

# **Institutionalizing Gender Responsive Budgeting in State and Local Governments in Nepal**

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# Framework of Presentation

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# Understanding Gender Responsive Budgeting (GRB)

## Concept:

GRB is a tool through which gender perspective is mixed with all steps of budgeting process i.e. planning, implementation, monitoring and evaluation.

## Goal:

To create awareness among public regarding gender issues, make government more responsible for drafting, implementing and updating policies related to gender issues.

## Purpose:

To assess the impact of government expenditures and programmes on economic and social position of men and women as well as to develop strategies.

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## Objectives:

- To mainstream gender in policies and plans, redress inequalities and promote women's economic, social and political rights.
- To address the need and interest of women and men from different groups in public budgeting.
- To ensure budget policies taken into consideration the gender issues in society such as discrimination between men and women.
- To create enabling policy framework, build capacity and strengthen monitoring mechanism to support accountability to women.
- To ensure gender sensitive allocation of resources.

# Nepal's Experience in GRB

Government of Nepal (GoN) has adopted Gender Responsive Budgeting in fulfillment of constitutional requirement and international commitments to gender equality under CEDAW, BPfA and MDGs since the fiscal year 2007/08, within a framework of overall reform in budgetary processes. Some of the major measures taken for GRB are as follows :

Public budget expenditures classified into three categories viz, i) directly responsive to gender, ii) indirectly responsive and iii) neutral across all sectors.

Institutionalize gender mainstreaming through GRB across all sectors and levels of governance.

Assigned the Ministry of Finance for GRB as focal ministry

National periodic plans focused on social, economic and political empowerment of socially and regionally excluded women, end violence against women and improve of role of women in peace and development

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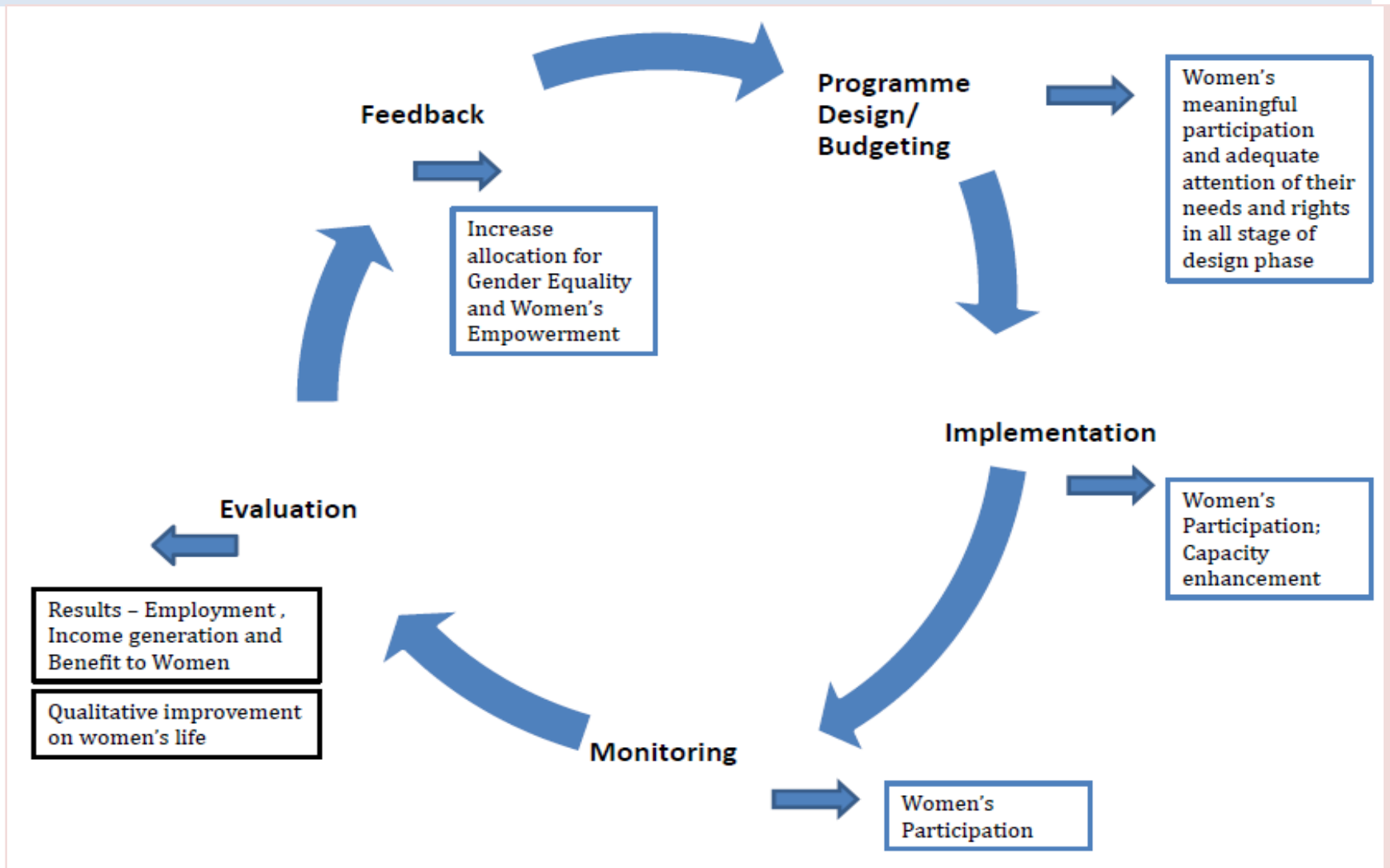
- Women's right, equal wage for equal job and no discrimination in social security, proportionate and inclusive representation in state structure, special provision for women and empowerment of socially excluded group of people and their development is mentioned in the Interim Constitution of Nepal.

