Gender-responsive budgeting in the Asia-Pacific region

Glossary

Accrual budgeting
A budget based on accrual accounting for revenues and expenditures. Accrual accounting involves financial recording according to the period in which revenues and expenditures are due, instead of the period in which revenues are actually received or expenditures actually paid.
Source: Garzón, H. (2007). *Training Workbook: Local Government Budgeting*. World Bank, Washington D.C. USA. Available Online (03/09/2009)

Balanced budget
A balanced budget is one where total revenues equal total expenditure for a given fiscal year. When the budget is not in balance, it is either in deficit or surplus.
Source: Wehner, J and Byanyima, W. (2004). *Parliament, the Budget and Gender*. Inter-Parliamentary Union. United Nation Development Program, the World Bank and United Nations Fund for Women. Available online (14/09/2009)

Budget
The budget is the annual announcement of the government's fiscal policy changes. It announces the tax changes proposed for the following tax year, and also how the government plans to spend that revenue.
Source: Budlender,D., Elson,D., Hewitt, G., and Mukhopadhyay, M. (2002). *Gender Budgets Make Sense*. The Commonwealth Secretariat, London, UK: pp. 176–180.

Budget deficit
When government expenditure exceeds government revenue in a fiscal year.
Source: Budlender,D., Elson,D., Hewitt, G., and Mukhopadhyay, M. (2002). *Gender Budgets Make Sense*. The Commonwealth Secretariat, London, UK: pp. 176–180.

Budget surplus
When government revenue exceeds government expenditure in a fiscal year.
Source: Budlender,D., Elson,D., Hewitt, G., and Mukhopadhyay, M. (2002). *Gender Budgets Make Sense*. The Commonwealth Secretariat, London, UK: pp. 176–180.

Budget inputs

Inputs are the labour, capital and financial resources that are combined to produce outputs and outcomes. These inputs include the funds appropriated to government agencies from the budget or received through purchaser/provider arrangements, as well as revenue raised through other means, such as sales, levies and industry contributions. Examples of inputs include: teachers, nurses, equipment, information technology systems and office space.

Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 32.

Street sellers, Dili, Timor Leste. Photo: Monica Costa

Budget outputs

Outputs are the final goods or services that government agencies either plan for or actually produce or deliver to the public. Examples of outputs include: students educated, patients treated, childcare places and income support and in the case of the Finance Department, outputs would include financial and research data. Production or delivery of outputs is the core business of government agencies and the focus of activity for public sector employees. Outputs are the steps between objectives espoused by governments and the outcomes achieved.

Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 32

Budget outcomes

Outcomes are the planned and actual impacts, end products or consequences for the community of the government activities. Examples include reduced levels of poverty, higher literacy, longer life expectancy and higher incomes. The focus of outcomes is on the change and the consequences arising from the desired or actual impact of government inputs and outputs. Outcomes can be long term or higher level that indicate the impact on clients or on the community, or short term or lower level indicating results in relation to specific programs or policy objectives.

Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 32

Budget cycle
Budgetary decision making takes place over an annual (or in limited cases) a medium term cycle. In functional terms the budget cycle is differentiated by four phases:

1. formulation involving the development of a budget plan in line with government policy and priorities by the Head of Treasury/Head of the Finance Ministry and their officials, along with the responsible Minister, the Head of State and key government ministers
2. enactment when the proposed budget becomes a public document to be debated, amended and approved – or rejected – by Parliament
3. implementation whereby government policy and plans are implemented via the budget, and expenditure and revenue monitored
4. audit and evaluation involving the evaluation of budget and policy outcomes according to ensure efficient, effective and equitable use of public resources.

Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 39

Budget appropriation
The budget as approved by the legislature for spending. The budget law gives the executive branch the authority to incur obligations which become due during the budget year, up to a specified amount for specified purposes.
Source: Potter, B. H., and Diamond, J. (1999). *Guidelines for Public Expenditure Management*. International Monetary Fund. Available online (03/09/3009)

Budget estimates
The budget estimates are the amounts of money which executive government proposes and estimates will be needed for expenditure by government and authorities in the coming year. Details of budget estimates can be found in the annual appropriation bills.
Source: Parliamentary Education Office (2009). *Parliamentary Glossary A–Z*. Commonwealth Parliament of Australia: Canberra. Available online (03/09/3009)

Budget transparency
Requires an openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections. It involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities so that the electorate and financial markets can accurately assess the government's financial position and the true costs and benefits of government activities, including their present and future economic and social implications.
Source: OECD (date unspecified) *Glossary of Statistical Terms*. Available online (03/09/2009)

Budget accountability
Accountability requires that budget decision makers at all levels are held responsible for exercising their authority and for the results of decisions and actions taken. Accountability is relevant throughout the budget cycle including the stages of planning and formulation, enactment, implementation, monitoring and audit and evaluation, involving a range of stakeholders
Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM,
New York, USA: p. 46.

