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**PAPER**

**Institutionalising Gender Responsive Budgeting  
in National and Local Governments in Nepal**

**by**

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# **Institutionalising Gender Responsive Budgeting in National and Local Governments in Nepal**

## **The Concept of Gender Responsive Budgeting**

Gender responsive budgeting (GRB) is a tool through which gender perspective is mixed with all steps of the budget process i.e. planning, implementing, monitoring and evaluating. It is directed towards the need and interest of women and men from different groups, and assures that their needs are addressed in public budgeting. It ensures that budget policies take into consideration the gender issues in society such as discrimination between men and women. GRB is one of the tools to mainstream gender in policies and plans, to redress inequalities and to promote women's economic, social and political rights. Gender responsive budgeting is an extension of the concept of performance budgeting, which focuses on the achievement of results in the form of outputs and outcomes as distinct from performance measured merely in terms of budgetary expenditures.

GRB initiatives seek to create enabling policy framework, build capacity and strengthen monitoring mechanism to support accountability to women. The main goal of GRB is to create awareness among the public regarding gender issues, make government more responsible for drafting, implementing and updating policies related to gender issues. Sharp (2003) has categorized GRB outcomes into three guiding goals: (1) to raise awareness and the understanding of gender issues and the impacts of budgets and policies; (2) to make governments accountable for their budgetary and policy commitments to gender equality; and (3) to change and refine government budgets and policies to promote gender equality.

The purpose of gender responsive budget can be categorized in two ways:

- To assess the impact of government expenditures and programmes on the economic and social position of men and women.
- To develop strategies that will result in a more gender sensitive allocation of resources.

In the current transitional environment, allocation of public resources with the prospective of development paradigm towards greater gender equality is quite challenging but appropriate budget allocation symbolizing government commitments and priorities on gender and development can provide the means to translate them into action.

Gender responsive budget also refers to ensuring the availability of and access to public services, which helps in 'inclusive development'. Usually women and marginalized groups have diverse needs and often their needs and interest remain neglected or unaddressed. GRB is a tool that involves identifying and reflecting the needs interventions of women to address the gender gaps in policies, plans and budget. Hence it is a critical tool to investigate and monitor the extent to which public policy, programmes and budget, aid modalities and expenditure patterns are gender-responsive..

### **Gender Responsive Budgeting and Nepal's Experience**

Nepal 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 the budgetary processes. Public budget expenditures have been classified in three categories: directly responsive to gender, indirectly responsive and neutral across all sectors. Efforts have been made to institutionalize gender mainstreaming through GRB across all sectors and levels of governance. The outcome of

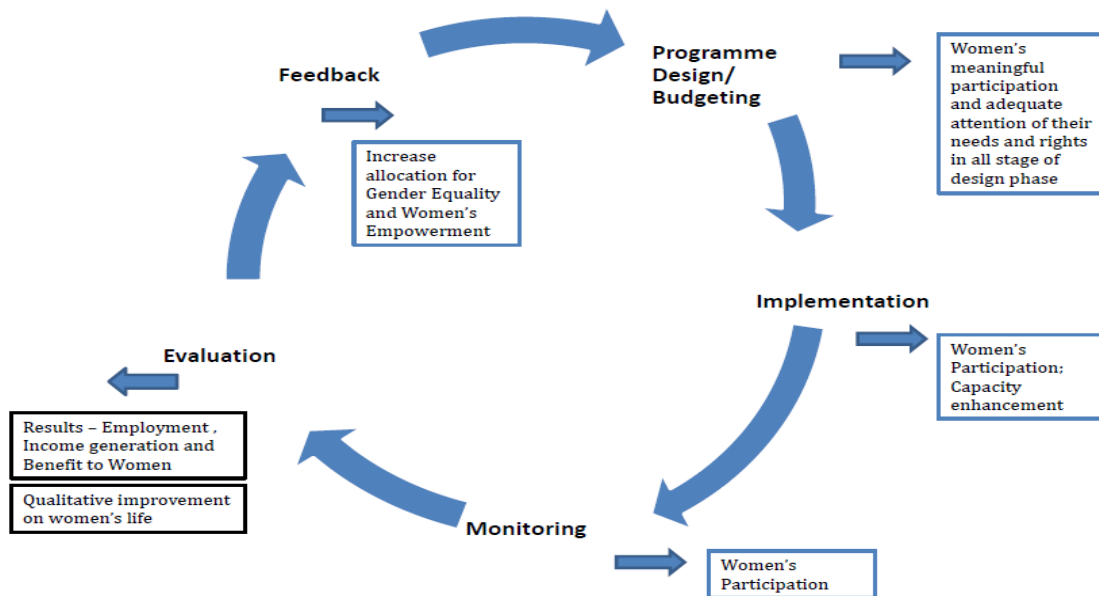
GRB initiatives can be seen in Nepalese society in general and specifically in the institutional mechanism both at state and non state governance and developmental activities.

