender experts an overview of PFM reforms and explains how they are important to achieve gender equality outcomes. It is hoped that by increasing the understanding of GRB among PFM practitioners and increasing the understanding of PFM reforms among gender experts that both actors can work together in the future for better results for gender equality and women’s empowerment.

“To be able to successfully advocate for GRB with the Ministries of Finance as the main implementers of the PFM reforms and make them leaders of GRB too, one needs to understand not only how GRB and PFM reforms should go hand-by-hand, but also what additional value can GRB bring in the budget reform agenda” Bosnic and Schmitz (2014)

I. Context

A number of international standards and norms recognize the importance of incorporating gender equality in government’s planning and budgeting policies and processes as a means to increase resources for gender equality in order to address inequality and discrimination. The general recommendations of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) emphasized that the state provide adequate resources for the advancement of women. Similarly, the agreed conclusion of the 59th Session of the Commission on the Status of Women (CSW) in 2015 called upon various actors to significantly increase investment on gender equality to close resource gaps, including through the mobilization of financial resources from all sources, including domestic resource mobilization (UN 2015).

Despite increased discourse and commitments, the current state of financing for gender equality demonstrates that major gaps exist as the investments in gender equality are inadequate to meet the demands and needs of millions of women and girls. UN Women’s work on costing of national action plans on gender equality shows gender financing gaps as high as 90% (UN Women 2015).

Inadequate resourcing impedes delivery on obligations to gender equality as articulated in international frameworks and national legislation and policies. Strengthening gender responsive public finance management helps to bridge this gap and builds greater coherence between gender equality commitments and the financing of these commitments.

Within this context, this paper aims to highlight the centrality of gender responsive public financial management reforms to guarantee adequate allocation of resources and effective implementation of gender equality commitments. These reforms are critical to address systemic challenges and structural biases in government’s policies and practices that often exacerbate existing gen-
der inequalities. Realizing gender equality requires fundamental shift in government practices to inform better policies with adequate budgets and overhaul of the existing systems including those related to public financial management.

II. Key Concepts:
Gender Responsive Budgeting: is an approach that integrates gender equality into government’s planning and budgeting processes and analyzes how budgets respond to gender equality and women’s rights. This entails examining not only actual allocations and revenue raising measures but also budgeting systems and the roles of various actors throughout the process (UN Women). GRB aims to enhance the quality and efficiency of public finance management by introducing aspects of equality and equity in public spending. Gender responsive budgeting does not mean separate budgets for women or men. Instead, GRB brings gender awareness into the policies, plans, budgets and programmes of government institutions to improve the allocation of resources towards gender equality and women’s empowerment.

GRB addresses an important underlying question, i.e. whether government practices for raising and spending resources reduce gender inequality, leave gender equality unchanged or increase gender inequality (Elson 2015). Budlender (2009) explains gender-responsive budgeting ‘encompasses a range of different possible activities that focus on the question of how the government budget does or can advance gender equality’. GRB is implemented through a variety of tools, which varies according to the context and the objectives.

BOX 1
Gender responsive budgeting means:

- ‘Formulating the budget in a gender-responsive way
- Linking gender responsive policies with adequate budgetary funds
- Linking policies to empower women and to fight against gender based violence with adequate budgetary funds
- Executing the budget in a way that benefits women and men, girls and boys equitably
- Monitoring the impact of expenditure and revenue raising from a gender perspective
- (Re)prioritising expenditure and (re)formulating revenue raising policies in a gender equitable way by taking the different needs and priorities of women and men, girls and boys into account’

Source: Schneider 2006

PFM: “relates to the way governments manage public resources (both revenue and expenditure) and the immediate and medium-to-long-term impact of such resources on the economy or society. As such, PFM has to do with both process (how governments manage) and results (short, medium, and long term implications of financial flows)” (Andrews et al 2014)).

PFM reform: can be “defined as ‘purposeful changes to budget institutions aimed at improving their quality and outcomes’. Countries often introduce these reforms with help from international organizations. Common PFM reforms include: Medium-term expenditure frameworks (MTEFs), Formalized budget preparation processes, fiscal rules, Budget classification systems, Program or performance-based budgeting, Legislative strengthening, Independent revenue collection agencies, Treasury Single Accounts (TSAs), Integrated Financial Management Information Systems (IFMIS), Public procurement, Independent and transparent human resource management, Internal control, internal audit, and monitoring, Accounting and reporting reforms, External audit and external accountability reforms, and Budget and spending transparency and citizen participation.

The main body of the paper covers how PFM systems can help to achieve gender equality policy objectives, focusing on policy, strategic planning, budget preparation and budget execution. Section B then looks at wider enabling factors that allow PFM reforms to have a greater impact on equality. And section C covers how tax administration and policy can impact on gender equality.

“Public financial management is the system by which financial resources are planned, directed and controlled to enable and influence the efficient and effective delivery of public service goals.” (CIPFA, 2010)
B. How do good PFM systems help to achieve gender equality policy objectives?

The following section examines gender equality outcomes in four crucial stages of the PFM Cycle that includes Policy, Strategic Planning, Budget Preparation and Budget Execution. The section examines critical entry points for gender equality and presents examples and best practices.

I. Policy

Policy is the set of rules, regulations, and decided course of action to lead to a set of outcomes. “Being clear with regard to the ambition of policy achievement should be the starting point to any PFM discussion” (Johnson contribution, 2015). Without clear policies, allocative efficiency is not possible and there is no sound basis for planning.

Good PFM systems should review previous policy in the light of: reports, analysis and audits from previous year’s performance; as well as the economic and social context; and the changing needs of the population the government represents. In a good PFM system it should be clear what the government’s policy is on gender equality and the specific policy areas that a government has set out to achieve gender objectives.

If it is not clear what governments’ policies are on achieving gender equality then it is impossible to know what the budgeting system is supposed to be achieving and thus would be difficult to hold a government accountable for achieving its policy goals. Thus conversely if the policy stage of the PFM is strong it will be clear whether there are any specific policies to reduce gender inequalities and whether those priorities are integrated into any national development strategies. This enables the various actors to then assess whether these policies are being achieved through the PFM system and is one of the factors required for the government to be held accountable.

