

TECHNICAL DESIGN DOCUMENT OUTPUT 2

Context and rationale

- **Gender responsive budgeting**

Gender responsive budgeting (GRB) or gender responsive public financial management (GRPFM) links the policy and legal requirements for gender equality with resource allocations for their implementation. GRB recognises that:

- Budgets are not gender neutral and that policies and how they are funded have different and unequal impacts on women and men, and sub-populations of women and men such as the young and old; poor and better-off.
- Incorporates gender analysis and concerns into all stages of the budget cycle to assess inequalities in society and ensure that women benefit equally from government expenditure.
- Promotes gender equality and gender mainstreaming by analysing how government revenue is raised and spent: who benefits least and most; who has more or less tax burden; the impact on inequality and women's unpaid care burden.
- It does not mean a separate budget for women. GRB may not increase the amount of money spent on women but it could increase the amount of budget for sectors which benefit women and girls and reduce gender inequality such as education⁴³.

There is no blueprint to how to approach gender responsive budgeting and there are a wide range of experiences in how different countries, sub-national governments and sectors have progressed GRB.

- **Policy commitments and practice**

The National Gender Policy (2019) and Gender Equality Action Plan (GEAP), 2022-2026 include plans to introduce gender responsive budgeting. Policy goal, Strategy 5 of the GEAP is to create inter-agency plans to introduce GRB and gender audits in the planning, implementation, monitoring and evaluation of the national planning and budgetary process. The GEAP allocates MOF lead responsibility to:

- Design, pilot and implement a comprehensive GRB strategy that is tailored to the Maldivian context and feasible for a comprehensive rollout, with a target of the GRB strategy endorsed by end 2026.
- Implement Gender Responsive Budgeting in selected sectors, with a target of at least three ministries by end 2026.

Practical progress in introducing GRB has been slow. In 2011, training was provided on GRB to focal persons in Ministry of Gender and Ministry of Finance and there had been plans to work with Ministry of Education and Ministry of Fisheries to introduce GRB and develop a gender budget statement for each ministry. These plans did not materialize. In 2016, UN Women ran a three-day gender budgeting workshop and subsequent training in 2017 for Ministry of Gender, Family and Social Services (MGFSS) and MOF. The capacity to sustain interest and progress activities after these training inputs quickly dissipated. High staff turnover, staffing gaps and wide-scale reform and policy mandates in both ministries means that isolated training inputs are insufficient to catalyze action.

⁴³ UN ESCAP. 2018. [Gender Responsive Budgeting in Asia and the Pacific. Key Concepts and Good Practices](#). Bangkok.

MOF has introduced some initial steps towards GRB as part of the broader budget reform process by requiring New Policy Initiatives to include a gender perspective and narrative on how the proposal will impact gender equality and the inclusion of other vulnerable populations. This is an important entry point which reflects a commitment towards GRB. However, MOF note that the capacity to lead GRB is weak in MOF, and there is limited understanding among planning and budget officers across government on the relationship between gender and sector plans and how to make a case for new policy initiatives against gender equality objectives. MOF note that the gender requirement for new policy initiatives is minimal. Discussion of a gender statement in the budget circular appear aspirational. A review of budget circulars over the past three years did not identify mention of gender. Awareness raising and capacity building will be necessary to progress the commitment towards GRB and integrate gender into PFM reforms.

- **International experience and development partner support**

Sustainable Development Goal 5, target 5.c “adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels” is measured by indicator 5.c.1 the “proportion of countries with systems to track and make public allocations for gender equality and women’s empowerment.” This requirement has contributed to the growing body of international experience, methodologies, training resources and learning on GRB.

The scope of GRB can be applied to the whole government budget, expenditure of selected sectors or departments, new programs, selected forms of revenue, and new legislation. A wide range of tools have been developed to support gender analysis and integration at each stage of the budget cycle. However, experience shows that there is no blueprint in how to approach GRB and this needs to be tailored to the local context and leverage the entry points available⁴⁴.

Reviews of GRPFM find that factors that enable success include⁴⁵:

- An understanding of gender and gender inequalities to understand how gender operates in different policy domains and underlying structural causes of inequalities.
- Political will and support to achieve real changes.
- Institutionalization and integration to make sure that gender considerations are fully embedded within the budget cycle.
- Availability of sex-disaggregated data to identify areas that would benefit from GRPFM reform and determine interventions required to address gender inequalities.
- A clear legal and conceptual framework and positive institutional arrangements that effectively focus discussions on the impact of policies on gender and include all relevant stakeholders, including sectoral ministries.
- External influence, specifically the support of development partners as well as the encouragement to achieve the SDG gender equality targets.

