

# IDEAS + INVESTMENT = IMPACT

## EU GENDER BUDGETING: INVESTING FOR IMPACT



International  
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EUROPEAN WOMEN'S  
LOBBY  
EUROPEEN DES FEMMES

ADVOCACY BRIEF  
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# GIRLS MAKE UP APPROXIMATELY 1 BILLION OF THE WORLD'S TOTAL POPULATION: 1 IN 7 PEOPLE.

They continue to face discrimination, inequalities and violations of their rights on a huge scale. Girls' empowerment is a human rights prerogative, but investing in girls has also high economic and social returns. Indeed, girls play a key role in building long-term resilience and sustainable development. The 2030 Agenda for Sustainable Development acknowledges this by specifically mentioning girls in many of its targets, and its overarching principle of "leaving no one behind" also emphasises the need to pay specific attention to girls.

Given this, and given the cost of inaction, the partners organising the European Week of Action for Girls (EWAG) have decided this year to focus on the need to increase and reinforce funding and investment in realising girls' rights.

The EU and its Member States have committed to uphold international human rights law, including children's and women's rights, as set out in the UN Convention on the Rights of the Child and the UN Convention on the Elimination of all Forms of Discrimination Against Women for example. The Lisbon Treaty places equality between women and men among the core values of the EU (Art 1a) and establishes a clear objective for the EU to promote children's rights in its external relations (Art 3).

Other key EU policy documents, including the Gender Action Plan 2016-2020 (GAP II), the EU Strategic Engagement for Gender Equality 2016-2019 and the Action Plan on Human Rights and Democracy (2015-2019), further support these commitments. The Council Conclusions on Gender in Development (26 May 2015, 9242/15) emphasize in particular that "Gender mainstreaming and concrete actions should be taken to implement and improve gender-responsive policies, programmes and regulations, **including budgeting that is gender sensitive and addresses inequalities.**"

The 2014 -2020 Multi-Annual Financial Framework (MFF) is also accompanied by a joint declaration of the European Parliament, the Council and the European Commission.

They agreed that "that the annual budgetary procedures applied for the MFF 2014-2020 will integrate, as appropriate, gender-responsive elements, taking into account the ways in which the overall financial framework of the Union contributes to increased gender equality (and ensures gender mainstreaming)."

“**IF THE EU TRULY INTENDS TO IMPLEMENT AND ACHIEVE ITS COMMITMENTS TO GIRLS AND WOMEN, THEN ITS BUDGET MUST MIRROR THAT. MID-TERM REVIEWS OF THE MFF PROVIDE FOR AN EXCELLENT OPPORTUNITY TO DELIVER ON EU COMMITMENTS.**”

**Gender-sensitive budgeting** requires a holistic approach to ensure that the overall objective of achieving gender equality is on course. This does not simply mean allocating specific sums of money to gender equality objectives, nor does it mean that we need separate budgets for women or men. Mainstreaming gender into the budget and the budgetary process implies **incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality.**

Gender-sensitive budgeting attempts to break down, or disaggregate, the mainstream budget according to its impact on women, girls, men and boys, and different groups of women/girls and men/boys. This analysis then leads to the adjustment of projected expenditures to correct the identified imbalances. Several EU Member States, such as Austria, Belgium and Spain, have **already enshrined in law the requirement that its budget and all budget processes should be gender-sensitive**; the EU should follow this best practice.

This paper proposes a number of changes that the EU should make to its overall budgeting practices in order to implement its commitments and make the best use of its resources to empower girls and protect their rights, before focusing more specifically on EU external action and particularly EU development cooperation.

# PREPARING A GENDER-SENSITIVE BUDGET

There is no one technique for drawing up a gender-sensitive budget. However, certain principles and steps are generally agreed to be necessary and are laid out in the diagram below. These principles and steps can be applied to all budgets, including to the EU's multi-annual financial framework (MFF) and its annual budget. To successfully draw up a gender-sensitive budget, both experts in gender equality and in public finance and budgeting need to be brought in.

## GENDER ANALYSIS

As budgets are rarely gender neutral, the EC must begin by conducting an analysis of the whole EU budget to determine which chapters, articles and items could have an impact on girls and women and what the differential impact would be on girls and women compared to boys and men. The budget process and the budget itself must be analysed to ensure it is made clear that gender equality is a priority. For development cooperation, further analysis will be needed at country level.

## DEVELOP OBJECTIVES

The results of the gender analysis are likely to suggest that gender equality could be better mainstreamed throughout the budget. In addition, the EC should develop gender equality objectives for each budget title, including specific measures. Gender-specific indicators for each chapter should be identified.

