

## ADVISORY COMMITTEE ON EQUAL OPPORTUNITIES FOR WOMEN AND MEN

### Opinion on the future of the EU budget June 2008

#### Background

In May 2006, the European Parliament, the Council and the Commission agreed to a fundamental review of the EU budget.

The Commission then adopted a consultation paper in view of this budget review<sup>1</sup>. With this paper a broad consultation was launched with interested parties at all levels, to stimulate an open debate on the EU budget.

The Commission also issued a communication "Opportunities, access and solidarity: towards a new social vision for 21st century Europe<sup>2</sup>" which describes the changing social reality, the social vision for Europe and the key areas for actions including the need to invest in gender equality.

At the same time, a number of member states have worked increasingly to implement gender mainstreaming methods, including gender budgeting. The lessons learned at national level now need to be brought to European level. In particular in view of the commitments made in the European pact for gender equality and to gender budgeting in the European Roadmap for Equality between Women and Men 2006-2010 and considering that policies specifically geared to growth and jobs, areas relating directly to European female and male citizens, is now taking the largest share of the EU budget.

This opinion from the Advisory Committee is thus meant to serve as an important contribution to the public consultation on the budget review in line with the challenges described in the above Communication regarding gender equality.

#### Mandate

The Advisory Committee decided at its meeting on 16 November 2007 to set up a working group to prepare an opinion on the future of the EU budget. The working group was invited to prepare its opinion by 15 May 2008.

In preparing this opinion the working group has taken the following questions as its point of departure:

- What are the evidences available for the EU value added of the promotion of gender equality, gender mainstreaming and gender budgeting in particular?
- How could the effectiveness and efficiency of budget delivery for gender equality be improved? Will it be by mainstreaming gender

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<sup>1</sup> SEC(2007) 1188 final

<sup>2</sup> COM(2007)726 final (20.11.2007)

equality in all areas of the budget, or by having more expenditures specifically targeted to gender equality?

- Which tools and what structures will need to be developed in order to be able to gender mainstream the EU budget?

### Introduction

Gender mainstreaming is defined as the integration of a gender perspective into every stage of policy processes – design, implementation, monitoring and evaluation – with a view to promoting equality between women and men<sup>3</sup>. As a consequence gender budgeting is defined as the application of gender mainstreaming in the budgetary process. This entails a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality<sup>4</sup>.

These general definitions are of course important, but hardly useful to convince people working with budgets why gender budgeting is an excellent method to obtain more targeted policies, effective budget delivery *and* more equality between women and men.

To get there, experience from member states show, we have to be much more concrete. Often it is necessary to start by reassuring stakeholders that gender budgeting is **not** meant to be about:<sup>5</sup>

- Establishing separate budget lines to be spent solely on women or men.
- Splitting the overall budget into two parts, each to spent equally on men and women.
- Only considering those budget lines which have an explicit gender or social dimension.
- Necessarily increasing spending on men or women.

Instead gender budgeting is about two main things:

1) Increasing gender equality by correcting unintended negative consequences of public revenues and expenditures, which do not necessarily take gender differences and discrimination into account, as budgets are usually seen as gender neutral instruments, while in fact they are the concrete expression of political commitments.

2) Improving public sector governance through better accountability, increased transparency and participation, as well as better efficiency and effectiveness of public money spent and collected.

And the first objective is not necessarily ranked over the other, even if the method is developed with the aim of increasing gender equality.

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<sup>3</sup>[http://ec.europa.eu/employment\\_social/gender\\_equality/gender\\_mainstreaming/general\\_overview\\_en.html](http://ec.europa.eu/employment_social/gender_equality/gender_mainstreaming/general_overview_en.html)

<sup>4</sup> Council of Europe (2005), Gender Budgeting Report, Strasbourg

<sup>5</sup>The United Nations Development fund for Women (2007) <http://www.gender-budgets.org/content/view/15/187/>

By outlining these definitions, we have almost answered our second question:

- How can the effectiveness and efficiency of budget delivery for gender equality be improved? Will it be by mainstreaming gender equality in all areas of the budget, or by having more expenditures specifically targeted to gender equality?

Successful gender budgeting does not in itself entail larger budgets for gender equality. Sometimes additional funding will be necessary to reach the desired policy goals. But more often than not, national experiences show, gender budgeting can help to focus policies better towards the decided target groups and thereby money can be saved.

In the short term it will perhaps be necessary to invest in gender budgeting in terms of the development of tools, methods, training etc. But in the longer term it ought to be an investment which pays off – also economically.

Gender budgeting, like gender mainstreaming should be **implemented alongside traditional gender equality policies and bodies specifically aimed at fighting sex-based discrimination or overcoming historical disadvantages and inequalities between women and men.** Gender budgeting should therefore in no way be used to diminish funding for such necessary policies and institutional mechanisms.

