



# Technical Assistance Consultant's Report

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## Rapid Response Support for Strategic Reforms Discussion Paper Azerbaijan: Overview of Gender Responsiveness of the Public Financial Management System

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## ACRONYMS

CEDAW	Convention on the Elimination of Discrimination Against Women
ESCAP	Economic and Social Commission for Asia and the Pacific
GDI	Gender Development Index
GDP	Gross Domestic Product
GII	Gender Inequality Index
GRB	Gender Responsive Budgeting
GRPFM	Gender Responsive Public Financial Management
HDI	Human Development Index
IDI	Inclusive Development Index
IMF	International Monetary Fund
MOE	Ministry of Economy
MOF	Ministry of Finance
MLSPP	Ministry of Labour and Social Protection of Population
MTEF	Medium Term Economic Framework
NEDA	National Economic and Development Authority
OECD	Organisation for Economic Cooperation and Development
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
SCFWCA	State Committee for Family, Women and Children Affairs
SDG	Sustainable Development Goal
SECO	Swiss Economic Cooperation and Development
SIGI	Social Institution and Gender Index
SOFAZ	State Oil Fund of Azerbaijan Republic
SSC	State Statistical Committee
SWOT	Strength, Weakness, Opportunity, Threat
UN Women	United Nations Entity for Gender Equality and Empowerment of Women
UNDP	United Nations Development Programme
WEF	World Economic Forum

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This paper describes research in progress and seeks to elicit comments and encourage debate. The views expressed in this paper are those of the authors and do not necessarily reflect the views and policies of the ADB, or the Government of Azerbaijan or its agencies.

The information in this discussion paper is of 31 December 2019, unless noted otherwise.

## EXECUTIVE SUMMARY

Since 2010, Azerbaijan has been categorized as a high human development country based on the UNDP Human Development Indicator. In 2018, the country ranked third out of 74 developing countries for inclusive development. However, key international indicators, such as the Gender Development Index and the World Economic Forum's Gender Gap Index, suggest that women benefit less than men from the country's steadily improving overall human development. Greater gender equality creates positive multiplier effects for the achievement of inclusive, equitable and sustainable growth. According to the United Nations, the economic losses from gender gaps are estimated to range between 5% to 30% of gross domestic product.

Since 1995, Azerbaijan has been an active member of global gender equality agendas. The country has adopted gender-specific national legal and policy frameworks anchored in the 2006 Law on Ensuring Gender Equality (Men and Women). The Government of Azerbaijan sees gender equality as an integral part of developing the human capital pillar of the strategic agenda on economic diversification away from oil. The development of the National Action Plan on Gender Equality 2020–2024 reflects the government's continuous commitment to adopting the national mechanism on gender equality and women's empowerment, including a mechanism for analysis of gender responsiveness of state and municipal budgets based on international experience.

The introduction of gender responsive budgeting (GRB) has become an important topic on the government agenda to meaningfully internalize gender equality in public finance. GRB can make gender equality an integral part in fiscal and budgetary decision making and help differentiate the impacts on men and women. Therefore, the analysis of public expenditure and revenue policies and practices should consider this differentiated gender impact.

Given the roll-out of the Medium Term Expenditure Framework and the government's strategic intent toward results-based budgeting, the ADB's 2019 Country Gender Assessment on Azerbaijan identified GRB as a key entry point for more effective gender mainstreaming in government operations. The assessment envisaged three activities: (i) gender analysis of the planning and budgeting processes, (ii) development of GRB tools contextualized for Azerbaijan, and (iii) capacity building on GRB.

ADB's TA provided the initial support to these activities through commissioning a quick review of the gender responsiveness of the country's public financial management system (this discussion paper), development of a GRB handbook for the Ministry of Labour and Social Protection of Population, and delivery of capacity building for the application of the developed GRB handbook.

The review of the country's gender and public financial management legal and institutional frameworks, practices and reforms suggest that a phased introduction of GRB is both feasible and necessary. Feasibility is based on solid institutional commitment spurred by a growing young technical cadre in the government, provision of a (not always fully operational) system of agency gender focal points, and availability of basic gender-disaggregated data. Expediency draws from the clear (though not yet implemented) mandate arising from the Law on Ensuring Gender Equality (Women and Men), the imminent adoption of the 2020–2024 National Action Plan on Gender Equality, the growing momentum in the roll-out of the medium-term expenditure framework, sustained commitment to move toward results-based budgeting, and the need to alleviate the adverse impact of the COVID-19 pandemic on women who may have been disproportionately affected by this shock.

The proposed measures for the introduction of GRB can be grouped into institutional, data and information management, public financial management systems, and knowledge sharing dimensions. Some measures are highlighted below.

## **1. Institutional**

- a. The State Committee for Family, Women and Children Affairs (SCFWCA) could propose to the Cabinet of Ministers that the government agencies most pertinent to GRB implementation (Finance, Economy, State Statistical Committee, Labour and Social Protection of Population, and other selected line ministries) assign an organic unit in their organization structure and staff at the level of Deputy Head of Agency to be responsible for GRB implementation.
- b. The Ministry of Finance could propose to the Financial Stability Council to set up a GRB technical working group to develop an action plan on mainstreaming GRB in the country's Public Finance Management system. This group could submit regular progress reports on the status of GRB progress and seek support in addressing emerging issues.
- c. SCFWCA and the Ministry of Finance, with possible support from development partners, could facilitate delivery of GRB awareness raising and capacity building for gender and GRB focal points and related staff in government agencies, Parliament, the Chamber of Accounts, and local administrations. Preliminary training sessions have been conducted on gender equality concepts by SCFWCA with the participation of Ministry of Finance representatives.
- d. SCFWCA could discuss progress on GRB implementation in the annual report submitted to Parliament on the status of implementation of the Law on Ensuring Gender Equality (Women and Men). The SCFWCA's annual report on the implementation status of the Law on Ensuring Gender Equality submitted to Parliament in 2020 includes issues concerning the implementation of GRB.

## **2. Statistics and Information Management**

- a. The Ministry of Economy and SSC could set up a system of collecting missing quantitative gender indicators related to the Sustainable Development Goals.
- b. The Ministry of Finance, SCFWCA and the State Statistical Committee could set up a joint task force to develop proposals on the planning, collection, monitoring, and reporting of gender disaggregated data on service delivery.
- c. The Ministry of Finance could open a GRB page on its website as a repository of GRB related documents and information, with cross links to relevant sources at other government agency websites (e.g. SCFWCA, State Statistical Committee, Ministry of Labour and Social Protection of Population). Over time, this webpage could be expanded to become a platform for knowledge sharing between sectorial ministries and posting of regular e-newsletters on GRB and reflect gender disaggregated data on service delivery performance plans and actual delivery.

## **3. Public Finance Management System**

- a. The Ministry of Finance, through a letter of instruction and annual budget request forms, could require government agencies to include gender impact

assessment and gender sensitive information in their revenue and spending proposals.

- b. Ministry of Finance guidelines on the Medium Term Economic Framework could contain gender related requirements to ensure government agencies' medium-term budget proposals adequately reflect the gender dimensions.
- c. The Ministry of Economy could amend the Rules for the State Investment Program and the related forms issued to government agencies to reflect gender responsiveness of the proposed public investment projects.
- d. The Ministry of Labour and Social Protection of Population could adopt the GRB handbook and start its application to the annual and medium-term budgeting processes.
- e. The draft Law on Budget submitted to Parliament could contain information about its gender responsiveness and gender equality measures. Specifically, an explicit discussion of gender equality can be embedded in (i) the socioeconomic development forecast; (ii) the key areas of tax and expenditure policy; (iii) the details of budget revenue classification and in budget expenditure per the functional, economic and administrative classifications; (iv) the State Investment Program; and (v) draft budgets of the State Oil Fund and State Social Protection Fund.
- f. The Ministry of Finance would need to consider meaningful integration of GRB in the ongoing and planned Public Finance Management reforms, including those toward results-based budgeting.
- g. The Ministry of Finance Treasury Department could review international experience on tracking budget expenditures for gender equality and develop proposals on possible tracking of budget expenditures for gender equality within the current Public Finance Management system.
- h. The Ministry of Finance and SCFWCA could start (i) doing internal gender equality assessments of selected sectors or programs in the state budget, and (ii) reflecting gender equality elements and sex-disaggregated beneficiary analysis in the annual and quarterly budget execution reports submitted to Parliament.
- i. The Chamber of Accounts, based on international experience, could start developing guidelines for ex-post evaluation of agency performance of public service delivery with a focus on gender equality.
- j. Parliament could consider inviting SCFWCA to budget hearings to inform on the state of gender equality in the country and the government's ongoing and proposed activities to raise gender equality and women's empowerment.

#### **4. Knowledge Sharing**

- a. The government could consider conducting full-fledged gender responsiveness assessments of Public Finance Management systems at the next Public Expenditure and Financial Accountability assessment. This could support a

firmer anchoring of GRB in the Public Finance Management system and further mainstream GRB in the laws on the budget system, on public procurement, and on the Chamber of Accounts.

- b. The Ministry of Finance and SCFWCA could consider joining the international or regional community of practice on GRB to facilitate knowledge sharing.
- c. Several years after the introduction of GRB, the government could consider conducting an international conference on GRB implementation in Azerbaijan for sharing national and international learning experiences.

## 2 INTRODUCTION

1. Since independence, Azerbaijan has gradually emerged as a middle-income country. From 2001 to 2017, extreme poverty was eliminated, and absolute poverty declined from 49% to 5.4%. Overall, human development indicators are steadily improving. UNDP's Human Development Index (HDI) value for Azerbaijan increased between 1995 and 2018 (from 0.612 to 0.754).<sup>1</sup> In the Inclusive Development Index (IDI) of the World Economic Forum (WEF), the country had one of the highest scores (4.7) among the emerging economies in 2018.<sup>2</sup>

2. Despite these achievements, key international gender equality indicators suggest that women benefit less than men from economic and social development, and gender inequalities persist in several areas such as access to health, labor force participation and political decision making. According to the Global Gender Gap Report 2020, the women's labor force participation rate is 69.2% compared to 74.2% for men.<sup>3</sup> Their estimated earned income is only half what men earn, and only 2% of all enterprises have female majority ownership. According to the same report, women's share in Parliament is only 17% and no woman has been appointed as a minister. Only 66.1% of all pregnant women benefit from at least four visits as part of antenatal care and 13% of all women have been victims of gender-based violence at least once in their life. Overall, Azerbaijan is ranked 94 out of 153 countries in the Global Gender Gap Index.

3. Although women's labor force participation rates are only slightly lower than that of men, women are confined in a few traditional sectors which results in lower wages. In addition to their paid work, women bear the brunt of unpaid work in the so-called care economy. According to a national time-use study, women spend on average six hours per day for unpaid labor while men allocate only two hours, and differences in increased workload are greater for rural women.<sup>4</sup>

4. Promoting gender equality is a cross-cutting theme of the third strategic target on developing human capital under the government's Strategic Roadmap on National Economy Perspective adopted in December 2016. The Strategic Roadmap aims at accelerating diversification of the economy away from oil and strengthening the country's competitiveness. Promoting sustainable, adequate, and efficient state budget financing for gender equality is critical for effective implementation of the women's empowerment agenda, apart from the related legal, institutional, and capacity building measures undertaken by the government.

5. ADB's Country Gender Assessment on Azerbaijan (footnote 4) recommended GRB as a major entry point in promoting gender equality. Accelerating progress in gender equality is a cross-cutting priority of ADB's Country Partnership Strategy for Azerbaijan for 2019–2023.<sup>5</sup> The Country Partnership Strategy results framework envisages piloting gender-based budgeting in at least one agency by 2023. In September 2019, the State Committee for Family, Women and Children Affairs (SCFWCA) requested ADB to provide technical assistance to initiate work toward piloting GRB as suggested in the Country Gender Assessment.

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<sup>1</sup> UNDP. 2019. [Human Development Report for Azerbaijan](#).

<sup>2</sup> WEF. 2018. [The Inclusive Development Index](#). The Inclusive Development Index is an annual assessment of 103 countries' economic performance that measures how countries perform on eleven dimensions of economic progress in addition to GDP. It has 3 pillars: growth and development, inclusion, and intergenerational equity—sustainable stewardship of natural and financial resources.

<sup>3</sup> WEF. 2020. [Global Gender Gap Report](#).

<sup>4</sup> ADB. 2019. [Azerbaijan Country Gender Assessment](#). Manila.

<sup>5</sup> ADB. 2019. [Country Partnership Strategy, 2019–2023: Azerbaijan](#). Manila.

6. It is against this background, that ADB contracted an international Gender Responsive Budgeting (GRB) expert and a national Public Finance Management (PFM) expert to support the process of piloting GRB in the Ministry of Labour and Social Protection of Population (MLSPP). As part of the assignment, this discussion paper reviews the gender responsiveness of the PFM system of Azerbaijan.

### 3 METHODOLOGICAL APPROACH

#### 3.1 Analytical Framework

7. Experience with the implementation of GRB in different countries has shown that several general conditions contribute to its success. Chapter 4 analyses the extent to which the following enabling factors exist in Azerbaijan:

- Government commitment to promote gender equality (e.g. existence of National Women Machinery with a strong mandate to advocate for gender equality, or availability of a national gender policy and a costed action plan for its implementation).
- Conducive legal and policy framework to institutionalize GRB, and existence of intersectorial coordination mechanisms among government organizations working on gender and public finance.
- Availability of gender-disaggregated statistics, time-use data, and gender sensitive M&E systems.
- Ongoing public finance management reforms, especially the introduction of program-based budgeting, and ongoing public procurement reforms.
- Existence of interested stakeholders outside government (e.g. parliamentarians, civil society) and commitment of development partners to support GRB in the medium to long-term.
- A critical mass of women in relevant budget decision making committees and fora.

8. These contributing factors largely match with the IMF Questionnaire for Assessment of Gender Responsiveness of PFM Systems in G7 Countries<sup>6</sup> and with criteria that have been identified by the UN as GRB prerequisites and favorable conditions.<sup>7</sup> The above factors measure how conducive is the overall political, legal, and institutional environment for implementing GRB in a country.

9. In January 2020, the Public Expenditure and Financial Accountability (PEFA) Secretariat published a methodology on how to measure the gender-sensitiveness of the public management system of a country.<sup>8</sup> The methodology is based on nine indicators that assess all stages of the PFM cycle, starting from budget programming and ending with reporting and auditing. An overview of Azerbaijan's PFM system from the lens of the nine GRB indicators of PEFA is presented in Chapter 5.

While Chapters 4 and 5 focus on the overall enabling environment and PFM system, Chapter 6 looks at the 2020 budgets of the MLSPP and SCFWCA. Chapter 7 consolidates the main findings of Chapters 4–6 using the strengths, weaknesses, opportunities, and threats (SWOT) approach. The concluding chapter contains short-, medium- and long-term recommendations to be implemented by various actors.

<sup>6</sup> See IMF. 2017. *Gender Budgeting in G7 Countries*.

<sup>7</sup> UN Women Training Manual on GRB, unpublished.

<sup>8</sup> PEFA. 2020. [Supplementary Framework for Assessing Gender Responsive Public Financial Management](#). The PEFA gender responsive PFM framework has been tested in several countries including Fiji, Indonesia, Tonga, and Ukraine.

### 3.2 Data Collection Methods

10. Data for this discussion paper was collected through an in-depth review of reports and studies on the PFM system and gender relations in Azerbaijan, examination of the publicly available budget documents for gender sensitivity, and complementary data obtained in interviews with stakeholders during the fact-finding mission of 27 January–4 February 2020.

## 4 GENDER RESPONSIVE BUDGETING – AN INTERNATIONAL PERSPECTIVE

### 4.1 Brief History of GRB

11. GRB, as part of gender sensitive public finance, has become an important approach to promoting gender equality and strengthening women’s empowerment and rights since the Fourth World Conference on Women held in 1995 in Beijing. In its final document, the Beijing Platform for Action, the governments from signatory countries committed themselves to integrating a gender perspective in policies and strategies and in their public financial management systems, and to secure adequate financing of specific programs for securing equality between women and men.

12. In recent years, GRB has been recognized as instrumental to furthering inclusive and sustainable development. The outcome document of the Third International Conference on Financing for Development has a clear reference to GRB. Paragraph 30 of the Addis Ababa Action Agenda says “We will increase transparency and equal participation in the budgeting process, and promote gender responsive budgeting and tracking.”<sup>9</sup> Greater gender equality creates positive multiplier effects for the achievement of inclusive, equitable and sustainable growth. Economic losses from gender gaps are estimated to range between 5% to 30% of gross domestic product (GDP).<sup>10</sup>

13. Gender responsive public finance is also part of the Agenda 2030 adopted by the 193 UN Member States during the 70th UN General Assembly in September 2015. The SDG 5 is a stand-alone goal aiming at the Achievement of Gender Equality and Empowerment of All Women and Girls. It is linked with public allocations manifested in the following target and its related indicator:

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.

Indicator 5.c.1: Proportion of countries with systems to track and make public allocations for gender equality and women’s empowerment.

14. In 2019, the United Nations Inter-Agency Task Force on Financing for Development recommended a comprehensive impact analysis of the fiscal system to improve inequality outcomes, including gender inequality, and promote environmental sustainability. It has further noted that GRB, which can strengthen coherence between government budgets and gender equality objectives, is becoming more widespread although gaps remain in comprehensiveness and transparency. Overall, better transparency and disaggregation of budgets can allow all stakeholders to track spending on specific Sustainable Development Goals at the national level. The countries were encouraged “to share best practices and support capacity building initiatives aimed at better aligning public expenditures with national

<sup>9</sup> United Nations. 2015. *Addis Ababa Action Agenda*. New York.

<sup>10</sup> United Nations. 2018. *Financing for Development: Progress and Prospects: Report of the Inter-Agency Task Force on Financing for Development*.

sustainable development strategies to stimulate inclusive growth and promote a more equitable society”.<sup>11</sup>

## 4.2 Definition of Gender Responsive Budgeting<sup>12</sup>

15. The Council of Europe defines GRB as an application of gender mainstreaming in the budgetary process. It means a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures to promote gender equality.<sup>13</sup> The OECD defines GRB as integrating a clear gender perspective within the overall context of the budgetary process through special processes and analytical tools, with a view to promoting gender responsive policies.<sup>14</sup> The IMF defines gender budgeting more broadly as an approach that uses fiscal policy and public financial management instruments to promote gender equality and girls’ and women’s development.<sup>15</sup>

16. The recently published supplementary framework for assessing gender responsive public financial management recently published by the PEFA Secretariat stresses that, “gender responsive budgeting requires PFM institutions, systems, and processes that are cognizant of gender differentiated needs and the differential impacts that fiscal policies and practices have on men and women.” Gender responsiveness is relevant throughout the budget cycle, including in the planning and design of budgetary policies that promote gender equality, the allocation of resources to implement them, tracking to ensure that adequate resources are allocated and policies are implemented as intended, and the monitoring and evaluation of the efficiency and effectiveness of policies, including their impacts evaluated or differentiated by gender.<sup>16</sup>

17. Overall, GRB aims at mainstreaming a gender perspective into the planning and budgeting process (*ex-ante*) and to track who is benefiting from public spending (*ex-post*). It thereby contributes to the achievement of gender equality and increases transparency and accountability. GRB is grounded in the understanding that public budgeting decisions and the PFM systems that underpin them can affect economic and social outcomes for men and women.<sup>17</sup>

18. GRB is an approach that comprises a technical and an institutional aspect. The technical aspect relates to capacities to apply specific tools, such as gender analyses, gender impact assessments, and gender sensitive benefit incidence analyses. The institutional aspect is related to the willingness to change gender relations through a substantive reduction of gaps between women and men. The latter goes hand-in-hand with inter-agency negotiations and decision-making processes about the prioritization and distribution of public expenditures.

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<sup>11</sup> United Nations General Assembly. 2019. *Follow-up to and Implementation of the Outcomes of the International Conferences on Financing for Development. Report of the Secretary-General*. Article 34.

<sup>12</sup> The terms gender budgeting, gender sensitive budgeting, gender responsive budgeting and women’s budgeting are used interchangeably in the international literature, but all refer to the same approach.

<sup>13</sup> Council of Europe. 2005. *Final Report of the Group of Specialists on Gender Budgeting (EG-S-GB)*. Strasbourg, p.10.

<sup>14</sup> OECD. 2017. *Gender Budgeting in OECD Countries*. Paris.

<sup>15</sup> J. Stotsky, 2016. *Gender Budgeting: Fiscal Context and Current Outcomes*. IMF Working Paper.

<sup>16</sup> PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 32, with reference to Welham et al. 2018, p. 17.

<sup>17</sup> PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 32, with reference to Welham et al. 2018.

### 4.3 International Examples and Lessons Learned

19. Globally, more than 80 countries have started to implement GRB although to different degrees. Some countries have limited their GRB activities to awareness raising and capacity building events, commissioning studies, or advocacy campaigns for the allocation of additional resources for a specific purpose such as maternal health. Other countries have started to pilot GRB in selected ministries, starting mostly with the social sector (education and health) and sometimes some economic sectors (mainly agriculture). Only a few countries, such as Austria, Canada, and the Republic of Korea, have made GRB an integral part of their PFM reforms toward program-based budgeting and include a reference to GRB in the relevant legal frameworks of the country (Austria in the Constitution, and the Republic of Korea in the PFM laws).<sup>18</sup> In Canada, a Gender Budgeting Act was passed by Parliament in December 2018, enshrining the government's commitment to decision-making that takes into consideration the impacts of policies on all Canadians in a budgetary context.<sup>19</sup> GRB experiences in the Central and West Asian regions are highlighted below.

20. In the Republic of Kazakhstan, the National Commission for Family Affairs and Gender Policy and UNIFEM has implemented a project on gender budgeting, which was designated as an official Millennium Development Goal to ensure sustainable gender mainstreaming of national planning and budgeting, especially aiming at minimizing the gender wage gap.<sup>20</sup>

21. The National Strategy of the Kyrgyz Republic to Achieve Gender Equality until 2020 envisages that (i) state expenditures related to the implementation of the gender policy are reflected in medium-term budget forecasts and annual budgets; (ii) gender analysis is introduced in the medium-term forecast of the budget, annual budgets, and any development plans, including macroeconomic indicators such as GDP.<sup>21</sup>

22. Afghanistan's efforts to implement GRB started in 2005 with the establishment of the Gender Budgeting Working Group in the Ministry of Finance (MOF, footnote 21). Gender budgeting units were also established in some pilot ministries. Afghanistan's gender budgeting initiative pilot program, led by the Ministries of Finance and Women's Affairs, targeted from the beginning the Ministries of Education, Public Health, Higher Education, Agriculture, Irrigation, Livestock, Rural Rehabilitation and Development, and Women's Affairs. Since 2008, government officials in the pilot ministries have received training in gender budgeting through international organizations. In 2010, reference to GRB was made in the national budget document where the government stated that it was firmly committed to equitable distribution of the benefits of national development among men and women. It also pinpointed that gender related goals of the former Afghanistan National Development Strategy were to be achieved through the gender budgeting initiative. In 2015, the MOF elaborated and endorsed a Strategic Plan on GRB aimed at establishing enabling processes to implement GRB and advancing gender equality and women's empowerment. GRB is explicitly mentioned in the second PFM roadmap, and the budget call circulars contain references and guidelines on GRB.<sup>22</sup>

23. At the international level, UN Women has been a driving force to develop costing and budget tracking tools to increase transparency and accountability of resources allocated to the promotion of gender equality and the protection of women's rights. Among the key lessons learned from UN Women's GRB work are (i) the countries' commitments to the Convention on the Elimination of Discrimination Against Women (CEDAW) have been important for the gender

<sup>18</sup> For examples see Annex 3.

<sup>19</sup> The Government of Canada. 2019. [Gender Equality Statement: Advancing Gender Equality and Diversity](#).

<sup>20</sup> L. Kolovich and S. Shibuya. 2016. *Middle East and Central Asia: A Survey of Gender Budgeting Efforts*.

<sup>21</sup> National Strategy of the Kyrgyz Republic to Achieve Gender Equality Until 2020. Approval date: 27.06.2012.

