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REGIONAL SEMINAR ON PARLIAMENT, BUDGET AND GENDER, FOR EUROPEAN AND CENTRAL ASIAN PARLIAMENTS

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GENERAL REPORT

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The present report highlights some of the major issues that emerged from the discussions between participating parliamentarians, experts and analysts.

Defining the budget

The national budget is considered to be the most important statement of general policy that a government can make. It outlines the social and economic policy of the country.

The national budget sets out the expenditure and revenue plans of government for a specific period, including deficit and assumptions. It establishes the orientation of national policies and determines the framework for action and the financial implications of public programmes and projects during the fiscal year; it also identifies the resources required for their implementation.

The budget is not an isolated event, but rather a process that takes place in several stages and over a more or less long period. These stages include: planning, drafting, consideration and adoption by parliament, implementation, submission of reports, and monitoring of the implementation, including audit. Most budgets generally respect the following main principles: they must be unitary, annual, and specific and no budget item should have an automatic claim to funding.

A clear distinction was made between the budget policy and the budget system. The budget policy refers to the proposals and allocations in the budget whereas the budget system refers to the legal framework, the assignment of responsibilities, the formal and informal "ways of doing things" that generate budget policy. This distinction is important especially within the context of developing gender-sensitive budgets, which require action at both levels: more allocations in favour of gender equality and a more mainstreamed gender approach in the budget system.

Budgets, however, evolve and several European countries have changed or are changing the nature of their budget, moving from line-based budgeting to results-based budgeting (i.e. budgeting based on performance rather than on activities), or from annual budgets to budgets over a medium-term period.

The role of parliament

The debates very clearly highlighted the variety of existing experiences with regard to budgetary practice and parliamentary involvement, whether at the European or global level. There is, of course, no one model, but a variety of systems corresponding to national political systems and practices.

Several roles for parliament in the budget process were identified, as well as limits and challenges to the Parliament's input.

Generally, parliament plays an authorization, oversight and supervisory role in the budget process, thereby ensuring transparency and accountability. It thus scrutinizes and approves budget proposals and authorizes the expenditures necessary to respond to these proposals, and holds government to account for the implementation of these proposals and the utilization of the corresponding resources.

As the representative body of the people, parliament is the appropriate institution to ensure that the budget best matches the nation's needs with the available resources. Greater parliamentary input into the budget process contributes to better national economic policy. It leads to greater government accountability and transparency, substantial national consensus regarding macroeconomic policies, and greater possibilities for community-level input.

While it is true though that government remains the main actor in the drafting of the budget, recent developments in government-parliament relations vis-à-vis the budget process have tended to strive for greater balance. The identification of national priorities - a prerequisite to any budget - should for instance result from debate with and within parliament.

Limits to the role and influence of parliament on the budgetary process reside in the fact that a good part of the budget includes non-discretionary allocations. In addition, external factors and commitments play an important role in determining the priorities and the budgetary allocations. Member countries of the Euro Zone, for instance, have to meet strict financial and budgetary criteria which frame their budget. This was considered by many as an advantage in terms of fiscal discipline as clear criteria and targets are defined.

Budget efficiency

One of the main concerns raised by participants was how to assess the proper impact of budgetary measures and policy. The need for adequate indicators, research, analysis and test pilots was highlighted. These could be carried out by research institutes with which parliaments could develop partnerships.

It was agreed though that impact assessment could not, however, be reduced to a quantitative approach only. Qualitative analysis is also required, within the framework of a more general and political debate.

Needs of the parliament

In order for a parliament to contribute effectively to the budget process, certain conditions must be met:

- ***Autonomy of parliament***
This entails freedom of expression within the confines of the parliament and a budget which allows parliamentarians to have sufficient financial independence so that they are not constantly dependent on the executive branch.
- ***Access to complete information***
The budget documents that are submitted by the government must be complete, detailed and precise. The macroeconomic data annexed to them should come from government sources, but also from international sources independent of the executive. NGOs and universities are also important sources of information and analysis, to which parliaments can refer.
- ***Competent and effective parliamentary staff***
Sufficient and highly qualified parliamentary staff must be secured. They should be capable of providing technical assistance to parliamentarians, particularly in respect of the budget.
- ***Ability to amend the budget***

A parliament that is fully responsible for the budget must have the right and the possibility to modify the budget through amendments.