Government of Maldives has been undertaking public financial management (PFM) reforms under the leadership of Ministry of Finance (MOF) since 2009. Three rounds of Public Expenditure and Financial Accountability (PEFA) performance reporting has been completed in 2009, 2014 and

⁴⁴ Budlender D, and G. Hewitt. 2003. *Engendering Budgets. A Practitioners’ Guide to Understanding and Implementing Gender-Responsive Budgets.* Commonwealth Secretariat. London.

⁴⁵ Welham B., Barnes-Robinson K., Mansour-Ille D. and R Okhandiar. 2018. [*Gender Responsive Public Expenditure Management.*](#) London.

2021.⁴⁶ The PEFA Performance Assessment methodology provides an evidence-based snapshot of the performance of the PFM system, institutions, and processes. The supplementary Gender Responsive Public Financial Management (GRPFM) framework developed by PEFA has not been applied in Maldives, but this has the potential to raise the importance of GRB, capacity gaps and promising entry points though there is no commitment to add GRPFM to the next round of PEFA performance assessment⁴⁷. If World Bank and MOF decide to undertake a GRPFM assessment, this would provide valuable supporting evidence and advocacy for the SGII project's GRB support.

UN agencies have to date been leading donor support on GRB though this has been limited in scale. UNICEF is planning to assist government with two sector gender audits in its next country program; sectors to be announced. Pre-Covid-19, USAID had earmarked assistance on gender budgeting as part of its PFM program of support, but this has subsequently been dropped.

- **Budget calendar**

The fiscal year of the Government of Maldives is 1st January to 31st December. The annual budget formulation process begins in March/April when the Ministry of Finance issues the first budget circular calling for New Policy Initiatives. A second budget call circular is made in June to create baseline budgets. Ministry of Finance is mandated to submit the national budget to Parliament two months prior to the end of the calendar year.

Strategic approach

SGII is a stand-alone gender project that addresses gender inequality through multisectoral and interconnected approaches across government and non-governmental stakeholders including local councils, Women Development Committees and civil society organisations. This integrated package of interventions will:

- Strengthen the enabling policy environment for gender equality through the improved availability, quality, dissemination and use of gender statistics and sex, age and disability disaggregated data.
- Support the translation of policy commitments into sustained and improved government funding of gender equality through gender responsive budgeting.
- Strengthen the social service systems that support women to access services for domestic and gender-based violence (DV/GBV) and services that reduce women's burden of caring for children and the elderly which in turn enable women to invest more time in education, economic and social activities.
- Strengthen partnerships of government and civil society organisations, local councils, Women Development Committees, to prevent DV/GBV and support survivors access social protection services; and partnerships of government and civil society organisations for aged care.
- Establish three new DV/GBV shelters.

Output 2 supports government achieve the GRB targets of the Gender Equality Action Plan to introduce GRB in three sectors and develop a GRB strategy fit for Maldives. The strategic approach to Output 2 builds on the increasing political commitment to gender equality as reflected

⁴⁶ [Public Expenditure and Financial Accountability](#).

⁴⁷ PEFA's GRPFM framework assesses the extent to which a country's PFM system responds to the different needs of men and women, and promotes and contributes to gender equality.
<https://www.pefa.org/resources/supplementary-framework-assessing-gender-responsive-public-financial-management-0>

in the Strategic Action Plan 2019-2023, the Gender Equality Law (2016), National Gender Policy (2019) and Gender Equality Action Plan 2022-2026; the opportunities for mainstreaming gender that the PFM reform process is creating; and learns from the limited success of past GRB training efforts in Maldives. The project will support MOF to lead GRB while working with Maldives Bureau of Statistics, MGFSS and other stakeholders to strengthen the availability and quality of sex and other GESI disaggregated data and gender statistics as critical enabling inputs for GRB.

The approach responds to MOF's interest in framing GRB to incorporate a broader perspective of gender equality and social inclusion (GESI) and to give due attention to responsive planning as a key to achieving responsive budgeting. For the SGII project, GRB will be used as shorthand for GESI responsive planning and budgeting.