As the table shows below, PFM improvements will only impact on gender inequality if the government’s objectives and policies are themselves gender responsive. If PFM systems are transparent and provide comprehensive information on how the public resources are being spent then policy makers/planners/CSOs/citizens are more informed and this information can be used to develop better policies/plans/analysis to reduce current inequalities. However note that while good PFM systems can facilitate and encourage good decisions they cannot guarantee them. PFM techniques are just tools and that their impact relies on a political environment that will implement them successfully.

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<th>Table 1: PFM System and Policy: Four scenarios</th>
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<tr>
<td>Poor PFM system</td>
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<td>Adequate gender equality policies</td>
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<td>In this scenario the PFM system would not facilitate government policies being implemented and in addition none of the government policies are there to address gender equality. Recommendation: Simultaneous efforts are required to ensure that PFM systems are overhauled and gender equality policies are developed and priority actions on gender are incorporated into these systems.</td>
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<tr>
<td>Adequate gender equality policies</td>
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<tr>
<td>In this scenario the PFM system would not facilitate the gender equality policies being achieved. Recommendation: Improve the PFM system so that the basics are working and it becomes functional enough to implement the gender equality policies.</td>
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<tr>
<td>Good PFM system</td>
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<tr>
<td>In this scenario the PFM system would facilitate policies being implemented, but there are not adequate gender equality policies. Recommendation: Assess through gender gap analysis why some of the populations needs are ignored and where opportunities are to encourage the policy and planning system to be more inclusive and participatory. Assess if any changes could be made to PFM systems to make inclusive policies more likely. Focus not only on how to incorporate gender equality commitments into national development plans and budgets, but also into de facto policy making processes and how these get reflected in budgets (given that national development plans may not fully reflect actual policy).</td>
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<td>In this situation the good PFM system should facilitate the gender equality policies being achieved. Recommendation: Ensure that gender is systematically incorporated throughout the full functioning PFM system for maximum results.</td>
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I.a Examples for Gender Responsive Policies

As part of the PFM reform process, many governments have introduced new budgetary laws and policies to limit spending in order to balance public spending, debt limits, and administrative ceilings to contain and constrain budget proposals (Andrews et al. 2014). These reforms provide a critical entry point to incorporate gender equality into the PFM systems.

Changes in regulatory frameworks for planning and budgeting are the first step for prompting gender responsive budgeting. "The Ministries of Finance and Planning have the mandate in setting the public finance management systems, defining budget ceilings, ensuring sound economic frameworks, and identifying processes for operationalizing government functions." (UN Women 2012). Evidence shows that countries where concerted efforts were made to revise existing budgetary laws have seen promising results in promoting gender responsive planning and budgeting (see box below).

BOX 2
Examples: Gender responsive budgetary reforms in Morocco and Rwanda:

Morocco has a long history of gender responsive budgeting work with sustained, high-level political will to address gender inequality. Since the adoption of a new finance law in January 2014, the needs of women and girls are increasingly being reflected in how governments spend and the gender priorities are integrated throughout the budgeting process.

These efforts have resulted in GRB being progressively anchored in Morocco’s budget reform process. Experience with results-based and gender-responsive public finance management for more than 10 years in Morocco resulted in the adoption of the new organic law of finance by the Council of Government, which legally institutionalizes gender equality throughout budget processes. Taking the GRB processes a step forward, the new legislation explicitly mentions that gender equality must be taken into account in the definition of objectives, results and performance indicators in the line budgets. The new organic law also institutionalizes the Gender Report as an official document that is part of the annual Finance Bill – an important achievement.

Source: UN Women

Rwanda is another example where the government provided a conducive policy environment for the GRB work to take root. In 2013, Rwanda revised the Organic Budget Law to include a requirement for all government agencies to prepare and report on implementation of their Gender Budget Statements. The revised law, therefore, is instrumental in allocating required resources for the implementation of gender equality commitments. As a result of the revisions, gender-responsive budgeting is a requirement in all sectors and has been implemented and spearheaded by the Ministry of Finance and Economic Planning. Article 32 of the Organic Law provides for a “Gender Budget Statement” as a mandatory annex to the Budget Framework Paper to be submitted to both chambers of Parliament. All public entities are also required to submit to the Ministry of Finance, with a copy to the Prime Minister, an annual activity report on how plans for gender equality have been implemented. This set up also ensures the active involvement of district governments, as service providers, thus making a direct impact on the lives of ordinary people. Rwanda has a strong decentralized government structure and, therefore, districts remain essential in planning and budgeting for achieving sustainable development.

Key Questions to Ask:

- Do the policy review procedures have a formal or systematic structure that looks at whether policy considers gender equality and addresses the gender equality needs of a country adequately?
- Is there research, administrative data or other evidence that is used to assess and reform policy in light of the situation facing and needs of all members of society including marginalised groups?
- Is there a gender aware macro-economic policy framework?
- Are gender outcomes incorporated into fiscal notes accompanying new spending and revenue legislation?
- On sectoral policy: Have gender-aware beneficiary assessment of priorities, policy appraisal been used? Does it use sex-disaggregated data? Does policy tackle gender barriers and discrimination?
II. Strategic Planning

Plans are the translation of the policies into sets of actions and activities that will best achieve the policy goals. Once policy goals have been established these can become quickly meaningless in practice without consideration of how the design of public services (including setting out revised legislative and procedural arrangements) should be organised over time to ensure that policy can be achieved. This is where national action plans and sector strategies can play an important role, if they are genuinely prepared with a view to organising the delivery of public services over time, including working with and influencing partners, rather than as a ‘box ticking’ exercise to please stakeholders such as donors.