- **Visibility**

The best guarantee that parliament is doing the best possible job on the budget is provided when its work is public and visible. The press has a major role to play in covering budget debates, explaining them to the man in the street and transforming them into fundamental political debates within the grasp of as many people as possible. MPs also have to ensure that their constituents are informed of the budget debates and outcome. The production of user-friendly documents on the budget as well as the use of concrete examples to illustrate messages is vital.

Accountability and transparency: parliamentary oversight

Oversight of the budget can be direct or indirect. Traditional means of direct oversight include questioning, question and answer sessions, hearings and commissions of inquiry.

Indirect oversight is exercised through audits and analysis reports, and through all consideration of complaints and petitions submitted by civil society. Such oversight should be carried out all year round.

The role of parliamentary committees was highlighted in internal oversight mechanisms. These committees are important for coordinating the parliament's response to proposed government priorities and for monitoring the implementation of the budget.

Parliamentary committees, however, require support and in particular access to analytical and information resources crucial to the proper scrutiny of the budget. In many countries, these are provided by a parliamentary budget office (staffed by economists, social scientists and other experts) and/or by properly equipped research services. Civil society organizations, academic institutions, professional groups, trade unions and other civil society groups are an important source of information on government performance at the grass-roots level and can help promote public awareness that is essential for transparency. They can be important allies for the work of parliamentary budget committees.

The national audit

The national audit is a key instrument for ensuring accountability and transparency in the budget process. It is intended to ensure that all budget expenditure has been duly authorized, effective for the purpose for which it has been authorized and accounted for. It also ensures that the information provided by the government is accurate.

Various institutions contribute to budget oversight and implementation. Be it the Auditor General's Office (in the Anglo-Saxon system) or a national audit office, such bodies must be sufficiently independent to operate without any pressure from the government.

A gender perspective to the budget

Policies framed in gender-neutral terms impact differently on women and men as both women and men play different roles in the economy and in society. Good policy making therefore requires understanding both the likely differential gender impacts and how policies might generally be better designed to achieve outcomes which meet the needs of women and men of different economic categories in an equitable manner. Ignoring the specific roles played by women in the economy and in society and their needs undermines the efficiency of certain public policies.

Gender analysis is a planning tool that serves the interest of everyone, men and women alike. A gender-responsive budget (GRB) is an instrument of economic analysis and economic effectiveness. It takes into account the specific contributions of men and women and their different needs in budgetary planning. It has to do with making the most of the complementarity between men and women.

Apart from being unfair, gender inequalities are also costly, not only to women but also to men, children and society as a whole. The cost can be measured in lower economic efficiency, a drop in output, reduced development of people's capacities and a decrease in the well-being of society. A gender impact analysis of a proposed budget is thus a precondition for budgetary efficiency.

A gender-responsive budget does not involve a separate budget for women. It is a budget that encourages a more efficient use of resources in order to achieve equality between men and women and to ensure human development; it is a budget that redefines priorities, rather than increasing government spending.

Therefore, the main idea is that available resources should be used in such a way as to improve equitably the quality of life for both men and women. Indeed, it has been noted that a gender-sensitive budget allows a country to benefit from all its human resources (men and women) in order to remain competitive in an increasingly globalized world.

Why develop gender-responsive budgets?

Gender-responsive budgets are tools to meet the gender equality objectives set in European or international commitments such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) or the Lisbon Strategy's goals. It is important to refer to these objectives when explaining the need for GRBs and marshalling political support for it.

GRB is a tool that can also be used to achieve various governance objectives: efficiency, effectiveness, transparency and accountability.

What is needed to develop GRBs?