#### **General recommendations:**

- **The existing procedures and bodies dealing with the EU budget should include gender experts or processes in these.** One example of that is the recent recommendation of the EP Budgetary Control Committee to establish a joint Parliament-Commission group to look at the 2006 discharge concerning national declarations, external actions and implementation of the Structural Funds action plan.
- **Formal links should be established with the European Parliament, the Council and the European Commission** in relation to budgetary decisions, so as to fully include gender budgeting processes and tools in the European budgetary processes.
- **Gender budgeting requires that efforts be made to improve women's participation at all levels of decision-making, especially in the area of budgets.** The budgetary powers should therefore make special efforts to improve the situation internally in relation to the participation of women in decision-making in relation to budgets.

#### **Guidelines for gender budgeting of the EU budget**

- Which tools and what structures will need to be developed in order to be able to gender mainstream the EU budget?

This is our third question. The EU budget is structured through a multi-annual financial planning framework which sets ceiling limits on expenditure and expenditure headings. The framework is agreed by the Council for seven years. It separates the budgetary expenditure into broad categories or headings, broken down in some cases into sub-headings.

The overall approach to setting the EU's budget should be underpinned by the strategic objectives.

In addition the EU budget is unique in that the majority of funds are spent through a shared management method. In practice, the majority of the EU budget (76% in 2008) is spent through a shared management method.

However, the EU budget is not more unique than the different types of national budgets, and since the EU budget is managed through an activity-based approach, it ought to be rather straightforward to gender mainstream the EU budget process. National experiences show that the guidelines for gender budgeting need to be simple, avoid theoretical language and be practice-oriented and applicable to both national and European budgeting actors.

The following recommendations are developed on the basis of national and regional (Nordic) experiences and lessons learned from gender mainstreaming budgets or budget items.

#### **Step 1 - commitment**

- Ensure political and administrative commitment at the highest level.
- Clarify and explain the legal base (article 2 and 3§2 EC Treaty) to everyone involved.
- Convince budget negotiators that gender budgeting does not necessarily entail the introduction of a separate budget line aimed at women, just as it does not necessarily require additional resources except the initial ones for training and the development of tools.

#### **Step 2 – knowledge and training**

- Raise awareness and increase knowledge about gender mainstreaming and gender budgeting at the highest level and among budget negotiators. Key civil servants responsible for budgets at both at European and national level should receive training in gender budgeting tools.

#### **Step 3 – data**

- Gather, analyse and disseminate gender disaggregated statistics on all areas of EU policies. Recommendations in this respect should be given to Eurostat and gender experts should be involved. Gender disaggregated statistics are crucial tools when you do a gender budgeting analysis.
- When gender mainstreaming from the beginning of a planning phase, it is important to gather data which can highlight gender inequalities as well as gender specific needs and differences just as it is important to consider whether and how women and men (girls and boys) will be affected by this new activity. Gender mainstreaming a budget from the beginning of the planning phase obviously makes it a lot easier to be gender sensitive throughout the budget process. The earlier you start, the better the chance of success in terms of target-

ing the policy and maximise the effect of the budget allocation.

- Create an overview of the data available. If necessary and possible gather new data. If not it can be necessary and useful to use approximate data.
- What do the numbers show? Both in absolute and relative terms compared to relevant comparable issues such as target group, group of applicants or other.
- What is the background for the picture, which the numbers seem to show? Are there for example any research results, which can be taken into account?

#### **Step 4 – Gender mainstreaming of budgets – the method**

- Be strategic and follow a step-by-step approach by for example starting out by applying a gender budgeting approach to one key budget item in each policy domain, to avoid overload and fallback. Increase steadily the amount of items or areas to go through a gender budgeting procedure. Follow a plan decided by all actors involved.
- Develop concrete tools or methods to be used by all budget administrators when gender mainstreaming a budget item or area. For example by following this simple and recognised model for gender budgeting:

**A) Input:** How much money is or will be set aside for this specific activity? What is the number of women and men in the actual or potential target group for the activity?

**B) Activities:** Which activity is performed or will be performed? Is this activity asked for by both women and men, or is it an activity primarily targeted at one or the other sex? How will the activity impact on the needs of women/men?

**C) Output:** What are or are expected to be the actual consequences of the activity? Is the distribution of resources as expected in terms of the number of women vs. men in the target group? Is the activity targeted towards both women and men?

**D) Effect:** Did the activity have the desired effect and was gender equality promoted? What are the success criteria for the activity?

- The above method can be applied to the EU budget both in terms of the multi-annual framework and in terms of the separate activities in the annual budget. In terms of the multi-annual framework what is most important is that the activity statements include information and consideration of

possible outcomes and impacts of budgetary activities on men and women respectively.

#### **Step 5 – evaluation and follow-up**

- Conduct ex-post gender impact assessments of all selected policy areas (budget posts) to identify budgetary effects on the situation of women and men in the EU – and to improve future gender budgeting exercises and guidelines.