### **1. Institutionalizing GRB at the national level**

The Government of Nepal has initiated GRB institutionalization process through the formation of Gender Responsive Budget Committee (GRBC) at the Ministry of Finance (MOF) to guide the system and give continuity to the process. The GRBC primarily developed five criteria for evaluation of the gender responsiveness of the government programs and projects. These criteria include women's participation in program formulation and implementation, benefit accruing to them, their capacity building, contribution to women's employment/income generation, and reduction in women's work load and qualitative improvement in their time use. Adoption of GRB has moved the issue of resource allocation for gender equality and women's rights to the forefront, strengthened gender mainstreaming mechanisms within the government, increased budget allocations for gender specific needs, such as combating violence, safe motherhood and scholarship for girls.

In Nepal, GRB is institutionalized with direct influence in the national budget cycle which is shown in the following figure.

## GRB Institutionalization Process in Nepal



Source: Ministry of Finance, Nepal

The figure shows the programming, implementation, monitoring, evaluation and feedback cycle of GRB in Nepal and expected results from this intervention in all steps. The Government of Nepal has taken following measures to strengthen and institutionalize GRB.

### a. Reform in structures and processes of budgeting at national level

Annual budgeting and development programme documents of central government have been streamlined to reflect the GRB. Accordingly, detail information required for the review of budgetary allocation and programme output study of GRB are included in national budget documents, annual program documents and Periodic Plans.

The Tenth Plan (2002 -2007) had focused on women's empowerment, reinforcing gender equality, formulating gender mainstreaming policy and adopting a gender responsive budget (GRB) system. Accordingly, provision of Gender Focal Point in each ministry and establishment of National Commission for Women were realised. The Interim Plan (2007-2010) adopted a

policy of engendering development through economic, social and political development processes to ensure a basis for inclusive development. The Three Year Plan (2010-2013) has provisioned GRB institutionalization at the central level and replicating it into local planning, programming, budgeting and monitoring process.

A study on “Gender Budget Audit in Nepal” was conducted in 2003 and during the period 2003-2008 gender assessments and gender budget audits were conducted by seven Ministries- Agriculture; Forest and Soil Conservation; Women Children and Social Welfare; Education; Local Development; Health and Labor and Transport Management . Regarding institutional reform Gender Management System (GMS) was established in 2005 within the National Planning Commission. In the same year Gender Responsive Budget Committee (GRBC) was established in the MoF.

The GRB classification and categorization based computer software like Line Ministries Budget Information System and Budget Management Information System were introduced from the fiscal year 2007/08. GRB has been a vital step forward for reducing gender inequality in Nepal with significant improvement in the budgeting process of GRB since 2007/08.