Good planning involves genuinely costing and planning how to achieve the policy goals, which may rely on one or more programmes to achieve them. A good national action plan on gender equality should do this. Strategic Planning also involves the PFM system being able to translate policies into SMART programme goals and objectives and outputs. In order to plan, a PFM system needs to be updated, which include: financial plan (e.g. MTEF), fiscal strategy (e.g. MTFS), an overall government strategy, Sector strategies, a planning structure to translate the priorities into measurable actions at the point of service delivery, a system of performance review to inform future strategy, targets & budget allocations and an aligned timetable requiring plans and budgets to be developed in parallel. Good planning also involves working with partners and managing risks and uncertainties.

Thus a crucial part of whether gender equality policies are achieved is whether they are well planned for. If there are weaknesses in this area then achieving policy outcomes becomes unlikely. For example any of the following weaknesses could result in hindering the achievement of gender equality (or any other) policies: priorities and aims are not clear, plans are over ambitious, poorly costed, capacity constraints not taken into account, unrealistic timetables, responsibilities not clear, or outputs and targets badly defined or and difficult to measure.

II. a Example of Gender Responsive Strategic Planning:

Developing Medium Term Expenditure Framework (MTEF) is a critical part of the Strategic Planning stage. MTEF supports strategic allocation of budget and flow of resources to the most needed public priorities. Linking gender equality with MTEF requires identifying key priority areas on gender that need to be addressed. National action plans on gender equality developed in many countries identify these priority areas. Costing these priority areas and integrating those in the MTEF is a successful approach that has been adopted by a number of countries to institutionalize GRB in the PFM systems (UN Women 2015). Another important step is to identify existing gender gaps in public spending and budgetary frameworks and incorporate those in the MTEF. This allows further improvement in allocative efficiency of the MTEF as it supports budgetary allocation to the needed yet neglected policy objectives that are critical to reduce poverty and inequality.
**KEY QUESTIONS TO ASK:**

- Is there systematic mainstreaming of gender into planning processes?
- Are the impact of plans on gender considered systematically at various decision-making levels?
- Can templates, processes and guidelines for putting together sector strategies and MTF and MTEF encourage gender equality outcomes and outputs that are sufficiently resourced?
- Are there specific gender guidelines for expenditure and revenue legislation in the overall framework for legislative decision making?
- Is there integration of gender specific language in legislation establishing new programs and agencies?

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**BOX 4
Incorporating gender equality in the MTEF in Kosovo:**

The Government of Kosovo uses the Medium Term Expenditure Framework (MTEF) as the primary planning document for governmental economic policy. The MTEF is prepared according to the national development priorities and strategic objectives that include among others sustainable economic growth, developing human capital and improving social welfare.

Gender Responsive Budgeting was used as an entry point to ensure that the MTEF incorporates specific objectives related to gender equality and women’s empowerment. A three stage GRB approach was used in Kosovo to integrate gender perspectives into the budgetary process and the documents. Stage 1 identified gender gaps through GRB analysis of existing budgetary plans and objectives. Based on findings from Stage 1, Stage 2 identified specific objectives and activities to address the gender gaps and developed indicators to measure progress on these objectives. During Stage 3, these objectives along with specific indicators and required budgetary allocations were incorporated into the budgetary process.

III. Budget Preparation

Budget preparation is the process that translates plans into financial terms. The budget is a financial statement setting out the forecast resources and is an authorisation to spend them as planned. The budget establishes control over spending and without a credible budget it is difficult to achieve fiscal discipline, which affects the achievement of all government policies including gender equality policies.

The budget results in improved allocative efficiency if it enables Government plans and policies to be implemented, and thus it is crucial that budgets are linked to plans, which are linked to policies. It is no good having excellent gender equality policies and plans if they are then not reflected in the budgets. In a good budget it should be clear where the government is planning to spend money and how this is contributing to achieving government policies objectives. Thus, if there are gender specific policies and plans to achieve these it should be clear how these are reflected in the budget and the level of budget appropriation that links to these gender-specific parts of the budget.

A good budget would make it clear which outputs have been planned, which of those outputs address specific gender-responsive issues of relevance and whether such outputs have been appropriately resourced for the corresponding programme policy objectives to be achieved. Performance based/programme based/output based budgets are designed to do this. However, the important issue is not the specific kind of performance budgeting that should be advocated, but rather ensuring that an effective policy-driven PFM system is in place. For this to be the case then some identification, costing and planning of relevant outputs is a prerequisite.

What is also important in the budgeting process is that the Ministry of Finance provide specific guidelines and instructions to the government agencies to make budgets gender responsive. It is equally important for the MoF to monitor and check that the line ministries stick to guidelines and challenge them as to whether their budgets reflect the policies and provided guidelines.

III.a Example of Gender Responsive Budget Preparation:

In the budget preparation stage, reforms towards performance based budgeting (PBB) provides an important entry point to integrate gender equality into PFM systems. The reforms aim to make a shift from a budget management process that controls inputs to an emphasis on the outputs and outcomes associated with policy objectives. Evidence shows that gender responsive budgeting and PBB are closely linked as both emphasize on achievements of results in a wider budgetary framework of policy planning, implementation and evaluation. Both approaches focus on increasing accountability, strengthened governance structures and enhanced participation. Performance frameworks of budget programmes can be made gender responsive through the use of gender disaggregated indicators, by assessing budget and policy plans against actual allocations, and monitoring progress towards increased gender responsiveness.

In addition to performance based budgeting, another important entry point for gender at the budget preparation stage is through revising budgetary guidelines and procedures such as budget call circulars. MoF can make call circulars gender-responsive by instructing budget managers to incorporate gender perspectives in the budget preparation process. This could include providing specific guidelines and instructions to the government agencies to make budgets gender responsive. It is equally important for the MoF to monitor and check that the line ministries stick to guidelines and challenge them as to whether their budgets reflect the policies and provided guidelines.

BOX 5

Principles of a gender responsive budget:

The following principles can be used to consider whether a budget or allocated resources are gender responsive or not.