## MONITORING, EVALUATION AND FEEDBACK

Evaluate the outcome and feed back into the next cycle. The EC must be in a position to determine the extent to which it is on track or in what ways it will need to adjust its expenditure in the next cycle. This requires the collection of robust and disaggregated data. All instruments and programmes should be evaluated for the degree to which they have contributed towards the EU's gender equality targets and the degree to which they attained their own objectives.

## RESTRUCTURE THE BUDGET

Restructure the budget to re-allocate financial resources to meet the objectives. This involves allocating resources to take positive action in certain areas and realigning the whole budget according to the new objectives and specific measures to ensure that inequalities are no longer perpetuated.

## IMPLEMENTATION

Implement the measures (or programmes). Based on the identified objectives, backed up by the political guidance of EU Human Rights and Gender Action Plans and gender mainstreaming throughout its financial regulations, the EC must design programmes which will together serve to reduce gender inequality across a whole range of indicators.

# DESIGNING THE BUDGET: ANALYSIS, OBJECTIVE-SETTING AND RESTRUCTURING

An analysis of the EU budget involves looking at both the individual elements of the budget and the process by which the budget is drawn up. Currently, the European Commission is insufficiently aware of how much the EU is spending on girls and women and how any spending might affect them (positively, negatively, or simply differently), nor how the impact might be different between and among girls and women.

It is important to review the regulations or policies guiding expenditure and to stipulate clearly that **gender mainstreaming is a priority for all areas of the budget, to review how each element can contribute to realising gender equality and to ensure budget coherence** (as one part of the budget may be furthering gender equality, while another part is undermining it). **Gender-specific objectives should be determined for each title and clear measures set out for their achievement, together with indicators to track progress.**

It is crucial to bear in mind when undertaking the gender analysis that girls and women are not a homogenous group, i.e. age matters. Any gender analysis therefore needs to take into account the differential impact of expenditure not just between males and females but also between girls and women as far as possible.

**Given that both gender and budgeting expertise is needed to conduct such an analysis, the EC will need to invest in this dual expertise over the coming years, in advance of the preparations for the next multi-annual financial framework (MFF).**

The current MFF 2014-2020 gives indicative allocations for levels of spending. **The EU should ensure these multi-annual indicative programmes are in line with its policy commitments towards girls and that they are designed in such a way that it is possible to track the beneficiaries of these expenditures and its impact.**

In line with the above recommendation, the formulation of new annual action programmes for the multi-annual and national indicative programmes must also reflect a gender analysis, as the GAP guidance note recognises. Similarly, **all modalities must reflect the EU's prioritisation of gender equality and make clear gender objectives and outcomes imperative. The mid-term review of the MFF is an ideal moment to adapt programming accordingly.**

The third stage in gender-sensitive budgeting involves **restructuring financial allocations** to support the objectives which have been set. **It is preferable that available resources are spread across a number of different instruments, but certainly all thematic and geographic instruments in EU external policy should mainstream gender.** In addition, specific budget allocations to achieve gender equality and girls' and women's empowerment (i.e. 'targeted funding') are needed, and the EU should also encourage partner countries to invest public resources in girls. This would allow the EC to better monitor budget allocations and would allow stakeholders to hold the EU to account.



**GIVEN THE DEGREE TO WHICH BUDGET RESTRUCTURING IS NEEDED, POLITICAL WILL AT THE HIGHEST LEVELS IS CRUCIAL TO SET THE MACHINERY INTO MOTION. EXTENSIVE SENSITISATION TO GENDER BUDGETING AT ALL LEVELS WITHIN THE EC MUST BE A CONTINUOUS ACTIVITY, FOR EXAMPLE THROUGH TAILORED CAPACITY-BUILDING AT BRUSSELS AND EUD LEVELS.**

# IMPLEMENTATION OF A GENDER-SENSITIVE BUDGET - IN EU EXTERNAL AID PROGRAMMES

While the whole EU budget impacts on gender equality and gender-sensitive budgeting should be applied throughout the budgetary process, the following sections of this document will focus on how to implement a gender-sensitive budget taking the example of EU external aid. The DG for International Cooperation and Development (DevCo) combines different types of support to partner countries, with

different management modes: through grants and contracts provided to organisations, or through budget support and sector support to finance partner countries' development strategies. These instruments should be implemented in a way that reflects the decisions taken in the design stage of the budget.

## BUDGET SUPPORT AND SECTOR BUDGET SUPPORT

EC staff involved in both general and sector **budget support, at headquarters and EU Delegation levels, should promote gender equality, as required in the GAP, and all implementing partners should be required to contribute to this.**

**The eligibility criteria for general and sector budget support should be expanded to include gender- and age-sensitive criteria.** The EC Budget Support Guidelines (2012) refer to fundamental values that should be used for general and sector budget support including non-discrimination based on sex, recognition and effective protection of women's, children's and minorities' rights, consultation of target groups and non-discriminatory access to services. However, beyond these fundamental values, the eligibility criteria are neither gender- nor age-sensitive for any kind of budget support.