#### **b. Criteria for the Gender Responsive Budget Classification**

The Gender Responsive Budget classification of the Government of Nepal is based on the following three criteria:

- Direct Responsive –if the government funded programs are beneficial for more than 50% women
- Indirect Responsive -if the government funded programs are beneficial for 25 to 50% women
- Neutral-if the government funded programs are beneficial for less than 20% women

The basis of classification was based on the following indicators

**Table 1: Gender Responsiveness Indicators.**

<b>SN</b>	<b>Indicators</b>	<b>Percentage</b>
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>

Above indicators provides guidelines for allocation of the government budget in gender responsive programs of different sectors. However, the basis of directly and indirectly supportive to the gender related and gender neutral programs and activities are not clearly defined in budget speech and Red Book prepared by the MOF and Annual Development Programs prepared by the National Planning Commission

**c. Review of Budget Allocations Responsive to Women**

A broad review of annual budget allocation in various sectors revealed that amount of budget allocation in direct support category is increasing annually whereas it is consistently decreasing in neutral category since FY 2007/08. Allocation of budget is substantially higher in neutral category followed by indirect supportive and direct supportive category which is shown in Table 2.

**Table 2: Gender Responsive Budgeting (GRB), 2007/08 – 2012/13**

NRsin billion

SN	FY	Direct Supportive		Indirect Supportive		Neutral	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
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), NPC*

Above table shows that percentage of budget allocated to programs that directly benefit women has increased from the 11.3 percent in FY 2007/08 to 21.75 percent in FY 2013/14. On the other hand the neutral budget allocation has decreased from 55.54 percent to 34.31 percent during the seven years period. It clearly shows that trend of budget allocation that directly benefits to women are increasing annually but in a slow pace. However, the budget allocated for women is relatively very low compared to actual needs for gender equality. Moreover, it does not indicate how much is allocated for women from excluded groups and amount of expenditure thereon.

#### **d. Gender Responsive Budgeting Interventions & Results**



Efforts have been made to enhance the capacity of government machinery to understand and deal with gender mainstreaming, particularly in development activities of agriculture, local governance, education, police forces, and other sectors. Gender focal points have been appointed in all the ministries and major departments. Notable institutional reforms in education and health sectors are decentralization of management functions to District Development Committees (DDCS), Village Development Committees (VDCS), and community level institutions. A series of gender sensitization trainings and workshops have been conducted for all levels of government officials. Gender audits of many Ministries have been carried out and recommendations are being implemented. Table 3 highlights on GRB interventions and results achieved during 2007/08 to 2011/12.

**Table 3: GRB interventions & achieved results**

SN	Objective	Action	Results
1	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.
2	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.
3	At least one third women in all public positions.	Quota system in new vacancy openings.	57 women members out of 265 members in the then parliament of Nepal, 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.
4	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.
5	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
6	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.
7	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.
8	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.
9	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 t 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.
10	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.
11	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 1: GE and Module II: Inclusive ownership in monitoring survey of PD, 2011.

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

Table 3 shows that results of GRB interventions in Nepal are being visible. Women are gradually increasing their status in decision making process and other public spares. However, the potential benefits of GRB approach in terms of achieving better equity through improved policy coherence, institutional reform and capacity development are still to be realized.

## **2. Institutionalization of GRB at Local level**

The Interim Constitution of Nepal, through its preamble, obligations, directive principles and policies of state, has accepted state restructuring, decentralization and devolution of power as a national policy framework among others to address the issues of gender mainstreaming and inclusion in the national development. The subsequent periodic plans have followed the Constitution of Nepal in their policy with emphasis on gender sensitive, equitable and inclusive development with judicious access of socially, economically and geographically disadvantaged groups, sectors and communities to social, economic, cultural and political rights, opportunities and social security. The Local Self- Governance Act, 1999 (LSGA) and its regulations have provided two layers local authority system, i.e. VDC (3915 ), municipalities (58) at local level and DDC(75) at the district level. Nepal is committed to decentralized governance system and gender mainstreaming has been one of its major policy objectives in local governance. The LSGA mandated women's participation in governing bodies of the local governance institutions.