The project's approach to GRB is to:

- Build ownership and capacity of MOF as the lead driver of GRB.
- Leverage and support opportunities to mainstream and align a GESI perspective into the results-based program budgeting reform process led by MOF, and being piloted in 2022.
- Introduce GESI classification of program budget data.
- Build the capacity of GRB focal persons in MOF and three focal sectors of MGFSS, education and tourism to undertake a GESI sector analysis as a platform for identifying and then developing and piloting GRB tools in those sectors.
- Support MOF lead an inter-agency technical committee on GRB to foster multisectoral understanding and commitment, disseminate the learning experiences of GRB pilots and facilitate the preparation of a national GRB strategy.

Past experience and staffing and capacity gaps across government mean that these efforts will need to be opportunistic and pragmatic. The project's support will include a local full-time consultant for two years embedded in MOF and working closely with the MOF project officer on the introduction of GESI classification of program budget codes, and intermittent international technical GRB consultant support. The International GRB Consultant will provide capacity building support and technical inputs in response to technical requests and be available to opportunistically progress initiatives. The project will lever entry points, adapt and build from experience and the interest that can be mobilised, foster champions across government and civil society, and work with development partners such as World Bank, UNICEF, UN Women, USAID and others in the PFM space.

Stakeholder participation in the design process

The design was informed by several rounds of consultations with MOF and MGFSS. This included the Director of the Gender Development and Empowerment Department, MGFSS who had been involved in GRB training dating back to 2011 and had the institutional memory to distil key factors that contributed to the lack of progress made. MOF and MGFSS agreed to the strategy of working with three focal sectors and the importance of including an economic sector in the mix. Consultations were also held with UNICEF, the regional UN Women office in Bangkok and USAID's PFM project team.

Components and activities

Output 2 is structured around four components:

- Ownership and capacity building of MOF to integrate GESI into budget reforms

- Capacity building of MOF and focal ministries on GRB
- Strengthening leadership and coordination of GRB across Government
- Learning from practice and development of a national GRB strategy

Ownership and capacity building of MOF to integrate GESI into budget reforms

To support MOF lead the GRB process, the Local and International GRB Consultant will support the MOF Project Officer (also the GRB Focal Person) assess the current status of government efforts to introduce gender into the budgeting process and identify opportunities for further development. This will specifically review the reported practice of requiring New Policy Initiatives (NPI) to be justified against gender objectives and assess how this is working in practice, the level of guidance provided to planning and budget officers in MOF and focal government agencies to conform to the gender requirements, and the extent to which the case for gender or GESI is actually included in NPI proposals. Based on this assessment, the Consultants will support MOF to identify opportunities to strengthen GESI mainstreaming efforts into NPIs and in the budget statement. From consultations with MOF this will likely require GESI orientation training of planning and budget officers to raise the level of understanding on how NPIs are to be GESI justified and production of a complementary tool or guidance that they can use.

During this initial phase of support to MOF, the Consultants will support MOF identify areas of the budget reform process, and the piloting of program based budgeting, where gender equality and social inclusion of excluded and vulnerable populations including people with disabilities can be integrated. Advice and support will be provided on the introduction of GESI classification of program budget data and options for apportioning budget codes by GESI. The local consultant will provide hands on support to MOF to introduce the GESI classification of program budget codes.

Technical advice and support will be provided to MOF on the feasibility of introducing whole of government gender equality and social inclusion performance and accountability measures. This may include the option of whole of government Key Performance Indicators (KPI) and the possibility of an annual gender budget report.