- **Equality** (Contribution to): Resources allocated by the government should be aimed at implementing policy commitments to gender equality and women’s rights including priorities outlined in gender action plans and programmes and includes financing for actions providing temporary measures for realizing women’s rights.
- **Non-discrimination**: Resources allocated should be geared towards removing barriers to women’s access to services and resources and ensures equitable benefit to women.
- **Effective**: Resources allocated should be adequate and commensurate with needs to ensure public expenditure achieves the aspired outcomes of gender equality.
- **Coherent and transformative**: Resources allocated should aim at creating an enabling environment for the realization of women’s rights and gender equality including the support to women’s organizations, gender responsive governance systems and gender architecture within government.

Source: Elson (2006) and UN Women
the government agencies that gender should be explicitly reflected in the submissions and that it will be considered an important criterion during budget negotiations. Requiring agencies to use relevant gender indicators and sex-disaggregated indicators in budget submission is another way of making circulars gender responsive. (Budlender 2007)

BOX 6

How to ensure effectiveness of budget call circulars for gender equality?

In order to ensure that budget call circular achieve the intended objectives, the following few points need to be taken into consideration:

Firstly, it is important to create incentives for the agencies by ensuring that budget submissions with gender priorities are preferred by the Ministry of Finance or Planning. This can be done by including representatives of the national women’s machinery as part of the team that review submissions and negotiates with the agencies. It is equally important that the relevant staff of the MoF understand what the gender requirements are.

Secondly, the government agencies receiving the call circular and responsible for budget submission would need proper guidance so that they have adequate knowledge on gender that can reflected in their programmes, policies and budgets.

Thirdly, specific instructions instead of general guidelines will be more useful. For example, instructing agencies to include sex-disaggregated indicators for the past indicators or requiring specific areas or themes such violence against women to be explicitly addressed.

Fourthly, providing personal incentives and rewards to officials that promote gender equality in budgetary process.

Finally, for maximum and long term impact, it is thus important that call circulars continue each year with gender requirements so that officials can build up their expertise and systems over time. The gender requirements in the circular should also be refined over time to take into account lessons from the past years.

Source: Budlender 2007

KEY QUESTIONS TO ASK:

- Does the budget classification system give information on how budget is being used to achieve gender equality goals?
- Are gender policies incorporated into overall budget guidelines and instructions from the central budget office?
- Are there gender specific priorities set for budget allocations within departments for specific agencies?
- Do ministries have to submit a gender budget statement? Do budget forms include a discussion of the gender impact of proposed expenditures?
- When budget proposals are submitted for approval is one of the categories that they are assessed on whether they are gender responsive?
- Do budget templates collect information on sex disaggregated budget performance indicators where they refer to individuals?
- Are budget-related laws harmonised with domestic and international gender laws and conventions?
IV. Budget Execution:

Once budget is approved by the government, the next step is implementing the plans and programmes according to the agreed budget.

There are many factors that affect budget execution including management arrangements for service delivery, treasury management (cash flow), procurement processes, revenue collection, payroll management, risk management and internal controls. Poor implementation of budget is often caused by the ineffective planning, absence of cash planning or poor supervision and management over internal control procedure.

Thus even a well-planned and gender-responsive budget will be ineffective in achieving specified objectives if it is not implemented as planned. So, the key to ensuring that gender equality policies are carried out at this stage of the PFM cycle is to make sure that funds are allocated to the designated agency such as line ministry, national women machinery or local governments departments as planned and on time to implement programmes on gender equality. In addition, often due to complicated fund flow mechanism, information and data on allocations may not be available in time for the relevant agency.

For effective execution of budgets on gender equality objectives, it is equally important to ensure that there is a proper implementation arrangement in place with proper staffing and resources (capacity and skills). Budgets allocated for gender equality priorities are often underutilized due to lack of adequate capacity, understanding and dedicated staff and resources to implement the budget (see box 7).

BOX 7

Implementation of the Domestic Violence Act in Madhya Pradesh

Madhya Pradesh has the 3rd highest rate of intimate partner violence among the states in India where 34% women aged 14-49 experienced violence. To address the issue, the state launched a scheme known as the ‘Usha Kiran Yojna’, in 2008 to implement the domestic violence Act. Madhya Pradesh is among the few states that has made a separate budget allocation for the implementation of the scheme.

But these resources were not sufficient compared to the need. Calculations showed each women survivor on average would receive a mere $0.064 in services from about $400,000 (INR 25 million) annual budget for 2009-2010 budget.

Further data showed that the state government deployed a total of 453 protection officers to provide basic services to the survivors across all districts in the state. Calculations based on the DV rate revealed that there was only one protection officer to provide services to more than 13,000 domestic violence survivors. Moreover, the protection officers were not newly recruited, instead existing local officials were given extra portfolio to support the survivors. Inadequate staff at district level explains the underutilization of already scarce resources. In the year 2008-09 the budget utilization was about 37%, this further reduced to 34% in the year 2009-10.

Source: UN Women

KEY QUESTIONS TO ASK:

- Are there changes in sector plans and budgets reflected by increased and improved programmes benefiting women?
- Is there targeting programming for gender specific priorities at sector and local level?
- Is there a system in place to monitor progress on expenditure plans and outcomes?
- Is there adequate capacity and human resources available to execute budgets and plans on gender equality?
- Are there gender aware payroll and recruitment procedures? Payroll reforms?
- Are hiring procedures ensured to transparency and fair policy on promotion and recruitment?
It is crucial to examine the context when deciding what gender responsive PFM reform will be more effective. Gender responsive budgeting approaches are highly context-specific as the literature on GRB unanimously points out that there have been considerable differences across budgets, countries and contexts (see e.g. Combaz 2013). It is therefore, important to examine whether there is an enabling environment in which PFM reforms will yield conducive outcomes for gender equality. This includes favourable budgetary legislation, strong policy framework, solid institutional base and above all strong political commitment of the national government to implement required reforms.

Chapter Summary:
Integrating gender equality in an on-going PFM reform provides an opportunity to strengthen institutional capacity and overhaul financial systems to deliver on gender equality commitments on a systematic and sustainable manner.