<sup>22</sup> Source: Assignment of Katrin Schneider with the Ministry of Finance of Afghanistan.

mainstreaming approach to the budget; (ii) recognizing the significance of gender differences within households and accounting for women's unpaid work is central to gender analysis of policy and budgeting; (iii) sustainability is achieved when GRB was embedded in academic programs and training for public officials, in government institutions through formalization of gender units and strengthening of gender focal points in sector ministries, and in ongoing public finance reforms, especially program-based budgeting and fiscal decentralization.<sup>23</sup>

## 5 ASSESSMENT OF THE ENABLING ENVIRONMENT

24. This section summarizes the components of the enabling environment for GRB in Azerbaijan.<sup>24</sup> The current PFM system and inter-agency coordination are inadequate to effectively institutionalize GRB. However, the ongoing PFM reforms such as the implementation of the fiscal rule and the medium-term expenditure framework, improving the classification of budget expenditures, and the more active role of the supreme audit institution and legislature in the PFM area present an opportunity to promote GRB mainstreaming in the country's PFM systems. Despite the availability of gender-disaggregated data on social-economic activities, there is no gender-disaggregated data on budget expenditures and public service delivery.

### 5.1 Government Commitment to Gender Equality

25. The government is committed to improving the situation of women in the country and to reducing inequalities between women and men. The government's development concept *Azerbaijan 2020: Look into the Future* adopted in 2012 focuses on ensuring gender equality and prevention of gender-based violence. The governments strategic roadmaps adopted in December 2016 have continued to pay close attention to promoting gender equality. The Strategic Road Map on National Economic Perspective envisages activities protecting women's employment and enhancing their labor productivity. The Strategic Road Map on Production and Processing of Agricultural Products includes activities on active participation of women and youth in social and economic life of villages, adoption of special programs on enhancing women's employment and expansion of startups in rural areas, strengthening vocational training for women, and enhancing their employment in rural areas.

26. Besides the ratification of international conventions and treaties related to women's rights and gender equality, the government has adopted a Law on Gender Equality, a State Policy on Women, and established an institutional structure on gender equality.<sup>25</sup> The Law on Gender Equality requires the government to create equal opportunities for men and women in education, property rights, entrepreneurship, and social protection. Furthermore, the law envisages four main directions for the government to implement the gender equality policy: (i) establishing a legal and regulatory framework for ensuring gender equality, (ii) conducting a review of the legal and regulatory documents on gender equality impact, (iii) development and implementation of government programs on gender equality, and (iv) advocating a culture of gender equality.

<sup>23</sup> UNIFEM. 2009. *Evaluation Report. UNIFEM's Work on Gender-Responsive Budgeting*.

<sup>24</sup> An in-depth review of the national legislation and international commitment on gender equality, and institutions and mandates on gender equality can be found in ADB. 2019. [Azerbaijan: Country Gender Assessment](#). Manila. pp. 10–15.

<sup>25</sup> Law on Gender Equality (No. 150-IIIQ dated 10 October 2006); Presidential Decree on Implementation of the State Women's Policy (dated -6 March 2000). Cabinet of Ministers [Resolution of the on implementation of the Decree of the President On Implementation of the State Women's Policy in Azerbaijan](#) (No. 176 dated 26 September 2000. In Azerbaijani language).

27. The State Policy on Women envisages expansion of women's opportunities in adopting policy decisions, carrying out gender expertise of the legislation, and equal representation of women and men in all state bodies. The policy also requires preparing statistical information about women that meets international standards. In the context of GRB, this could include gender-disaggregated data on service delivery and the results of gender responsive expenditure tracking. All government agencies had to appoint senior level staff as gender focal persons dealing with women's issues in accordance with a cabinet resolution (footnote 24). There are no studies to evaluate the effectiveness of the gender focal person arrangement and its institutionalization in government agencies. The MOF nominated a senior staff member as the GRB focal person in January 2020.<sup>26</sup>

## 5.2 Proposed National Gender Equality Action Plan

28. In 2019, the government prepared the National Action Plan on Gender Equality 2020–2024. Among the plan's priority activities are improvement of legislation on gender equality and gender rights, enhancing competitiveness of women in the labor market, development of small businesses among women, improving participation of women in political and social life, in decision making and management, and reflection of the gender factor in all policies and activities. The plan, which has yet to be endorsed, stipulates that activities should be financed through budgetary allocations made each year by the implementing agencies.<sup>27</sup> The plan reinforces the mandate of the gender focal persons at government agencies as the institutional nexus for gender mainstreaming in policies and programs of their respective ministries to ensure gender equality.<sup>28</sup> The plan does not contain a calculation of the budget required for implementation.

## 5.3 National Women's Machinery

29. SCFWCA was established in 2006 on the basis of the former State Committee on Women's Issues established in 1998. It is responsible for implementing and regulating the state policy on family, women and children's issues.<sup>29</sup> SCFWCA's charter envisages that it is responsible for implementation of normative regulation and that it should participate in elaboration of state program drafts in the areas of its competence.<sup>30</sup> SCFWCA therefore has a mandate for gender mainstreaming in all sectors and this mandate may be also assumed to be in place for mainstreaming of GRB. The committee can implement its own projects, although the financial resources allocated to SCFWCA make up a marginal fraction of state budget.<sup>31</sup>

30. SCFWCA, as the government agency responsible for monitoring implementation of the Law on Gender Equality, should submit annual reports on its activities to Parliament.

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<sup>26</sup> Selected staff from the Ministry of Finance have attended earlier training workshops on GRB organized by OXFAM and GIZ and participated in study tours to Austria and Ukraine. Meetings and follow-up communication with technical staff of the MoF showed a high level of motivation to advance with GRB as part of the MTEF process.

<sup>27</sup> Draft National Action Plan on Gender Equality, 2020–2024, p. 5. On 24 February 2020, the government approved the National Action Plan on Prevention and Elimination of Gender-Based Sexual Choice in Azerbaijan.

<sup>28</sup> National Action Plan on Gender Equality, 2020–2024, p. 1.

<sup>29</sup> The State Committee for Family, Women and Children Affairs replaced the State Committee on Women's Problems established in 1998 by Presidential Decree No. 727.

<sup>30</sup> Presidential Decree dated 9 August 2006.

<sup>31</sup> Ministry of Finance. 2020. [Indicators at the Level of Paragraphs. o Functional, Economic and Administrative Classifications of State Budget Expenditures for 2020](#) (in Azerbaijani language). In the 2020 state budget expenditures the share of the committee was only 0.016%.

## 5.4 Women in Decision Making Positions

31. The United Nations Economic and Social Council defined a 30% target to be achieved by 2020 as a minimum critical mass for women to be able to change the status quo in a given context. If less than 30% women are represented in decision making positions, it is less likely that women's priorities and views will be considered in budget decision making. According to the Global Gender Gap Report 2020, women's share in Azerbaijan's Parliament was 16.8% in 2018. Though the country's First Vice President and the Speaker of the newly elected Parliament are women, there are no women ministers in the current government. As of 1 January 2019, the share of women in parliamentary committees was 13.3% and no women chaired a commission.<sup>32</sup>

32. In the MOF, there are only two women among the heads of departments.<sup>33</sup> In the MLSP, five out of eighteen department directors are women. In the State Committee of Statistics, five out of twenty department directors are women. In the Ministry of Economy, the only woman Deputy Minister coordinates fiscal policy and fiscal forecasting.

## 5.5 Legal and Policy Framework for GRB

33. The Law on Budget System, the cornerstone of the country's PFM legal framework, does not include provisions on promoting gender equality of public expenditure in general or GRB in particular.<sup>34</sup> At the same time and based on international experience, the proposed 2020–2024 National Action Plan on Gender Equality envisages the creation of a mechanism for conducting gender analysis of state and municipal budgets.<sup>35</sup> Implementation of this provision could be the starting point for mainstreaming GRB in Azerbaijan.

## 5.6 Institutional Coordination

### a. Coordination in Fiscal Issues

34. To ensure macroeconomic and financial stability, the Financial Stability Council of Azerbaijan was established in 2016 and is chaired by the Prime Minister.<sup>36</sup> The Council consists of high-level government officials including the Ministers of Finance and Economy. The Council's mission is to coordinate monetary and fiscal policies for macroeconomic stability and to supervise the implementation of the MTEF. Potentially, the Council can function as a high-level inter-agency platform for mainstreaming GRB. The Ministries of Finance and Economy hold regular coordination meetings on the annual budgeting process, and GRB issues at the technical level can be on the agenda of these meetings.

35. The MOF, MOE, and MLSP have no specialized staff or organizational units on gender equality and the SCFWCA has limited capacity in PFM. Policy objectives on gender equality and women's empowerment can only be achieved when different sectors contribute in a coordinated and efficient manner, and there is a critical mass of capacity at agency level.

<sup>32</sup> State Statistical Committee of the Republic of Azerbaijan. 2019a. *Women and Men in Azerbaijan*, p. 178.

<sup>33</sup> Ministry of Finance of Azerbaijan. 2019. [Management and Heads of Structural Divisions](#) (in Azerbaijani language).

<sup>34</sup> Ministry of Finance. 2002. [The Law on Budget System of Azerbaijan](#).

<sup>35</sup> The 2000–2005 National Action Plan on Women's Issues of the Republic of Azerbaijan (endorsed in March 2000 by the Prime Minister) reflected policy activities towards women's and girls' equal access to health and education services, economic activities, and public governance processes.

<sup>36</sup> Presidential Decree dated 15 July 2016 [On the Establishment of the Council of Financial Stability of Azerbaijan](#).

36. At the MOF, GRB issues can be led by the MTEF Development Center in coordination with the Budget Department and Social Protection, Social Security and Healthcare Financing Department. These MOF units, as part of their review of sector ministry submissions on the MTEF and annual budget processes, may have a potentially important role in ensuring that sector ministry budgets reflect GRB requirements.

### **b. Coordination on SDGs**

37. To coordinate the implementation of SDGs, the government established the National Coordination Council on Sustainable Development.<sup>37</sup> All the targets concerning SDG 5 on gender equality and the empowerment of women and girls have been prioritized in Azerbaijan.<sup>38</sup> The head of SCFWCA and the Deputy Minister of the MLSPP are permanent members of this Council. The SCFWCA and MLSPP are part of all working groups of the Council, except the group on environmental issues. The Council and other concerned government agencies have organized gender awareness events. The Council published the SDG country report in 2018 where progress on SDGs was reflected.<sup>39</sup> There are, however, no publicly available update reports on the status of implementation of SDG 5 in Azerbaijan. The Council also published the protocols of its regular meetings where gender related issues were discussed several times, but GRB has so far not been discussed at the Council in a consistent manner.<sup>40</sup>

## **5.7 Ongoing Public Finance Management Reforms**

38. The Strategic Roadmap for National Economy Perspective approved in December 2016 envisaged three major PFM reforms: adoption of a 'golden rule' for the transfer of oil revenues to the state budget, adoption of the MTEF, and implementation of results-based budgeting.<sup>41</sup> The results-based approach to budgeting, which defines strategic objectives and key performance indicators, facilitates the incorporation of a gender perspective at different levels of the budgeting process. In accordance with the provisions of the Strategic Roadmap, the government has implemented several institutional and PFM reforms such as adoption of the new budget rules aimed at reducing dependency on oil, medium and long-term strategies for public debt management, and a medium-term expenditure framework.<sup>42</sup> The state budget for 2019 has been prepared in accordance with the new budget rule.<sup>43</sup> The transparency of the budgeting process has also improved. For example, for the 2020 state budget MOF disclosed detailed information on the economic, functional, and administrative classification of

<sup>37</sup> Presidential Decree dated 6 October 2016; National Coordination Council on Sustainable Development of Azerbaijan. 2020. [Structure and Working Groups of the Council](#).

<sup>38</sup> National Action Plan on Gender Equality, 2020–2024, p. 4.

<sup>39</sup> Ministry of Economy. 2018. [The Government's Report on SDG Implementation for 2016-2017 Years](#).

<sup>40</sup> Ministry of Economy. 22.02.2017 [Protocol of the third meeting of the National Coordinating Council for Sustainable Development of Azerbaijan](#).

<sup>41</sup> [Strategic Roadmap for National Economy Perspective of Azerbaijan](#). Approved by the Decree of the President dated December 6, 2016.

<sup>42</sup> Presidential Decree on [Rules for the Preparation of the Medium Term Expenditure Framework](#). 24.08.2018.; Presidential Decree on approval of the [Rules for Calculating the Upper Limit of Consolidated Budget Expenditures in Accordance with the Budget Rules](#). 18.12.2018; and Presidential Decree on approval of the [Medium and Long-Term Strategy for Public Debt Management in the Republic of Azerbaijan](#). 24.08.2018.

<sup>43</sup> Comprehensive review of the fiscal rule and areas of improvement are in IMF. 2019. [Republic of Azerbaijan: 2019 Article IV Consultation Press Release, Staff Report, and Statement by the Executive Director for the Republic of Azerbaijan](#). Washington DC. Annex III.

expenses, and on program financing from the state budget.<sup>44</sup> MOF also disclosed details on the expected tax and non-tax revenues of the 2020 state budget.<sup>45</sup>

39. ADB's Improving Governance and Public Sector Efficiency Program, which comprised two subprograms and covered 2017–2019, supported medium-term fiscal policy planning, and fiscal discipline and strategic resource allocation.<sup>46</sup> The establishment of a specialized group in MOF with in-house skills for the regular preparation of MTEF and setting medium-term resource parameters for government agencies were among the main achievements during the implementation of Subprogram 2. MOF now attempts to prepare the 2021 state budget based on MTEF principles linking macroeconomic targets with fiscal policy.

40. Implementation of the MTEF and results-based budgeting will be important for mainstreaming GRB in the country's PFM system, and gradually moving from item- to program-based budgeting, with (i) programs clearly linked to well-defined objectives integrated with the results of the relevant sector plans or strategies,<sup>47</sup> (ii) and a set of measurable indicators allowing the government (or an external assessor) to objectively assess the performance, outcomes, and efficiency of budget organization activities.

41. In 2020, the MTEF is being piloted in three sectors: education, agriculture, and environment. All government agencies in these sectors (and covered under the education, agriculture, and environment protection functional classification sections of the state budget), including the Ministries of Environment, Education, and Agriculture, will be part of the pilot implementation of the MTEF. It is expected to be rolled out to other sectors after 2021.

42. In 2020, the government will prepare the MTEF, national expenditure priorities, and sectorial strategic plans for education, agriculture, and environmental protection together with the 2021 state budget proposal.<sup>48</sup> From a GRB perspective, it may be expedient that all components of the MTEF suitably reflect gender equality dimensions, including strategic objectives, outcomes, outputs, programs, projects, and performance indicators.

43. At the request of MOF's MTEF Development Center, in March 2020 the experts engaged for this assignment submitted proposals on GRB mainstreaming in the MTEF call circular that MOF was planning to send out to budget entities in three pilot sectors to guide them for preparation of their MTEF submissions. The MTEF Center advised that the submitted proposals may be considered for the MTEF guidelines in 2021.

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<sup>44</sup> Ministry of Finance. 2020. *Indicators at the Level of Paragraphs of Functional, Economic and Administrative Classifications of State Budget Expenditures for 2020*; Ministry of Finance. 2020; and *Information on the Programs and Similar Measures Envisaged in the State Budget for 2020*.

<sup>45</sup> Ministry of Finance. 10.05.2012. *The decision of the Ministry of Finance on approval of Methodology of Forecasting and Modeling of State Revenues*.

<sup>46</sup> ADB. 2019. [Improving Governance and Public Sector Efficiency Program](#). The program supported introducing rule-based fiscal planning in the budget systems of the government; reforming the legal and institutional structures of state-owned enterprises; and helping improve the business environment and access to finance for small and medium-sized enterprises.

<sup>47</sup> Eurasia Extractive Industries Knowledge Hub Expert Group. 03.02.2020. [Assessment of Legal and Institutional Opportunities and Barriers to the Effective Application of the Medium-Term Expenditure Framework in Azerbaijan](#).

<sup>48</sup> Additional Measures to Ensure the Implementation of the Medium-Term Expenditure Framework and Amendments to the Decree of the President No. 235 of 24.08.2018 on approval of the *Rules for Preparation of the MTEF*.

## 5.8 Public Procurement

44. Procurement of goods and services is estimated to account for nearly 28% of the 2020 state budget and nearly 9% of GDP in 2020.<sup>49</sup> Public procurement is regulated by the Law on Public Procurement of 2001, revised in 2018.<sup>50</sup> Since 2019, e-procurement is being introduced in Azerbaijan. The Law on Public Procurement does not make any reference to gender inequalities.

45. Public procurement opens opportunities to strengthen gender equality and women's economic empowerment in two ways: (i) rules and procedures should be formulated in a way that goods and services purchased through public procurement address both women's and men's needs (e.g. disposable gloves or coats for medical staff in different sizes); (ii) women-owned businesses should have equal (or even preferential) opportunities to benefit from public tenders which necessitates they have sufficient information about tender procedures.<sup>51</sup> Currently, gender-disaggregated data of company owners that win public tenders are not available, therefore no statement can be made on the extent to which women benefit from public tenders.

## 5.9 Transparency, Accountability, Citizen Participation in PFM

46. International experience has shown that the implementation of GRB is successful in countries with strong budget accountability systems. The transparency and accountability aspects of Azerbaijan's PFM improved since 2017.<sup>52</sup> The government published key budget documents (pre-budget statement, executive's budget proposal, enacted budget, citizens budget, in-year report, year-end report, and audit report), except for the mid-year review.<sup>53</sup> Among other areas where improvement would be warranted are timely online publishing of the citizens budget and the government's budget proposal containing minimal budget information. The Chamber of Accounts prepares its comments on the execution of the state budget, the budget of the State Oil Fund, as well as the budget of relevant government agencies for social security and social protection and submits these documents to Parliament.<sup>54</sup>

47. The Open Budget Survey 2019 noted that Azerbaijan provided few opportunities for the public to engage in the budget process.<sup>55</sup> Public participation opportunities in the PFM are more limited for women in regions where deeper social-cultural impediments exist. Overall, public participation mechanisms for women's groups seem to be rather limited, which prevents women from expressing their needs and identifying gaps in the top-down budgeting system to ensure that budget resources are used to the equal benefit of both women and men citizens.

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<sup>49</sup> Ministry of Finance. 2020. Indicators at the Level of Paragraphs of Functional, Economic and Administrative Classifications of State Budget Expenditures for 2020; Ministry of Finance. 2020. Citizens Budget Guide for 2020.

<sup>50</sup> [Law on Public Procurement](#) (in Azerbaijani language). 27.12.2001.

<sup>51</sup> According to UN Women, globally, women-owned businesses secure a mere 1% of government contracts, suggesting systematic gender disparities within procurement systems.

<sup>52</sup> International Budget Partnership. 2017. [Open Budget Survey for Azerbaijan](#).

<sup>53</sup> The mid-year review would normally contain a comprehensive update on the implementation of the budget as at the middle of the fiscal year and include a review of economic assumptions and an updated forecast of budget outcomes.

<sup>54</sup> The Chamber of Accounts. 2019. [Information on the Activities for 6 Months of 2019 of the Chamber of Accounts \(in Azerbaijani\)](#).

<sup>55</sup> International Budget Partnership. 2019. [Open Budget Survey for Azerbaijan](#). <https://www.internationalbudget.org/open-budget-survey/country-results/2019/azerbaijan>

48. The country's Parliament, Milli Majlis, does not apply a gender equality lens in its review of the submitted state budget proposals or execution reports. The Parliament's Committee on Family, Women and Children could lead GRB application in the Parliament and request for gender equality analysis to accompany the state budget proposal and the report on the execution of the previous year's state budget.

### 5.10 Development Partners to Support GRB

49. In 2014, Oxfam and the European Delegation worked on GRB in Azerbaijan mainly through provision of training and research.<sup>56</sup> The German International Cooperation (GIZ) Good Local Governance Programme in the South Caucasus funded two study tours related to GRB (to Austria and Ukraine) for selected participants from SCFWCA and MOF, and a training session on GRB in 2018–2019. GIZ intends to continue its support to GRB. SECO, the Swiss international cooperation organization, plans a new project to support the MTEF process and gender-based budgeting will be included.

### 5.11 Availability of Gender-Disaggregated Statistics, Time-Use Data, and Gender Sensitive M&E Systems

50. The availability of reliable gender-disaggregated statistics and time-use data is a prerequisite for the application of GRB tools, tracking gender related expenditures, and monitoring gender equality results based on gender sensitive performance indicators.

51. The State Statistical Committee (SSC) annually publishes a compilation of gender-disaggregated data in different areas (e.g. structure of the population, health, education, employment and wages, agriculture, forestry and fishing, welfare and social security, structure of Parliament, and prevalence of crimes).<sup>57</sup> Related to the social sector, SSC publishes gender sensitive information on social security, pensions and social benefits, disabilities among the population, labor conditions and occupational injuries with methodological explanations and international comparisons. These data cover all economic and administrative regions and towns.<sup>58</sup>

52. The SSC also tracks progress on the nationalized SDGs. Of the 244 SDG indicators, the government has prioritized 119, which include all indicators for SDG 5, which aims to achieve gender equality and empower all women and girls.<sup>59</sup> Besides SDG 5, other SDGs (e.g. SDG 3 on health, SDG 4 on education) contain gender-specific targets. So far, data is available for a third of all indicators. A special unit in the Ministry of Economy is responsible for tracking SDG indicators.

53. At the international level, the United Nations Statistics Division has defined a minimum set of 52 quantitative gender indicators related to the SDGs and the priority areas of the Beijing Platform for Action.<sup>60</sup> Out of 52 indicators, 10 are missing in Azerbaijan, mainly in the area of economic structures, participation in productive activities and access to resources (Table 1).

<sup>56</sup> One of their recommendations was that the government apply a gender approach in the budget system and process. <http://www.budget.az/main?content=838> (in Azerbaijani).

<sup>57</sup> Women and Men in Azerbaijan, most recently 2019.

<sup>58</sup> State Statistic Committee. 2019. [Health and Social Protection Statistics](#).

<sup>59</sup> See Annex 6.

<sup>60</sup> Agreed by the United Nations Statistical Commission (Decision 42/102) in 2013 as a guide for national production and international compilation of gender statistics. The minimum set of gender indicators is a collection of 52 quantitative indicators and 11 qualitative indicators addressing issues related to gender equality or women's empowerment. The indicators are in five areas: (i) economic structures, participation in productive activities and access to resources; (ii) education; (iii) health and related services; (iv) human rights of women and the girl child; and (v) public life and decision-making.

It may therefore be expedient for the SDG Indicator Special Unit at the Ministry of Economy, in consultation with the SSC, to set up a system for collecting data on the missing indicators.