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## **Benefits of GRB**

- Adequate budget allocation for the programme.
- Improve efficiency ensuring expenditure and benefits to those who need it most.
- Improve monitoring on government services to citizens including women and children.
- Track implementation and reduce corruption.
- Improve transparency and accountability.
- Work with civil society to improve development impact and democratic governance.
- Report on progress in national and international gender commitments.

# Nepal's Experience in Gender Responsive Budgeting





# Institutionalization of GRB at National Level

## Reform in structure and process of budgeting

- Gender Responsive Budget Committee (GRBC) formed at the Ministry of Finance (MOF) to guide the system and give continuity to the process.

## Basis of GRB classification

- Women's participation in program formulation and implementation
  - Benefit accruing to women
  - Capacity building of women
  - Contribution to women's employment/income generation
  - Reduction in women's work load and qualitative improvement in their time use.

# Chronological Development of GRB in Nepal

1979	1980-90	1991	1995	2002	2003	2005	2007	2008	2010	2011	2012	2013	2014
Study on Status of Women in Nepal													
Focusing on Women Development (WIN (6 <sup>th</sup> & 7 <sup>th</sup> Plan), WAD (9 <sup>th</sup> plan), GAD (10 <sup>th</sup> , TYP, 12 <sup>th</sup> & 13 <sup>th</sup> ))													
Ratification of CEDAW ; NAP on CEDAW (2003), Revision (2004),													
Establishment of Saperate Ministry to Look after women and Children Issues													
Gender focal Point in each Ministry; National Women Commission;													
1st Gender Budget Audit													
GRBC Established in MOF													
GRB Classification, BMIS, LMBIS													
Gender Audit Guideline MOLD													
NAP- UNSCR 1325 & 1820, GBVs													
GRB classification Revision													
MoFALD issued Gender Responsive and Social Inclusive Budget Formulation and Audit Guidelines (2012)													

# Reform in Structure and Process of Budgeting at National Level

- Gender responsive budgeting and gender mainstreaming policy adopted in the national development plans (10<sup>th</sup> to 13<sup>th</sup> ) for reinforcing gender equality and women empowerment
- GRB classification and categorization based computer software linked with line ministries' Budget Information System and Budget Management Information System,
- GRB classification criteria
  - Direct Responsive – if government funded programs beneficial for more than 50% women
  - Indirect Responsive – if government funded programs beneficial for 25 to 50% women
  - Neutral – if government funded programs beneficial for less than 20% women

# Gender Responsiveness Indicators.

SN	Indicators	Weight (%)
1	Women capacity empowerment	20
2	Women participation in formulation and implementation of program	20
3	Women's share in benefit	30
4	Support to employment and income generating activities to women	20
5	Quality reform in time consumption and minimization of work load to women	10
	<b>Total</b>	<b>100</b>

