

Gender Budgeting in the US Context: Models to Emulate and Pathways for Integration

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Under the Biden-Harris administration, the newly established White House Gender Policy Council has been tasked with developing a whole-of-government strategy to advance gender equity and equality in US domestic and foreign policy. A critical aspect of the strategy's success will be adequate resourcing—including through mobilizing the budgets of federal agencies and other government institutions in ways that are proven to narrow gender gaps rather than exacerbate them. To this end, the United States has the opportunity to learn from governments that have previously undertaken gender budgeting exercises. In this note, we identify select models with innovative features, extrapolate a set of lessons from these models, and consider how they can be applied to the US context.

EXEMPLAR MODELS

Several countries' approaches to gender budgeting offer promising examples for the United States to emulate:¹

Canada

Canada's Feminist International Assistance Policy has a results framework with key performance indicators aimed at measuring progress.² As the policy was announced in 2017, Global Affairs Canada worked in partnership with Development Gateway to examine options for input, output, and outcome indicators that would enable the Canadian government to track its progress in contributing to global gender equality.³ Canada's wider Gender-Based Analysis Plus, or GBA+, approach, which applies across all levers of government, also has an accompanying measurement framework aimed at capturing the implementation of GBA+ across agencies. For example, the GBA+ unit at Immigration,

1 The examples we highlight above are not exhaustive; a wide range of governments, from the United Kingdom and Australia to South Africa and Rwanda, have made efforts to integrate a gender lens into their budgeting processes. The examples we highlight are those that prioritize results- and performance-based approaches, those we identify as promising models for the United States.

2 "Feminist International Assistance Policy Indicators," Canada.ca, https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/fiap_indicators-indicateurs_paif.aspx?lang=eng

3 "Managing for Feminist Results: Measuring Canada's Feminist International Assistance," Development Gateway, 2019, https://developmentgateway.org/publication_landing/managing-for-feminist-results-measuring-canadas-feminist-international-assistance/

Refugees and Citizenship Canada (IRCC) has identified the percentage of refugee settlement workers who receive interventions and subsequently report increased knowledge of gender-based violence and awareness of available services as a key performance indicator.⁴

Nigeria

Under Ngozi Okonjo-Iweala's leadership, the Nigerian Ministry of Finance launched the "Growing Girls and Women in Nigeria," or G-WIN, initiative.⁵ Using an incentive-based approach, the Ministry of Finance awarded top-up payments to ministries that identified and worked to address a gender-related gap or problem relevant to their respective mandates. Through the G-WIN initiative, supported by the World Bank and DFID, incentives were offered to ministries. Five ministries—those focused on agriculture, health, water, communication technology, and public works—elected to participate. The Ministry of Women's Affairs was charged with monitoring and evaluating progress. With an initial investment of \$21 million, which was proposed by the president and approved by parliament, the G-WIN initiative led to tangible results. The Ministry of Agriculture reached 2.5 million women farmers with electronic wallets, enabling more direct access to quality inputs such as fertilizer and pesticides that ultimately increased farm production. The Ministry of Health supported 3,000 additional surgeries for women with vesico-vaginal fistula. The Ministry of Water Resources facilitated women's management of community water and sanitation centers, and the Ministry of Public Works trained women as subcontractors in procurement.

Austria

The push for gender budgeting in Austria began in the early 2000s with the formation of the civil society organization Watch Group Gender and Public Finance.⁶ In 2009, a constitutional amendment (Article 13(3) of the Federal Constitutional Act) was enacted, which requires federal, state, and local governments to strive for the equal status of women and men in their budgeting systems.⁷ In 2013, additional federal budgeting and accounting reforms laid the ground for performance-informed budgeting and a more comprehensive approach to gender budgeting at the national level. These reforms included mandating that the outcome objectives specified in each budget chapter include at least one objective related to gender equality, and that each of the global budgets and detailed budgets include at least one gender-related output target.⁸ Gender-related objectives are reported on in the Performance Reports prepared by the Federal Chancellery. An example objective included in the 2019 budget is to facilitate the compatibility of family and working life.⁹ Associated performance indicators include increasing the number of fathers participating in the program of childcare allowances to 23 percent (up from 18.12 percent); increasing the employment rate of women with children below the

4 "Gender-based analysis plus (GBA+)," Canada.ca, <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/departmental-plan-2020-2021/gender-based-analysis-plus.html>

5 Ngozi Okonjo-Iweala, "Why Should Finance Ministers Care About Gender Equality? Mainstreaming Wasn't Getting Results Fast Enough," The World Bank, 2016, <https://www.worldbank.org/en/news/speech/2016/05/05/why-should-finance-ministers-care-about-gender-equality>.