#### **Recommendations on how to further improve gender budgeting of the EU budget procedure**

- Publish (as some member states do) as an annex to the budget each year a gender impact assessment of the EU budget, perhaps each year choosing 2-3 focus areas as it is done in the annual gender equality report. The annex should serve for future revision of the budget in the areas concerned and as a gender mainstreaming monitoring document, on which the European Parliament's Women's Rights Committee can adopt an opinion.
- Devise gender aware guidelines for the decisions on and the implementation of all EU funds at European and national level.
- Include gender budgeting in the priorities of the European Institute for Gender Equality, in terms of exchange of experience, gathering of good practice and development of concrete tools, training and instruments to implement gender budgeting.

#### **Conclusion: EU added value of gender budgeting**

We will conclude by answering our first question:

- What are the evidences available for the EU value added of the promotion of gender equality, gender mainstreaming and gender budgeting in particular?

Gender budgeting is and should be seen as an integral part of the good governance agenda aimed at making the use of public resources more targeted, efficient, effective and in line with political commitments made in relation to equality between women and men. This is relevant on all political decision-making levels, be it local, national, European or global. Since the European Union is the most integrated cross-border cooperation which exists with a high number of policy areas delegated to European level and a substantive common budget, it seems self-explanatory that there is a specific EU value added in implementing gender budgeting at European level.

It would be too far reaching to mention all the good concrete examples on how gender budgeting has added value to national or regional policies. In Denmark a site with more than 200 concrete examples on 19 different policy areas on both local, regional and national level to document the added value

of gender budgeting.<sup>6</sup> The Nordic Council of Ministers has published the report “Now it’s About the Money” with concrete examples from all the Nordic countries.<sup>7</sup> The Spanish region of Andalusia has developed the G+ methodology, which permits to rank the different budgeting programs in terms of their capability to act as a catalyst for change on gender equality issues.<sup>8</sup> And there are undoubtedly many, many more.

The changing political agenda for the EU in terms of growth and jobs now taking up the largest part of the EU budget is in itself an important reason to enhance the efforts of gender budgeting, since it means development of policies with direct effect on women and men all over the EU. But there are other equally important reasons such as:

- The need to promote demographic renewal. If we do not gender mainstream both employment policies and family-oriented policies, birth rates will continue to fall in many European countries. Looking at the EU countries with comprehensive childcare facilities and a clear focus on gender equality in terms of sharing of parenting responsibilities etc., it is clear that they are doing better both in terms of birth rates, women on the labour market and in general economic terms than those countries with less developed systems. Gender budgeting is one of the obvious tools to use to obtain the necessary knowledge of the target groups, which policies will be necessary to implement and quite importantly how to implement them in order for them to be effective.
- Longer working lives of better quality for both women and men. Gender differences and gender equality play a great role in terms of working environment, pension systems etc. By thoroughly gender mainstreaming and gender budgeting the policies in this field the solutions could be more targeted and thus more effective both in terms of costs and in terms of women and men staying longer in the labour market, staying out of poverty in old age etc.
- The risk of skills’ and jobs’ bottlenecks which is again tightly connected to the gender segregated labour market. Gender mainstreaming and gender budgeting of both economic policy and employment policy is crucial if the continuing problem of gender segregations in both educational systems and on the labour market is to be solved.
- The need to increase employment among both women and men and avoid unemployment as well as the feminisation of poverty. Again gender budgeting is the best tool to use in order to target policies, be budget effective and improve gender equality at the same time.
- The urgent need for better integration of immigrant women and men into both the labour market and society in general. All over the EU Member States are facing difficulties in integrating immigrants, especially in terms of employment and especially women. Adopting a

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<sup>6</sup> [www.lige.dk/koensmainstreaming](http://www.lige.dk/koensmainstreaming)

<sup>7</sup> <http://www.norden.org/pub/sk/showpub.asp?pubnr=2006:766> and for the country reports <http://www.norden.org/pub/sk/showpub.asp?pubnr=2006:578>

<sup>8</sup> [http://www.juntadeandalucia.es/economia/hacienda/servicios/genero/documentacion/conferencia2/ponencias/Material\\_G+.pdf](http://www.juntadeandalucia.es/economia/hacienda/servicios/genero/documentacion/conferencia2/ponencias/Material_G+.pdf)

gender budgeting approach will help differentiate and focus the many initiatives in this area.

- The need to achieve a better balance between work and family life for both women and men, if the EU is to keep pace in terms of developing a Europe fit for globalisation, innovation, growth and well-being of all women and men.

In fact, taking into account the positive national experiences, not taking the opportunity of the review of the EU budget to make gender budgeting an integral part of the EU's budget procedure, could be seen as not only a waste of common resources, but also a failure to promote gender equality and an opportunity missed to demonstrate EU commitment to the treaty-based goal of gender mainstreaming all EU activities.<sup>9</sup>

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<sup>9</sup> Article 8 in consolidated version (ex article 3(2) TEC) reads: "In all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women."