GRB adds value and enhances quality of PFM reforms by adding crucial element of equality in planning frameworks, and revenue and budgetary processes and thus ensures inclusive public services and better delivery of results for women and girls.

PFM reforms undertaken to change fiscal rules and budgetary laws and regulations provide a critical opportunity to create an enabling environment for the institutionalization of gender responsive budgeting. In countries such as Morocco and Rwanda who pioneered work on GRB, enabling legislative reforms in budgetary processes has been the key to strengthen gender responsiveness of planning and budgeting processes.

Introduction of medium term expenditure framework (MTEF) as part of the PFM reform allows critical linkages with GRB as both initiatives strive to create better alignment between policies, plans and budgets and improve efficiency of budgets by allocating resources to most needed policy objectives including gender equality and women’s empowerment.

Programme based budgeting has provided GRB an important entry point. To ensure that reforms on programme based budgeting deliver better outcomes for gender equality, it is critical to include gender specific outcomes, outputs and indicators in budget documents. This requires government to invest in generating sex-disaggregated data to monitor progress more effectively.

Specific guidelines on gender budgeting from the Ministry of Finance are vital to ensure that government agencies explicitly include gender objectives during budget preparation phase. Equally important is to ensure that there are proper implementation arrangements in the form of staffing and other resources to execute gender equality priorities in the budget.

The next chapter will discuss some critical factors that are essential to ensure that PFM reforms contribute to increased gender equality and women’s empowerment.
C. Enabling factors that allow PFM reforms to have greater impact on gender equality outcomes

One route that certain PFM reforms could indirectly lead to gender equality outcomes is where PFM reforms open up opportunities for GRB to be used or increase the likelihood that GRB will be successful. The AfDB (2013) report on Gender Responsive Budgets concludes that GRB tools and initiatives have been most successful where public finance management reforms have been seriously implemented.

To enhance the impact of PFM reforms on gender equality and women’s empowerment, there are few critical factors which are essential. Amongst these is creating an enabling environment with increased political support for gender responsive policies and planning. It is equally essential to invest in sustained and long term capacity building of the actors engaged in PFM reform process. Monitoring government actions and spending to demand greater accountability on results is another important factor. Linked to this, another key factor is increased transparency on public spending and enhanced role and participation of citizens including women’s organizations to ensure effective financial management and better outcomes for women and girls. This chapter discusses these factors in detail.

I. Conducive Political Environment

As discussed earlier, increasing political will and creating an enabling environment with conducive policies, budgetary regulations and legal framework is critical for the effective implementation of GRB. A conducive policy environment provides the right opportunities for initiating and sustaining the GRB and linking with the PFM reforms. The role of Ministries of finance is particularly important as they have the mandate in setting the public finance management systems, defining budget ceilings, ensuring sound economic frameworks, and identifying processes for operationalizing government functions. AfDB (2013) find that strong government leadership from ministries of finance and planning and ministries of gender is an enabling factor for successful implementation of GRB. Combaz (2013) finds that the effectiveness of any effort to integrate gender into PFM hinges on enabling factors such as sustained political support and conducive institutional arrangements, among all levels.

II. Technical capacity and resources

Sustained and rigorous capacity building and awareness raising on GRB of key actors in the government, civil society and donors are critical. The capacity building interventions are aimed at public service providers and sector ministries with the view to introduce changes in the way governments manage public finances, as well as in plans and budgets, and oversight and accountability systems and processes. Specific areas of capacity building support provided to the government officials for gender analysis of public policies, assessment of impact and performance and tracking financing for gender equality has yielded substantive outcomes (details below) Similarly, building the capacity of gender advocates and civil society organizations to demand gender responsive public policy and to monitor actions and investment has been critical for ensuring an accountable and transparent budget and planning process.

BOX 8

Five principles for GRB Capacity building:

National ownership: A successful capacity development approach enables government partners to act as drivers of the process and have a clear sense of the direction of this work.

Results-oriented: Developing capacity requires an understanding of the desired change.

Strategic Targeting: Developing capacity requires identifying the strategic target groups with a clear understanding of the political leverage of the identified target group, their functions, and their access to decision-making avenues in their agencies.

Sustainability: GRB capacity development requires a long term investment in national expertise within and outside government.

Learning Based: Developing capacity for GRB work needs to be based on a learning by doing approach and it requires the ability to adapt lessons.

Source: UN Women GRB Capacity Building Strategy
III. Monitoring and Accountability Mechanisms:

Measuring progress and monitoring the impact of public spending is important to ensure that PFM systems respond to delivering better outcomes for gender equality and women’s empowerment. This requires collecting sex disaggregated data on performance indicators included in the government plans. Measuring gender impact of budgets and public spending helps to identify gaps and to inform more equitable public policies and plans. The role of line ministries and statistical offices as well as civil society is vital for collecting such information and evidence to monitor impact of budgets on gender equality.

Accountability mechanisms such as budget tracking systems that monitor government allocations on gender equality increases accountability on public spending and helps to build evidence on existing gender financial gaps and assists in formulating right policies for redistribution of public resources. Where effective accountability mechanisms are in place, evidence shows that there has been progress in increasing budget allocations to address gender commitments.

IV: Budget Transparency and Citizen Participation:

If budget information is transparent and accessible to the public then this provides useful information for citizens and other actors to try to influence the government into improving gender equality outcomes through resource allocation. If there are meaningful opportunities for the public to engage with the budget process as well as transparency then this can further increase opportunities to ensure that the budget addresses gender equality, or any other areas that are priorities for citizens. ‘Certain PFM reforms, such as improving information availability, can improve delivery of policy in general and would therefore also improve gender-related policy’ (Rao ((2015)).