Table 1: UN Statistics Division Minimum Gender Statistics

Economic Structures, Participation in Productive Activities and Access to Resources	Education	Health and Related Services	Public Life and Decision Making	Human Rights of Women and the Girl Child
<b>Available in Azerbaijan</b>				
Average number of hours spent on unpaid domestic and care work, by sex, age, and location (note: separate domestic work and care work, if possible)	Youth literacy rate of persons (15–24 years), by sex	Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods	Percentage of female judges	Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age
Average number of hours spent on total work (total work burden), by sex	Adjusted net enrolment rate in primary education, by sex	Under-five mortality rate, by sex	Proportion of seats held by women in (a) national parliament and (b) local governments	Proportion of women aged 20–24 years who were married or in a union before age 18
Labor force participation rate for persons aged 15–24 and 15+, by sex	Gross enrolment ratio in secondary education, by sex	Maternal mortality ratio	Women's share of government ministerial positions	Adolescent birth rate (aged 15–19 years) per 1,000 women in that age group
Proportion of employed who are own-account workers, by sex	Gross enrolment ratio in tertiary education, by sex	Antenatal care coverage	Proportion of women in managerial positions	
Proportion of employed who are contributing family workers, by sex	Gender parity index of the gross enrolment ratios in primary, secondary and tertiary education	Proportion of births attended by skilled health personnel		
Proportion of employed who are employer, by sex	Share of female science, technology, engineering, and mathematics graduates at tertiary level	Age-standardized prevalence of current tobacco use among persons aged 15 years and older, by sex		
Percentage distribution of employed population by sector, each sex (sectors here refer to agriculture, industry, and services)	Proportion of females among tertiary education teachers or professors	Proportion of adults who are obese, by sex		

<b>Economic Structures, Participation in Productive Activities and Access to Resources</b>	<b>Education</b>	<b>Health and Related Services</b>	<b>Public Life and Decision Making</b>	<b>Human Rights of Women and the Girl Child</b>
Proportion of individuals who own a mobile telephone, by sex	Adjusted net intake rate to the first grade of primary education, by sex	Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations		
Unemployment rate, by sex, age and persons with disabilities	Primary education completion rate (proxy), by sex	Access to anti-retroviral drugs, by sex		
Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider, by sex	Gross graduation ratio from lower secondary education, by sex	Life expectancy at age 60, by sex		
Proportion of employed working part-time, by sex	Effective transition rate from primary to secondary education (general programs), by sex	Mortality rate attributed to cardiovascular disease, cancer, diabetes, or chronic respiratory disease, by sex		
Proportion of individuals using the Internet, by sex	Educational attainment of the population aged 25 and older, by sex			
<b>Data Not Available in the Republic of Azerbaijan</b>				
Percentage of adult population who are entrepreneurs, by sex			Share of female police officers	Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence
(a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex, and (b) share of women				Proportion of girls and women aged 15–49 years who have undergone female genital mutilation/cutting, by age

<b>Economic Structures, Participation in Productive Activities and Access to Resources</b>	<b>Education</b>	<b>Health and Related Services</b>	<b>Public Life and Decision Making</b>	<b>Human Rights of Women and the Girl Child</b>
Gender gap in wages, by occupation, age and persons with disabilities				
Employment rate of persons aged 25–49 with a child under age 3 living in a household and with no children living in the household, by sex				
Proportion of children under age 3 in formal care				
Proportion of informal employment in non-agriculture employment, by sex				
Proportion of households with access to mass media (radio, television, Internet), by sex of household head				

Source: <https://genderstats.un.org/#/downloads>

54. One characteristic of GRB is the accounting for time-use patterns of women and men in line with SDG Indicator 5.4.1: Time spent on unpaid domestic and care work, by sex, age and location. The SSC carried out independent time-use surveys in 2008 and 2012. The next time-use survey is planned for 2022 in line with the new UN classification system. In addition, time-use data is being collected regularly as part of the household budget survey. So far, time-use data are not used to design fiscal policies or state budgets.

## 5.12 Gender Sensitive M&E Systems at Sector Level

55. In some sectors, particularly the social sectors, budget performance can be generically and in selected cases tracked, based on gender-disaggregated data to varying extents. The MOH, for instance, receives comprehensive disaggregated data relating to all groups of diseases from healthcare service providers and can provide information on morbidity by sex or track disease-specific factors in different age groups and sex. The MLSPP publishes annual reports which contain some gender-disaggregated data which are limited to the labor market.<sup>61</sup>

56. Overall and because of the still item-based budget system, monitoring and evaluation of the performance of the allocated budget expenditures remains weak. Gender-disaggregated data or statistics on budget expenditures are generally unavailable. Thus, gender responsiveness of state budget expenditures cannot be tracked even in the social sectors other than for gender-specific programs, which are discussed in Chapter 5.

## 6 OVERVIEW OF GENDER RESPONSIVENESS OF PFM SYSTEM

57. This section briefly discusses, with reference to international experiences, the gender responsiveness of Azerbaijan's PFM system using the nine indicators of the PEFA supplementary framework for assessing gender responsive public financial management (Table 2).<sup>62</sup> It is an overview and hence no scoring was done. For a truly evidence-based assessment with scores, a full-fledged assessment of gender responsiveness of PFM per PEFA's methodology may be considered during the next PEFA assessment.<sup>63</sup>

**Table 2: PEFA's Gender Responsiveness of PFM Indicators and Guiding Questions**

Indicator	Guiding Question
<b>Budget programming</b>	
1. Gender impact analysis of budget policy proposal	Does the government's analysis of proposed changes in expenditure and revenue policies include information on gender impact?
2. Gender responsive public investment management	Does the government analyze the impacts of major public investment projects on gender as part of the economic analysis of investment proposals?
3. Gender responsive budgeting circular	Do budget circulars require budgetary units to include information on gender related impacts of their spending proposals?
4. Gender responsive budget proposal documentation	Does government budget proposal documentation include information on gender priorities and budget measures aimed at strengthening gender equality?

<sup>61</sup> MLSPP. 2020. [Annual Reports \(in Azerbaijani\)](#).

<sup>62</sup> PEFA Secretariat. 2020. [Supplementary Framework for Assessing Gender Responsive Public Financial Management. Guidance for Assessment Teams](#). Washington DC. USA.

<sup>63</sup> The last PEFA on Azerbaijan was done in 2014. PEFA Secretariat. 2014. [Azerbaijan: PEFA Performance Report. Repeat Assessment](#). Washington DC, USA.

Indicator	Guiding Question
5. Sex-disaggregated performance information for service delivery	Do executive budget proposals or supporting documentation and in-year or end-year reports include gender-disaggregated information on performance for service delivery programs?
Budget tracking	
6. Tracking budget expenditure for gender equality	Does the government have the capacity to track gender equality-related expenditure?
Budget reporting and auditing	
7. Gender responsive reporting	Do the government's published annual reports include information on gender related expenditure and the impact of budget policies on gender equality?
8. Evaluation of gender impacts of service delivery	Does the government include an assessment of gender impacts as part of evaluations of efficiency and effectiveness of service delivery?
9. Legislative scrutiny of gender impacts of the budget	Does the legislature's budget and audit scrutiny include the examination of the gender impacts of the budget?

Source: PEFA.

### 6.1 Gender Impact Analysis of Budget Policy Proposal

58. Several countries have introduced ex-ante gender assessment as a tool to analyze potential positive and negative impacts of expenditure and revenue raising policies on different groups of women and men. For example, in Canada, a gender-based analysis-plus process is used to analyze how different groups of women and men may experience policies, programs, and initiatives funded through the state budget. The 'plus' indicates that other factors of inequality such as age, location (rural/urban, different regions) or living with a mental or physical disability are considered in addition to gender inequalities. Budget units proposing new budget policies need to describe in detail who are the target population of the new policy and what are the expected direct benefits on women and men in different categories. Publication of the results of ex-ante assessments contribute to an increased transparency of public finance and strengthens the accountability of the government in terms of its international and national gender equality commitments.<sup>64</sup>

59. In Azerbaijan, the pre-budget statement describes the key spending and revenue priorities for the next fiscal year. For example, the pre-budget statement for 2020 sets the key revenue priorities such as decreasing dependence on oil and growth of the non-oil revenue of the budget.<sup>65</sup> At the same time, there are priorities where gender elements can be integrated such as decreasing the size of the shadow economy and the level of informal employment where women's labor force participation is disproportionately high. The key spending priorities largely respond to measures in the strategic road maps for the national economy and key sectors adopted in December 2016. Some spending priorities may have a clear gender equality dimension, such as spending on social assistance or active labor market programs. This is because it is currently unclear if and how such spending will target potential distortions between women and men. Table 3 summarizes the main budget priorities for 2020 and suggests gender entry points.

<sup>64</sup> PEFA Secretariat, 2020, p. 44-47.

<sup>65</sup> Ministry of Finance. 2020. [Preliminary Statement for the State and Consolidated Budgets of the Republic of Azerbaijan for the Fiscal Year 2020](#).

**Table 3: Main Budget Priorities for 2020 and Suggested Gender Entry Points**

<b>Budget Priorities</b>	<b>Suggested Gender Entry Points</b>
Spending priority on the compensation of labor, pensions, and social benefits, including provision of funds to strengthen social protection of low-income populations.	A gender sensitive approach can be implemented for all components of this budget priority.
To develop human capital and a competent labor force, and enhance labor productivity, expansion of the size of funding for pre-school education and per capita funding mechanism to allow more students to enroll in state-funded programs in higher education institutions.	Gender sensitive budgeting principles with gender related goal setting and putting gender sensitive indicators can be implemented here.
Supporting health reforms and mandatory health insurance program.	Gender sensitive beneficiary analysis and relevant data can be added to the priorities and other budget documents.
Public capital expenditure for infrastructure projects including the construction of educational, health, sporting, cultural facilities, and apartments for families of the disabled and martyrs.	Sex-disaggregated data on beneficiaries could be added.

Source: Authors' compilation based on analysis of budget priorities for 2020.

60. Review of the expenditure and revenue policies in Azerbaijan suggests they are designed without an ex-ante gender impact analysis. For example, the government's main directions of revenue policy are reflected in the explanation of the initial parameters of the state and consolidated budgets are disclosed on the MOF website. Currently, there is no reference to GRB in this document.<sup>66</sup>

## 6.2 Gender Responsive Public Investment Management

61. New investment projects provide an excellent opportunity to account for different needs of women and men from the beginning of project identification and planning. Pre-feasibility studies usually assess the economic, financial, social, environmental and climate change effects of new investment projects. A gender impact assessment of the project can be part of a general social assessment or can be done separately. The National Economic and Development Authority of the Philippines, for instance, adopted guidelines that explicitly require integration of gender aspects throughout the public investment project cycle.<sup>67</sup> These guidelines contain sector-specific checklists for the execution of gender sensitive situation analyses as an integral part of investment project identification and formulation.

62. Azerbaijan's State Investment Program contains all new investment projects for the next year and a pipeline of projects for the next three years. State Investment Program preparation is based on the Law on Budget System and the rules for preparation, implementation, monitoring and evaluation of the State Investment Program.<sup>68</sup> According to

<sup>66</sup> Ministry of Finance. 2020. *Presentation and Parameters of Budgets for 2020* (in Azerbaijani language).

<sup>67</sup> NEDA. 2016. *Harmonized Gender and Development Guidelines for Project Development, Implementation, Management, Monitoring and Evaluation*. Manila. Third Edition.

<sup>68</sup> *Rules of Preparation, Execution, Monitoring, and Evaluation of the State Investment Program of Azerbaijan*. 17.03.2010. Article No. 3.6 of the Rules lists the documents and information that budget organizations must submit to the Ministry of Economy for inclusion in their project in the State Investment Program. These are (i) design and estimate documentation and feasibility studies prepared and approved in accordance with regulations for newly designed facilities; (ii) reference on the allocation of funds from special, loan, grant and other sources of financing; (iii) information on related new, ongoing, or completed projects; (iv) information on the technological

the Law on Budget System, the MOE presents the initial draft of the State Investment Program to the Cabinet of Ministers and the MOF.<sup>69</sup>

63. A review of the provisions of the Law on Budget System and rules, and discussions with government agencies suggests there is currently no requirement for the conduct and submission of an assessment of the project's gender responsiveness as part of the preparation process.

### 6.3 Gender Responsive Budgeting Circular

64. Budget call circulars have proved to be important documents to further the institutionalization of GRB at the sectorial level. The MOF issues these annual instructions to sector ministries to inform them about sectorial ceilings for the next fiscal year and provide instructions and guidance on which priorities should be addressed first and how to plan the annual and multi-year budget. The Budget Call Circular (or MTEF instructions for multi-year budgets) also contains templates to be used for submission of budget proposals. Ministries of finance in countries with advanced GRB implementation include clear reference to gender equality in their budget call circulars. Specifically, sector ministries can be requested to (i) provide information about how their budgets contribute to gender equality and women's empowerment, (ii) indicate if their budgets are aligned with international and national gender commitments, (iii) define gender sensitive objectives and key performance indicators, and (iv) provide data on staff and beneficiaries separately for men and women.<sup>70</sup>

65. In Azerbaijan, several documents of the PFM system can be considered budget circulars. First, the state budget preparation process starts with the dissemination of the decision of the Cabinet of Ministers during the third week of January.<sup>71</sup> The Cabinet of Ministers decision also defines the responsibilities of ministries and agencies in the budget process including deadlines for submission of documents to the MOF, MOE, and the Cabinet of Ministers. Second, in accordance with the Cabinet of Ministers decision, the MOE issues medium-term forecasts of the economic and social development of the country. Third, the MOF publishes the budget calendar and prepares a letter of instruction on the compilation of the draft state budget and consolidated budget indicators for the next year and for the next three years and sends them to the budget organizations.<sup>72</sup>

66. A review of documents and discussions with the concerned government agencies suggests that these documents currently do not contain any reference to gender related requirements in budget proposals or to gender dimensions in the budget process and budget system. However, MOF has expressed its intention to mainstream GRB in the next year's MTEF guidelines based on the proposals developed during the preparation of this discussion note (para. 42).

### 6.4 Gender Responsive Budget Proposal Documentation

67. To be gender responsive, budget proposal documentation should include (i) an overview of the government's policy priorities for improving gender equality, (ii) budget measures aimed at promoting gender equality, and (iii) assessment of the impacts of budget

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structure of investments, including on equipment and other installations related to the project; and (v) information on pre-project research to identify key technical and economic parameters of the project.

<sup>69</sup> Chamber of Accounts. 2020. [The Draft Law On the State Budget of the Republic of Azerbaijan for 2020](#). Social projects are about repair and construction of educational institutions, repair and construction of health facilities, construction of residential houses for disabled families and families of martyrs, restoration and reconstruction of cultural facilities, and construction of sports facilities for competitions.

<sup>70</sup> For more details on country examples see Annex 4.

<sup>71</sup> The Cabinet of Ministries. 30.01.2018. [The Budget Process for 2019](#) (in Azerbaijani).

<sup>72</sup> Ministry of Finance. 2020. [Budget Calendar](#) (in Azerbaijani).

policies on gender equality. This information helps align gender equality strategic goals more closely with the required financial resources. Some countries publish this information as a gender budget statement (e.g. Canada, see footnote 19). It may also be presented in the form of a budget paper from a ministry or the whole government on how policies, programs, and related budgets fulfill the government's gender equality objectives.

68. In Azerbaijan, the draft law on the state budget for the next budget year and its interpretation submitted to Parliament are accompanied by (i) the socioeconomic development forecast for the next year and the following three years; (ii) key areas of tax and expenditure policy; (iii) targeted programs to be financed from the state budget;<sup>73</sup> (iv) details (at the level of paragraphs) of budget income classification and budget expenditure per the functional, economic and administrative classifications; (v) data on public and sovereign guaranteed debt and liabilities; (vi) a draft State Investment Program; (vii) consolidated financial statement of Azerbaijan; (viii) draft laws on the budgets of extra-budgetary state funds for the next budget year (State Oil Fund and State Social Protection Fund); (ix) comparison of incomes and expenditures of the next year with actual outcomes in the previous year and expected in the current year (by the classification incomes and the functional, economic and administrative classification of expenditures); (x) data on the expected execution of the summary budget of the current year; (xi) consolidated report on extra-budgetary transactions; and (xii) a statement of financing sources of the state budget deficit, actual in the previous year and expected in the current year.

69. A review of these documents and discussions with government agencies suggests that there is currently no budget-wide (whole-of-government) reflection of gender equality in the budget proposal submitted to Parliament. It seems that the introduction of gender equality elements in the draft budget law submission can start with a suitable integration of such elements in items (i), (ii), (iv), (vi) and (viii) noted in paragraph 68.

70. Simultaneously, at the agency level the state budget may reflect gender aspects. An example is the budget of SCFWCA. For example, the state budget for 2020 allocates AZN 4.5 million to SCFWCA for social, psychological and psycho-pedagogical work with persons exposed to domestic violence, victims of human trafficking, girls who had early marriages, children with disabilities and their families.<sup>74</sup> The education budget also has a known and clear relevance to gender equality, but it is lacking gender-disaggregated data on the beneficiaries of education sector expenditures at various levels and programs.

## 6.5 Gender-Disaggregated Performance Information for Service Delivery

71. To assess the efficiency and effectiveness of public service delivery, precise information about target groups is needed. In this regard and because women's and men's service delivery needs and priorities often differ, it is crucial to collect and analyze disaggregated data. Gender-disaggregated information about target groups of a specific service or transfer (e.g. vocational training or social assistance payments) also help define gender related performance indicators that allow progress monitoring and identification of gaps.

72. Austria introduced GRB as part of PFM reforms toward performance-based budgeting. GRB is anchored in the Constitution and is part of annual budgets. Article 51 (8) of Austria's Constitution states that, "In budget management of the Federation the fundamental principles of impact orientation, especially considering the objectives of the effective equality of men and women, ... are to be observed." Since 2013, all ministries are required to analyze the relation between resources spent and the achieved impacts and all budget chapters should define at

<sup>73</sup> Ministry of Finance. 2020. [Information on the Programs and Similar Measures in the 2020 State Budget](#).

<sup>74</sup> Ministry of Finance. 2020. [Presentation of Draft State and Consolidated Budgets for 2020](#) (in Azerbaijani).

least one gender objective at the outcome level (out of five outcomes per budgetary unit). Gender equality indicators help measure progress in the achievement of the objectives.

73. The review suggests that in Azerbaijan there are neither service delivery performance plans nor gender-disaggregated performance information on service delivery. The SSC, however, publishes gender-disaggregated data in the areas of welfare, health, education, and the labor market.<sup>75</sup> This suggests that SSC may have the granular raw data that could be the statistical base for development of service delivery performance plans with gender-disaggregated indicators.

## 6.6 Tracking Budget Expenditure for Gender Equality

74. There are three types of budget expenditures from a GRB perspective.<sup>76</sup>

- (i) **Specific gender equality programs**, such as public expenditures focusing on paid parental leave, subsidized child care to allow women to work, programs designed principally to prevent or respond to gender-based violence, programs to educate and mobilize men and boys to become advocates against gender-based violence in their community, and programs to improve girls' access to and performance in education.
- (ii) **General public services for a specific gender**, such as programs to support high-technology startups with a specific focus on women tech entrepreneurs, and an investment project to construct a new metro line that seeks to improve women's use of the transport system by providing secure street lighting around stations.
- (iii) **General public services without a specific gender focus**, such as programs to support local farmers' access to microcredit that do not address gender biases in access to agricultural inputs, and programs targeting youth unemployment that do not address marginalization of migrant boys.

75. Several countries such as Nepal and India implement GRB and have developed their own classification systems.<sup>77</sup>

76. In Azerbaijan, the MOF State Treasury Agency (established in 2009) tracks state budget expenditures.<sup>78</sup> The review of the information and discussions with the State Treasury Agency suggest they do not track budget expenditures for gender equality because the approved state budget line items do not entail information on gender differences.

## 6.7 Gender Responsive Reporting

77. Annual reporting on gender equality results is an important accountability tool for the government. The reporting can be part of the budget execution or performance reports, or as part of individual agency reports. Regardless of the format, the reporting should include information on (i) gender equality outcomes, (ii) data on gender related expenditures, (iii) assessment of the implementation of budget policies and their impacts on gender equality, and (iv) sex-disaggregated data on budgetary central government employment.

78. Argentina, France and Morocco publish annual gender budget reports. For example, in Morocco, the MOF (since the adoption of a new finance law in January 2014) is legally

<sup>75</sup> State Statistical Committee. 2020. [Gender Indicators. Women and Men in Azerbaijan](#) (in Azerbaijani); and State Statistical Committee. 2020. [Budget of Households](#) (in Azerbaijani).

<sup>76</sup> PEFA Secretariat, 2020, p. 68–69.

<sup>77</sup> For an overview of different classification systems see Annex 3.

<sup>78</sup> Ministry of Finance. 2019. [State Treasury Agency](#); Ministry of Finance. 2020. [Analysis of the implementation of the revenue and expenditure part of the budget](#) (both documents in Azerbaijani).

obliged to submit a separate gender report to Parliament every year together with the annual budget bill.

79. In Azerbaijan, in accordance with the Law on Budget System (Article 20) the MOF submits to Parliament monthly, quarterly, and annual reports on the execution of the state budget. The execution of the state budget is described cumulatively based on functional, administrative, and economic classifications of expenditures and revenues.<sup>79</sup> A review of the state budget execution reports for 2018 and 2019 suggests that these do not contain information on gender equality and the number of beneficiaries by sex. The projects and activities that exclusively address women and girls (shelter houses, women empowerment projects, women-specific vocational training, etc.) are not indicated separately in the publicly available budget documents.

## 6.8 Evaluation of Gender Impacts of Service Delivery

80. This relates to independent ex-post evaluation of gender equality impacts of public service delivery which can be done through project or program evaluations, performance audits, public expenditure reviews or ex-post impact assessments. The assessment of gender impacts (both expected and unexpected) can be either part of general evaluations or conducted as a separate evaluation focusing on gender equality only. The ex-post evaluation should be conducted by independent bodies such as supreme audit institutions or external experts. For example, the Austrian Court of Audit carries out gender performance audits in line with internal guidelines for performance audits which are complemented by questions on gender, such as the relevance of gender objectives and the quality of gender data.<sup>80</sup>

81. In Azerbaijan, the Chamber of Accounts, the country's supreme audit institution, issues opinions on the draft state budget laws, conducts analysis of the state budget execution, and audits financial transactions of budget organizations.<sup>81</sup> The review suggests that the Chamber of Accounts does not conduct an ex-post evaluation of the performance of public service delivery in general, or an ex-post evaluation of gender equality results in particular.

## 6.9 Legislative Scrutiny of Gender Impacts of the Budget

82. Budget committees in Parliament may have an important role in scrutinizing gender impacts of draft budget laws, government reports on budget execution, and opinions of the supreme audit institutions on state budget execution. In several countries, such as Kenya or Fiji, parliamentarians have developed gender budget guidelines that include questions for a gender analysis of budget proposals.

83. The Committee on Economic Policy, Industry, and Entrepreneurship deals with budget policy in Parliament. There are also three social sector committees: the Labor and Social Policy Committee, the Health Committee and the Committee on Family, Women, and Children. Neither the Committee on Economic Policy, Industry, and Entrepreneurship (the main committee dealing with budget policy in Parliament), nor the Labor and Social Policy Committee, the Health Committee or the Committee on Family, Women, and Children conduct a gender analysis of budget proposals.

84. The Chamber of Accounts issues opinions and recommendations on drafts of state and consolidated budgets including extra-budgetary funds such as the State Social Protection

<sup>79</sup> Ministry of Finance. 2020. [Analysis of The Implementation of The Revenue and Expenditure Part of the Budget](#) (in Azerbaijani) and Ministry of Finance. 2020. [Laws on State Budget Execution](#) (in Azerbaijani)

<sup>80</sup> Austrian Court of Audit. 2020. [General Information](#).

<sup>81</sup> The Chamber of Accounts. 29.06.2018. [Law of the Republic of Azerbaijan on the Chamber of Accounts](#).

Fund.<sup>82</sup> The review suggests that currently neither Parliament nor the Chamber of Accounts include information on gender equality in their audit reports. The Opinion on Draft Law on the State Budget for 2020 of the Chamber of Accounts does not contain any gender equality-related information.<sup>83</sup>

## 6.10 Conclusion

85. This rapid review of gender responsiveness of Azerbaijan's PFM suggests that GRB is not yet applied in the country. However, ongoing reforms on the MTEF and the government's plan to move to results-based budgeting represent good opportunities for meaningful introduction of GRB.