# Gender Responsive Budget Allocation

2007/08 – 2012/13, NRs in billion

SN	FY	Direct Supportive		Indirect Supportive		Neutral	
		Amount	%	Amount	%	Amount	%
1	2007/08	19.01	11.30	56.03	33.16	93.87	55.54
2	2008/09	32.91	13.94	83.58	35.41	119.53	50.64
3	2009/10	49.46	17.30	104.16	36.43	132.32	46.27
4	2010/11	60.61	17.94	112.65	36.30	154.64	45.76
5	2011/12	73.33	19.05	176.21	45.78	135.35	35.17
6	2012/13	87.07	21.51	178.63	44.13	139.11	34.36
7	2013/14	112.5	21.75	227.3	43.94	177.4	34.31

Source: Budget Speeches (Various Issues) MOF and District wise Development Program and Budget Allocation (Various Issues),

# Gender Responsive Budgeting Interventions & Results

## Interventions

- Policy reform
- Capacity enhancement of government machinery

## Results

- Improved women's access in formal institutions at national and local levels,
- Increased women's access in education, health, property, and other sectors
- Regular gender sensitization trainings and workshops to concern authorities,
- Periodic gender audits of ministries and departments initiated

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- Women's representation in Constitutional Assembly - 197 / 601 (33%).
- 33% representation of women in all state mechanism and decision making bodies.
- Provision of 45% reservation for inclusive recruitment of which 33% is reserved explicitly for women in Civil Service Act, Police, Teacher, Army & Public Enterprises Service Act and Regulation,
- Mandatory representation of at least 20% of women in VDC, Municipality and DDC as per Local Self Governance Act and Regulation

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- Mandatory allocation of 35% budget allocation by local bodies for targeted group (10% for women, 10% for children and 15% for backward communities)
- Mandatory provision of 33% representation of women in Local Peace Committee,
- Land ownership of women reached to 23% in 2011/12 against 8% in 2001/02.
- Strong advocacy for equal property right to son and daughter on ancestral property.



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- Maternal mortality rate reached 229/100,000 in 2011/12 against 510/100,000 in 2001
- Infant mortality rate reduced to 9/1000 in 2011/12 against 34/1000 in 1996
- Declared 2010 as ending gender based violence year.
- Government prepared 5 years national strategy on violence against women, allocated fund of Rs. 10 million for GBV and Rs. 10 million for rehabilitation of trafficking victims

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- School dropout rate reached 5% in 2011/12 against 6% in 2001/02 due to toilet facilities in school.
- Female literacy rate reached 56% in 2011/12 against 42% in 2001/02 and 96% enrollment rate in primary level.
- Proportion of women teacher reached 29 % in government schools

## GRB interventions & achieved results

*Source: Reports of Sectors Ministries (Various Ministries) and Office of the Prime Minister and Cabinet Secretariat*

Objective	Action	Results
To establish women's rights on land	Provision of 25% rebate in Municipality, 30% in VDC and 40% in hilly area on land registration fee, if ownership certificate is in the name of women.	Land ownership of women increased to 23% in 2011/12, while it was 8% in 2001/02, Equal property right to son and daughter on ancestral property.
To increase women's access on social security scheme.	Reduce age limit of widow for social security allowances.	700,000 additional widow women received social security allowances (1.11 b), Allocated Rs. 30 million for empowerment fund.
At least one third women in all public positions.	Quota system in new vacancy openings.	197 women members out of 601 members in the previous Constitutional Assembly (quota system secured 33% women, 34% Madhesis, 33% Janajatis and 8% Dalits in the CA), 13% women in government service in 2011/12 which was 8% in 2001/02, Women staff increased in Army and Police (established women cell, women barrack and separate toilet system), Provision of 20% women representatives in local bodies, 33% women in all the committees and 1 women out of 3 members in check handling, and preparatory classes for women appearing in public service examination.
To decrease maternal mortality rate for achieving millennium development goals.	Provision of 24 hrs maternity services with operation facilities in all government hospitals, transportation expenses to go to government hospital, and cash grants for four time regular check up before delivery.	In 2011/12 maternal mortality rate is 229/100,000, which was 510/100,000 in 2001.
Reduce infant mortality rate in line with MDG.	Establish Women Health Volunteer Fund and Motherhood & Infant Care Fund in VDC. Children protection monthly grant to all disadvantage families up to two children up to 5 years, compulsory immunization to all children and implement 1000 golden days programme	In 2011/12, infant mortality rate reduced in 9/1000, which was 34/1000 in 1996
To stop violence against women.	Safe home for victim of domestic violence and sexual harassment, Establish fast hearing court, One stop crisis centre, Safe home for victim from trafficking	Declared ending gender based violence year 2010 Government has prepared 5 years national strategy on violence against women, allocated fund of Rs. 10 million for GBV, allocated fund of Rs. 10 million for rehabilitation of trafficking victims fund.
To decrease dropout rate of adolescents girls.	Compulsory female toilets in public schools and provision of scholarships.	Decreased school dropout to 5% in 2011/12 which was 16% in 2001/02 due to toilet facilities, 56% female literacy rate while it was 42% in 2001/02 and 96% enrollment rate in primary level.
To give priority for women in school teacher, village health volunteers, Development Organizer/Co-Planner and Social Mobilizes.	45% recruitment of women on the basis of inclusive system.	29% women teacher in government schools, almost 50% women's participation observed in all community level organizations.
Increase women employment and their participation in economic activities.	10% rebate on income tax to women professionals, 20% tax exemption to the private companies who provide employment to 100 persons of which 33% women, provision of women entrepreneurs village fund (Rs. 10 million), and Self Employment program for 45893 women	Women employees increased in departmental stores, women entrepreneurs increased in micro and small scale business and informal sector manufacturing, 2000 cooperatives are operated by women.
Increase women in development activities all over the nation.	Extend women development program in all the VDCs gradually.	Extended women empowerment and gender equality program in 3665 VDCs out of 3915.
To develop Nepal as unique GRB institutionalization country in South Asia.	Establish Nepal as an example for GRB application in South Asia.	Aid Management Information System introduced and made mandatory for all the development partners in Nepal.  Nepal has attempted Module I: GE and Module II: Inclusive ownership in monitoring survey of PD, 2011.