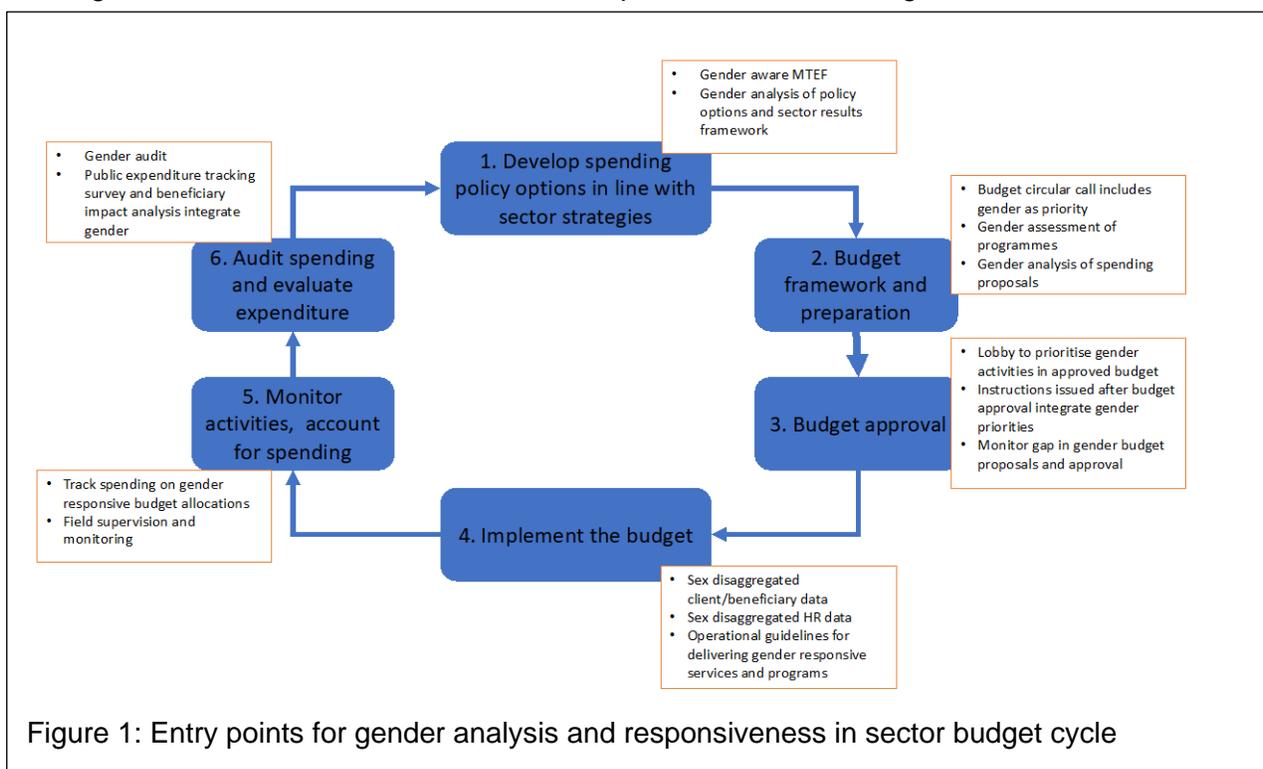
To support MOF integrate GESI into the budget reform process, the consultants will develop training and tools to integrate into MOF's on-going program of strengthening planning and budgeting capacities and processes. This will be an opportunity to mainstream GESI into MOF's core reform agenda and develop greater MOF awareness of how it can progress GRB.

Capacity building of MOF and focal ministries on GRB

The project will work with nominated GRB focal persons in MOF and the three focal ministries of MGFSS, Ministry of Education (MOE) and Ministry of Tourism (MOT). Unlike earlier efforts to drive GRB efforts via focal persons, SGII will not provide one-off training but a mixed package of capacity building and technical support to build understanding and skills of focal persons and support them lead step-down training, analytical work and the piloting of GRB tools in their home ministries. Furthermore, the GRB initiatives in the focal ministries will be reinforced through project efforts to strengthen gender statistics and disaggregated data, and producer-user policy dialogue in the same ministries via Output 1. This synergistic and complementary support led by Maldives Bureau of Statistics is expected to provide another line of influence and encouragement for GESI analysis and mainstreaming and making the connection between GESI responsive policy and budget and impact.

One of the first activities will be a participatory assessment of GESI and GRB understanding and skills in MOF, MGFSS, MOE and MOT led by the Focal Persons and supported by the Consultants. The participatory assessment process will be a means of building interest among management and staff as well as identifying the level of capacity, and practical and feasible ways to fill capacity gaps. Staffing shortages and high workloads will affect the pace at which capacity building can be rolled out and where to place priority. It will be important that sector management are actively involved in deciding how to address the gap, what the priorities are, and the scope of the capacity building for their sector. This stream of work will produce a plan for strengthening GESI analysis and GESI responsive planning and budgeting knowledge and skills that will be agreed with each sector.