In 2008, the Ministry of Local Development (now the Ministry of Federal Affairs and Local Development (MoFALD)) has adopted the Local Body Gender Budget Audit Guideline. The local governance policies and strategies have been made adequately gender-responsive in terms of gender mainstreaming and resource allocations to support women's specific needs. MoFALD has issued Gender Equality and Social Inclusion Policy and Strategy for local level in 2009 with provision for structural and programmatic improvement at local level. The specific interventions at the local level are:

- A mandatory requirement of women's representation, ranging from minimum of one to 33% in all the committees , such as Integrated Plan Formulation Committees (IPFCs) and Supervision and Monitoring Committees (SMCs) , Ward Citizen Forums (WCFs),1 and User's Committees (UCs),;
- Priority for programs addressing gender and social inclusion in the allocation of 1 development budgets;
- Mandatory provision of 10% allocation of budget in women's programs, 10% allocation in children's programs and 15% allocation in disadvantaged and other targeted communities out of the total programme budget by the local bodies;
- Equal wages for men and women;
- Development of specific implementation and monitoring directives incorporating gender and inclusion perspectives;
- Establishment of Women's Development Offices (WDOs) at district level and appointment of Gender Focal Persons in all the line agencies.

**a. Women's participation in local planning/programming and budgeting and project implementation processes**

The policies, directives and guidelines as well as newly established grassroots institutions have had a positive impact on local governance from gender perspective. Efforts are being made to involve women in district, municipal, and village level planning, although representation does not always reach 33%. The Ward Citizen Forums, have helped to ensure 33% women's representation in all the committees at local level including decision-making positions. Different

organizations representing various groups, including women, are regularly invited in DDC, Municipalities, and VDC councils where annual plans, programs, and budgets approved.

### ***Budget allocations and utilization at local level***

Budget analysis carried out for GRB initiative shows that local bodies (LBs) operating procedures have led to increased budget allocations in women-related programs. Some DDCs have initiated gender budget study and gender-focused programs. An orientations on GRB and Gender Audits have been initiated by many LBs for a broad group of actors, including local government officers, representatives of decision-making bodies at local government levels, members of community-based organizations (CBOs) and nongovernment organizations (NGOs). Analysis of VDC budget indicates increased budget allocation and expenditure in programs for targeted groups including women. This appears to be due to the provision of mandatory women's participation in decision making process and allocation of specific funds to address the needs of women, children, and other disadvantaged groups. The need for compliance as stipulated in the Minimum Conditions Performance Measures (2008) has also contributed in institutionalizing gender responsive budgeting in local bodies. The GRB initiatives on the supply side have focused on improving knowledge and awareness of district government officers and improving their ability to understand and implement relevant laws, policies, guidelines, and regulations. Relevant laws, policies, guidelines, and regulations including the LSGA, Gender Equality and Social Inclusion Policy (2009), Gender Responsive and Social Inclusive Budget Formulation and Audit Guidelines (2012) and Local Resource Mobilization and Management Guideline, 2012 have

contributed in increased allocation of budget by local bodies to address the needs of women, children and disadvantaged groups..

### ***Institutional arrangement***

At the central level, MoFALD has established GESI unit in 2009 to mainstream GESI in plans, programs, and activities. The GESI unit has carried out different activities including GESI sensitive amendments and reforms in policies and strategies, preparation of manuals and frameworks, capacity development, coordination and consultation for effective GESI mainstreaming at various levels. At the local level, GESI implementation committee has been created in all the DDCs with mandate to review and analyze district annual plans, budgets and expenditures from GESI perspective and to develop GESI capacity of stakeholders. All line agencies, federations, networks, and nongovernment organizations (NGOs) that are working on GESI issues in the districts are supposed to be represented in the committee. Additionally, a number of recently formed committees in the districts are working on GESI related agenda. At grassroots level Ward Citizen Forums (WCFs) and Citizen Awareness Centers (CACs) have been formed in all VDCs and Municipal wards as an entry point for all types of development activities including GESI activities. As of July 2013, a total of 33,166 Ward Citizen Forums and 4082 Community Awareness Center have been formed. The members of WCFs are nominated by the people through a mass gathering. Generally inclusive, the WCFs have representation from varied social groups (both “elites” and disadvantaged groups [DAGs]). WCFs have a major role in the planning and monitoring of development activities. The Citizen Awareness Centers (CACs) members are mostly from Dalits, Janajatis, and disadvantaged groups including women.