Cash budgeting
A system of budget execution that rations actual spending on the basis of the money available. This means that no cash is released to line ministries for payment of their expenditures before sufficient funds are available from the central or general revenue fund.
Source: World Bank (date unspecified) *Glossary*. Available online (02/09/2009)

Senior Ministry of Education Officer, Timor-Leste, with Rhonda Sharp. Photo: Monica Costa

Ex-post analysis
Analysis carried out after a policy change has been implemented, by examining actual events.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Ex-ante analysis
Analysis carried out before policy changes take place, typically by 'simulating' events and 'forecasting' the impacts of these changes.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Expenditure
Spending to fulfil a government obligation, generally by issuing a cheque or disbursing cash. Expenditures can be distinguished as capital or current. Capital expenditures are investments in physical assets, such as a roads and buildings that can be used for a number of years. Current expenditures reflect spending on wages, benefit payments, and other goods or services that are consumed immediately. Furthermore, actual expenditure may differ from the amounts in the budget. Significant and persistent differences between actual expenditure and budgeted amounts are a sign of a weak budget system.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Fiscal policy

The use by a government of its expenditures on goods and services and/or tax collections to try to influence the nation's level of economic activity. The government can cut taxes and increase government expenditure to encourage more spending and boost the economy (expansionary or re-flationary policy) or increase taxes and cut expenditure to reduce the level of demand in the economy and help to reduce inflation (contractionary or deflationary policy).

Source: Budlender, D., Elson, D., Hewitt, G., and Mukhopadhyay, M. (2002) *Gender Budgets Make Sense*. The Commonwealth Secretariat: London, UK : pp 176–180.

Fiscal year

A 12 month accounting period on which most government budgets are based. In some countries, the fiscal year does not coincide with the calendar year.

Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Fiscal decentralisation

The devolution of expenditure responsibilities and/or revenue powers to lower levels of government, for example from a national or central government to regions or states, or to local authorities.

Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Gender

The social expectations, beliefs and rules that are attributed to the different biological sexes. Gender differs between cultures and changes within cultures. It varies over time, place and in response to external circumstances.

Source: Wadham, B., Pudsey, J. & Boyd, R. (2007). 'Boys will be boys and girls will be girls: Gender and sexuality in school' in B. Wadham, J. Pusey and R. Boyd (eds), *Culture and Education*, Pearson Education: Australia, p. 212.

Gender mainstreaming

Gender mainstreaming is the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making. (Council of Europe, 1999, p.4)

Source: Council of Europe (1999). *Gender Mainstreaming: Conceptual framework, methodology and presentation of good practices*. Available online (18/09/2009)

Gender equity

Gender equity means "fairness of treatment for women and men, according to their respective needs, including the equal treatment or treatment considered equivalent in terms of rights, benefits, obligations and opportunities". To ensure fairness, measures must often be put in place to compensate for the historical and social disadvantages that prevent women and men from operating on a level playing field.

Source: UNESCO (2000). *Gender Equality And Equity: A summary review of UNESCO's accomplishments since the Fourth World Conference on Women (Beijing 1995)*. Available online (18/09/2009)

Gender equality
Gender equality means that women and men have equal conditions for realizing their full human rights and for contributing to, and benefiting from, economic, social, cultural and political development. Gender equality is therefore the equal valuing by society of the similarities and the differences of men and women, and the roles they play. It is based on women and men being full partners in their home, their community and their society. Gender equality starts with equal valuing of girls and boys.
Source: International Labour Organisation (2000). *ABC of Women Worker's Rights and Gender Equality*, ILO, Geneva, Switzerland.