6 Elizabeth Klatzer, Romana Brait, and Christa Schlager, "The Case for Austria: Reflections on Strengthening the Potential of Gender Budgeting for Substantial Change," in *Gender Budgeting in Europe*, ed. Angela O'Hagan and Elizabeth Klatzer (Palgrave Macmillan, 2018), 137-157, https://link.springer.com/chapter/10.1007/978-3-319-64891-0_7.

7 "Austria," EIGE, 2019, <https://eige.europa.eu/gender-mainstreaming/countries/austria>

8 Ronnie Downes, Lisa von Trapp, and Juliane Jansen, "Budgeting in Austria," *OECD Journal on Budgeting*, 18/1 (2018): 9-88, https://www.oecd-ilibrary.org/governance/budgeting-in-austria_budget-18-5j8l804wg0kf.

9 Gerhard Steger, "Institutional Framework and Prerequisites for Gender Budgeting—The Austrian Experience," 2018, <https://www.eastafratitac.org/servlet/servlet.FileDownload?file=00P4100000UDejwEAL>.

age of 15 to 67.9 percent (up from 65 percent), and increasing childcare participation rates for children below age three to 33 percent (up from 27.4 percent). Some of the activities associated with these indicators involve building awareness among fathers about the importance of participating in childcare and increasing the number of childcare facilities.

KEY TAKEAWAYS

From these and other governments' experiences with gender budgeting, we identify a number of lessons:

Articulate specific outcomes

Critical to ensuring the success of the US gender strategy will be the ability to articulate a well-defined set of outcomes and identify indicators that measure progress in toward their achievement, allowing the US government to understand its impact and course-correct as needed. A monitoring framework should include input-oriented indicators, such as an indicator that tracks the percentage of US international assistance that targets women's rights organizations and indicators around US government workforce diversity. But these should be complemented by indicators focused on outcomes. Canada's Feminist International Assistance Policy and the indicators used to track its progress, as well as Austria's performance-based budgeting approach, can be looked to as models.¹⁰ The FIAP, for example, tracks the number of people reached with sexual and reproductive health services, including modern methods of contraception, and the number of entrepreneurs, farmers and smallholders who gain new access to financial and/or business development services.

Establish a baseline

A Public Expenditure Review (PER) is a diagnostic instrument to assess the effectiveness of public finances. PERs serve as a key instrument guiding and influencing policy dialogues around reforms and can analyze either government-wide expenditures or focus on specific sectors such as health care, infrastructure, or education.¹¹ When conducted with a gender lens, a PER can assess the distributional impact of government expenditure allocations. Public expenditure reviews with a gender lens should be conducted in priority sectors to assess how gender equality is already being promoted through governments' budget allocations, and where gaps are identified, define measurable objectives and benchmarks.

Employ performance-based financing

Following the examples of Austria and Nigeria, gender budgeting should be embedded in performance-based budgeting with measurable objectives and incentives linked to performance. Institutions within the energy sector, for example, can be incentivized to increase women's inclusion on the supply side, as well as narrow gender gaps in equal access to clean, affordable sources of energy. While not a panacea, performance-based budgeting has the potential to help align clearly articulated outcomes reflected in a national gender strategy with the budget allocations required to achieve these objectives.

¹⁰ "Feminist International Assistance Policy Indicators."

¹¹ "Publications & Knowledge," *Boost Open Budget Portal*, <https://www.worldbank.org/en/programs/boost-portal/publications#2>.

Take a phased approach

Also reflected in the Nigerian model, gender budgeting should be phased in, first targeting priority sectors and agencies—i.e., agencies that seek to expand women’s capabilities (health, education) and their opportunities and rights (labor, migration, commerce, agriculture, housing, financial sector, justice, state) and agencies or functions that strengthen the gender data systems needed to measure performance accurately and in a timely fashion.