# Institutionalization of GRB at Local level

## **Policy, Act, Guidelines and Directives**

- Interim Constitution of Nepal has accepted state restructuring, decentralization and devolution of power as a national policy framework to address the issues of gender mainstreaming and inclusion in the national development.
- Local Self- Governance Act, 1999 (LSGA) mandated women's participation in governing bodies of local governance institutions.
- Local Body Gender Budget Audit Guideline adopted in 2008
- GRB related Indicators stipulated in Minimum Conditions Performance Measures (2008)
- MoFALD issued Gender Equality and Social Inclusion Policy and Strategy for local level (2009)
- MoFALD issued Gender Responsive and Social Inclusive Budget Formulation and Audit Guidelines (2012)
- MoFALD issued Local Resource Mobilization and Management Guideline (2012)

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- Mandatory representation of 33% women in all the committees , such as Integrated Plan Formulation Committees (IPFCs 4048 ) Supervision and Monitoring Committees (SMCs 4048) , Ward Citizen Forums (WCFs 33,166 ) , and User's Committees ;
- Mandatory provision of allocation of 10 % of budget for women, 10% for children and 15% for disadvantaged groups in annual plan of local bodies;
- Equal wages for men and women;
- Implementation and monitoring directives incorporating gender and inclusion perspectives;

## **Institutional Arrangement**

- Women's Development Offices (WDOs) established at district level with Gender Focal Person in all the line agencies
- GESI unit established in MoFALD in 2009 to mainstream GESI in plans, programs, and activities.
- GESI implementation Committee formed in all the districts to discuss gender issues.

# Budget Allocations and Utilization at Local Level

## Findings of various studies

- Of the total budget spent in community infrastructure projects by local bodies in 2012/13 about 37.29 per cent was spent to address the demand of targeted groups ( Grant Utilization Study )
- Of the total cost of community infrastructure projects constructed in 2012/13 about 12.03 per cent was incurred in the construction of projects demanded by women, 9.85 per cent to address the demand of children group and 15.38 per cent in community infrastructure projects demanded by Dalit, Janajati and Madhesi communities. ( LGCDP Annual Progress Report)
- Initiated gender budget study and gender-focused programs
- Increased budget allocation and expenditure in programs for targeted groups including women.
- Inadequate understanding about gender responsive budgeting, administrative infrastructure and coordination problems (UN Women study)

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- All LBs committed towards inclusive development at local level (UNICEF Study).
  - Of the total projects implemented through capital grants and own sources, 24% spent for targeted groups in 2008/09, which increased to 28% in 2010/11.
  - 22.2 % women and 25.9 % DAG reported as active in decision making processes in VDCs.
- LBs spent earmarked funds on directly benefiting to women (UN women Study 2013),
  - In 2011/12 and 2012/13 DDCs spent 12.18% and 9.40% respectively in women related activities while Municipalities spent 7.7% and 12.70% and VDCs spent 9.13% and 9.53% respectively against the provision of 10 % .
  - About 30% women's participation in different committees at district level and about 55% at VDC level.