- Awareness among men and women, politicians, parliamentarians and government technocrats.
- Political leadership from women's institutes and organizations.
- Support from the Minister of Finance, the Department of Finance and the parliamentary finance committees.
- Availability of statistics disaggregated by sex and sensitive to gender.
- Citizen support and clear objectives for the changes that are expected.

Where to start?

Gender budgeting can be a powerful tool for change. To develop such an approach it is important to place GRB within a well defined overall political strategy which clearly identifies objectives and targets, different actors and partners, processes and requirements. GRB will imply a major transformation and this will require training and sensitization activities which have to be scheduled and planned for.

GRB procedures and tools can be used at each stage of the budget cycle: planning, enactment into law, execution and evaluation/audit.

The development of GRBs can be gradual. GRB first initiatives do not necessarily have to cover every item of expenditure and revenue. Key items can be prioritized and it may be recommended to begin by identifying one or two priority sectors of the budget, in terms of gender equality and then gradually open up the process to the rest of the budget.

How to perform gender-responsive budgeting?

Three main areas can be identified in developing gender-responsive budgeting: the process, gender impact analysis and changes in the budget bill. While gender impact analysis is the core instrument of gender budgeting, mainstreaming gender in the budget process, and making possible changes to the budget bill remain essential. It is important to pay particular attention to the process by which the budget is put together in terms of women's presence and input (how many women have taken part in the planning and drafting, what level of responsibilities are given to women in the budget process, have women's groups' been part of the process etc.). Furthermore, gender-responsive budgeting should not be seen as a mere analysis – it is a tool for change and should result, when needed, in changes to the budget bill.

A gender impact analysis of the budget remains the core element of gender budgeting. Gender impact analysis aims at assessing the impact of policies or activities on the economic and social status of women and men and on gender relations.

A gender impact analysis can be performed on (i) policies and processes; (ii) government revenues and expenditures, and (iii) macroeconomic policies.

Gender impact analysis takes into account:

- Gender differences in the socio-economic situation
- Needs and priorities of women and men equally
- Paid and unpaid work
- Gender norms and roles.

To begin a gender impact analysis, clear references and **gender equality objectives must be identified** in terms of:

- Impact on participation
- Impact on existing inequalities
- Distribution of and access to resources
- Impact on paid and unpaid work
- Impact on values and norms.

At the macroeconomic level, a gender impact analysis will require an examination of the overall spending structure, including allocations to women/girls or men/boys; allocations to gender equality institutions; allocations for gender equality in the public sector and mainstream allocations.

Gender analyses of public expenditures will require looking at the distribution of resources or public services among women and men. In that regard, beneficiary assessments are key: How far does public spending meet the needs and priorities of women and men? These assessments can be carried out through opinion polls, surveys, interviews or group discussions for instance. Another key area to bear in mind is the impact of expenditures on unpaid work. This is an area often forgotten in economic analysis though it remains central. What impact does public spending have on the amount of unpaid work? Do budget cuts increase the time spent on the unpaid provision of care?

Gender impact of revenue concerns all types of government revenues including taxes, social security, and user fees. Different taxes have a different impact on women and men. While a cut, for instance, on income tax will traditionally favour men more, a raise in value-added tax (VAT) will impact more on women.

The role of parliament

Parliament needs to play an active role in order to make sure that gender budgeting becomes a sustainable and meaningful change process to achieve gender equality.

Parliaments can:

- Initiate gender budgeting work;
- Raise awareness on gender budgeting among MPs, government ministries and officials, women's organizations and civil society;
- Provide a legal basis for such an approach;
- Focus attention on gender issues in budget debates;
- Request gender-sensitive data;
- Enhance the participatory dimension of the budget process;
- Make governments accountable with regard to their gender equality commitments; and
- Monitor progress and quality control: the possibility of supporting the establishment of a national gender audit institution was raised and encouraged.

Inter-parliamentary cooperation

Participants called for exchange of experience and access to examples of best practices in other countries. It will be important to continue sharing information among parliaments on initiatives taken to promote gender-responsive budgeting.