86. Among the possible short-term measures to strengthen the gender responsiveness of the PFM system, if needed and first on a pilot basis in selected government agencies, could be:

- The Financial Stability Council could consider setting up a GRB technical working group to conduct a review, submit recommendations, and develop an action plan on mainstreaming GRB in the country's PFM system. The technical working group would comprise the Cabinet of Ministers, MOF, SCFWCA, MOE, SSC, and selected sector ministries.
- MOF, through a letter of instruction and the annual budget request forms, could require government agencies to include gender impact assessment and gender sensitive information in their revenue and spending proposals.
- MOF's MTEF guidelines could contain gender related requirements to ensure government agency medium-term budget proposals adequately reflect gender dimensions.
- The MOE could amend the Rules for the State Investment Program and the related forms issued to government agencies to reflect gender elements of proposed public investment projects.
- The draft Law on Budget submitted to Parliament could contain gender sensitive information. Specifically, an explicit discussion of gender equality can be embedded in (i) the socioeconomic development forecast, (ii) the key areas of tax and expenditure policy, (iii) targeted programs and the draft detailed expenditure for functional, economic and administrative classifications, (iv) the State Investment Program, (v) draft budgets of the State Oil Fund and State Social Protection Fund, and (vi) annual budget execution reports.
- MOF and SSC could set up a joint team to develop proposals on planning, collection, monitoring, and reporting gender disaggregated data on service delivery.
- MOF's State Treasury Agency could review international experience on tracking budget expenditures for gender equality and develop proposals on possible tracking of budget expenditures for gender equality within the current PFM system.
- MOF and SCFWCA could start (i) conducting internal gender equality assessments of selected sectors or programs of the state budget, and (ii) reflecting gender equality elements and gendered-disaggregated beneficiary analysis in the annual and quarterly budget execution reports submitted to Parliament.
- The Chamber of Accounts, based on international experience, could start developing guidelines for ex-post evaluation of agency performance of public service delivery with a focus on gender equality.
- Parliament could consider inviting SCFWCA to budget hearings to report on the status of gender equality in the country and the government's ongoing and proposed activities to raise gender equality and women's empowerment.

<sup>82</sup> The Chamber of Accounts. 2020. [Opinion on Draft Law on the state budget for 2020](#).

<sup>83</sup> The Chamber of Accounts. 2020. [Opinion on Draft Law on the State Budget for 2020](#) (in Azerbaijani).

87. In the medium term, the government could consider conducting a full-fledged gender responsiveness assessment of PFM systems at the next PEFA assessment. This would support a firmer anchoring of GRB in the PFM system and, if necessary, to further mainstream GRB in the laws on the budget system, on public procurement, and on the Chamber of Accounts.

## **7 REVIEW OF BUDGETS OF THE MINISTRY OF LABOUR AND SOCIAL PROTECTION OF POPULATION AND STATE COMMITTEE ON FAMILY, WOMEN, AND CHILDREN AFFAIRS**

88. While the last chapter examined the gender responsiveness of the PFM system, this chapter reviews the budgets of the MLSPP and SCFWCA from a gender responsiveness perspective. The discussion is based on a review of publicly available budget documents and focuses on the programs aimed at women or that have a gender component.

### **7.1 Main 2020 State Budget Parameters**

89. The approved state budget revenues (central and local) are USD 14.2 billion (29% of annual GDP) and approved expenditures are USD 15.8 billion (32% of annual GDP). The consolidated budget deficit of 1.4% of GDP in 2017 became a surplus of 5.6% in 2018 and reached a surplus of 9% in FY 2019.<sup>84</sup> For FY 2020, the government forecasts a deficit in the consolidated budget. The rate of fiscal dependence on oil and gas revenues is around 60%.

90. Normally, the state budget is said to be socially oriented because of a high share of social expenses. In 2020, expenditures for social protection, education, and health accounted for 41% of the budget expenditures, which is 9.9 percentage points higher than in 2019.<sup>85</sup> This is because of increased (i) minimum wage and pension, (ii) social benefits and allowances, and (iii) salaries of civil servants, law enforcement officers, and teachers. At the same time, there is no information on how these substantial increases benefit women or men of different ages.

### **7.2 Review of 2020 Social Expenditures**

91. The state budget presents expenditures per functional classification with detailed information on economic and administrative classifications.<sup>86</sup> Currently, gender elements do not feature in any budget expenditure classifications, sections, or paragraphs. At the same time, functional classification on education, health, social protection, and social security, agriculture, public investments, and economic activities could be sections where gender sensitive items can be integrated at a subsection and paragraph level. There are no publicly open reports on the rules for determining the financing needs of government agencies.

92. SCFWCA is funded from the expenditure items for general public services (functional classification 1) and social protection and social security (functional classification 6). SCFWCA receives AZN 4.5 million direct funding from the state budget for its programs and to maintain its organizational resources and staff. The annual budget of the SCFWCA is one of the lowest among state ministries and agencies.<sup>87</sup> In 2020, almost 60% of SCFWCA's budget will be allocated to salaries and compensations, and 40% to procurement and nonfinancial assets.

<sup>84</sup> Ministry of Finance. 2019. Ministry of Finance. January 2020. [Macro-Economic Indicators and Social Development of the Country](#) (in Azerbaijani).

<sup>85</sup> Ministry of Finance. 2019. [Budget Indicators for 2020 and Middle Term](#).

<sup>86</sup> Ministry of Finance. 2020. [Law on 2019 State Budget of Azerbaijan](#).

<sup>87</sup> Chamber of Accounts. 2020. [The Draft Law on the State Budget of the Republic of Azerbaijan for 2020](#) (in Azerbaijani).

SCFWCA's mandate is large as the committee covers the whole-of-government policy on family, women and child protection issues. Hence, there is a mismatch between the mandate and the annual budget. This mismatch may need to be addressed after the eventual adoption of the National Action Plan on Gender Equality.

93. In 2020, the state budget's allocation to MLSP and its subordinate structures (State Labor Inspection Service, State Medical-Social Expertise and Rehabilitation Agency, State Social Protection Fund) to balance its budget was about USD 1.7 billion (AZN 2.8 billion), that excludes allocations from public investment (state capital) programs.<sup>88</sup> This is because capital expenditures at agency level are reflected in the State Investment Program and are not publicly disclosed.<sup>89</sup> The Opinion Report of the Chamber of Accounts on the 2020 state budget indicates that AZN 807.3 million will be allocated for social projects.<sup>90</sup>

94. MLSP does not disclose the criteria for resource allocation in the process of budget preparation, including criteria on gender inequality. There are no publicly available priority and needs assessment reports or methodologies for resource allocation in different sectors. There is an internal discussion between MLSP and the MOF on resource allocation. During the preparation of the draft budget for 2021, a detailed explanation of the funds required for each item in the economic classifications, supporting materials, calculations, and assessments together with the relevant supporting documents are submitted to the MOF and detailed discussions are held with relevant authorities in the budget process.

### 7.3 MLSP and SCFWCA Budget Expenditure Classifications

95. In Azerbaijan, the budget classification comprises budget revenues and expenditures per functional, economic, administrative, and other principles.<sup>91</sup> The economic classification of budget expenditures includes sections, subsections, paragraphs, items and subheadings, and consists of a 6-digit code with two and three digits attached. An example of the economic classification in a gender sensitive item is shown below:

Subsection: 271000: Social insurance  
 Paragraph: 271200. Benefits  
 Items: 271240. Pregnancy and childbirth benefits<sup>92</sup>

96. Gender related information cannot be obtained from the budget presentation, although most expenditures are related to persons (e.g., salaries, allowances, cash payments, social assistance).<sup>93</sup> From a gender equality and impact perspective, it would be useful if the budget presentation could reflect (i) the groups of women and men who are to benefit from the transfers and to what extent these groups would benefit, (ii) whether the share of women and men reflect their actual needs, and (iii) how the transfers improve the social and economic situation of the beneficiaries. Gender inequalities in benefits could be tracked if sex-disaggregated information about beneficiaries was included in the budget documentation.

<sup>88</sup> Presidential Decree on the Application of the Law of the Republic of Azerbaijan [On Amendments to the Law on State Budget of the Republic of Azerbaijan for 2020](#) (the sum of the functional classifications 1.6.1.1., 1.6.2.1., 1.6.2.2., 1.6.4.1., 1.6.4.4.) (in Azerbaijani).

<sup>89</sup> Sectorial distribution of capital expenditures is reflected in the undisclosed document on sectorial distribution of the State Investment Program for 2020–2023.

<sup>90</sup> Chamber of Accounts. 2020. [The Draft Law On the State Budget of the Republic of Azerbaijan for 2020](#) (in Azerbaijani). Social projects are about repair and construction of educational institutions and health facilities, construction of residential houses for disabled families and families of martyrs, restoration and reconstruction of cultural facilities, construction of sports facilities for competitions.

<sup>91</sup> Ministry of Finance. 2018. [Unified Budget Classification of Budget Revenues, and Functional, Economic and Administrative Classification of Budget Expenses Azerbaijan](#) (in Azerbaijani).

<sup>92</sup> The maternity allowance includes expenditures for maternity leave.

<sup>93</sup> See Annex 7.

97. The review suggests that gender sensitive indicators could be integrated into the economic classification of the MLSP and SCFWCA without changing the existing budget classification codes and systems (Table 4). MLSP and SCFWCA would need to develop monitoring and evaluation systems to track implementation of the GRB indicators.

**Table 4: Integration of Gender Responsive Indicators in Economic Classifications**

<b>Ministry of Labour and Social Protection of Population</b>			
<b>Functional Classification 6. Social Protection and Social Security</b>			
<b>Economic Classification</b>	<b>Budget Code</b>	<b>Budget Category</b>	<b>Possible GRB Indicator</b>
5. Social protection of families and children	272100	Targeted state social assistance	Share of women-headed beneficiary households to reach certain thresholds country-wide or certain thresholds in selected outlying regions.
	272200	Child allowances for low-income families	Share of women-headed low-income beneficiary families who receive child allowances to reach certain thresholds country-wide or certain thresholds in selected outlying regions.
	272210	Benefits to children of martyrs	Share of boys and girls country-wide and in selected regions that receive social benefits.
	272250	Allowance for low-income families with children under one year of age	Share of women-headed beneficiary households to reach certain thresholds country-wide or certain thresholds in selected outlying regions.
<b>SCFWCA</b>			
<b>Functional Classification 6. Social Protection and Social Security</b>			
<b>Economic Classification</b>	<b>Budget Code</b>	<b>Budget Category</b>	<b>Possible GRB Indicator</b>
5. Social protection of families and children	211000	Salaries	<ul style="list-style-type: none"> <li>• Share of men and women.</li> <li>• Share of women to reach certain thresholds country-wide or certain thresholds in selected outlying regions.</li> </ul>

Source: Ministry of Finance and the authors.

#### 7.4 State Programs with Immediate GRB Potential

98. Among the state programs or activities on social issues with immediate potential for GRB application are (i) the State Program for the Protection of Mother and Child Health,<sup>94</sup> (ii) the State Program on the Education of Azerbaijani Youth Abroad, (iii) State Program for the Development of Inclusive Education for Persons with Disabilities in Azerbaijan for 2018–2024 (2020 state budget allocated AZN 1 million to this program), (iv) State Program on Youth Development, 2017–2023, (v) the organization of education of children with special needs and disabilities, (vi) the Chronic Kidney Deficiency Intervention Program, (vii) the introduction of new funding mechanisms in higher education institutions, (viii) the financing of congenital heart defects in children, (ix) the Compulsory Dispensation of Children Program.<sup>95</sup> These have

<sup>94</sup> This is the only program that purely targets women and children. In 2020, its state budget allocation was AZN 3 million. Source: [Ministry of Finance of Azerbaijan](#)

<sup>95</sup> The relevant programs on social issues and gender issues are listed in Annex 8.

a tacit gender dimension, which can be made explicit if there are relevant sex-disaggregated indicators developed and used by these programs.

## 7.5 Conclusion

99. The 2020 budgets of MLSPP and SCFWCA reflect agencies' current and capital expenditures per the established classification and do not contain gender-specific budget information. In the agencies' budget line items, it is impossible to identify if the expenditure is specifically targeted at women or men, or how women and men are benefiting from public services and activities funded through the state budget.

100. Given the natural gender equality propensity of their activities, MLSPP and SCFWCA could consider the following immediate steps for strengthening the gender responsiveness of their budgets:

- Assign GRB to an organic unit in their organization structure and designate a staff at the level of Deputy Head of the agency as GRB focal.
- Distinctly include gender equality projects for the next year and the next three years in the State Investment Program submitted together with the next year's state budget.
- In the budget requests submitted to MOF as part of the budgeting process for the next year: (i) add, where feasible, gender-specific expenses as a separate item, (ii) display gender sensitive expenditures separately in the submission of current and capital expenditure plans, (iii) incorporate gender related information in cost analysis for each organization and unit, including actual expenditures with relevant forms and supporting documents.
- Include information about gender equality in the regular budget reports submitted to MOF in the performance reports submitted to the Chamber of Accounts.
- Starting in 2020, SCFWCA could include discussion of GRB in its annual reports submitted to Parliament on SCFWCA activities related to the implementation of the Law on Gender Equality.

101. Medium-term measures by MLSPP and SCFWCA could consider:

- Developing and adopting GRB manuals to be used by the agency and closely aligned with the annual budgeting process and medium-term expenditure framework.
  - A GRB handbook for MLSPP is being developed in parallel to this discussion note. This handbook could serve as the basis for developing GRB manuals for other government agencies, including SCFWCA.
- Adopt gender responsive performance indicators as part of the eventual shift to results-based budgeting.<sup>96</sup>

## 8 CONCLUSION AND PROPOSED NEXT STEPS

102. The ongoing reforms on implementation of the MTEF and transition toward results-based budgeting present an opportunity to implement GRB in Azerbaijan. MOF's instructions on program-based action plans, financial requests for New Policy Initiatives and medium-term budget forecasts require that budget organizations prepare performance indicators and targets. Gender sensitive and gender equality performance indicators should be an integral part of such performance indicators.

103. The review of the main strengths, weaknesses, opportunities, and threats (SWOT) for GRB (Table 5), drawing on the discussion in the previous chapters, suggests that on balance commencement with phased implementation of GRB in Azerbaijan is now possible.

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<sup>96</sup> For examples from other countries see Annex 3 and 4.

**Table 5: SWOT Analysis for Gender Responsive Budgeting in Azerbaijan**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Elaborate country policy and legal frameworks on promoting gender equality and women empowerment.</li> <li>• Strategic commitment to raising public sector efficiency and strengthening PFM.</li> <li>• Strong institutional commitment at MOF, SCFWCA, and MLSPP.</li> <li>• Overall availability of sex-disaggregated and time-use data in health, education, unemployment, economic activity of the population, agriculture, welfare, and social security. This data enables a detailed situation analysis in the social sectors.</li> <li>• New technical cadre in the government open to modern and more inclusive forms of public resource management.</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of gender responsiveness of the PFM system.</li> <li>• SCFWCA: weak capacity on PFM.</li> <li>• MOF: weak capacity on gender equality elements of the budget process.</li> <li>• Line ministries: weak capacity on results-based and gender responsive budgeting.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Ongoing implementation of the MTEF and strategic commitment to results-based budgeting.</li> <li>• Development of results-based five-year strategic plans by line ministries.</li> <li>• Draft National Action Plan on Gender Equality, 2020–2024, submitted to Cabinet of Ministers for approval at the end of 2019 has GRB elements.</li> <li>• SCFWCA: empowered mandate on gender equality mainstreaming across sectors after approval of National Action Plan on Gender Equality, 2020–2024.</li> <li>• MOF: establishment of MTEF Center.</li> <li>• MLSPP: establishment of the Department of Analysis and Strategic Planning.</li> <li>• MOE: change in organization structure and enhanced mandate.</li> <li>• Development partners open to supporting the introduction of GRB in Azerbaijan.</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed approval of National Action Plan on Gender Equality, 2020–2024.</li> <li>• Change in the organization structure of the government.</li> <li>• Loss of PFM reform momentum in general and on GRB in particular because of new priorities or unexpected shocks.</li> <li>• Separation of GRB from PFM reforms.</li> <li>• Resistance at agency level because of misperceptions about the importance of gender equality issues in the country or additional workload arising from GRB implementation.</li> <li>• Inadequate beneficiary demand because of lack of general understanding of the benefits of GRB.</li> </ul>

Source: Authors' compilation based on analysis of legal acts and agency reports.

104. The recommendations on phased GRB implementation for consideration of SCFWCA, MOF, Ministry of Economy, MLSPP, the Parliament, and the Chamber of Accounts are presented in Table 6.

**Table 6: Proposed Recommendations on GRB Implementation in Azerbaijan**

Short-Term (2020–2021)	Medium-Term (2022–2023)	Long-Term (2024–2025)
<b>SCFWCA</b>		
<ul style="list-style-type: none"> <li>• Facilitation of endorsement of National Action Plan on Gender Equality, 2020–2024.</li> <li>• Assign organic unit and senior level staff to GRB implementation.</li> <li>• In consultation with MOF and informed by international experience, develop and submit for government approval the mechanism on conducting a gender analysis of state and municipality budgets (per the provision of the National Action Plan on Gender Equality, 2020–2024).</li> <li>• Develop and include gender equality projects on GRB in the 2021 State Investment Program.</li> <li>• In the budget requests submitted to MOF: (i) add, where feasible, gender-specific expenses as a separate item, (ii) display gender sensitive expenditures separately in the submission of current and capital expenditure plans, (iii) incorporate gender related information in cost analysis for each organization and unit, including approved expenditure norms, forms, and supporting documents.</li> <li>• Develop and submit for review by the Financial Stability Council the methodology and business process for preparation of gender responsiveness review of the proposed and executed state budget (in coordination with MOF).</li> <li>• Conduct GRB awareness raising and capacity building for SCFWCA staff at central and local levels.</li> <li>• In consultation with MOF, develop a program on GRB awareness raising and capacity building for gender and GRB focals and related staff in government agencies, Parliament, and local administrations.</li> <li>• Include a dedicated GRB section or chapter in the annual report submitted to Parliament as per Article 20 of the Law on Gender Equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver awareness raising and capacity building on GRB and establish a GRB network (community of practice) in coordination with MOF.</li> <li>• Adopt a GRB manual closely aligned with the annual budgeting process and medium-term expenditure framework.</li> <li>• In coordination with MOF, develop gender responsiveness reviews of the proposed 2022 state budget and of the executed 2021 state budget. These reviews, among others, should reflect: <ul style="list-style-type: none"> <li>○ how government agencies include priority actions of the National Action Plan and SDG 5 indicators in their MTEFs and annual budgets, and</li> <li>○ how women were involved in decision making on budget priorities and in public investment project identification and preparation.</li> </ul> </li> <li>• Discuss progress of GRB implementation in the annual report submitted to Parliament per Article 20 of the Law on Gender Equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare the five-year strategic plan to include gender sensitive targets and performance indicators for annual activities.</li> <li>• Report on GRB results and impacts in the annual report submitted to Parliament.</li> <li>• In coordination with MOF, conduct an international conference on GRB implementation in Azerbaijan.</li> </ul>
<b>Ministry of Finance</b>		

Short-Term (2020–2021)	Medium-Term (2022–2023)	Long-Term (2024–2025)
<ul style="list-style-type: none"> <li>• Assign an organic unit (e.g. MTEF Center, Budget Department) and senior level staff to be responsible for GRB implementation.</li> <li>• Propose to the Financial Stability Council that they establish a GRB technical working group to develop an action plan on mainstreaming GRB in the country’s PFM system. The technical working group would comprise Cabinet of Ministers, MOF, SCFWCA, MOE, SSC, and selected sector ministries.</li> <li>• Organize awareness raising and capacity building on GRB for the staff of the concerned units and agencies of MOF.</li> <li>• Mainstream GRB in the 2021 annual budget instructions and MTEF instructions and revise existing forms for budget requests to reflect gender elements (e.g. add columns to enable provision of data on staff and beneficiaries by sex, add space for narratives related to gender equality measures and results).</li> <li>• Include GRB in the new MTEF action plan to be approved by the Financial Stability Council.</li> <li>• Create a GRB webpage on MOF’s website as a repository of GRB documents and information, with cross links to relevant sources at SCFWCA and SSC websites.</li> <li>• Consider reaching out to PEFA for the conduct of assessment of gender responsiveness of the country’s PFM system.</li> <li>• Consider joining an international community of practice on GRB.<sup>97</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Develop generic GRB guidelines for government agencies to cover the annual and MTEF budget cycles. These guidelines would include the gender impact assessment methodology to be followed for budget requests.</li> <li>• Integrate GRB in the rolling out of MTEF to other sectors.</li> <li>• Integrate gender in new manuals and handbooks to be developed as part of the PFM reforms.</li> <li>• Consider expanding the GRB page on MOF’s website to include <ul style="list-style-type: none"> <li>○ a platform for knowledge sharing between sector ministries and posting of regular e-newsletters on GRB, and</li> <li>○ detailed gender disaggregated data on service delivery performance plans and actual delivery in coordination with SSC.</li> </ul> </li> <li>• Starting in 2022, ensure that documents submitted to Parliament together with the state budget proposal meaningfully reflect information on gender equality.</li> <li>• Promote meaningful integration of GRB in the reforms toward results-based budgeting.</li> <li>• On an annual basis, submit GRB implementation progress reports to the Financial Stability Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a GRB tracking mechanism based on the budget classification system.</li> <li>• Reflect GRB in the annual report on the execution of the state and consolidated budget submitted to Parliament and in the operative information on the execution of the state and consolidated budget published by MOF.<sup>98</sup></li> <li>• Integrate GRB in the accountability mechanisms in the public sector (e.g. the inclusion of gender sensitive performance indicators in performance contracts between MOF or sector ministries with state-owned enterprises).</li> <li>• Develop amendments to the Law on Budget System and related by-laws to anchor GRB in the country’s PFM systems.</li> <li>• Prepare a five-year strategic plan of the ministry with gender sensitive targets and performance indicators for annual activities.</li> </ul>
<b>Ministry of Economy</b>		
<ul style="list-style-type: none"> <li>• Assign an organic unit (e.g. Public Investment Department) and senior level staff to be responsible for GRB implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop the 2022 State Investment Program based on gender equality assessments and targets in line with the</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare a five-year strategic plan for the ministry with gender sensitive targets and performance indicators for annual activities.</li> </ul>

<sup>97</sup> World Bank. 2014. [Gender Equality Community of Practice for Finance Ministers \(Discussion Summary\)](#).

<sup>98</sup> Ministry of Finance. 2020. [Analysis of the Implementation of the Revenue and Expenditure Part of the Budget](#) (in Azerbaijani).

Short-Term (2020–2021)	Medium-Term (2022–2023)	Long-Term (2024–2025)
<ul style="list-style-type: none"> <li>• Integrate gender equality assessment and targets in (i) the Rules on the Preparation, Implementation, Monitoring and Evaluation of the State Investment Program and the Rules and Guidelines for the Preparation and Implementation of the State Program on Socioeconomic Development of Regions, and (ii) forms on the list of projects (a) to be built at the expense of the State Investment Program in the state budget, (b) co-financed projects by foreign loans and State Investment Program, and (iii) the report on the implementation of investment projects implemented within the state budget.<sup>99</sup></li> <li>• Enhance the public procurement database to enable collection of sex-disaggregated data.</li> <li>• Integrate gender equality in public procurement training.</li> <li>• Develop and disseminate a report on progress toward SDG 5. This report can be cross referenced with MOF’s website on GRB.</li> </ul>	<ul style="list-style-type: none"> <li>• revised rules in the State Investment Program.</li> <li>• Develop proposals for improving the State Program on Socioeconomic Development of Regions for 2019–2023 to better reflect gender equality elements and issues.</li> <li>• Propose amendments to the Law on Public Procurement to incorporate gender elements (e.g. preference to women-headed bidders or to bidders committing a certain share of work to be delivered by women).</li> <li>• Integrate the gender dimension in the macroeconomic forecast model used for budget preparation and economic policy planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop the next state program for socioeconomic development of the regions and other state programs of the ministry with due consideration to gender elements and equality.</li> </ul>
<b>Ministry of Labor and Social Protection of Population</b>		
<ul style="list-style-type: none"> <li>• Assign an organic unit (e.g. Finance and Consolidated Budget Department) and senior level staff to be responsible for GRB implementation.</li> <li>• Adopt a handbook on GRB and conduct capacity building for its application for central and local level staff of MLSPP and its subordinate agencies (e.g. State Employment Agency, State Social Protection Fund, National Observatory for Labor Market and Social Protection).<sup>100</sup></li> <li>• Commission sex-disaggregated benefit incidence analysis to improve targeting of social spending.</li> <li>• Provide sex-disaggregated data and information in all areas of concern in annual reports.</li> <li>• Use gender equality as a determinant for preparation of budgets for the Targeted Social Assistance, Self-Employment Program, and other priority social protection programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a comprehensive database covering all social assistance transfers which could be used for management information systems and the production of analytic reports. The database should include all data disaggregated by sex.</li> <li>• Commission gender sensitive beneficiary assessments or other qualitative methods to collect information about satisfaction of beneficiaries with services provided.</li> <li>• Prepare annual reports for the ministry with gender-specific information on activities and contributions to reducing gender inequality.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare a five-year strategic plan for the ministry with gender sensitive targets and relevant performance indicators for annual activities.</li> </ul>
<b>Parliament’s Committees on Economic Policy, Industry, and Entrepreneurship; and on Family, Women and Children</b>		

<sup>99</sup> Ministry of Economy. 2020. [The List of Public Investment Projects for 2021-2024](#) (in Azerbaijani).