BOX 9
Budget tracking system in Nepal:

The Government of Nepal introduced GRB in fiscal year 2007/2008 by integrating a gender perspective into their development policy framework through the inclusion of gender audits of line ministries, gender assessments, awareness-raising and the establishment of a Gender Responsive Budget Committee. As a result of the initial assessments, the Ministry of Finance developed a budget tracking system to measure the gender responsiveness of public spending and donor aid. This was done through a budget directive from the MoF to line ministries introducing a classification system of five indicators to analyse budget allocations from a gender perspective. Through the regular use of gender analyses to inform planning and budgeting decisions, the budget categorization process has improved institutional accountability for delivering on gender equality commitments.

As a result of all of these efforts, direct gender responsive allocations have increased steadily since 2007, with a cumulative positive change from 11% to almost 22% (doubling) in 2014. The increased resource allocations for GE over the years has contributed to improved public services to women and girls, such as school scholarships for all girls attending public schools up to eighth grade and direct cash assistance to pregnant women for professionally attended delivery.

Source: UN Women

BOX 10
Promoting Accountability through community participation at the local level in Ethiopia

In Ethiopia, CSO Poverty Action Network in Ethiopia (PANE) in Partnership with UN Women provided support in building capacity of local actors on gender responsive planning and budgeting. The project was implemented in three regions of Ethiopia targeting one district per region focusing on growth oriented sectors i.e. water, agriculture, health, and education to ensure that both women and men benefit from the development outcomes. Gender analysis of local budgeting and social accountability (SA) mechanisms was conducted in these districts and results were disseminated.

As a result of rigorous capacity building initiatives, district growth oriented sector offices started integrating GRB & SA in their regular sector planning and implementation. To promote accountability, at the end of each year, gender responsiveness of the plans and budgets is assessed by the district’s Women, Children and Youth Affairs Office and Finance and Economic Development Office with participation of the community representatives. The sectors are then ranked based on their achievement and they receive special recognition from the District Administration on their success.

Source: UN Women
To support efforts on promoting government accountability and fiscal transparency and in general to support GRB initiatives, the role of women and civil society organizations is critical. Having strong women’s voices and participation is critical for the effective oversight and implementation of gender equality commitments. Active participation, voice and influence of gender advocates, civil society and national mechanism on gender equality in decisions and policy-making lead to better outcomes for women and girls through increased accountability of governments.

Some PFM reforms may lead to better conditions for implementing successful GRB. However, whether a particular PFM reform will be successful and whether it will lead to the successful implementation of gender responsive budgeting will depend on the specific context in which the reforms are being carried out and this must be carefully considered before promoting the use of any reform.

Chapter Summary:

Ownership and political support at the national level is key for delivering meaningful results for gender equality and women’s empowerment generally and for implementing gender responsive planning and budgeting in particular.

It is critical to build a critical mass of expertise at the national and local level to allow for effective GRB work. More efforts are required to ensure the institutionalization of GRB in government’s policy, planning and budgeting processes and systems.

The development and implementation of monitoring and tracking systems is essential for strengthening the accountability of government and donors to deliver on their gender equality commitments. These mechanisms also improve transparency on public spending priorities. Therefore, it is critical to invest in strengthening these systems.

CSOs contribute important evidence-based strategies and tools to support efforts in gender responsive policy making and programming. It is, therefore, critical to strengthen their participation and voice in key decision making processes on public spending.

By examining the link between gender equality and tax policy and administration, the next chapter will discuss the importance of reforms in revenue collection and management for gender equality.
D. Tax policy, administration and gender equality

Reforms in revenue collection and management are an integral part of the overall public financial management reforms. In the past few decades, revenue reforms focused mainly on improving the efficiency and transparency of revenue policy-making and collections and streamlining tax and customs policies and processes (Andrews et al. 2014).

These reforms can contribute to better outcomes for gender equality and women’s empowerment especially as the tax revenues are growing, enabling greater spending on public services. According to Africa Economic Outlook (OECD/AfDB/UNDP (2014)) tax revenue in Africa increased four-fold from USD137.5 billion in 2000 to a record USD527.3 billion in 2012.

Tax revenue therefore has the potential to provide much greater, and more sustainable, flows of development finance than ODA. This importance of domestic revenue mobilization to development has long been identified in academic literature (Bird, Fjeldstad, Moore, Pritchard, IMF (Cottarelli, Keen), among others) and is increasingly at the forefront of governments’ agendas and international action. For example, the Financing for Development Conference in 2015 had domestic revenue mobilization at the heart of its narrative on sustainable development finance. In addition, implementing tax reforms to ensure countries’ tax systems are efficient and countries are collecting the taxes they are due from individuals and corporations has been high on the political agenda of developed and developing countries since the UK’s G8 Presidency on tax transparency. Significant action has been taken internationally and at national levels on tax avoidance and tax evasion, such as through the OECD’s Base Erosion and Profit Shifting programme and the Global Forum’s work on automatic exchange of information.

Tax reforms in developing countries can generate additional resources required to improve the quality of life for millions of women and girls through basic service provision and social safety net. Data (Transparency International (2013)) shows that developing countries could mobilize an additional USD 198 billion per year if they were able to generate tax revenue equal to 15 per cent of their national income. The additional resources are more than all the foreign development assistance combined. In addition to tax reforms, steady economic growth is essential to ensure sustainable revenue generation in developing countries.

Tax reforms geared towards curbing corruption, tax evasion and tax avoidance are also crucial to prevent revenue losses. These additional revenues contribute to the overall resource base for developing countries to reduce poverty and inequality. Despite comprehensive tax reforms over the last decade, the tax structures and administrative procedures in developing countries commonly lack capacity and tax collection is typically below 20% as a percentage of GDP (as a comparison South Africa collects c.30% and the UK c.36%). Tax administration processes may be inefficient and complex and thus lead to reduced compliance, corruption and bribery. Therefore, tax reforms which seek to minimize the risk of corruption are critical. This is often done through automatizing the tax administration process such that there is limited face-to-face interaction between the individual taxpayer and individual the tax collector. An example of this is DFID’s tax reform programme in Afghanistan (2012 – 2016) which has focused on automation of the tax administration system.