## **b. Local Governance and Community Development Programme (LGCDP) and Gender Budgeting**

Local Governance and Community Development Programme provides an overall framework for strengthening decentralization, devolution and improved local governance system for effective delivery of basic services and the empowerment of citizens, especially women, children and Disadvantaged Groups (DAGs) and their institutions. The strategic goal of LGCDP is to promote inclusive local democracy, through local community-led development that enables the active engagement of citizens from all sections of society. LGCDP has been supporting socially inclusive and gender friendly approaches in design and implementation of programmes at local level. 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.

## **c. Grant Utilization Assessment:**

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 which is slightly higher than prescribed in local body resource mobilization and management guidelines. 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. This indicate that allocation of fund by local bodies to



address the demand of women and disadvantaged group is slightly higher than provisioned in local body resource mobilization and management guidelines.

The budget allocated for women and children mostly spent in renovation of school building (30%), renovation of health post and sub-health post (21%), and road construction (14%). The budget allocated for Dalits and Janajatis was spent mostly in the construction of community buildings and roads. Investment pattern shows that targeted groups have little influence on allocation of budget in projects

### ***GESI Monitoring and Control***

The monitoring and evaluation framework of MoFALD serves as a basis for monitoring and evaluation of different activities including GESI. The framework has captured all the aspects of GESI. The framework provides outcomes, outputs, indicators, baselines, targets, responsible agency and frequency of reporting for different thematic sectors including GESI. Both the qualitative and quantitative indicators are included in the framework. Indicators include participation of women and the excluded groups, children, in annual planning processes as well as in subject committee meeting, participation of women in public hearing and social audits. Targets are disaggregated by sex, caste and ethnicity. The M&E framework provides the basis for assessing the impact of GESI related intervention. The results based monitoring system introduced by MOFALD has also captured GESI related activities. Moreover, MoFALD has given emphasis on perception survey to assess the impact of GESI related activities. .

#### **d. Review and development of case studies on GRB experiences and good practices by UN**

##### **Women in 2012**

UN Women has commissioned a review study on GRB experiences in 2012 including a case study of local governance. The study has pointed out that GRB classifications of MoFALD budget, as in other sectors, are not consistent through time and indicated fluctuation in percentage of total budget allocated in three categories viz. directly gender responsive, indirectly gender responsive and neutral. Moreover, the MoF- GRB guidelines are not applied in budgeting process, neither at district nor at the central level. Although, MoFALD has formulated its own GRB guidelines in 2009, however it is not used at local level. The study has suggested allocating lump sum grants in improved technology for household work, such as improved stove, drinking water etc.

### ***Implementation experience and challenges for gender responsive budgeting***

The study has identified several challenges in application of the GRB methodology. The challenges include inadequate understanding about gender responsive budgeting, inadequate administrative infrastructure and coordination problems and information gaps. Elaborating information gaps, the study highlighted that LBs and sectoral agencies often do not know about the local development guidelines and gender responsiveness budgeting. The study has recommended improvement in women's representation and simultaneously capacity building of all the stakeholders in planning and GRB at local level.

### **e. Assessment on Utilizations of Capital Block Grants and Internal Sources for Children, Women and Disadvantaged Groups through Local Bodies**

An assessment on utilization of targeted capital grants at local level carried out in 2011/12 pointed out that all LBs are expressing their commitments towards inclusive development at the local level. The commitments have been expressed well through the decisions made by

District/Village and Municipal Councils. The number of projects implemented through the targeted grants along with internal resources observed to be in increasing trend. Of the total projects implemented through the capital grants and own sources, 24% were meant for the targeted groups of population in 2008/09, which increased to 28% in 2010/11. However, the participation of targeted groups in planning and implementation process was not in a satisfactory level, but in an increasing trend. Limited number of women (22.20%) and DAG (25.90%) was reported as active in decision making processes in VDCs. The study recommended orienting all the stakeholders on targeted fund utilization and GRB to ensure their ownership, transparency and accountability of the local bodies. The study also recommended for capacitating officials serving at different levels in the local bodies including facilitators and motivators for formulation and implementation of focused programmes more effectively.