<sup>100</sup> The training could target the staff of MLSPP’s Finance and Summary Budget Department, Strategic Planning Department, Internal Control and Audit Department, Labour Policy Department, Disability Policy Department, Employment Policy and Demography Department, Social Provision Policy Department.

Short-Term (2020–2021)	Medium-Term (2022–2023)	Long-Term (2024–2025)
<ul style="list-style-type: none"> <li>Consider joint awareness raising and capacity building for GRB to be organized by SCFWCA and MOF.</li> </ul>	<ul style="list-style-type: none"> <li>Develop guidelines for assessing the gender impact of the draft state budget law.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a working group on gender equality and gender responsive budgeting.</li> </ul>
Chamber of Accounts		
<ul style="list-style-type: none"> <li>Consider joint awareness raising and capacity building for GRB to be organized by SCFWCA and MOF.</li> </ul>	<ul style="list-style-type: none"> <li>Develop guidelines on ex-post evaluation of the performance of public service delivery in general and on gender equality results.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ex-post evaluations of the performance of public service delivery and gender equality results in selected agencies.</li> </ul>

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- Rules for the Preparation of the Medium-Term Expenditure Framework (2018)
- MTEF Preparation Instructions (2020)
- Annual Budget Appropriation Laws (e.g. for 2019)
- National MDG/SDG Indicators
- Official Budget Calendar approved by the Ministry of Finance (updated in 2018)
- Medium and Long-Term Strategy for Public Debt Management in Azerbaijan (2018)

### Annex 1: Current Annual Budget and Planned MTEF Process in Azerbaijan

As per the MTEF Preparation Rules approved in 2018, the budgeting process is divided into two consecutive stages: (1) MTEF phase, which is the strategic stage of budgeting, and (2) technical or annual budget planning stage.

Current Budget Process			MTEF Process		
Budget Activities	Deadlines	Responsible Institutions	Budget Activities	Deadlines	Responsible Institutions
The process of drafting the budget for the next year begins with the corresponding decree of the Cabinet of Ministers.	The 3rd decade of January	Cabinet of Ministers	Preparation of the MTEF begins with submission of detailed instructions to the budget organizations.	Before February 15	Ministry of Finance
The medium-term economic and social development forecasts of the country are clarified and submitted to the Ministry of Finance.	By the end of February	Ministry of Economy	Performance indicators and preliminary forecast indicators of the state budget (revenues, expenditures, and debts) are submitted to the Ministry of Economy.	Before February 5	Ministry of Finance
Budget organizations will submit proposals on the main directions of fiscal policy for the next year and the next three years along with the information required for calculation of budget rules.	Before March 1	Budget organizations	The necessary information will be submitted to the Ministry of Economy by other state bodies to coordinate forecasts.	Before February 5	Central Bank, State Oil Fund, State Customs Committee, State Statistics Committee, MLSPP
The initial mid-term budget forecast (income, expenditure, deficit, and sources of financing the deficit) for the next year has to be drafted in accordance with the specified mid-term economic and social development program.	Before March 31	Ministry of Finance	Preparation and submission of a forecast for the current year and the preliminary economic and social development program for the medium term to the Ministry of Finance.	Before March 1	Ministry of Economy
Drafting of the State Investment Program is prepared.	Before March 31	Ministry of Economy	Submit their strategic plans to the Ministry of Finance and the Ministry of Economy, as determined by the Cabinet of Ministers.	Before March 1	Budget organizations
The draft of the state budget for the next year, the main directions of the budget and tax policy, the level of income and expenditure at the level of the budget classification sections, public debt, priority	Before April 15	Ministry of Finance	Submission of current and capital expenditure orders (base forecasts) to the Ministry of Finance for all current and	Before March 1	Budget organizations

Current Budget Process			MTEF Process		
Budget Activities	Deadlines	Responsible Institutions	Budget Activities	Deadlines	Responsible Institutions
expenditures, summary budget forecasts for next year and the next three years (including upper budget expenditures calculated according to budget rules), draft laws required for the drafting and execution of the state budget and preliminary draft of the State Investment Program are prepared and submitted to the Cabinet of Ministries.			ongoing projects, regardless of loans, grants or other forms of financing.		
The draft state budget for the next year and a letter of instruction for a compilation of the consolidated budget indicators for the next three years are prepared and sent to the budget organizations (central and local). The instruction provides information on cost analysis for each organization and unit, including approved expenditure norms, forms, and supporting documents for submitting a detailed budget proposal to the Ministry of Finance.	Before May 1	Ministry of Finance	Budget organizations submit information on the capital expenditures of ongoing projects to the Ministry of Economy.	Before March 1	Budget organizations
Municipalities wishing to receive financial support from the state budget should submit the necessary documents and information to the Ministry of Finance.	Before May 1	Municipalities	Budget organizations should submit their applications for New Policy Initiatives to the Ministry of Finance in the format specified in the relevant instruction. <sup>1</sup>	Before March 1	Budget organizations
Organizations funded from the state budget, finance structures of the region (city) have to submit a draft budget to the Ministry of Finance on the basis of the instruction letter.	Before July 1	Budget organizations (central and local)	Budget organizations provide the Ministry of Economy with information on cost analysis for new high-priority investment proposals.	Before March 1	Budget organizations

<sup>1</sup> A maximum of three New Policy Initiatives may be offered by the budgetary organizations where additional funding is required. The total annual amount of all proposed initiatives should not exceed 10% of the allocations for the next budget year.

Current Budget Process			MTEF Process		
Budget Activities	Deadlines	Responsible Institutions	Budget Activities	Deadlines	Responsible Institutions
Regional and local subdivisions of state bodies that collect state budget revenues must submit draft budget revenue projections for the next fiscal year and the following 3 years to local units of the Ministry of Finance in accordance with the forms approved and instructions of the Ministry of Finance.	Before June 1	Revenue collecting bodies (e.g. tax and customs bodies)	Submit to the Ministry of Economy the consolidated budget and state budget for the medium-term period, based on sectorial strategic plans of budget organizations in accordance with the medium-term resource envelope and budget expenditure orders.	Before April 1	Ministry of Finance
The relevant authority adjusts the economic and social development projections and the State Investment Program for the next year and the next three years, taking into account the actual results of the six months of the current year.	Before August 1	Ministry of Economy	Based on the information provided, the socioeconomic forecasts are updated and submitted to the Central Bank.	Before April 8	Ministry of Economy
Recalculation of revenues and expenditures in the draft state budget based on revised economic and social development projections and programs.	July-August	Ministry of Finance	The updated monetary policy information, current, and next year's monetary program, as well as the forecasted monetary indicators for the next year and the next three years and the opinion on balance sheet forecast, will be submitted to the Ministry of Economy.	Before April 15	Central Bank
Conduct active budget discussions taking into account the specified indicators of the state budget.	July-August, but before September 5	Ministry of Finance and central/local budget organizations	Submit to the Ministry of Finance the results of the medium-term socioeconomic projections and directions of the State Investment Program based on submitted proposals.	Before May 1	Ministry of Economy
The draft state budget and consolidated budget, including the upper limit of consolidated budget expenditures for the next fiscal year, the summary budget for the next three years is submitted to the Cabinet of Ministers and the Chamber of Accounts.	Before September 15	Ministry of Finance	Preparation and submission of the MTEF (based on budget forecasts, target indicators and proposals for the New Policy Initiative) to the Financial Stability Council and the Cabinet of Ministers.	Before May 15	Ministry of Finance

Current Budget Process			MTEF Process		
Budget Activities	Deadlines	Responsible Institutions	Budget Activities	Deadlines	Responsible Institutions
The draft state budget, consolidated budget expenditures with the upper limits and the summary of the budget indicators for the next three years must be presented to the President of Azerbaijan.	Before September 25	Cabinet of Ministers	Following the opinions of the Financial Stability Council, make an initial selection of national expenditure priorities, and submission of the MTEF and national spending priorities to the President.	Before May 25	Cabinet of Ministers
The draft state budget for the next year and other required documents must be presented to Parliament.	Before October 15	The President of Azerbaijan	Approval of the MTEF document, including the medium-term resource envelope, the medium-term budget policy, and the priorities for national spending.	Before June 15	President of Azerbaijan
Approval of the draft state budget and other related documents.	Before December 20	Parliament	Request additional information from the budgetary organizations.	Before July 1	Ministry of Finance
The annual report on the execution of the state budget for the last year and the relevant draft law are submitted to Parliament for approval.	Before May 15 (next fiscal year after the execution)	The President of Azerbaijan	Submission of budget instruction letters to the budget organizations to prepare and submit annual budget orders based on the approved MTEF.	Before July 1	Ministry of Finance

Source: [Law on Budget System \(2002\)](#); [Budget Calendar \(updated in 2018\)](#); [MTEF Preparation Rules \(2018\)](#).

## Annex 2: Gender Responsive Budgeting as Part of the Legal Framework - Examples from other Countries

Some countries have incorporated gender responsive budgeting (GRB) in their public finance and related laws. The most prominent examples are briefly outlined.

### Republic of Korea

The Republic of Korea was one of the first countries that included articles on GRB in their public finance national bill, enacted in 2006. The bill made the implementation of GRB mandatory for each public institution by 2010. GRB was linked to the introduction of program-based budgeting with a strong focus on planning and reporting.

#### **The 16th Article (Principle of Budget Planning)**

5. The Government should make efforts to assess the impact of the national budget on men and women, and to reflect the results of the impact assessment in budget planning.

#### **The 26th Article (Preparation of Gender Responsive Budget Plan)**

The Government should prepare a report on advanced impact assessment of the national budget on men and women (hereinafter referred to as 'gender responsive budget plan'). Detailed items on the gender responsive budget plan shall be made in a Presidential Act.

#### **The 57th Article (Preparation of Gender Responsive Budget Report)**

The Government should prepare a report on whether men and women have equally benefited from the national budget, and the national budget has been implemented to improve gender inequality (hereinafter referred to as 'gender responsive budget report'). Detailed items on the gender responsive budget report shall be made in a Presidential Act.

### Austria

Austria introduced gender equality as a clear objective of the government in 2007, and since then GRB is seen as a means to promote gender equality.

In the constitutional amendment of 2007, gender budgeting was explicitly included as an obligatory dimension of performance budgeting.

**Article 13** of the Austrian Constitution requires the following: "Federation, States and Communes are to strive for the effective equality of women and men in their budget management." According to Article 51 of the Austrian Constitution, GRB is defined as an integral part of performance budgeting: "Within Federal budget management the fundamental principles of impact orientation, especially under consideration of the objective of the effective equality of women and men...are to be observed."

### Belgium

In 2007, the Belgium Parliament passed a law that required the integration of a gender dimension into all federal policies, including budgeting. The law requires all ministries to identify gender equality objectives and then to link these objectives to their budget programs. Furthermore, Belgian law requires a discussion of the budget in Parliament to include gender equality actions, and for all government policies and laws to be subject to an assessment in

terms of the potential differential impact on women and men. Another important part of the law makes the collection and use of sex-disaggregated data mandatory.

### **Morocco**

In Morocco, Gender Responsive Budgeting became part of the New Organic Budget Law No. 130-13 (2015) which makes it mandatory to consider gender equality in all sectors when defining performance objectives, results, and performance indicators (Articles 38–42). The New Organic Budget Law also stipulates that an annual Gender Report must be submitted to Parliament together with each year's finance bill.

### **Rwanda**

In Rwanda, GRB was included in the Organic Budget Law No. 12/2013. Gender balance in public state finance management is listed among the fundamental principles of public finance management (Article 4, 6) and the submission of a gender budget statement as an annex to the budget framework paper to Parliament is mandatory (Article 32, 12).

### **Timor-Leste**

Since independence in 2002, Timor-Leste has taken significant steps to improve gender equality by paying attention to raising and spending of government finances. The Government of Timor-Leste introduced GRB on 14 July 2009 through a parliamentary resolution which links GRB with greater efficiency in public spending and the promotion of women's participation in decision making processes.<sup>1</sup>

### **Tunisia**

In Tunisia, Article 18 of the new Organic Law on the Budget No. 15 of February 13, 2019 reads as follows:

The finance law allocates funds for budget expenditure by mission and by program. The mission is a set of programs contributing to the achievement of endorsed public policies. It groups together all the appropriations made available to each Head of Mission. The program reflects a specific public policy within the same mission and includes a homogeneous set of subprograms and activities directly contributing to the achievement of the public policy objectives of the said programs.

The Head of Programs shall ensure that the budget is prepared on the basis of objectives and indicators guaranteeing equal and equivalent opportunities for men and women and, in general, for the various social categories, without discrimination, and shall be evaluated on that basis.

### **Uganda**

In Uganda, the new Public Finance Management Act of 2015 refers to gender equity in several paragraphs and introduces a new instrument that is the first of its kind worldwide. The Certificate of Gender Equity is an enforcement mechanism to address gender equality in planning and budgeting.<sup>2</sup>

The relevant articles of the Public Finance Management Act read as follows:

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<sup>1</sup> Parliamentary resolution on gender-responsive budgeting (National Parliament Resolution No. 12/2010).

<sup>2</sup> Power Point Presentation shared by FOWODE

**Article 9: Budget Framework Paper**

*(1) Each Accounting Officer shall, in consultation with the relevant stakeholders, prepare a Budget Framework Paper for the vote, taking into consideration balanced development, gender and equity responsiveness and shall submit the Budget Framework Paper to the Minister.*

*(6) The Minister shall, in consultation with the Equal Opportunities Commission, issue a certificate:*

*(a) certifying that the budget framework paper is gender and equity responsive; and*

*(b) specifying measures taken to equalize opportunities for women, men, persons with disabilities and other marginalized groups*

**Article 13: The Annual Budget**

(11) The Minister shall present with the annual budget:

(c) a certificate issued by the Minister responsible for Finance in consultation with the Equal Opportunities Commission:

(i) certifying that the budget is gender and equity responsive; and

(ii) specifying the measures taken to equalize opportunities for men, women, persons with disabilities and other marginalized groups;

(14) The Minister shall prescribe the format of the policy statement to be submitted by a vote.

(15) A policy statement shall contain:

(g) a certificate issued by the Minister responsible for Finance in consultation with the Equal Opportunities Commission;

(i) certifying that the policy statement is gender and equity responsive; and

(ii) specifying measures taken to equalize opportunities for men, women, persons with disabilities and other marginalized groups.

### Annex 3: Tracking Tools - Examples from other Countries

**Indicator 6** of the *Supplementary Framework for Assessing Gender Responsive Public Financial Management* is linked to the ability of a country to track budget expenditures for gender equality.<sup>1</sup>

One way to assess the gender responsiveness of expenditures is the introduction of a classification system that can be used both at the planning stage and for the purpose of tracking and reporting. Both international organizations such as the OECD or the United Nations and individual countries have developed classification systems for these purposes.

#### Three Kinds of Expenditures

The PEFA Secretariat differentiates between three kinds of expenditures:<sup>2</sup>

1. **Specific gender related equal opportunity programs:** Public expenditure focusing on paid maternal leave, subsidized child care to allow women to work, a program designed principally to prevent or respond to gender-based violence, a program to educate and mobilize men and boys to become advocates against gender-based violence in their community, a program to improve girls' access to and performance in education, with the main objective of empowering women and girls and reducing inequalities between boys and girls, men and women.
2. **General public services targeted specifically at or used mostly by a specific gender:** Programs to support high-technology startups with specific initiatives to support women tech entrepreneurs; or an investment project to construct a new metro line that seeks to improve women's use of the transport system by providing secure street lighting around stations.
3. **General public services that operate without a specific focus on gender or gender equality:** A program to support local farmers access to microcredit to purchase agricultural inputs such as pesticides or fertilizers that does not address gender biases in access to agricultural inputs; or a program targeting youth unemployment that does not address marginalization of migrant boys.

The first two categories of expenditures targeting gender equality are, in principle, easier to track than the last one, which requires more knowledge of the programs and their outputs, outcomes, and impacts, and more knowledge about gender equality and policies that can support its achievement.

In the following, different approaches are presented that allow tracking of categories 1 and 2, and expenditures of the third category.

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<sup>1</sup> PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*.

<sup>2</sup> PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 68–69.

## Classification Systems at The Level of Organizations

### OECD-DAC Gender Equality Policy Marker

The OECD-DAC introduced the Gender Equality Policy Marker in 1997. It has since been used by OECD-DAC member states to track aid in support of gender equality and women's rights and has become a key monitoring and accountability tool in the context of the 2030 Agenda. It can help identify gaps between policy and financial commitments and incentivize efforts to close them. The OECD-DAC's gender equality policy marker distinguishes between three categories of projects that are assigned scores as follows:

- Not targeted (score 0)
- Significant (score 1)
- Principal (score 2)

#### Three-point scoring system of the DAC gender marker

<b>NOT TARGETED (SCORE 0):</b>	The project/programme has been screened against the marker but has not been found to target gender equality.
<b>SIGNIFICANT (SCORE 1):</b>	Gender equality is an important and deliberate objective, but not the principal reason for undertaking the project/programme.
<b>PRINCIPAL (SCORE 2):</b>	Gender equality is the main objective of the project/programme and is fundamental in its design and expected results. The project/programme would not have been undertaken without this gender equality objective.

Source: OECD-DAC Network on Gender Equality (GENDERNET). 2016. *Handbook on the OECD-DAC Gender Equality Policy Marker*, Paris, p. 6.

To assign one of the three scores to a project, the minimum requirement is that a gender analysis has been conducted and a 'do no harm' approach is followed to ensure as a minimum standard that the project or program does not perpetuate or exacerbate gender inequalities.

DAC members are encouraged to monitor and report on the gender equality results achieved by projects or programs marked significant and principal (Score 1 and 2) in the evaluation phase. Reporting on gender equality results is essential to measure and improve performance.

A principal score is not by definition better than a significant score. GENDERNET recommends that donors adopt a twin-track approach to gender equality across their development cooperation portfolio, combining dedicated and targeted interventions (usually Score 2 which relates to the expenditure Categories 1 and 2 above) with gender mainstreaming (usually Score 1 which relates to expenditure Category 3).

The original criteria for the three scores of the gender equality policy marker were recently replaced by the following new minimum criteria introduced in December 2016.<sup>3</sup>

<sup>3</sup> OECD/DAC Network on Gender Equality. 2016. *Definition and Minimum Recommended Criteria for the DAC Gender Equality Policy Marker*.

### Scoring system and minimum criteria

In order to ensure the comparability of the data reported by DAC members, it is important that projects meet a set of minimum criteria that are common to all DAC donors. The GENDERNET recommends the following minimum criteria for aid activities to qualify for a 0, 1 or 2 score:

<p><b>NOT TARGETED (SCORE 0):</b></p>	<p><b>The project/programme has been screened against the marker but has not been found to target gender equality.</b></p> <p>This score cannot be used as a default value. Projects/programmes that have not been screened should be left unmarked – i.e. the field should be left empty.<sup>10</sup> This ensures that there is no confusion between activities that do not target gender equality (score 0) and activities for which the answer is not known (empty field).</p> <p>It is necessary that a gender analysis is conducted for all projects/programmes. Findings from this gender analysis should be used to ensure at minimum that the project/programme does no harm and does not reinforce gender inequalities.</p>												
<p><b>SIGNIFICANT (SCORE 1):</b></p>	<p><b>Gender equality is an important and deliberate objective, but not the principal reason for undertaking the project/programme.</b></p> <p>The gender equality objective must be explicit in the project/programme documentation and cannot be implicit or assumed.</p> <p>The project/programme, in addition to other objectives, is designed to have a positive impact on advancing gender equality and/or the empowerment of women and girls, reducing gender discrimination or inequalities, or meeting gender-specific needs.</p> <table border="1" data-bbox="368 1037 1059 1384"> <thead> <tr> <th data-bbox="368 1037 995 1070">Minimum criteria (should be met in full)</th> <th data-bbox="995 1037 1059 1070">Yes</th> </tr> </thead> <tbody> <tr> <td data-bbox="368 1070 995 1104">A gender analysis of the project/programme has been conducted.</td> <td data-bbox="995 1070 1059 1104">✓</td> </tr> <tr> <td data-bbox="368 1104 995 1160">Findings from this gender analysis have informed the design of the project/programme and the intervention adopts a 'do no harm' approach.</td> <td data-bbox="995 1104 1059 1160">✓</td> </tr> <tr> <td data-bbox="368 1160 995 1272">Presence of at least one explicit gender equality objective backed by at least one gender-specific indicator<sup>11</sup> (or a firm commitment to do this if the results framework has not been elaborated at the time of marking the project).</td> <td data-bbox="995 1160 1059 1272">✓</td> </tr> <tr> <td data-bbox="368 1272 995 1305">Data and indicators are disaggregated by sex where applicable.</td> <td data-bbox="995 1272 1059 1305">✓</td> </tr> <tr> <td data-bbox="368 1305 995 1384">Commitment to monitor and report on the gender equality results achieved by the project in the evaluation phase.</td> <td data-bbox="995 1305 1059 1384">✓</td> </tr> </tbody> </table>	Minimum criteria (should be met in full)	Yes	A gender analysis of the project/programme has been conducted.	✓	Findings from this gender analysis have informed the design of the project/programme and the intervention adopts a 'do no harm' approach.	✓	Presence of at least one explicit gender equality objective backed by at least one gender-specific indicator <sup>11</sup> (or a firm commitment to do this if the results framework has not been elaborated at the time of marking the project).	✓	Data and indicators are disaggregated by sex where applicable.	✓	Commitment to monitor and report on the gender equality results achieved by the project in the evaluation phase.	✓
Minimum criteria (should be met in full)	Yes												
A gender analysis of the project/programme has been conducted.	✓												
Findings from this gender analysis have informed the design of the project/programme and the intervention adopts a 'do no harm' approach.	✓												
Presence of at least one explicit gender equality objective backed by at least one gender-specific indicator <sup>11</sup> (or a firm commitment to do this if the results framework has not been elaborated at the time of marking the project).	✓												
Data and indicators are disaggregated by sex where applicable.	✓												
Commitment to monitor and report on the gender equality results achieved by the project in the evaluation phase.	✓												

<b>PRINCIPAL (SCORE 2):</b>	<b>Gender equality is the main objective of the project/programme and is fundamental in its design and expected results. The project/programme would not have been undertaken without this gender equality objective.</b>	
	The project/programme is designed with the principal intention of advancing gender equality and/or the empowerment of women and girls, reducing gender discrimination or inequalities, or meeting gender-specific needs.	
	<b>Minimum criteria (should be met in full)</b>	<b>Yes</b>
	<b>A gender analysis</b> of the project/programme has been conducted.	✓
	<b>Findings from this gender analysis have informed the design</b> of the project/programme and the intervention adopts a 'do no harm' approach.	✓
	<b>The top-level ambition of the project/programme</b> is to advance gender equality and/or women's empowerment.	✓
	<b>The results framework</b> measures progress towards the project/programme's gender equality objectives through <b>gender-specific indicators to track outcomes/impact</b> .	✓
<b>Data and indicators are disaggregated by sex</b> where applicable.	✓	
Commitment to <b>monitor and report on the gender equality results</b> achieved by the project in the evaluation phase.	✓	

Source: OECD-DAC Network on Gender Equality (GENDERNET). 2016. *Handbook on the OECD-DAC Gender Equality Policy Marker*, Paris, p. 10–11.