Given the importance of the revenue system to PFM, it is important to examine how the tax system — through its policy and administration — can impact gender equality if a country’s tax regime has a regressive bias against either men or women then even before the state provides services through the budget system, one gender will be disadvantaged. The relationship between the tax system and gender equality is, however, extremely complex and should be considered in the wider context of economic development and gender equality, such as women’s economic empowerment and what role the tax system plays in encouraging women’s employment as well as the relative impact on equality of the combined tax and expenditure system i.e. is gender equality more effectively achieved through expenditure policies over and above taxation. More analysis is required to examine the impact of this to be able to offer evidence-based insights.

Recognizing this complexity, it is possible to identify some high level-level impacts on gender equality of the tax system by assessing where the tax burden falls (as determined through tax policy) and how taxes are collected (as determined through tax administration). However, it should be noted, that existing evidence is
limited, and that more research to identify the imme-
diate and longer term impacts of the tax system, par-
ticularly tax policy, on gender equality in developing
countries is needed as well as to assess how reducing
the tax burden through a gender equality lens helps to
achieve the objective of broad based poverty reduc-

I. Tax Policy
The tax system can have different gender burdens be-
cause different taxes will have different impacts on
men and women depending on how men and women
themselves interact with the tax system and the activ-
ities and services the tax system affects. The tax sys-
tem may have specific laws which have an intended
differentiated impact on men and women i.e. an ex-

plicit gender bias, or it may have an implicit gender
bias (Stotsky 2006). An implicit gender bias is where,
whilst the tax system does not have laws which di-
rectly impact men or women, the tax system has indi-
rect unequal impacts on men and women as a result
of ingrained social and economic norms.

Explicit biases may be, for example, personal income
tax thresholds set at different rates for men and
women or stricter regulations on one gender than an-
other for seeking deductions. Such measures would
mean that the tax legislation directly differentiates be-
tween the amount of tax men and women pay. Im-
plicit biases may be where goods and services taxes
are not differentiated in law between men and
women but where they disproportionately impact
women or men as a result of gendered consumption.
This may be the case where social norms result in
women having the responsibility for purchasing cer-
tain goods which are taxed at higher rates), or where
income tax exemptions are given to certain types of
employment which have a gender profile and thus
change the post-tax income men or women receive.
Table 1 details some examples of gender biased tax
policies.

II. Tax Administration
The way in which tax is administered may not be gen-
ner neutral. For example, women can be disadvan-
taged where income taxes are collected at source ra-
ther than annually, and thus do not adjust for income
at the end of the year. This is because women’s in-
come is more irregular as such the tax burden at point
of collection is not accurate for the annual income the
woman receives. Other ways that revenue admin-
istration systems may impact differently on women
and men is due to gendered differences in economic
literacy levels and discriminatory attitudes and behav-
iors among public officials (Carroll 2011, Higgins
2012).

Whilst the tax system does provide scope to exacer-
bate and/or rectify gender inequality, it should be
noted that there are other essential factors that are
critical for the tax system to have a major impact. For
example, designing pro-women personal income tax
systems can ultimately have very minimal impact on
gender equality if there are fewer women in formal
employment. For example, India used to adopt a
higher income tax threshold for women than men –
which would be considered progressive from a pro-
women perspective. However, it is estimated that in
India less than 3% of the population pays income tax,
therefore a personal income tax structure such as in
this case is not likely to have a significant impact on
women if the majority of women are not eligible to
pay it. In addition, reallocating income doesn’t impact
the gender imbalances created through social norms
around control of assets and household power. For ex-
ample, where goods and services taxes are altered
such as where alcohol tax is raised, women’s budgets
may well be more negatively impacted than without
an increased alcohol tax because patriarchal house-
holds will still result in the woman’s income being
used to purchase the alcohol.

To make tax systems gender responsive, there are
three major areas for consideration:

1. If and how citizens know about the tax system
Increased public education on, and awareness raising
of, the impact that the tax system has on different sec-
tors of society. This needs to be accompanied by trans-
parency of revenue authorities such that the public
can see what revenues are being raised and if in turn
that has led to improved services and incomes. For ex-
ample, in Burundi, the revenue authority publishes
the monthly revenue collected on its website.
### Table 2 Gender Biases in Tax systems