# Local Governance and Community Development Programme (LGCDP) and GRB

## LGCDP - Phase I

### Introduction

- Local Governance and Community Development Programme-I provides an overall framework for strengthening decentralization, devolution and improved local governance system for effective delivery of basic services and empowerment of citizens, especially women, children and Disadvantaged Groups (DAGs) and their institutions.

### Policy Measures and Procedures

- Affirmative policies have been introduced in favor of poor, women and disadvantaged communities to maximise their participation in, and benefits from the programme intervention.
- Procedures for working with communities and for targeting the poorest and most disadvantaged segments of these communities have been designed to ensure greater equity and efficiency.
- Monitoring and Evaluation Framework of MoFALD serves as a basis for monitoring and evaluation of different activities including GESI capturing all the aspects of GESI in outcomes, outputs, indicators, baselines, targets, responsible agency and frequency of reporting for different thematic sectors including GESI.



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## LGCDP- Phase II

### Introduction

- LGCDP II provides an overall framework for strengthening decentralization, devolution and improved local governance system for effective delivery of basic services and empowerment of citizens, especially women, children and Disadvantaged Groups (DAGs) and their institutions. It has been designed as a framework programme with four outcome and nine output areas.
- LGCDP-II's focus includes empowerment of citizens, especially women, children and disadvantaged groups, and their institutions (CACs, WCFs, IPFCs, DSMC/MSMCs, and CFLGCs) for meaningful participate in decision making processes and access to services.
- LGCDP –II's cross cutting areas includes gender equality and social inclusion. Set target to implement GRB in at least 50 DDCs and 40 Municipalities by the end of 2016/17

# Accountability and Monitoring Mechanism of GRB Institutionalization

- MoFALD introduced social accountability mechanism to enhance downward accountability in local government and to ensure easy and equitable access to public goods and services as well as to institutionalize GRB.
- Social accountability mechanism includes i) local body grant expenditure and community engagement survey, ii) public hearing & compliance monitoring and iii) community based monitoring of local government/public goods and services.
- Most of the local bodies follows allocations guidelines for marginalized and disadvantaged groups.(Local body grant expenditure review , 2012)
- 61% of local bodies addressed the needs of women, children and disadvantaged groups recommended by Ward Citizen Forum in annual plans (Local body grant expenditure review , 2012)
- GRB institutionalization related parameters included in results based monitoring system.

# Challenges Ahead

- Policy is often gender blind, discriminatory (difficulty to invest in women's priorities like child care, water, security, economic empowerment and transportation) and ineffective (inequitable resources to minorities and female headed households) and the process of the policy are often exclusionary, gender blind and lacked transparency.
- Understanding about gender responsive budgeting, inadequate administrative infrastructure and coordination problems and information gaps are other challenges in institutionalizing GRB.
- Changing the people's mindset towards gender sensitivity at all level (Nepalese societies are still male dominated and not sensitive about the female necessities and social as well as biological relations)

# Way Forward

- **Post-allocation classification at both central and local level rather than pre-allocation exercise.**
- **Link GRB indicators for each sector with**
  - institutional outputs and indicators of that sector,
  - leaving out irrelevant and adding relevant to gender sensitivity of institutional outputs.
- **GRB encompassing in budget cycle such as :**
  - analyzing the situation of gender inclusion,
  - examining the gender responsiveness of policies/programs/ projects,
  - assessing budget allocations,
  - identifying the gaps,
  - estimating expenditure required to bridge gaps and reallocating the budget,
  - tracking actual spending and how decisions are made, and
  - assessing gender disaggregated outcomes and impacts.

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- Improvement of women's representation in
  - decision making,
  - enhancing the capacity of all the stakeholders in planning and GRB,
  - reinforcing adoption GRB classification at all levels,
  - adaptation of MoF- GRB guidelines at district and central level,
  - making results based monitoring system more gender friendly,
  - reviewing and revising GESI policy to reinforce institutionalization of GRB,
  - mainstreaming gender in policies and plans,
  - redressing inequalities and promote women's economic, social and political rights for successful institutionalization of GRB at central and local level.

Thank You