In addition to screening projects with the gender equality policy marker, DAC members are required to classify their projects under a specific CRS purpose code to indicate the main sector that the project or program is designed to support (e.g. health, energy, agriculture etc.). Each project or program can only be assigned one purpose code.

Two codes are particularly relevant for tracking aid to gender equality:

- **The women's equality organizations and institutions code** (Code 15170): This purpose code is used to track support for institutions and organizations whose principal focus is gender equality and women's rights. It is intended to be applied to aid that goes to women's civil society organizations and women's ministries. By default, activities recorded under this purpose code get the principal score (Score 2) with the gender equality policy marker.
- **The violence against women code** (Code 15180): In June 2015, the DAC formally approved the proposal submitted by GENDERNET to introduce a new code in the DAC statistical system to track aid in support of ending violence against women and girls. This new tool will help hold governments accountable for delivering on Target 5.2 of the SDGs on eliminating all forms of violence against women and girls; and Target 5.3 on eliminating all harmful practices such as child, early and forced marriage and female genital mutilation. The first data was available in 2017 for 2016 aid flows.

### The French Development Agency

The French Development Agency (AFD) developed the "sustainable development opinion mechanism", a marking system to assess at the design stage how each project or program is intended to contribute to six dimensions of sustainable development, one of which is gender equality.<sup>4</sup> The system is based on a scoring system harmonized with the scores of the DAC

<sup>4</sup> The six dimensions of sustainable development tracked by AFD's sustainable development mechanism are: (i) economic development; (ii) social well-being and reduction in social imbalances; (iii) gender equality; (iv) conservation of biodiversity, management of natural environments and resources; (v) fight against climate change and its impacts; (vi) sustainability of the project's impacts and of the governance framework.

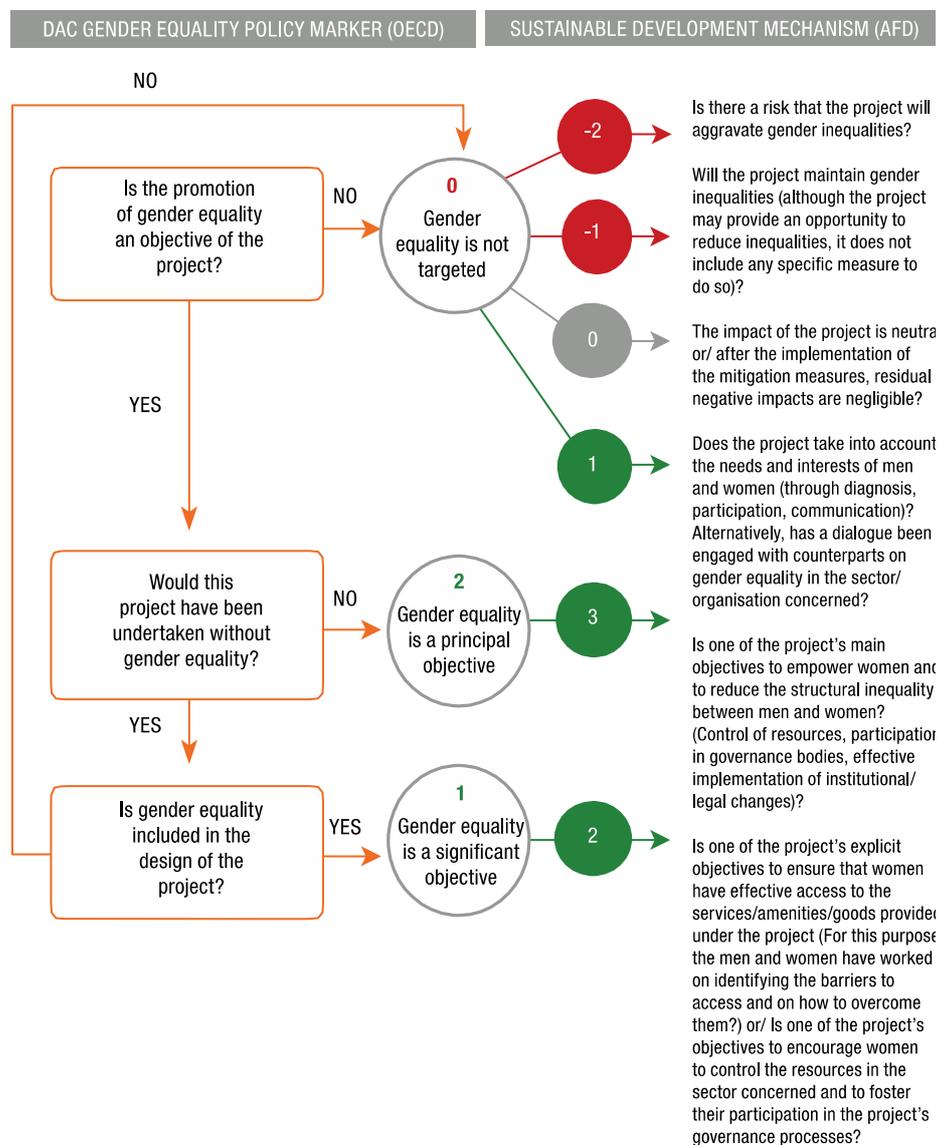
policy makers. It is applied in combination with the DAC markers.

An interesting feature of this system is that it introduces four categories which are all equivalent to the DAC gender marker's 0 score (not targeted):

- **Score minus 2:** The project risks exacerbating gender inequalities.
- **Score minus 1:** The project maintains gender inequalities or does not include any specific measure to reduce inequalities even though it may provide an opportunity to do so.
- **Score 0:** The impact of the project is gender neutral or potential negative impacts have been prevented through mitigation measures.
- **Score 1:** The project takes into account the different needs and interests of men and women or has engaged in a dialogue on gender equality with counterparts in the sector or organization concerned, but gender equality is not an explicit objective of the project. This category acknowledges efforts made in designing gender sensitive programs even though the program does not contribute to closing gender gaps.

These additional categories are aimed at encouraging operational teams to better integrate gender equality across their projects and help track their efforts, even if projects do not qualify for Score 1 or 2.

## Harmonisation between the OECD-DAC Gender Equality Policy Marker and the Gender Equality Dimension of the AFD's Sustainable Development Mechanism



Source: French Development Agency

Source: OECD-DAC Network on Gender Equality (GENDERNET). 2016. *Handbook on the OECD-DAC Gender Equality Policy Marker*, Paris, p. 20.

### The Belgian Technical Cooperation's Gender Budget Scan

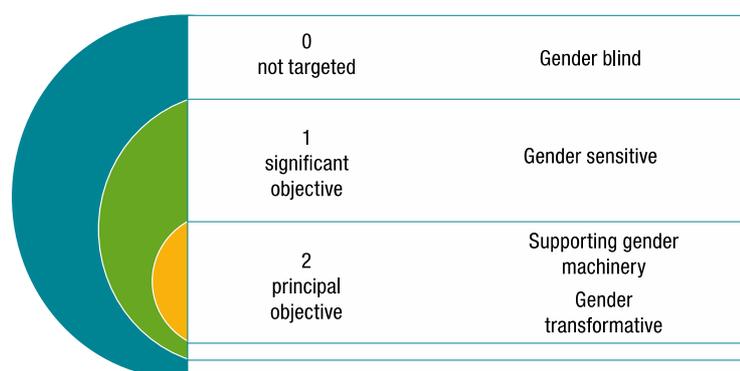
The Belgian Technical Cooperation has developed the Gender Budget Scan, a tracking mechanism to monitor the integration of gender equality in interventions from the design to the implementation and evaluation phases. The Gender Budget Scan is mandatory for all new project and program designs from 2016 in all countries and sectors. The Gender Budget Scan tracks gender equality expenditures from planning to implementation and evaluation phases. Budget lines are screened and classified according to four categories:

- (i) Gender-blind: disbursements made without a gender analysis.

- (ii) Gender sensitive: Based on a gender analysis, these expenditures are intended to provide different responses to meet the practical needs of men and women.
- (iii) Strengthening gender machineries: Expenditures aimed at strengthening the gender machinery, for instance through capacity building of gender focal points in line ministries or in partner institutions.
- (iv) Gender-transformative: Specific actions targeting changing gender relations and roles.

These expenditures address the strategic interests of women and men and aim to contribute to long-term structural and sustainable changes in societies to promote gender equality.

### Link between the GE-Policy Marker and the Gender Budget Scan



Source: Belgian Development Agency

Adapted from: OECD-DAC Network on Gender Equality (GENDERNET). 2016. *Handbook on the OECD-DAC Gender Equality Policy Marker*, Paris, p. 21–22.

### The Asian Development Bank

ADB distinguishes between the following four gender mainstreaming categories:<sup>5</sup>

- Category I: Gender equity as a theme (GEN)
- Category II: Effective gender mainstreaming (EGM)
- Category III: Some gender elements (SGE)
- Category IV: No gender elements (NGE)

Gender Equity as a theme (GEN)

According to ADB Guidelines for Gender Mainstreaming Categories in ADB Projects, a project is assigned the GEN categorization if:

1. The project outcome directly addresses gender equality or women's empowerment by narrowing gender disparities through access to social services (e.g. education, health, and water supply and sanitation); or economic and financial resources and opportunities (e.g. employment opportunities, financial services, land, and markets), or basic rural and urban infrastructure (e.g. rural electrification, rural roads, pro-poor energy distribution, and urban services for the poor); or enhancing voices and rights

<sup>5</sup> ADB. 2012. *Guidelines for Gender Mainstreaming Categories of ADB Projects*.

- (e.g. decision making processes and structures, political empowerment, and grievance mechanisms).
2. The outcome statement of the project design and monitoring framework (DMF) explicitly mentions gender equality and women's empowerment or the outcome performance indicators include gender indicators.

The requirements for projects with a GEN theme include:

- i. Gender analysis conducted during project preparation.
- ii. Explicit gender equality or women's empowerment outcomes or gender-specific performance outcome indicators and activities in the project DMF.
- iii. A gender action plan (GAP) with gender-inclusive design features, and clear gender targets and monitoring indicators or components to directly benefit women.  
Or
- iv. Inclusion of the GAP in the report and recommendation of the president to the board (RRP) as a linked document and GAP included in the project administration memorandum (PAM).<sup>6</sup>
- v. The RRP main text discusses how the project will contribute to improving women's access to or benefits from the project, at a minimum in the poverty and social subsection under the due diligence section.
- vi. A covenant or a condition in the policy matrix to support implementation of the GAP or gender design features.

The GEN categorization can be applied to investments, program loans such as public resource management programs, and other modalities.

### **Effective Gender Mainstreaming**

A project is assigned Effective Gender Mainstreaming (EGM) if the project outcome is not gender equality or women's empowerment, but project outputs are designed to directly improve women's access to social services or economic and financial resources and opportunities, or basic rural and urban infrastructure, or enhancing voices and rights which contribute to gender equality and women's empowerment.

The EGM category can be applied to virtually all sectors of ADB operations contingent on meeting the following requirements:

1. The social analysis conducted during project preparation included careful consideration of gender issues highlighting both constraints and opportunities.
2. Specific gender design features are included in the majority of project outputs or components to facilitate and ensure women's participation and access to project benefits. Most outputs and components should have at least three gender design features and targets.
3. Gender targets and performance and monitoring indicators in the project DMF.
4. A GAP is included as a linked document to the RRP and included in the related PAM.
5. The RRP main text discusses how the project will contribute to improving women's access to or benefits from the project, at a minimum in the poverty and social subsection under the due diligence section.
6. A covenant or a condition in the policy matrix to support implementation of the GAP.

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<sup>6</sup> ADB specific terminology.

### **Some Gender Elements (SGE)**

A project is assigned “some gender elements” if it meets either of the following:

1. By its nature it is likely to directly improve women's access to social services, or economic and financial resources and opportunities, or basic rural and urban infrastructure, or enhance their voices and rights (for example education, health, rural development, microfinance, water supply and sanitation, food security, and emergency food and rehabilitation assistance), but included little if any gender analysis and few or no specific design features and did not meet the EGM criteria  
Or
2. It is unlikely to directly improve women's access to social, economic or financial resources or opportunities, but significant efforts were made during project preparation to identify potential positive and negative impacts on women. Some gender features are included to enhance benefits to women (for example targets for employment of women in project construction work, provision of equal pay for equal work, information campaigns on HIV/AIDS risk, gender training of executing and implementing agencies, and adherence to core labor standards, especially child labor); and where resettlement is involved includes attention to women in the mitigation and resettlement plans (such as compensation payments to both men and women, joint-ownership of replacement land and housing, restoration of livelihood initiatives for women, and so forth).

### **No Gender Elements (NGE)**

A project is assigned “no gender elements” when it does not include any gender design features.

### **Swiss Development Cooperation Checklists**

To monitor compliance with its organizational Gender Equality Policy and as part of a pilot project related to the application of gender budgeting in its cooperation projects, the Swiss Development Cooperation (SDC) has developed a tool that consists of two checklists: the GEM checklist and the GEI checklist.

Both checklists need to be completed for every project. While the GEM checklist is strongly inspired by the OECD/DAC Gender Equality Policy Marker and a table in the ILO Gender Audit Report, the development of the GEI checklist was influenced by CEDAW related and internal SDC criteria.

**GEM CHECKLIST (GENDER EQUALITY MAINSTREAMING CHECKLIST)**

Scores: 3 – Fully, in detail, elaborately 2 – Significantly 1 – Superficially 0 – Not at all

Question		Supporting evidence	Yes	No	Score (3-0)
1	<b>Are promoting gender equality and/or combating discrimination against women explicit goals of the project?</b>	a) Is promoting equality between women and men mentioned in the summary?			
		b) Is promoting equality between women and men mentioned in the justification/rationale?			
		c) Is combating discrimination against women mentioned in the summary?			
		d) Is combating discrimination against women mentioned in the justification/rationale?			
2	<b>Has a gender analysis or gendered context/situation and stakeholder analysis been carried out?</b>	a) Are gender issues in project-relevant sectors, policies and legislation covered?			
		b) Is the data collected, compiled, analyzed and fed into the project gender-disaggregated?			
		c) Have women's practical and strategic gender needs, and (changes in) access to and control over resources ( <i>inter alia</i> power, time, financial resources) been analyzed?			
		d) Have men's practical and strategic gender needs, and (changes in) access to and control over resources ( <i>inter alia</i> power, time, financial resources) been analyzed?			
		e) Have the gender division of labor and changes in the gender division of labor been analyzed? (reproductive, productive, community-managing and political roles; paid and unpaid labor)			
		f) Does the information provided in the gender analysis explicitly feed into project design?			
3	<b>Have output indicators been developed that specifically refer to gender equality? Or, if there are no output indicators, do expected outputs specifically refer to gender equality?</b>	a) Is the data that is collected, compiled and analyzed gender-disaggregated?			
		b) Is the extent to which practical and/or strategic gender needs are met covered in expected outputs and/or in output indicators?			
		c) Are there quantitative as well as qualitative output indicators that allow the monitoring of women's and men's participation in consultative and decision-making processes at project level?			
		d) Do expected outputs refer to changes in the division of labor between women and men and/or are there output indicators that allow the monitoring of these changes? (reproductive, productive, community-managing and political roles; paid and unpaid labor)			
		e) Do expected outputs refer to women's and men's levels of access to and/or control over project outputs, and/or are there output indicators that allow the monitoring of women's and men's levels of access to and/or control over project outputs?			
4	<b>Have outcome indicators and/or key questions been developed that specifically refer to gender equality?</b>	a) Are there outcome indicators and/or key questions that allow the monitoring of changes in social norms, attitudes and practices affecting women and/or men?			
		b) Are responsibilities and resources allocated for gendered outcome monitoring clearly defined?			
		c) Are responsibilities and resources allocated for gendered evaluations clearly defined?			

<b>5</b>	<b>Do planning and implementing institutions have the gender expertise necessary to mainstream gender equality into the project?</b>	a) Is there a budget line for the mobilization of gender expertise?			
		b) Is the SDC Gender Unit, a SDC-HQ and/or a SDC COOF Gender Focal Point associated with the project?			
		c) Are external gender experts (consultants) associated with the project?			
		d) Are grassroots organizations with sound gender expertise project partners?			
		e) Are national NGOs with sound gender expertise project partners?			
		f) Are Government-affiliated bodies with sound gender expertise project partners? (e.g. National Women's/Gender Equality Machinery)			
<b>TOTAL SCORE (15-0)</b>					

### GEI CHECKLIST (GENDER EQUALITY ISSUES CHECKLIST)

A – Central commitment    B – Important commitment    C – Expected side-effect    D – Not at all

<b>The project explicitly promotes equality between women and men in:</b>		<b>A, B, C or D</b>
<b>1</b>	<b>Access to quality services</b> (education, training, health, social, legal, financial, etc.) that address women's and men's different needs and priorities	
	<input type="checkbox"/> Education (a) <input type="checkbox"/> Training (b) <input type="checkbox"/> Health (c) <input type="checkbox"/> Social (d) <input type="checkbox"/> Legal (e) <input type="checkbox"/> Financial (f) <input type="checkbox"/> Other: (g).....	
<b>2</b>	<b>- Decision-making processes at household/family and/or local/community levels</b>	
	<input type="checkbox"/> Household/family (a) <input type="checkbox"/> Local/community (b)	
<b>3</b>	<b>- Regional-, national- and international-level governance, including human rights</b>	
	<input type="checkbox"/> Regional (Districts, Regions) (a) <input type="checkbox"/> National (b) <input type="checkbox"/> International (c)	
<b>4</b>	<b>Time burden of paid and unpaid labor</b>	
	<input type="checkbox"/> Time burden of unpaid work on women reduced (a) <input type="checkbox"/> Paid work shared equally (b)	
<b>5</b>	<b>Access to and control over assets</b> (e.g. land, housing, credit) <b>and income</b>	
	<input type="checkbox"/> Land (a) <input type="checkbox"/> Housing (b) <input type="checkbox"/> Credit (c) <input type="checkbox"/> Income (d)	
<b>6</b>	<b>Physical and/or social and economic mobility</b>	
	<input type="checkbox"/> Physical mobility (a) <input type="checkbox"/> Social and economic mobility (b)	
<b>7</b>	<b>Living lives free of violence</b>	
	<input type="checkbox"/> Domestic violence (a) <input type="checkbox"/> Human trafficking (b) <input type="checkbox"/> Forced labor (c) <input type="checkbox"/> Armed conflicts (d)	
	<input type="checkbox"/> State violence (penal and security systems, etc.) (e)	

Source: M. Madoerin. 2007. *Gender Responsive Budgeting Initiatives in Switzerland: Work in progress*. Basel, p. 24–25.

## GRB Classification Systems at the Country Level

### Belgium

In Belgium, a gender budgeting methodology was introduced for ministries with the 2010 annual budgetary circular of the Federal Public Service Budget and Management Control. According to this circular, each Federal Public Service is required to subdivide all budgetary allocations into three categories:

- Category 1 is concerned primarily with budgetary allocations related to the internal functioning of government, and thus of no relevance to the attainment of gender equality. Examples given in the 2011 manual include operational expenses in information technology, costs for leasing real estate, interest on late payments, and compensation for damage to rental property. Personnel costs (salaries, training costs, etc.) are also included in Category 1, notwithstanding the manual's clear explanation of the gender dimensions of personnel costs and of the potential for making progress on gender equality within the public service by focusing on human resource policy.
- Category 2 covers budgetary allocations aimed at achieving gender equality, for example, programs and services designed to redress the impact of past gender discrimination or to eliminate persistent discrimination. Examples include refuge services for victims of domestic violence, grants to organizations providing services to marginalized women and men, and labor market activation schemes targeted for specific groups of women. Category 2 items are to be included in a gender note, specified in a specific legislation. The gender note is simply a table identifying the action and the program within which it is contained, the government department or agency responsible for the program, and the amount of money allocated to the program. There is no facility to indicate the number of beneficiaries of the activity.

Category 3 allocations encompass public policy measures directed to sizable populations of a society likely to have an impact on gender equality. Guidance from the Institute for the Equality of Women and Men recognizes that Category 3 is the largest grouping of budgetary allocations, thus acknowledging that gender is a determining characteristic when it comes to the impact of public policy. Category 3 items are to be subjected to a gender analysis to establish the relative status of women and men in the domain to which the budgetary item is targeted. This analysis is documented in a gender comment and used to inform the implementation of the program to produce a better gender equality outcome.<sup>7</sup>

### Ecuador

In Ecuador, the Ministry of Finance focused on developing a classification system to institutionalize gender budgeting in the administration of public finances. In 2010, the authorities ratified their commitment to gender budgeting by incorporating into the Organic Code on Planning and Public Finance, a compulsory requirement to report on gaps in gender equality. The next steps that year were to issue budget guidelines, with specific instructions on how to incorporate a gender focus in the central government budget circular and to revise the budget classification system to include gender equity in the functional classification alongside other government functional spending areas. This classification system enables expenditures for the promotion of gender equality to be registered similarly to sectorial spending. The gender equity classification (referred to as Function K) includes spending to promote and support:

- i. Social and political participation and the exercise of citizenship
- ii. A life free of violence

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<sup>7</sup> Copied from S. Quinn. 2016. *Europe: A Survey of Gender Budgeting Efforts*, IMF Working Paper WP/16/155.

- iii. Sexual and reproductive rights
- iv. Mechanisms for care providers
- v. Equality of opportunity in access to work
- vi. Equality of opportunity to access financial and nonfinancial resources
- vii. Access to resources to obtain sustainable development actions
- viii. Ancestral knowledge

One author indicated that the number of entities that registered gender expenditures in Function K and the amounts of funds allocated grew substantially from 2010 to 2012.<sup>8</sup>

The next major step was to transform, in 2012, the functional classification into a Catalog for Orientation of Expenditure on Gender Equality Policies (COGPIG). This enabled the following:

- i. Linking activities of institutional programs with strategic aims and goals.
- ii. Recognizing the cross-cutting application of expenditures on equality to other groups in the population.
- iii. Facilitating monitoring of the budget execution.

To encourage the use of the COGPIG, budget guidelines establish that institutions are obliged to define at least one activity that relates to gender equality policies and to register these resources in COGPIG. For monitoring and accountability, the guidelines also stipulate that institutions must present reports on the use of the gender resources registered and the results obtained.<sup>9</sup>

## India

In India, the Ministry of Finance established an expert group to develop a classification system, which included a GRB classification system. In its final report of 2004, the subgroup working on GRB proposed the following three categories:<sup>10</sup>

1. Women-centric programs and schemes with 100 percent pro-women allocation.
2. Schemes and programs that have a significant (over 30 percent) allocation for women.
3. Schemes and programs that cannot have gender sensitive elements.

In line with these recommendations, the Expenditure Division of the Ministry of Finance has issued a note on Gender Budgeting as part of the Budget Circular every year since 2005/2006. As part of the Expenditure Budget Document Volume 1, a two-part Gender Budgeting Statement (Statement 20) is being published.

- Part A reflects Women-Specific Schemes, i.e. those which have 100% allocation for women.
- Part B reflects Pro-Women Schemes, i.e. those where at least 30% of the allocation is for women.

Box 3 provides some examples of women-specific programs.

<sup>8</sup> L.P. Fragoso and C.R. Enríquez. 2016. *Western Hemisphere: A Survey of Gender Budgeting Efforts*, IMF Working Paper WP/16/153.

<sup>9</sup> L.P. Fragoso and C.R. Enríquez. 2016. *Western Hemisphere: A Survey of Gender Budgeting Efforts*, IMF Working Paper WP/16/153.

<sup>10</sup> Ministry of Finance, Government of India. 2004. *Classification of Government Transactions, Report of the Expert Group Constituted to Review the Classification System for Government Transactions*.