Harness gender data to measure progress

Reliable, valid, and comparable gender data lies at the foundation of any robust performance-based budgeting with gender equality objectives. Gender data reflects gender issues. It is data that is collected and presented by sex as well as data that pertains only to women and girls. There are at least four critical features of good gender data.

1. Gender data at a minimum should be sex-disaggregated and cross-tabulated by other key demographic features, including age, race, and ethnicity, and disability. Granularity and comprehensiveness are two key features of a useful gender data system.
2. Over time, gender disaggregation—covering all gender identities—should be available and replace or complement sex disaggregation.
3. Gender data should be free of gender biases in its collection and analysis, including in the use of algorithms for analyzing passively collected real-time data (big data).
4. Gender data should be transparent and open.

Empower civil society

Accountability and transparency are basic qualities of a well-functioning performance-based gender budgeting system. Partnering with and encouraging non-governmental actors (both domestic and international) to monitor US performance on gender objectives are key. To ensure that women’s rights organizations and other civil society actors are well-equipped to advise and engage in gender budgeting exercises, governments should provide financial resources to support their efforts.¹²

APPLICATION TO THE US CONTEXT

There are several pathways through which a focus on gender could be integrated into US budgeting processes.

First, the Biden administration can undertake a public expenditure review (PER) assessing the extent to which federal agencies’ budgets have addressed gender inequalities and inequities. At times in partnership with the World Bank and other international financial institutions, other country governments have made strides to include PERs as part of their budget planning cycles, as doing so

¹² For more detailed recommendations on how the US government can increase financial support for women’s rights organizations, see O’Donnell, Megan (2020). Restoring and Revitalizing US Leadership on Global Gender Equality and Inclusion. Center for Global Development. <https://www.cgdev.org/publication/restoring-and-revitalizing-us-leadership-global-gender-equality-and-inclusion>.

can establish a baseline understanding of key fiscal management and policy challenges and highlight priority reform areas.¹³ Because a PER can help determine how expenditure allocations address a government's policy priorities, gender issues can and should be integrated into this analysis.

Second, the White House Gender Policy Council can work in partnership with the Office of Management and Budget to ensure that federal agencies incorporate a sufficient focus on gender equity and equality into their budget requests, consistent with A-II Circular guidance.¹⁴ The A-II Circular provides instructions to federal agencies on how to prepare budget requests, and its most recent iteration includes a new subsection on equity. Section 220.23, which is informed by Executive Order 13985 on Advancing Racial Equity and Support for Underserved Communities through the Federal Government, instructs agencies to submit Equity Action Plans on January 20, 2022. Agencies have been tasked with identifying equity gaps relevant to their mandate and articulating how requested funds will be used to close them.¹⁵ OMB should have technical experts on staff work in close coordination with the White House Gender Policy Council to review budget requests, focusing particular attention on whether gender inequities and inequalities have been adequately addressed, before agency-specific requests are incorporated into the president's overall budget request. Consistent with the key lessons we outline above, a subset of agencies could be selected in the first year of this process to receive additional guidance and support, to help ensure their budgets will narrow priority gender gaps.

Third, to bring increased attention from agencies to gender budgeting and encourage their engagement in the near-term, the Biden administration could propose the creation of an incentive fund designed to distribute payments to agencies that commit to closing gender gaps relevant to their mandates. Modeling Nigeria's G-WIN initiative, as well as the Obama administration's "Pay for Success" program, the White House Gender Policy Council could work in collaboration with the Treasury Department to establish a performance-based fund aimed at providing incentive financing to federal agencies that identify and succeed in narrowing gender gaps relevant to their mandates.¹⁶ The "Pay for Success" program dedicated nearly \$100 million through eight federal agencies, including for veterans' job placement, improving early childhood education, and reducing homelessness. The model is compelling both for proponents of effectiveness and fiscal responsibility since it paid for concrete, measurable outcomes once they were achieved, rather than funding services regardless of the results, guarding against the risk of wasted funds.¹⁷ A similar approach could also be taken to transfer federal funds to state and local governments that close gender gaps, drawing on the Obama administration's "Race to the Top" program, or within individual federal agencies (e.g., USAID, Department of Labor) that provide funding to the private sector or non-governmental organizations.¹⁸

13 For example, the World Bank's Saint Vincent and the Grenadines report, "Saint Vincent and the Grenadines: OECS Fiscal Issues, Policies to Achieve Fiscal Sustainability and Improve Efficiency and Equity of Public Expenditures," 2005, <https://openknowledge.worldbank.org/handle/10986/8617>.