<table>
<thead>
<tr>
<th>Examples of explicit gendered tax systems</th>
<th>Examples of implicit gendered tax systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax deductions for dependents are not available to both men and women. If the filer is a man then the “dependent” automatically includes the wife. If the filer is a woman she has to prove legally that she is the head of the household and has a dependent husband and children. If she can’t prove this she doesn’t get the deduction. e.g. Morocco</td>
<td>Joint filing of personal income disadvantages the secondary earner (and is therefore not equitable between household members) A married couple files their tax return together and their income is taxed as one. Therefore, the secondary earner income is taxed at a higher marginal tax rate than the principal earner. i.e. the lower income is taxed at the higher rate required due to the aggregation of the two incomes. If the incomes were being taxed separately then the lower income would often be in the lower tax bracket. This is thought to usually disadvantage women as women tend to have lower income / are the secondary earner. It is important to note, however, that this is not the always the case; in some instances, depending on how the personal allowances are treated, it may not be disadvantageous to tax the household as one.</td>
</tr>
<tr>
<td>Personal income tax thresholds are different for men and women. The threshold for men is Rs 150,000 and for women it is Rs 180,000. This means women hold onto more of their income before they get taxed. This both improves women’s disposable income and can encourage them into work. e.g. Formerly India (policy now discontinued)</td>
<td>Disproportionate (negative) impacts on women of consumption taxes due to gendered expenditure norms (see table 1). Grown and Valodia (2010): Reducing or zero-rating selected basic food items: Argentina: zero-rating basic food reduced the incidence of the VAT and total taxes on poorer households. Female-breadwinner households experienced the smallest reduction in incidence due to the reform although male-breadwinner and dual-earner households continued to bear the largest incidence. Morocco: reducing VAT on tea, coffee and edible oils reduced the tax incidence for poorer female and male-breadwinner and no-employed households. Uganda: reducing VAT on tea, coffee and edible oils reduced the tax incidence for poorer female and male-breadwinner and no-employed households. India: zero-rating of VAT on all food items did not reduce the higher incidence among female-headed households. Removing VAT on children’s clothing and footwear: Ghana: reducing the tax incidence on children’s goods benefited poorer female-breadwinner and female-dominated households more than their male-household counterparts. South Africa: zero-rating of children’s goods resulted in the largest gains for poorer and female-type households.</td>
</tr>
<tr>
<td>Exemptions for incomes from labour-related awards and seniority compensation, but excludes damages to women dismissed for pregnancy e.g. Argentina</td>
<td>Disproportionate (positive) impacts on men of certain exemptions due to employment norms. Argentina: in the 1990s, exemptions were provided for income from stocks, bonds, certificates, bills, and securities etc. It was mainly men who were engaged in employment relevant to these exemptions. Uganda: Exemptions on wage income of employees of the armed forces, defence force, police and prison services: Women are less likely to be employed in these sectors. Also e.g. Ghana, Mexico, Morocco, South Africa</td>
</tr>
</tbody>
</table>
| Inheritance tax exemption provides paternal inheritance benefit, therefore it is less favourable to women. e.g. Uganda | }
2. How the taxes are raised and collected.
Increasing the tax policy-making and policy-analysis capability of officials within ministries of finance and revenue authorities. This needs to be across the board; it is not just increasing the capacity of officials to understand gender impacts of tax policy but about the more fundamental need to ensure policy-makers have the capacity to understand the impact of different tax policies on the full range of economic and social issues, i.e. if officials working on tax in ministries of finance and revenue authorities are fully equipped with the skills to analyse the potential impacts of different tax mixes they will be better able to develop tax policies which balance revenue collection against economic and social factors which will ultimately influence the impact of the tax system on gender. For example, the impact of different taxes on growth, employment and consumption; all of which ultimately influence the extent to which men and women have access to jobs and carry a different disproportionate tax burden.

As discussed in earlier sections of the document, however, it is not simply a technical fix which will be necessary; implicit gender biases result due to the social norms which govern different societies. Therefore, whilst capacity can be built to enhance the technical capability of officials to understand the impacts of different taxes, the systemic social norms which will influence whether women or men carry the burden for consumption of household goods, or the extent to which women or men have access to certain types of jobs, for example, will still result in a gendered impact of tax systems. As a result, wider efforts to enhance gender equality across governments/societies as a whole will be fundamental.

3. How the taxes are collected
This may require much wider social reforms such that the norms around gender equality shift, however the intention should be to ensure that the interaction of men and women with tax officials is equal. For example, at border posts, it should be common place that men and women are treated equally.

Chapter Summary:
Tax revenue is an important source of financing and has the potential to provide much greater, and more sustainable, flows of development finance than ODA. To bridge the gender financing gap and to address gender equality, mobilizing domestic resources through progressive tax policies and overhaul of the revenue administration is critical.

There is a need to increase public education on, and awareness raising of, the impact that the tax system has on different sectors of society. This needs to be accompanied by transparency of revenue authorities such that the public can see what revenues are being raised and if in turn that has led to improved services and incomes. It is equally important to increase the capacity of the relevant officials to understand gender impacts of tax policy.

Another critical area that needs attention is addressing systemic social norms which influence whether women or men carry the burden for consumption of household goods, or the extent to which women or men have access to certain types of jobs, for example, will still result in a gendered impact of tax systems. This requires wider efforts to enhance gender equality across all spectrums of the economy and the society.
E. Conclusion

The main aim of this paper was to provide an introduction on how to make PFM reforms gender responsive, and highlight the importance of PFM and GRB practitioners working together to achieve results for gender equality and women’s empowerment. For GRB to have impact it must go hand in hand with wider PFM reforms. Furthermore, the success of GRB depends on the overall quality of the PFM system, and therefore reforms must be rooted in an understanding of the context.

PFM systems can play a central role in gender equality. Despite this, the literature on the impact of PFM reforms is largely gender blind. Therefore further evidence is needed, including more case studies to show what has worked in different contexts. Another useful next step would be to review and further develop tools to link gender equality with PFM, to help practitioners to diagnose the most critical areas for reform that directly contribute to reducing gender inequality.

Right policies on gender equality are the building blocks for a gender responsive PFM system. If a government has strong gender equality policies, then a good PFM system will implement these efficiently given the available resources. It is therefore, critical to identify key priorities and develop policies on gender equality based on vigorous analysis of existing gaps.

There are critical entry points throughout the PFM cycle that allow integration of gender equality objectives with PFM reforms. To establish a robust link and to assess what works, further research and analysis is required.

PFM reforms that lead to better quality information and make it easier to see how resources are being used allow more and better GRB analysis of the budget – which could then in turn lead to improvements in budget allocation if those advocating for changes are allowed to participate in the budgeting processes and have a voice.

Existing evidence and analysis on taxation and gender equality is limited. More research to identify the immediate and longer term impacts of the tax system, particularly tax policy on gender equality in developing countries is needed.
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Key resources

Links/websites

- PEFA: http://www.pefa.org/
- IBP: http://internationalbudget.org/
- UN Women – Financing for Gender Equality: http://gender-financing.unwomen.org
- Gender Responsive Planning and Budgeting Website in Russian. http://genderbudgets.ru
- Gender Responsive Planning and Budgeting Website in Spanish. http://www.presupuestoygenero.net/
- IDS - BRIDGE - Cutting Edge Packs - Gender and Budgets: http://www.bridge.ids.ac.uk/go/bridge-publications/cutting-edge-packs/gender-and-budgets/
- University of South Australia – Gender-responsive budgeting in the Asia-Pacific region: http://www.unisa.edu.au/genderbudgets
- Tanzania Gender Networking Budget: www.tgnp.org

Key Readings:


Caren Grown and Imraan Valodia (2010), ‘Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Developing and Developed Countries’ Routledge


Working Paper: How can PFM Reforms Contribute to Gender Equality Outcomes?


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