### Box 3: Snapshot of Gender Budget Statement - Government of India

#### PART A - 100% Women specific programmes

(in crores of Rupees)

	Ministry/Department	2014-2015 Budget			2014-15 Revised			2015-2016 Budget		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Demand No.2										
Department of Agricultural Research Education										
1	Directorate of Women in Agriculture	1.80	3.75	5.55	1.50	3.51	5.01	16.31	3.39	19.70
2	All India Co-ordinated Research Project on Home Science	9.40	....	9.40	8.50	....	8.50	24.53	3.39	19.70
	Total	11.20	3.75	14.49	10.00	3.51	13.51	40.84	3.39	44.23
Demand No. 6										
Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy										
1	Central Council for Research in Unani Medicine	....	....	....	2.40	4.52	6.92	5.94	4.02	9.96
2	Central Council for Research in Ayurvedic Sciences	....	....	....	0.50	....	0.50	0.55	....	0.55
	Total	....	....	....	2.90	4.52	7.42	6.49	4.02	10.51

**Source:** Gender Budgeting Handbook for Government of India Ministries, Departments of State Governments, District Officials, Researchers, and Practitioners, October 2015, p. 10.

### Italy

In Italy, the Ministry of Finance requests that budgetary units classify each budget subchapter according to the following categories (Italy has a program-based budget with actions, chapters, and subchapters):

- Expenditures “aimed at reducing gender inequalities” that relate to measures directly attributable to or aimed at reducing gender inequalities, or promoting equal opportunities (e.g. women's entrepreneurship funds, female employment incentives, life-work balance measures).
- Sensitive expenditures that relate to measures having a different impact on men and women (e.g. expenditures on school education).
- Neutral expenditures that have no effect on gender (e.g. interest and debt repayments, acquisitions of financial assets, depreciation, royalties, utilities, and funds to be distributed that have no clear gender purpose).

The reclassification is carried out by each budgetary unit because they have hands-on knowledge of the activities. If expenditures made on a specific subchapter are of mixed categories, the Ministry of Finance asks which percentage of the expenditure underlying each subchapter can be considered neutral, gender sensitive, or aimed at reducing gender inequalities. The expenditures for permanent staff (salaries) is not included in this exercise.

More precisely, the Ministry of Finance makes two requests of budget units:

- The Ministry asks each unit to examine their budget and classify all their spending by identifying whether the aim of that expenditure is to reduce a well-known gender gap, for example because the enabling law for that expenditure says so. This amounts to a small portion of the total. For all other expenditure items, the Ministry proceeds roughly

as follows: if the budget item concerns an expenditure to provide direct services to individuals, this should be considered “gender sensitive” unless the contrary can be proven; if the budget item concerns intermediate consumption for the ordinary functioning of the department, the department has to indicate whether it was used to support initiatives to reduce gender disparity (including, for example, missions to conferences on this subject, training seminars for staff on this issue, kindergarten for staff children). The idea is to break up the budget into pieces and have departments answer real questions about the purpose of their expenditure. An abundance of information is attached to each line item in the Italian budget, including levels of functional classification, levels of economic classification, connection of each budget item to the enabling law, and access to a database of all payments made.

- The Ministry asks each unit, by means of a lengthy questionnaire, to explain which initiatives or projects carried out during the year were aimed at reducing gender gaps, to describe them, and to provide, where possible, information on the rationale and beneficiaries and evidence on the impact.

The Ministry of Finance compares findings from these two activities and proposes additional analysis that might clarify the gender impacts of expenditure proposals.<sup>11</sup>

### **Indonesia**

Since 2010, the budget circular in Indonesia requires each Echelon 1 (the highest unit within the ministry, state agency or organization) to formulate and present a gender budget statement. All budget documentation needs to be accompanied by both budget tagging and gender budget statements. The gender budget statements need to include a summary of the current situation from a gender perspective, budgets measured, outputs to be produced, and outcomes achieved. The table below presents allocations tagged for gender in fiscal year 2018 (in IDR billion).

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<sup>11</sup> Copied from PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 70.

Line Ministry	Ministry Indicative Ceiling	GRPFM Allocation	GRPFM Ratio (%)
010 Ministry of Home Affairs (MOHA)	3,116,30	34,59	1,11
015 Ministry of Finance (MOF)	45,682,20	9,78	0,02
020 Ministry of Energy and Natural Resources	64,971,00	8,69	0,01
022 Ministry of Transportation	48,187,60	16,556,81	34,36
024 Ministry of Health	60,091,30	201,97	0,34
029 Ministry of Forestry and Environment	8,025,60	34,31	0,43
033 Ministry of Public Works and Housing	106,411,20	117,22	0,11
044 Ministry of Cooperatives and SME	944,60	2,70	0,29
059 Ministry of Communication and Information	4,922,90	1,33	0,03
063 State Agency on Food and Medicines Oversight (BPOM)	2,173,70	55,17	2,54
068 State Agency on Family Planning (BKKBN)	5,544,80	1,309,54	23,62
103 State Agency on Disaster Management (BNPB)	749,40	38,52	5,14
104 State Agency on Placement and Protection of Indonesian Migrant Workers (BNP2TKI)	396,20	0,24	0,06
<b>TOTAL</b>	<b>351,217</b>	<b>18,371</b>	<b>5,23</b>

Source: PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 71.

Indonesia tracks gender responsive budget allocations to understand if budget allocations match budget out-turns. This means that outputs considered gender responsive are marked (tracked) in the accounting system and are available and registered within the annual programs and in budget documentation. Therefore, these two budget documents contain details of expenditure measures aiming to improve gender equality.

The tagging system has its deficiencies. For example, a tagged amount is often higher than the actual expenditure for gender equality which can distort calculations of the total amount designated to gender equality. This is because the tagging is done at the output level while gender considerations are an input or activity or subcomponent at a lower level. Hence, exact cost plans and later actual expenditures are in many cases less than the amount of tagged budget allocations.<sup>12</sup>

<sup>12</sup> Copied from PEFA Secretariat. 2020. *Supplementary Framework for Assessing Gender Responsive Public Financial Management*, p. 71.

## Nepal

The Ministry of Finance in Nepal introduced a GRB classification system in fiscal year 2007–2008 that distinguishes between the following three categories:

1. Directly gender responsive
2. Indirectly gender responsive
3. Neutral

The Ministry of Finance uses five indicators to analyze budget allocations from a gender perspective. Each indicator has an assigned weight (see table below). Based on the weight, sectorial ministries are required to categorize their program budgets according to the extent to which they support gender equality.

SN	Indicator	Percent
1.	Women Participation in formulation and implementation of Program	20
2.	Women Capacity Development	20
3.	Women's share in benefit	30
4.	Support in employment and income generating to women	20
5.	Quality reform in time consumption & minimization in of work load to women	10
	<b>Total</b>	<b>100</b>
<b>Directly Gender Responsive (1) :</b>		<b>=,&gt;50%</b>
<b>Indirectly Gender Responsive (2):</b>		<b>&gt;20% to &lt;50%</b>
<b>Neutral (3) :</b>		<b>&lt;20 %</b>

Source: Presentation by UNESCAP.

If the score is equal or higher than 50%, a project is classified directly gender responsive. If the score is between 20 and 49, a project is classified indirectly gender responsive. All projects with a score of less than 20 are classified as neutral.

The Ministry of Finance in Nepal revised its Budget Management Information System and the Line Ministry Budget Information System of the sector ministries according to this classification system. The Financial Management Information System operated by the Financial Controller General's Office also integrated the GRB classification criteria to track budget expenditures regularly according to GRB principles. The GRB classification criteria were integrated with the Aid Management Information System. The following table shows the evolution of the different categories and reveals that the portions of directly and indirectly responsive expenditures have increased substantially between 2007–2008 and 2017–2018.

SN	Fiscal year	Direct Responsive(%)	Indirect Responsive(%)	Neutral(%)
1	2007/08	11.30	33.16	55.54
2	2008/09	13.94	35.41	50.64
3	2009/10	17.30	36.43	46.27
4	2010/11	17.94	36.30	45.76
5	2011/12	19.05	45.78	35.17
6	2012/13	21.51	44.13	34.36
7	2013/14	21.75	43.94	34.31
8	2014/15	21.93	45.04	33.03
9	2015/16	22.27	47.98	29.75
10	2016/17	23.10	48.45	28.45
11	2017/18	37.42	32.66	29.92

Source: Presentation by UNESCAP.

## ANNEX 4: Examples of Budget Call Circulars

The annual Budget Call Circular notifies ministries that gender equality is a priority. The circular provides the necessary forms that facilitate gender responsive budget planning. The importance of budget call circulars is reflected in the PEFA gender assessment where gender responsive budgeting (GRB) is one of the nine indicators (Indicator 3). Afghanistan, Bangladesh, Macedonia, Pakistan, and Rwanda have emphasized the importance of GRB in their budget call circulars.

### Afghanistan

The Budget Circular of Afghanistan of 2016 reads as follows:

As part of the budget circular submissions, all ministries are required to consider their ministry gender commitments while prioritizing their programs. The commitment chart will be provided to the ministries by the GRB cell of Ministry of Finance budget department through the available gender unit at their respective ministry/organization. Ministries are required to provide a detailed narration on the impact of the project/program on the condition of Afghan woman with a clear specification of the beneficiaries. Besides that, they also need to consider the needs of both genders while designing construction, health, and other related projects. For a clearer guideline, the following steps can be undertaken during program design to ensure gender budgeting is included.

- The budget and planning departments of the ministries should conduct a situation analysis of beneficiaries (man, woman, girl, boy) the ministry serves. This will help understand the current situation of men, women, girls, boys and what their priority needs are. It also identifies the concerns that need attention and provide guidance for appropriate actions.
- Examine government policies and programs in the sector to see whether they address the issues identified in the first step, including the gender gap inequality in the services provided to each group.
- Articulate by defining gender issues for the program or project by addressing the following questions:
  - What is the current situation of men, women, boys, girls, children in terms of interests, needs, benefits, and constraints?
  - Are their needs and constraints equally addressed in the planned and ongoing programs? Who is the primary beneficiary and how?
  - Does the program provide opportunities for one sex group and not for the other? If yes, how can it be addressed?
  - What changes can be introduced to the planned or ongoing program to improve the situation of women and men?
  - What actions can be taken to address constraints?
- Gender-specific indicators should be set to address the identified gender gaps and propose specific actions to be taken.
- Cost the actions and allocate funds for the implementation of the program.

As GRB is a new concept and process in Afghanistan and staff lack capacity in this field, it is recommended that ministries with an active gender unit should consult and get the assistance of gender unit staff for any GRB related issue while formulating their budget.

## Bangladesh

In Bangladesh, the first Budget Call Circular issued for each year is Budget Call Circular 1, which requires that all ministries and all divisions within the ministry consider poverty reduction and “women’s advancement” related impacts in respect of their strategic objectives and associated projects and programs. Several forms are specified for this purpose, some at the ministry and others at the divisional level. In one form (Form 4 of Part B), agencies must specify what proportion of the allocation for each project or program will be of direct benefit to poor people and women. The final Ministry Budget Framework document must include a table showing poverty and gender related allocations within the agency’s budget. The instructions provided to ministries in the call circular include 14 criteria for assessing poverty and gender impact and assigning a percentage. The criteria are: (a) access to health care and improved nutrition; (b) access to public properties and services; (c) access to education and training; (d) reduced daily working hours of women; (e) women’s participation in the labor market and income-generating activities; (f) enhanced social safety and reduced probable vulnerability and risk for women; (g) women’s empowerment related to decision making; (h) women’s participation in national and international fora; (i) safety and free movement for women; (j) monitoring and evaluation; (k) increased social status of women; (l) access to law and justice for women; (m) information technology for women; and (n) reduced violence and oppression.

The guidelines state that the percentage should be in the following ranges, based on qualitative assessment of the program concerned.

- Zero: No likely improvement in women’s advancement
- 1–33 percent: Low level of benefit for women
- 34–66 percent: Medium level of benefit for women
- 67–99 percent: High level of benefit
- 100 per cent: Women’s advancement is the specific aim of the project or program

The call circular states that key performance indicators should also be sex-disaggregated where data are available. Up to two indicators can be added to the usual maximum of three indicators per department or agency if activities are deemed to have a significant impact on poverty reduction or women’s advancement.

Source: UN Women, 2016, p. 9/10

## Macedonia

Since 2013, the budget circulars of the former Yugoslav Republic of Macedonia have required that specified pilot ministries gender disaggregate their output indicators. The 2013 and 2014 budget circulars include provisions in relation to gender in the section on indicators as follows:

- Output indicators for pilot Ministries: Ministry of Labour and Social Policy, Ministry of Health, Ministry for Agriculture, Forestry and Water Management and the Employment Agency of the Republic of Macedonia should be gender disaggregated to enable measuring of the effectiveness and impact of the programs on men and women. Examples of output indicator are i) number of men/women covered by health programs, and ii) number of women covered by programs for agriculture subsidies and other.

The circulars state further: “for the program selected for gender analyses, the indicators must be gender disaggregated.”

Source: UN Women, 2016, p. 21

## Pakistan

The central government call circular for 2011/12 provided instructions for filling in forms and highlights the need for indicators to reflect gender, either through disaggregation or through choosing indicators that relate to a gender-relevant issue. The instructions read as follows:

### Serial Number 5

Write Indicators here. This is the unit of measurement of output, e.g. hospital services can be measured through provision of hospital services to the number of patients.

Note 1: Ministries should prepare a standard list of indicators and send it to the Fund Centres along with the Fund Centre forms and the budget ceilings. Fund Centres will provide targets for the relevant indicators. If the Fund Centres cannot find the relevant indicators they can suggest new ones and provide targets as well. LM-5 will show the consolidated picture of the indicators and targets.

Note 2: Where possible, the Indicators/Measures and Targets should reflect gender. This can be done in two ways. Firstly, indicators relating to individuals can be disaggregated into male and female. For example, primary education being an output (service) of Ministry of Education can have two indicators/measures namely: Number of male students enrolled, and number of female students enrolled. These two can be assigned different targets. Secondly, indicators relating to gender issues can be included, such as number of deliveries attended by skilled personnel.

Source: Adapted from UN Women, 2016, p. 28

## Rwanda

In Rwanda, the Budget Call Circular requires that all ministries and districts produce gender budget statements in respect of subprograms selected using four prescribed criteria. The relevant annex to the call circular states explicitly that the gender budget statements will be considered when evaluating budget submissions. The statements are thus part of planning and prioritization, as well as serving as accountability documents. The concepts and components of the gender budget statement closely mirror those used for the budget as a whole.

The following box contains an example where the Ministry of Finance included a paragraph on gender budgeting in the Budget Call Circular for the 2009 budget preparation which provides clear instructions to sector ministries on how to prepare a gender responsive budget:

### Gender budgeting: Rwanda's Budget Call Circular for 2009

The 2009/10–2011/12 MTEF gives priority to mainstreaming gender in the budgeting process. This however does not mean setting aside a separate budget for Rwandan women or one for men. Instead, the emphasis is on ensuring that the full budgets of ministries and districts match the needs of women and men, girls and boys which are inherent in their specific gender roles, responsibilities, and constraints. It is advised to carefully think on the following issues as you go through the exercise of allocating resources to your various programs.

- What is the situation of women and men, boys and girls for each program of this budget agency?
- How can I address the needs of females and males in the activities, outputs, and budget of each program and subprogram?
- Is there sufficient money allocated to undertake strategic activities that address the described gender issues?
- What kind of indicators can be used to measure progress in implementing gender budgeting in terms of outputs, outcomes, and impacts?
- How do I take into account implications for employment, revenues, access to credit, and factors that influence obstacles and opportunities for men and women as economic and social actors?

Budget Agencies are reminded that the objective of this exercise is not to allocate more money to women or men but rather to ensure that the needs or challenges of females or males are known in the first place, and resources provided to address them in each program. Therefore, the starting point is to understand the gender situation of the program and proceed accordingly to address the issues therein.

Source: Rwanda: The Budget Call Circular for 2009 Budget Preparation, p. 6-7, paragraph 4.1.

The Rwandan Ministry of Finance attached an annex to its Budget Call Circular for the 2010/2011 fiscal year with the following Instruction for the Preparation of a Gender Budget Statement.

2.3. Gender Budget Statement Format				
Program				
Subprogram				
Gender Situational Analysis	Output	Activity	Indicator	Allocated Budget

The **situation analysis** should describe what problems in the community or population require that government undertake the interventions covered in the selected subprogram. The description should focus on the gender aspects of the problems.

(This is equivalent to Step 1 of Box I above)

Now, identify which **outputs** need to be achieved to address the gender issues identified in the situational analysis. These should be taken directly from the MTEF structure but may be amended to ensure gender sensitivity. It is vital that there is consistency between the outputs in the MTEF and in the Gender Budget Statement. The outputs should be related to the annual activities to be undertaken rather than over-arching objectives. They should not rely on assumptions relating to developments and/or activities which are outside the control of the ministry and agencies. (Equivalent to Step 4 of Box I above)

**Activities** should then be identified which will be carried out by the ministry and its agencies to achieve the output identified. There may be more than one activity for each output. Again, the activities should be taken from the MTEF structure but may be amended. There must be consistency between the activities in the MTEF and the GBS. (Equivalent to Step 2 of Box I above)

**Specific indicators** should be identified which can be used to measure the achievement of each output. There should be at least one indicator for each output and the indicators should be gender disaggregated or gender related data. For example, the number of people trained should be disaggregated by male and female. These indicators should rely on data which are readily available (or could be made readily available through small changes in the government recording systems) on an annual basis such as administrative data or annually collected survey data. It is likely that data will not be available which are either sex-disaggregated or gender related.

Where this is the case, special note should be taken so that data gaps can be addressed either with National Institute of Statistics, Gender Monitoring Office or improvement to data collected at sector level for future years.

In the last column, the **allocated budget** for the whole subprogram should be entered. Where applicable, any specific budget allocation for gender-specific activities should be indicated.

Source: Rwandan Budget Call Circular.

## Annex 5: Activities of the National Action Plan on Gender Equality

### Draft National Action Plan on Gender Equality, 2020–2024: Plan of Activities<sup>1</sup>

e	Activities	Implementation Period (Years)	Implementing Agencies
<b>5.1 Improvement of Legislation</b>			
5.1.3	<p>Making revisions to the Labor Code of the Republic of Azerbaijan concerning the regulation on fathers exercising the right of partially paid social leave.</p> <p>Convention No. 156 of International Labor Organization (ILO) concerning Male and female employees – equal opportunities and treatment for employees with family responsibilities (Convention on the Elimination of Discrimination Against Women).</p>	2020–2022	<p>Cabinet of Ministers, Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs</p> <p><b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan</p>
5.1.4	Adoption of a National Action Plan on Prevention of Domestic Violence.	2020–2021	<p>Cabinet of Ministers, State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population, Ministry of Internal Affairs</p> <p><b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan</p>
5.1.5	Adoption of a Plan of Action on prevention of a choice of sex for the children to be born in Azerbaijan in 2020–2022.	2020–2022	Cabinet of Ministers, Ministry of Labor and Social Protection of Population

<sup>1</sup> SCFWCA presented the draft action plan to the project’s fact-finding mission in Baku in January 2020.

5.2 Institutional Mechanisms			
5.2.5	Creation of a mechanism on conducting gender expertise of the state and municipality budgets benefiting from international experience.	2020–2021	State Committee for Family, Women and Children Affairs, Ministry of Finance
5.3 Awareness and Education			
5.3.8	Carrying out awareness activities on elimination of gender stereotypes related to unequal distribution of care for family members and household work among men and women.  <i>Council of Europe Gender Equality Strategy 2018–2023</i>	Regularly	State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population  <b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan, National TV and Radio Council, Azerbaijan Press Council, non-governmental organizations
5.3.10	Implementing awareness activities on promotion of gender equality in workplaces, including expansion of the private sector capacity to create equal job opportunities for women and men.  <i>Certification Program on Gender Equality for State Institutions and Private Companies established by the United Nations Development Program</i>	2020–2024	State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population  <b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan, National Confederation of Entrepreneurs (Employers) of Azerbaijan, Association of Women Entrepreneurship Development in Azerbaijan, non-governmental organizations
5.3.12	To partner with civil society organizations that involve men and boys in issues on gender equality in the area of developing awareness campaigns focusing on gender.	Regularly	State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population  <b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan

<b>5.4 Fighting Against Gender-Based Violence</b>			
5.4.1	Strengthening activities on social protection of victims of domestic violence, improving their living standards, and enhancing their employment opportunities.	Regularly	Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs, local executive power offices
5.4.6	Carrying out awareness activities on fighting against sexual harassment in workplaces.	2021–2023	Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs
<b>5.5 Educational and Gender Stereotypes</b>			
5.5.6	To promote girls and young women to prefer non-traditional areas, such as heavy industry, construction, and the military in their educational and career choices.	Regularly	State Exam Center, Ministry of Education, Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs  <b>Recommended:</b> non-governmental organizations, National TV and Radio Council, Azerbaijan Press Council
5.5.11	Organization of vocational training on priority professions in the labor market to increase the women’s competitiveness.	Regularly	Ministry of Labor and Social Protection of Population, Ministry of Economy, Ministry of Education
<b>5.6 Women and Girls in Difficult Living Conditions</b>			
5.6.1	Implementation of activities that focus on enhancing employment of women and girls who are Internally Displaced Persons, development of small entrepreneurship opportunities for them, and organizing vocational training.	Regularly	State Committee for Affairs of Refugees and Internally Displaced Persons, Ministry of Labor and Social Protection of Population, Ministry of Economy  <b>Recommended:</b> non-governmental organizations, ABAD (Simplified Support to Family Business), Association of Women Entrepreneurship Development in Azerbaijan

5.6.2	<p>Organization of courses for women with disabilities to enhance their employment and to master new professions.</p> <p><i>Convention on Rights of People with Disabilities</i></p>	Regularly	<p>Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs</p> <p><b>Recommended:</b> non-governmental organizations, ABAD (Simplified Support to Family Business), Association of Women Entrepreneurship Development in Azerbaijan</p>
5.6.3	<p>Organizing sales exhibitions where handicrafts of women with disabilities are sold.</p>	Regularly	<p>Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs</p> <p><b>Recommended:</b> non-governmental organizations, ABAD (Simplified Support to Family Business), Association of Women Entrepreneurship Development in Azerbaijan</p>
5.6.4	<p>Ensuring girls and boys deprived of parental care and forced to leave boarding schools and other alternative care institutions have employment and temporary living places.</p>	Regularly	<p>Ministry of Labor and Social Protection of Population, local executive power offices</p>
5.6.5	<p>Taking actions for adaptation of convicted women to society (restoration of their rights, defining living spaces for them, registration, providing them with jobs).</p>	Regularly	<p>State Committee for Family, Women and Children Affairs, Ministry of Justice, Ministry of Labor and Social Protection of Population, local executive power offices</p> <p><b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan, non-governmental organizations</p>

<b>5.7 Equal Participation of Women and Men in Political and Social Life</b>			
<b>5.8 Employment</b>			
5.8.2	To promote implementation of Corporate Social Responsibility projects by employers to enhance women's competitiveness in the labor market.	Regularly	<p>National Confederation of Entrepreneurs (Employers) of Azerbaijan, Ministry of Economy, Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs</p> <p><b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan, Azerbaijan Trade Unions Confederation, Women's Entrepreneurship Development Association, non-governmental organizations</p>
5.8.3	Taking into account gender sensitivity of job-seeking and unemployed women, enhancing effectiveness of active employment activities for their integration into the labor market and expansion of its scope.	Regularly	<p>Ministry of Labor and Social Protection of Population, State Committee for Family, Women and Children Affairs</p> <p><b>Recommended:</b> National TV and Radio Council, Azerbaijan Press Council, non-governmental organizations</p>
5.8.4	Carrying out gender audits in internal policy and procedures among private sector participants and promotion of improving experience in this area.	2020–2024	State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population
5.8.5	Implementation of respective activities in the area of developing self-employment and entrepreneurship among women.	2020–24	Ministry of Labor and Social Protection of Population, Ministry of Economy

<b>5.9 Sports and Health</b>			
<b>5.10 Rural Women</b>			
5.10.1	<p>To expand access of rural women to land and related resources, social and public health services, economic opportunities and new technologies, and opportunities for their participation in political and social life.</p> <p><i>Strategic Road Map on Production and Processing of Agricultural Products in the Azerbaijan Republic, (Convention on the Elimination of Discrimination Against Women)</i></p>	Regularly	<p>Ministry of Agriculture, State Committee for Family, Women and Children Affairs, Ministry of Economy, Ministry of Labor and Social Protection of Population, Ministry of Environment and Natural Resources, local executive power offices</p> <p><b>Recommended:</b> Commissioner for Human Rights (Ombudsman) of Azerbaijan, local self-governance bodies, non-governmental organizations</p>
5.10.5	<p>Development of special improvement programs and organization of courses to ensure development of small farms among women.</p> <p><i>Strategic Road Map on Production and Processing of Agricultural Products in the Azerbaijan Republic</i></p>	Regularly	<p>Ministry of Agriculture, State Committee for Family, Women and Children Affairs, Ministry of Economy, Ministry of Labor and Social Protection of Population, local executive power offices</p> <p><b>Recommended:</b> local self-governance bodies, non-governmental organizations</p>
<b>5.11 Analysis and Assessment</b>			
5.11.1	<p>Carrying out assessment on learning the needs of women in difficult living conditions.</p>	2020–2022	<p>State Committee for Family, Women and Children Affairs, Ministry of Agriculture, Ministry of Labor and Social Protection of Population, State Committee for Affairs of Refugees and Internally Displaced Persons</p> <p><b>Recommended:</b> non-governmental organizations</p>

5.11.2	Carrying out analysis on learning and dissemination of information concerning gender equality and gender-based violence in mass media.	Regularly	State Committee for Family, Women and Children Affairs  <b>Recommended:</b> TV and Radio Council, Press Council, non-governmental organizations
5.11.6	Carrying out an assessment on violation of the sex ratio among the newly born and analysis of the existing situation.	2021–2024	State Committee for Family, Women and Children Affairs, State Statistics Committee, Ministry of Health, Ministry of Labor and Social Protection of Population
5.11.7	Carrying out analyses to define women’s interests to increase their participation in society and the labor market, especially in rural areas.	2021–2024	State Committee for Family, Women and Children Affairs, Ministry of Labor and Social Protection of Population

## Annex 6 Azerbaijan's National SDG Priority Targets and Indicators Reflected in the "Transformation of Our World: 2030 Agenda on Sustainable Development"

Total Goals: 17, Total Targets: 88, Total Indicators: 119<sup>1</sup>

Tier Classification: Global definitions of the three indicator tiers, based on an updated explanation developed by the IAEG-SDG at the 5th Meeting in March 2017.