The impact of expenditure on different gender and age categories is also not explicitly reviewed during the budget support evaluations. **The EC should ensure that specific objectives relating to children, especially girls, are included in budget support,** in order to ensure leverage for its implementation. While the GAP guidance note to EU Delegations (EUDs) includes the need for budget support to contribute to GAP II, it is also necessary to include indicators pertinent to girls in the GAP and to insist on collecting age as well as gender disaggregated data. The use of the DAC gender marker as required by GAP means that data disaggregated by gender and age should be used more extensively in designing and monitoring all EU development programmes.

## CONTEXT-SPECIFIC AID

The principles of country ownership and context-specific aid allocation are core principles of the EU External Action Financing Instruments. While respecting this principle of country ownership, the **EC should encourage and support partner countries to ensure gender equality in their budgets.**

The context-specific approach should also be viewed in a more encompassing way, **taking into consideration the specific situation of girls and women, putting greater focus on gender when allocating external assistance.**

This necessarily **requires listening to women and girls themselves, and their organisations,** as they

have first-hand knowledge of the needs and desirable responses, and it will make the response more effective.

This is consistent with the principles of ownership and transparency that should guide the dialogue with partner countries on budget allocation.



Photo: World Vision

# MONITORING, EVALUATION AND FEEDBACK

Currently there is a serious under-utilisation of gender indicators in EU external programmes which makes analysing past spending, identifying groups who are being left behind and rectifying imbalances very difficult. To date, no agreed system-wide tracking mechanism exists to assess the amount of aid specifically allocated to gender equality and women's and girls' empowerment. The use of gender-disaggregated data is still insufficient and new aid modalities, such as the Trust Funds, make tracking the funds and outcomes for gender equality and women's empowerment even more difficult.

## DISAGGREGATED DATA

The availability of sex- and age-disaggregated information is a prerequisite for gender-sensitive budgeting. As per the recommendations of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, “[d]ata for budget design and allocations are to be disaggregated where relevant, by income, sex, age, race, ethnicity, migratory status, disability and geographic location, or other characteristics in accordance with the UN Fundamental Principles of Official Statistics”. The requirement of DG ECHO to disaggregate projects' beneficiaries according to gender and age is a positive example of how this could be done in practice, but needs to be taken further.

The EC should double its efforts to ensure availability of timely, reliable and disaggregated data. The EC should measure progress by **collecting data disaggregated by gender and age at a minimum** for all GAP II and budget support indicators. It is of the utmost importance that data collection is not considered an end in itself but that available data is fed back into the cycle to inform future budget design and programming decisions.

**All instruments and programmes should be evaluated with regard to the degree to which they have contributed to the EU's gender equality targets and the degree to which they achieved their own objectives.**

**The EC must apply the indicators agreed upon for the 2030 Agenda** where they fill gaps in current EU indicators or go further than what the EU currently measures. However, where current EU indicators go further than the 2030 Agenda indicators, the EC must **retain its more ambitious indicators**. The EC also needs to **establish baselines to begin monitoring the implementation of the 2030 Agenda**, particularly those goals related to gender equality, as soon as the final indicators are available.

EU Delegations play an important role in the allocation of development aid in a specific country. Since the launch of the GAP II, EU Delegations also have an increasingly important role in conducting gender impact assessments, collecting disaggregated data and consulting civil society.

As the need for gender-sensitive impact indicators and assessments is crucial to reach the most marginalised, the EU should ensure, during the MFF mid-term review and with regard to the next multi-annual financial framework, that **sufficient resources and capacity are allocated to EU Delegations to fulfil these tasks and to supporting countries' statistical offices to collect more reliable data more regularly.**



Photo: Save The Children

# CONCERNS FOR THE FUTURE

While demonstrating throughout this paper how the EU should better mainstream gender into its budget cycle and offering examples of specific actions to take, this is of course based on the premise that there is genuine ODA that seeks to reduce and ultimately eliminate poverty and reduce inequalities within planetary boundaries.

Unfortunately, we see four worrying trends at EU level in that regard, whose consequences will most particularly affect girls and women as those who are already most marginalised and disadvantaged in almost every EU partner country. We will only highlight them briefly here, since they are also the subjects of broader discussions.

## DIVERSION OF AID

EU development aid is under increasing pressure as a result of a heightened focus on security and migration and is being used to try to stem migration flows and strengthen internal EU security.