Gender-responsive budgeting
Gender-responsive budgeting (GRB) is about ensuring that government budgets and the policies and programs that underlie them address the needs and interests of individuals that belong to different social groups. Thus, GRB looks at biases that can arise because a person is male or female, but at the same time considers disadvantage suffered as a result of ethnicity, caste, class or poverty status, location and age. GRB is not about separate budgets for women or men nor about budgets divided equally. It is about determining where the needs of men and women are the same, and where they differ. Where the needs are different, allocations should be different.
Source: Budlender. D. (2006). *What Is GRB?*

Line item budgeting
A traditional budgeting system where public expenditures by government for the coming year are listed according to what money is spent on 'line items'. Items record how much money a particular agency or sub-unit is allowed to spend on salaries, equipment, infrastructure, consumables and other items. Line item budgeting does not attempt to identify the objectives of government activity or what activities would be undertaken to promote these objectives. As a result, line item budgets do not give information about why money was spent, or about the efficiency or effectiveness of programs.
Source: Sharp, R. (2003) *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 25.

Medium term expenditure framework
A multi-year framework of rolling budgets where forward estimates produced with the annual budget, usually covering another two to four years, serve as the starting point for preparing the following annual budgets.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Output and outcomes budgeting
Outputs and outcomes budgeting is an approach that focuses budget decision making and government accountability on three issues: outcomes, outputs and performance indicators. Its goals are: 1) to allocate resources in line with government priorities or the objectives governments seek to achieve by implementing chosen policies; 2) to relate the budget's resource allocation, or how the funds are planned to be used, to expected results or impacts (outputs and outcomes).
Source: Sharp, R. (2003) *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 28.

Performance budgeting
A budget process that integrates information about the impact of government spending. In its simplest form, performance budgeting places more emphasis on the outputs and outcomes associated with government expenditure and takes this information into account when setting future funding levels. However, gathering such information is a difficult task.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Performance indicators
Performance indicators provide a measure to performance. Performance indicators are signs to help answer the question, 'How will we know when we have been successful?' They refer to what specifically is to be measured for each aspect of performance such as the 'number of customer complaints', 'percentage of customers that report bring satisfied with the service they received', 'the number of reported cases of HIV/AIDS'.
Source: World Bank (1998). *Public Expenditure Management Handbook*. Washington D.C. USA: p. 133.

Performance criteria
The conventional approach is to identify measureable Inputs, outputs and outcomes and assess the results against the 3 Es – economy, efficiency and effectiveness:

- Economy reflects the cost of inputs. An economy measure is the cost of the input. For example, the cost of the staff, buildings and equipment. The underlying idea is that resources should be converted to inputs at the right price.
- Efficiency is a reflection of how well an agency uses its resources to produce goods or services (outputs). Efficient programs produce the most outputs for any given set of inputs, or require the least inputs for any given quantity or quality of services provided. An example of an efficiency indicator is the cost per unit of a service provided. Another efficiency indicator is timeliness such as processing time of community grant applications.
- Effectiveness is a reflection of how well the outputs of the services or goods provided by government achieve the stated outcomes. For example, an effectiveness measure is the detection rate of disease for any target population such as Indigenous women or men.

Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 34.

Program budgeting or program management budgeting
Program budgeting provides information for choosing between competing policies by establishing a link between program costs and the results of government programs. The centrepiece of program budgeting is the program, the organizational structure. This means that budgets are designed to resource programs rather than government agencies.
Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 26.

Public expenditure management
Public expenditure management involves:

- maintaining aggregate fiscal discipline to achieve effective control over budget totals;
- promoting allocative efficiency whereby resources are allocated (and re-allocated) in accord with government priorities;
- promoting operational efficiency or the cost efficient delivery of services.

Source: World Bank (1998). *Public Expenditure Management Handbook*. Washington D.C. USA: p. 133.

Results-based budgeting or performance-oriented budgeting
In general terms, results- or performance-oriented budgeting (POB) involves two key elements:

1. the incorporation of information that measures what governments do and their expected policy impacts into various stages of the budget cycle;
2. the use of this information in budget decision making to better align spending decisions with government priorities and expected performance.

See also performance budgeting
Source: Sharp, R. (2003). *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: pp. 24.

Revenue
The total annual income of the state derived from taxation and other sources, for instance user charges.
Source: World Bank (date unspecified). *Glossary*. Available online (02/09/2009)

Zero-based budgeting
The term 'zero-based' came from the requirement that all programs were considered to have no funding at the beginning of each budget cycle. Zero based budgeting represented a major shift away from the idea of incremental resource allocation changes to evaluating the performance of the entire range of government activities. The process required all departments to identify their programs, and to rank and justify the existence of each program in order of importance to departmental goals and objectives. Higher ranked programs were more likely to continue to be funded.
Source: Sharp, R. (2003) *Budgeting for equity: gender budget initiatives within a framework of performance-oriented budgeting*. UNIFEM, New York, USA: p. 27.