**f. Study on Assessment of Local Funding for Economic Empowerment of Women and Reduction of Gender Based Violence at Local Level:**

A study conducted by UN Women for assessing local funding for women's economic empowerment and reduction of gender based violence at local level in early 2013 pointed out that average LBs are spending equivalent to earmarked funds on directly benefiting to women. It was 12.18% and 9.40% in DDCs, 7.7% and 12.70% in Municipality and 9.13% and 9.53% in VDCs in 2012/13 and 2013/14 respectively against 10% provision in policy. The budget was spent in infrastructure development, social and capacity development, skill development and institutional development activities. The study team observed about 30% women participation in different committees at district level and about 55% at VDC level.

### **g. LGCDP Phase II and GRB**

LGCDP II provides an overall framework for strengthening decentralization, devolution and improved local governance system for the effective delivery of basic services and the 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.

One of the outputs focus on empowerment of citizens, especially women, children and disadvantaged groups, and their institutions (CACs, WCFs, IPFCs, DSMC/MSMCs, and CFLGCs) so that they can meaningfully participate in local planning, budgeting, monitoring and decision making processes and have access to the services available at local level.

LGCDP II has four cross cutting areas including gender equality and social inclusion. These cross-cutting themes represent significant elements of all LGCDP II. The Programme has set target to implement GRB in at least 50 DDCs and 40 Municipalities by the end of 2016/17

### **3. Accountability and monitoring mechanisms of GRB institutionalization**

MoFALD has introduced social accountability mechanism in local bodies to enhance downward accountability in local government by developing the capacity of citizens to promote transparency and accountability in local governance process 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. The local body grant expenditure review and community engagement survey carried out in 2012 shows that most of the local bodies follow the allocations guidelines for marginalized and disadvantaged groups; children (72%), women (80%) and DAG (80%). Furthermore, a majority (61%) of the local bodies follow the recommendations from the Ward CitizenForum in annual plans which include projects identified and prioritized by women, children and disadvantaged groups. The GRB institutionalization related parameters have been included in results based monitoring system. The results based monitoring system provides information on participation of women in local level planning process, number of projects along with costs demanded by women children and disadvantaged groups, number of projects along with costs included in annual plan of local bodies in favour of women, children and disadvantaged. The results based monitoring system also provides information on participation of women in LB's council and participation in public audit and public hearing activities. Moreover, it also provides information on number of beneficiaries in terms of sex and ethnicity.

#### **4. Challenges Ahead**

The real challenge in institutionalizing gender responsive budgeting at local level is that the content of the 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. LBs

and sectoral agencies often do not know about the local development guidelines and gender responsiveness budgeting

Another challenge in institutionalizing GRB is 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.

## **5. The Way forward**

Nepal's GRB encompasses input based assessment of both benefit and empowerment to the women. It is essentially a post-allocation classification at both central and local level rather than a pre-allocation exercise. Its focus has been on inputs and project targets rather than on measuring results. The methodology also needs to link GRB indicators for each sector with the institutional outputs and indicators of that sector, leaving out those that are irrelevant and adding those that are relevant to the gender sensitivity of institutional outputs. GRB encompasses sequential steps during the different stages of the budget cycle such as : analyzing the situation of gender inclusion, examining the gender responsiveness of the 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. In Nepal the current initiatives of GRB do not systematically followed these steps. For the effective GRB system it needs to encompass the complete budget cycle and include detailed assessments of each program with above sequence. Additionally, the 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 the 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, and mainstreaming gender in policies and plans, to redress inequalities and to promote women's economic, social and political rights are very important requirements for the successful institutionalization of GRB in Nepalese central and local level.

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