**Development aid should remain rights-based and target the most marginalised groups, such as girls and women, in the poorest and most fragile countries.** Development cooperation should therefore be re-directed to support those most in need.

## FLEXIBILITY VS TRANSPARENCY AND ACCOUNTABILITY

While there are some clear advantages to increasing the flexibility of funding, in so doing **the principles of transparency and accountability must remain paramount.** The EU should ensure that the whole cycle of policy-making and programming is transparent and trackable to ensure the funding instruments reach the most marginalised and to allow civil society and other actors to hold the EU to account for their commitments to girls and women.

## PRIVATE SECTOR COMPLIANCE WITH INTERNATIONAL STANDARDS

The private sector's role as a partner for development is increasing and will only continue to do so. The private sector can be a source for innovation and creation and of revenue and job creation. However their primary motivation is to make profit and not to ensure development outcomes or the realisation of people's rights.

In line with the Addis Ababa Action Agenda calls for improved accountability, **the EU should ensure full transparency about its partnerships with the private sector,** including the criteria which private sector partners must meet to receive funds, information about funds allocated, and tracking, monitoring and accountability regarding the spending of such funds. In addition, it is particularly important, if EU funds are used, that **the EU holds private sector partners accountable against international standards and guidelines on human rights, decent work and environmental sustainability.**

It is girls and women who suffer the most from insecure work or working conditions that breach the ILO Conventions. The EU should consider requesting all its private sector partners to **carry out impact assessments of their projects and investments to ensure they "do no harm" to gender equality and preferably support greater equality.**



Photo: IPPF

# CONCLUSION

We appreciate that gender equality is a legal obligation of the EU and that gender mainstreaming is enshrined in the Treaties and many other commitments, but urge the EU – and in particular the European Commission – to take more robust action in terms of gender budgeting to mirror these commitments.

The recommendations provided in this document should be applied throughout budgetary processes and could be particularly useful in the upcoming MFF mid-term review. In order to establish a strong foundation for gender-sensitive budgeting, the EU should, at a minimum, implement the following recommendations:

- Ensure that both gender equality experts and budgeting experts are involved in drawing up the budgets.
- Carry out extensive sensitisation to gender budgeting at all levels and with all relevant staff as a continuous activity at headquarters and EUD levels.
- Determine gender-specific objectives throughout the budget and set out clear measures for their achievement, together with indicators to track progress.
- Expand the eligibility criteria for general and sector budget support to include gender- and age-sensitive criteria.
- Collect data disaggregated by gender and age at a minimum for all GAP II and budget support indicators.
- Allocate sufficient resources and capacity to EU Delegations to conduct gender impact assessments, collect disaggregated data, consult civil society and support countries' statistical offices to collect more reliable data more regularly.

# RESOURCES

- EU Gender Action Plan: opportunities for civil society participation to kick-start implementation, CONCORD, (2016) [<http://bit.ly/2c6iBV8>]
- Guidance note on the EU Gender Action Plan 2016-2020 for DEVCO HQ and EUD operational staff, DEVCO, (8 March 2016)
- Council Conclusions on the Gender Action Plan 2016-2020, Council of the European Union, (26 October 2015) [<http://bit.ly/1WdXjoF>]
- The EU Budget for Gender Equality, DG Internal Policies - Budgets, European Parliament, (2015) [<http://bit.ly/2cK-bQKc>]
- The EU Budget for Gender Equality, Study for FEMM, Policy Dept D, European Parliament, (2015) [<http://bit.ly/2cK-bQKc>]
- The EU Aid budget 2014-2020: fit to ensure human rights, gender equality and women's and girls' empowerment?, CONCORD, December (2013) [<http://bit.ly/2cccrGc>]
- Budget support Guidelines, EuropeAid, September (2012) [<http://bit.ly/2coP37r>]
- The multi-annual financial framework 2014-2020 from a gender equality perspective, DG Internal Policies, European Parliament, (2012) [<http://bit.ly/2ctgfnh>]
- CONCORD position on budget support, December (2012) [<http://bit.ly/2cccUrU>]
- Towards a gender responsive, accountable and participatory EU Multi-Annual Financial Framework and EU financing instruments 2014-2020, European Women's Lobby, WIDE and CONCORD (July 2011) [<http://bit.ly/2cG9IED>]
- Gender Budgeting: practical implementation handbook, Council of Europe (2009) [<http://bit.ly/2ciVMRn>]
- Gender budgeting – on overview by the EWL, European Women's Lobby (2004) [<http://bit.ly/2cEEwGa>]

**EU POLICY FRAMEWORK MUST BE BACKED UP BY GENDER SENSITIVE BUDGETING TO DELIVER ON COMMITMENTS FOR GIRLS**

*DESIGNED BY IPPF EN*