14 Executive Office of the President Office of Management and Budget, "Circular No. A-II: Preparation, Submission, and Execution of the Budget," 2021, https://www.whitehouse.gov/wp-content/uploads/2018/06/all.pdf?utm_source

15 More details of this request could be ascertained through a review of the resources provided by OMB for developing Equity Action Plans and conducting ongoing Equity Assessment activities, available on the Equity Learning Community MAX Community page. This page is not currently publicly accessible.

16 "Pay for Success: An opportunity to Find and Scale What Works," *Office for Social Innovation and Civil Participation*, <https://obamawhitehouse.archives.gov/administration/eop/sicp/initiatives/pay-for-success>.

17 "Pay for Success: An Opportunity to Find and Scale What Works."

18 Grace Chen, "What is Race to the Top and How Will it Benefit Public Schools," *Public School Review*, 2019, <https://www.public-schoolreview.com/blog/what-is-race-to-the-top-and-how-will-it-benefit-public-schools>.

A variation on this idea, focused on closing evidence gaps, measuring effectiveness, and identifying cost-savings, would be to establish a gender evaluation catalyst fund, modelling the regional Gender Innovation Labs at the World Bank Group, which aim to identify policies and interventions proven to promote gender equality in an effort to incentivize government actors to replicate and scale evidence-based approaches.¹⁹ In the US context, a gender evaluation catalyst fund could be established with modest additional funding for the General Services Administration’s Office of Evaluation Sciences (OES), which could pursue strong proposals for gender-related evaluations or related efforts to develop evidence-based policies on behalf of agency collaborators without requiring compensation for OES staff time and resources.²⁰ Given the timeframe often required for rigorous evaluation and the likely need for OES to recruit additional staff, fellows, or affiliates, this would work best as a three-year pilot.

Fourth, the White House Gender Policy Council can work with allies in Congress to introduce and pass gender budgeting legislation. Though strong leadership from the Biden administration in the short-term will be critical to ensuring that gender budgeting efforts are taken up by agencies, a legislative mandate to consider gender in the federal budget process would help to sustain and embed the practice of gender budgeting in the US government’s core operations. Gender budgeting legislation would build on and expand the mandate reflected in the Women’s Entrepreneurship and Economic Empowerment Act, which required USAID to ground projects and activities in gender analysis.

CONCLUSION

In this policy note, we have highlighted a number of innovative approaches to gender budgeting taken by other governments in an effort to draw lessons for the United States, and offered four preliminary recommendations for how the Biden administration could work to jumpstart gender budgeting in the US context. In a future paper, we will unpack this note’s concise review of exemplar models as well as its recommendations, and explore a range of key issues in more detail—including:

1. how performance-based financing approaches focused on other themes and sectors can offer lessons for gender budgeting efforts;
2. how to most effectively reconcile the goal of promoting gender equality through budget allocations with flexibility for agencies where required (e.g. in order to take local expertise and conditions into account);
3. how OMB and the Department of Treasury can best interact with other agencies to support and incentivize their gender budgeting efforts; and
4. how the US government can include budgeting that promotes gender equality within a broader effort to promote intersectional equity and equality based on race, ethnicity, sexual orientation and identity, disability status, and other demographic characteristics.

19 For more information on World Bank Gender Innovation Labs, see <https://www.worldbank.org/en/programs/africa-gender-innovation-lab>; <https://www.worldbank.org/en/programs/latin-america-and-the-caribbean-gender-innovation-lab>; <https://www.worldbank.org/en/programs/east-asia-and-pacific-gender-innovation-lab>.

20 “Working with the Office of Evaluation Sciences: What We Do,” 2021, <https://oes.gsa.gov/assets/files/oes-services-list-fy21-22.pdf>.

With thanks to Mayra Buvinic for advice and comments.

The Center for Global Development is grateful for contributions from the Bill & Melinda Gates Foundation in support of this work.



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