Based on the above assessments, the International GRB Consultant will lead the customisation of training modules on GESI analysis, GESI responsive planning and budgeting approaches and tools to support the integration of GESI into each step of the budget cycle. The training will draw on and adapt as necessary, international training modules such as that developed by UN Women. The International GRB Consultant will need to work closely with the GRB Focal Persons to ensure relevance to the sector and ownership, and to pitch the training to make it accessible and context appropriate. This will likely require development of case study material and practical exercises that allow participants to apply new material to their work context. The capacity building material will include facilitator guides and workshop material that Focal Persons can use to deliver the training. The International GRB Consultant will provide master training to the Focal Persons and



support them roll-out the training within their home ministries.

The GESI and GRB capacity building will provide an entry point to the preparation of a sector GESI analysis which is a key deliverable for the project and the platform from which GESI responsive planning and budgeting is expected to flow. To ensure buy-in of sector managers at each stage of the process, the parameters of the GESI analysis and subsequent GRB piloting will

be agreed with sector management. The scope of the interventions may vary by sector with for example, one sector choosing a sector wide approach while another may want to take a more limited approach and focus on a sub-sector, new program or initiative. Availability of sex and other disaggregated data, the political climate, and development partner presence are factors which are likely to play into the decision on the scope of the GESI analysis and subsequent GRB piloting. Variation across the sectors will be an opportunity for learning. Throughout this process, the Consultants will support the GRB Focal Persons facilitate the analytical work and foster commitment to test GESI responsive planning and budgeting tools. The Consultants will also support the Focal Persons adapt existing tools or develop new planning and budgeting tools that fit the agreed entry points for GRB in each sector, and provide technical and capacity building support to stakeholders to enable the introduction and improvement of the tools. This process is expected to run through to the end of the project period with Consultant support tailing off in the final year of the project.

Strengthening leadership and coordination of GRB across Government

The Local Consultant will support MOF establish and manage a GRB Technical Committee to lead and coordinate GRB policy commitments across government. It will be important that this committee is established early during the project and guides and engages with the process of GRB capacity building, piloting and learning to become an effective advocate for GRB.

Learning from practice and development of a national GRB strategy

Running alongside the technical and capacity building support to the focal ministries, the project will support stakeholders to monitor progress, identify problems and challenges, achievements and what is working well, introduce improvements and share learning across the four focal ministries and with the GRB Technical Committee. This will include annual ministry specific review and reflection workshops as well as similar joint exercises involving all participating ministries.

Throughout the project the International GRB Consultant will provide ongoing technical advice to MOF on opportunities to strengthen the budget system to be GESI responsive and make adaptations to the budget reform process to accommodate learning from the GRB pilots. They will also work with the GRB Focal Points to produce briefing materials and advocacy products that MOF can use to foster political and technical commitment to GRB.

A key output of the project will be to support the GRB Technical Committee lead the preparation of a national GRB strategy. The Consultants and GRB Focal Persons will disseminate findings and experiences of the GRB pilot initiatives to the committee, and support broad government and external consultations to feed into the strategy formulation.

Institutional arrangements

MOF is the implementing agency for Output 2 under the leadership of the Chief Financial Budget Executive. MOF has appointed a Project Officer who will also be the MOF GRB focal person who will work with the Consultant at the operational level. A multisectoral National GRB Technical Committee will be established to provide technical leadership on GRB, coordinate across government and endorse policy level outputs. The three focal ministries of MGFSS, MOE and MOT will appoint GRB Focal Persons.

Implementation arrangements

The local consultant and the international consultant will be hired by the Project Management Unit and technically managed by Ministry of Finance.

Monitoring, evaluation and learning

Output 2 indicators are included in the design and monitoring framework.

Risks and assumptions

There are several risks and assumptions for output 2.

- Assumption: PFM reforms supporting program-based budgeting continue and create space for GESI mainstreaming.
- Risk: high staff turnover, staff shortages in MOF and focal ministries hinder the participation of GRB Focal Persons and implementation of project activities.
- Risk: Lack of sex and other GESI disaggregated data and gender statistics in sector focal ministries deters GESI responsive planning and use of GRB tools.

Inputs, costing and financial sustainability

A full time local consultant will be hired for two years. They will be supported by an international GRB consultant with 150 days of support from Q2 2023 to 2026.

Workshop and training costs will be covered by MOF.