Tier 1: Indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50 percent of countries and of the population in every region where the indicator is relevant.

Tier 2: Indicator is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries.

Tier 3: No internationally established methodology or standards are yet available for the indicator, but methodologies and standards are being (or will be) developed or tested.

The following table provides Azerbaijan's National SDG Priorities, tier classifications of chosen indicators, and insights into possible custodian and partner national and international agencies.

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
<b>Goal 1. End poverty in all its form everywhere.</b>			
1.2. By 2030, reduce the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	1.2.1 Proportion of population living below the national poverty line	Tier I	<b>Custodian:</b> World Bank <b>Partner:</b> International Labour Organization (ILO)
	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Tier II	<b>Custodian:</b> National Government <b>Partner:</b> UNDP, UNICEF, World Bank
1.3. Implement nationally appropriate social protection systems and measures for all,		Tier II	<b>Custodian:</b> ILO

<sup>1</sup> The National Coordination Council for Sustainable Development of Azerbaijan. [National priorities and Indicators of SDG.](#)

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.	1.3.1 Proportion of population covered by social protection floors/systems, by sex, and distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, industrial injury victims and the poor and the vulnerable		<b>Partner:</b> World Bank
1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	1.4.1 Proportion of population living in households with access to basic services	Tier III	<b>Custodian:</b> UN-Habitat <b>Partner:</b> UNDP, UNICEF, WHO
	1.4.2 Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure	Tier II	<b>Custodian:</b> World Bank, UN-Habitat <b>Partner:</b> FAO, UNSD, UN Women, UNEP, IFAD, UNDP
1.a. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programs and policies to end poverty in all its dimensions.	1.a.2 Proportion of total government spending on essential services (education, health, social protection, and social security)	Tier II  IAEG-SDG 3rd meeting: There is an established methodology for the indicator (classified as Tier II)	Under discussion among agencies (ILO, UNESCO-UIS, WHO)
<b>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</b>			
4.2. By 2030, ensure that all girls and boys have access to quality early childhood development, care, and pre-primary education so they are ready for primary education.	4.2.1 Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex	Tier III (methodology under discussion)	<b>Custodian:</b> UNICEF <b>Partner:</b> UNESCO-UIS
	4.2.2 Participation rate in organized learning (one year before the official primary entry age) by sex	Tier I	<b>Custodian:</b> UNESCO-UIS <b>Partner:</b> OECD, UNICEF

<b>Targets</b>	<b>Indicators</b>	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	Tier II	<b>Custodian:</b> UNESCO-UIS  <b>Partner:</b> OECD, Eurostat, ILO
4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.	4.4.1 Proportion of youth and adults with information and communications technology skills, by type of skill	Tier II	<b>Custodian:</b> UNESCO-UIS, ITU  <b>Partner:</b> OECD
4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.	4.5.1 Parity indices of all indicators are related to the study of this field and that can be disaggregated (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected as data become available)	Tier I/II/III  Multi-Tier Classification (depending on indices)	<b>Custodian:</b> UNESCO-UIS  <b>Partner:</b> OECD
4.6. By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.	4.6.1 Proportion of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex	Tier II	<b>Custodian:</b> UNESCO-UIS  <b>Partner:</b> OECD, World Bank
4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.	4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment	Tier III	<b>Custodian:</b> UNESCO-UIS  <b>Partner:</b> OECD, UNDP, UNEP, UN Women
4.a. Build and upgrade education facilities that are	4.a.1 Proportion of schools with access to: (a) electricity,	Tier I/II	<b>Custodian:</b> UNESCO-UIS

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
child, disability and gender sensitive, and provide safe, non-violent, inclusive and effective learning environments for all.	(b) the Internet for education purposes, (c) computers for education purposes, (d) basic drinking water sources, (e) single-sex (separate for boys and girls) minimal sanitation facilities, and (f) basic hand washing facilities (as per the Water, Sanitation and Hygiene for All (WASH) indicator definitions)	Multi-Tier Classification (data availability needs to be reviewed)	<b>Partner:</b> OECD, UNDP, UNEP, UNICEF
4.c. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states.	4.c.1 Proportion of teachers in (a) pre-school, (b) primary, (c) general secondary school, and (d) full secondary school education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country	Tier II	<b>Custodian:</b> UNESCO-UIS <b>Partner:</b> OECD
<b>Goal 5. Achieve gender equality and empower all women and girls.</b>			
5.1. End all forms of discrimination against all women and girls everywhere.	5.1.1 Access to legal frameworks that promote, enforce, and monitor equality and non-discrimination on the basis of sex	Tier II	<b>Custodian:</b> UN Women, World Bank, OECD Development Centre <b>Partner:</b> OHCHR, UNDP
5.2. Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	5.2.1 Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner, in the previous 12 months, by form of violence and by age	Tier II	<b>Custodian:</b> UNICEF, UN Women, UNFPA, WHO, UNODC <b>Partner:</b> UNDP, UNSD
5.3. Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation.	5.3.1 Proportion of women aged 20–24 years who were married or in a union before age 15 and before age 18	Tier II  (data availability needs to be checked)	<b>Custodian:</b> UNICEF <b>Partner:</b> WHO, UNFPA,

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
			UN Women, DESA Population Division
5.4. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.	5.4.1 Proportion of time spent on unpaid domestic and care work, by sex, age, and location	Tier II	<b>Custodian:</b> UNSD, UN Women <b>Partner:</b> UNDP, others under discussion
5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.	5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local government institutions	Tier I/II  Multi-Tier Classification (data reliability needs to be reviewed)	<b>Custodian:</b> IPU, UN Women <b>Partner:</b> World Bank, UNDP
	5.5.2 Proportion of women in leadership and managerial positions	Tier I	<b>Custodian:</b> ILO <b>Partner:</b> UNDP, others under discussion
5.6. Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.	5.6.1 Proportion of women aged 15–49 years who make their own informed decisions regarding sexual relations, contraceptive use, and reproductive health care	Tier II/III  Multi-Tier Classification (data reliability needs to be reviewed)	<b>Custodian:</b> UNFPA <b>Partner:</b> UN Women
	5.6.2 Number of countries with laws and regulations that guarantee full and equal access to women and men aged 15 years and older to sexual and reproductive health care, information, and education	Tier III	<b>Custodian:</b> UNFPA <b>Partner:</b> UN Women, DESA Population Division, WHO
5.a. Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws.	5.a.1 (a) Proportion of agricultural population out of the total number of population engaged in agriculture, the right of ownership or protection of these lands, by sex; and b) the share of women who are owners of agricultural lands or those who have rights	Tier II/III (data reliability needs to be reviewed)	<b>Custodian:</b> FAO <b>Partner:</b> UN Women, UNSD, UNEP, World Bank, UN-Habitat, UNDP

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
	over those lands, by forms of land ownership		
	5.a.2 Access to the legal framework (including customary law), which guarantees women's equal rights to land ownership or control	Tier II	<b>Custodian:</b> FAO <b>Partner:</b> UN Women, World Bank
5.b. Enhance the use of enabling technology, in particular, information and communications technology, to promote the empowerment of women.	5.b.1 Proportion of individuals who own a mobile telephone, by sex	Tier I	<b>Custodian:</b> ITU <b>Partner:</b> National Government
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.	5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	Tier II	<b>Custodian:</b> UN Women, World Bank <b>Partner:</b> National Government, UNDP
<b>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</b>			
8.1. Sustain positive trends of per capita economic growth in accordance with national circumstances.	8.1.1 Annual growth rate of real GDP per capita	Tier I	<b>Custodian:</b> UNSD <b>Partner:</b> World Bank
8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.	8.2.1 Annual growth rate of real GDP per employed person	Tier I	<b>Custodian:</b> ILO <b>Partner:</b> World Bank, UNSD
8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	8.3.1 Proportion of informal employment in non-agriculture employment, by sex	Tier II	<b>Custodian:</b> ILO <b>Partner:</b> Under discussion
8.5. By 2030, achieve full and productive employment and decent work for all women and	8.5.1 Average hourly earnings of female and male employees, by occupation,	Tier II	<b>Custodian:</b> ILO

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
men, including for young people and persons with disabilities, and equal pay for work of equal value.	age, and persons with disabilities		<b>Partner:</b> Under discussion
	8.5.2 Unemployment rate, by sex, age, and persons with disabilities	Tier I	<b>Custodian:</b> ILO <b>Partner:</b> Under discussion
8.7. Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.	8.7.1 Proportion and number of children aged 5–17 years engaged in child labor, by sex and age	Tier II	<b>Custodian:</b> ILO, UNICEF <b>Partner:</b> Under discussion
8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants and those in precarious employment.	8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status	Tier II	<b>Custodian:</b> ILO <b>Partner:</b> Under discussion
8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all.	8.10.1 (a) Number of commercial bank branches per 100,000 adults and (b) number of automated teller machines per 100,000 adults	Tier I	<b>Custodian:</b> IMF <b>Partner:</b> UNCDF
	8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	Tier I	<b>Custodian:</b> World Bank <b>Partner:</b> UNCDF
<b>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>			
9.3. Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	9.3.1 Proportion of small-scale industries in total industry value added	Tier II  (additional work on the definition of small-scale industries required in the context of Azerbaijan)	<b>Custodian:</b> UNIDO <b>Partner:</b> UNCDF
		Tier II	

Targets	Indicators	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
	9.3.2 Proportion of small-scale industries with a loan or line of credit		<b>Custodian:</b> UNIDO, World Bank <b>Partner:</b> UNCDF
<b>Goal 10. Reduce inequality within and among countries.</b>			
10.2. By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.	10.2.1 Proportion of people living below 50 percent of median income, by sex, age and persons with disabilities	Tier III	<b>Custodian:</b> World Bank <b>Partner:</b> Under discussion
10.7. Facilitate orderly, safe, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.	10.7.2 Number of countries that have implemented well-managed migration policies	Tier III	<b>Custodian:</b> DESA Population Division, IOM <b>Partner:</b> World Bank, UNHCR, UNODC Global Migration Group
<b>Goal 13. Take urgent action to combat climate change and its impacts.</b>			
13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	13.1.1 Number of deaths, missing persons rescued, and evacuated persons attributed to disasters	Tier II	<b>Custodian:</b> UNISDR <b>Partner:</b> WMO, UNFCCC, UNEP
<b>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels,</b>			
16.1. Significantly reduce all forms of violence and related death rates everywhere.	16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age	Tier I	<b>Custodian:</b> UNODC, WHO <b>Partner:</b> DESA Population Division
16.2. End abuse, exploitation, trafficking, and all forms of violence against and torture of children.	16.2.1 Proportion of children aged 1–17 years who experienced any physical punishment or psychological aggression by caregivers in the past month	Tier II	<b>Custodian:</b> UNICEF <b>Partner:</b> Under Discussion
	16.2.2 Number of victims of human trafficking per 100,000 population, by sex, age, and form of exploitation	Tier II	<b>Custodian:</b> UNODC

<b>Targets</b>	<b>Indicators</b>	Tier Classification Based on UNSTAT	Possible Custodianship and Partnership based on UNSTAT (May 2018)
			<b>Partner:</b> IOM, UNHCR
	16.3.2 Unsentenced detainees as a proportion of overall prison population	Tier I	<b>Custodian:</b> UNODC  <b>Partner:</b> Under Discussion

## Annex 7: Presentation of the State Budget

The state budget of the MLSPP and SCFWCA is presented in the following form.

<b>Paragraph of Functional Classification 6. Social Protection and Social Security</b>			
Subparagraph of Functional Classification 6.1. Social Protection			
Administrative Classification 1213. Ministry of Labor and Social Protection of Population			
<b>Economic Classification 2. Loss of Work Capacity</b>			
			220000. Procurement of goods (works and services)
			222000. Procurement of works and services
			222900. Payment for other works and services
			222940. Bank and plastic card costs
			222941. Payment for banking services
<b>Economic Classification 3. According to Age</b>			
			220000. Procurement of goods (works and services)
			222000. Procurement of works and services
			222900. Payment for other works and services
			222940. Bank and plastic card costs
			222941. Payment for banking services
			222942. Plastic card cost and other payments
			270000. Social payments
			279000. Other social payments
			279100. Payments to civil servants
<b>Economic Classification 4. Guardianship and Protection</b>			
			220000. Purchase of goods (works and services)
			222000. Procurement of works and services
			222900. Payment of other works and services
			222940. Bank and plastic card costs
			222941. Banking fee
			222942. The cost of a plastic card
			270000. Social benefits
			271000. Social Insurance
			271200. Benefits
			271260. Funeral allowance
			272000. Social assistance
			272300. State social assistance
			272350. Guardianship allowance
<b>Economic Classification 5. Social Protection of Families and Children</b>			
			220000. Purchase of goods (works and services)
			222000. Procurement of works and services
			222900. Payment for other works and services
			222940. Bank and plastic card costs
			222941. Payment for banking services
			222942. Plastic card cost and other payments
			270000. Social payments
			271000. Social insurance
			271200. Allowances
			271230. Childbirth allowance
			272000. Social assistance
			272100. Targeted state social assistance
			272200. Child allowances for low-income families
			272210. Benefits to children of martyrs
			272220. Monthly allowance for children of families with disabilities during the war and tragedy of 20 January 1990

				272230. Substantial allowance for eliminating the consequences of the Chernobyl accident
				272240. Allowance for children from families of temporary military service
				272250. Allowance for low-income families with children under one year
				272290. Other benefits

<b>Paragraph of Functional Classification 6. Social Protection and Social Security</b>				
	Subparagraph of Functional Classification 6.1. Social Protection			
	Subparagraph of Functional Classification 6.9.0. Other Institutions and Measures in the Fields of Social Protection and Social Security			
		<b>Administrative Classification 1231. State Committee for Family, Women and Children Affairs of Azerbaijan</b>		
		Economic Classification 5. Social protection of families and children		
				210000. Payment for labor
				211000. Salary
				211100. Wages in the state
				211200. The salary of supernumerary (out-of-staff) employees
				211900. Other cash payments
				212000. Salary deductions
				212100. Compulsory state social insurance payments
				212200. Compulsory state insurance
				212400. Unemployment Insurance
				220000. Purchase of goods (works and services)

Source: Ministry of Finance of Azerbaijan [www.maliyye.gov.az](http://www.maliyye.gov.az).

## **Annex 8: Relevant Programs on Social and Gender Issues<sup>1</sup>**

### **1. Education (AZN 383 million for 11 programs and measures)**

1. Expenses related to financing activities for the organization of education of children with special needs and disabilities in Azerbaijan.
2. Expenditures on the financial provision of childcare and alternative care arrangements from state childcare institutions in Azerbaijan.
3. Funding for the Azerbaijan Association of SOS Children's Villages.
4. Expenses related to financing of the State Program on Education of Azerbaijani Youth Abroad.
5. Expenditures related to the financing of the State Program for the Development of Inclusive Education for the Persons with Disabilities in Azerbaijan for 2018–2024.
6. Expenditures for bachelor and master's degrees by state order on the introduction of new funding mechanisms in higher education institutions.

### **2. Health (AZN 178 million)**

1. Financial support for diabetes.
2. Financing of the State Program on Blood Donation Development.
3. Expenses related to financial support for the Chronic Kidney Deficiency Intervention Program.
4. Funding for the treatment of thalassemia.
5. Financing for the Program on Immunoprophylaxis of Infectious Diseases.
6. Financial support for the State Program for the Protection of Mother and Child Health.
7. The prevention and control of HIV/AIDS in Azerbaijan.
8. Expenses related to the treatment of persons with multiple sclerosis.
9. Expenses related to compulsory dispensation of children.
10. Costs for combating malignant blood diseases and cochlear implantation.
11. Expenses related to financing for treatment of congenital heart defects in children.
12. Financing for the Hemophilia Disease Program for 2016–2020.
13. Financial support for national cancer control measures in Azerbaijan.

### **3. Social Protection and Social Security (AZN 2.2 million)**

1. Expenditures for providing social rehabilitation services by NGOs for children in need of special care.
2. Payment for resort services rendered to IDPs by Azerbaijan Trade Union Confederation.

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<sup>1</sup> Ministry of Finance. 2020. *Information on The Programs Envisaged in the State Budget for 2020 and Similar Measures*. <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5dfa3317a1836.pdf> (in Azerbaijani).

## ANNEX 9: Links Between the PEFA Indicators and the PFM System in Azerbaijan

Indicators of Gender Responsive Public Financial Management	Stages of PFM Cycle in Azerbaijan
Gender impact analysis of budget policy proposals.	The draft of the state budget for the next year, the medium-term economic and social development forecasts.
Gender responsive public investment management.	The drafting of the State Investment Program.
Gender responsive budget circular.	The budget drafting process of the next year after the decree of the Cabinet of Ministers.
Gender responsive budget proposal documentation.	The state budget documents that include directions on budget and tax policy, the level of income and expenditure at the level of the budget classification and public debt.
Sex-disaggregated performance information for service delivery.	Budget implementation through service delivery and related reporting by ministries.
Tracking budget expenditures for gender equality.	Implementation of budget revenues and expenditures by tax and treasury bodies.
Gender responsive budget execution reporting.	Annual and quarterly reports on the execution of the state budget.
Evaluation of gender impacts of service delivery.	Budget implementation through service delivery and related reporting by ministries.
Legislative and audit scrutiny of gender impacts of the budget.	Legislative and audit supervision over the budget process.

Source: Authors compilation based on analysis of legal acts.

## ANNEX 10: Proposition for Gender Responsive Budgeting Inclusion in MTEF<sup>1</sup>

### Recommendations on the Integration of the Gender Dimension at each Stage of the MTEF Process in Azerbaijan

#### MTEF Stage – Provision of Budget Execution and Forecast Indicators (MTEF 4.3.1)

Before the official preparation of the MTEF, the aggregate budget execution indicators and preliminary forecast indicators of the state budget (revenues, expenditures, and debts) are submitted to the Ministry of Economy by the Ministry of Finance before February 5.

#### Gender Dimension

The Ministry of Finance can provide the following indicators to the Ministry of Economy with disaggregation by sex:

1. As a first step, *gender sensitive indicators for the budget execution of the state budget in social and environmental areas* (the percentage of men and women recipients in total social benefits and targeted social assistance, the share of girls (as pupils) and women (as teachers) in expenditures on secondary schooling in rural areas, sex-disaggregated data on the number of scholarships for study abroad, the number of young girls in environmentally depressed zones, the amount of agricultural subsidies for men and women farmers, social transfers toward households led by men and women).
2. *Sex-disaggregated preliminary forecast indicators on revenues for the next year and the next three years by types of non-oil revenues* (sex-disaggregated data on taxpayers and recipients of grants from international donor agencies, changes in the tax rates (e.g. for indirect consumption taxes) that could potentially worsen the position of men or women). Sex-disaggregated data provision can be unfeasible for oil revenues except sex-disaggregated data for employees of the State Oil Company of Azerbaijan (SOCAR) who pay income tax.
3. *Sex-disaggregated data on current expenditures* (sex-disaggregated data on the salaries, other compensation of employees and unemployment benefits, sex-disaggregated data on the social benefits and conditional social transfers, sex-disaggregated data on subsidies for local business, sex-disaggregated data on mandatory social insurance payments in alignment with the Unified Budget Classification of Azerbaijan 2018) Gender disaggregated data provision can be unfeasible for capital expenditures.<sup>2</sup>
4. According to Article No. 4.3.5 of the MTEF Preparation Rules, the Ministry of Labor and Social Protection provides the following information to the Ministry of Economy: average monthly wage, minimum wage, the criterion of needs, and employment, social and demographic indicators. The Ministry of Finance can request the MLSPP to provide sex-disaggregated data on these indicators.

<sup>1</sup> Recommendations of the consultants based on the draft MTEF shared by the MOF in March 2020.

<sup>2</sup> Ministry of Finance. 2018. [On Approval of the Unified Budget Classification of Azerbaijan](#) (in Azerbaijani).

## MTEF Stage - Submission of Detailed Instructions for the Preparation of the MTEF (MTEF 4.2)

The MTEF Preparation Rules (2018) determine which state institutions are responsible for which budget activities in the MTEF process and provide clear timelines.<sup>3</sup> The main responsible institution is the Ministry of Finance. Official preparation of the MTEF begins with submission of the detailed instructions for the preparation of the MTEF to the budget organizations by the Ministry of Finance before February 15.

### Gender Dimension

The Ministry of Finance prepared and published Instructions and Guidelines on the Preparation of Action Plans of Budget Organizations for the Medium-Term Program and Instructions and Guidelines for the Preparation of Baseline Forecasts and Budget Requests for New Policy Initiatives by Budgetary Organizations for the Medium Term for budget organizations on the preparation of the MTEF. Specific recommendations were provided based on international experience about how to incorporate a gender dimension into the MTEF process from sectorial strategic plans to target indicators that the Ministry of Finance could use in the relevant instruction. Templates for the MTEF instruction may need to be enriched to allow for the provision of sex-disaggregated information related to persons (number of staff, number of beneficiaries, minimum wages of women and men, recipients of social assistance, etc.).

We summarized some international best practices on the gender dimension in the medium-term budgeting process and call circular documents.<sup>4</sup>

In **Bangladesh**, the Medium-Term Budget Framework and Budget Call Circular require that all ministries include a table showing gender related allocations within the agency's budget in respect of their strategic objectives.

In **India**, the gender budget statement issued by ministries includes a list of state programs and projects classified pro-women and pro-men in which a certain percentage of the beneficiaries are likely to be women or men.

In **Indonesia**, a situation analysis is conducted under the framework of gender responsive budgeting where gender issues are addressed by activity in terms of their participation and control opportunities in the MTEF process.

**Mexico's** central government publishes a list of expenditures that promote gender equality.

In **Morocco**, the gender budget report includes efforts made by each public agency for the implementation of gender sensitive public policies.

**Nepal** applies five criteria including men's and women's participation in budget program formulation and implementation, benefits accruing to women, capacity building for women, contributions to women's employment or income generation, reduction in women's workloads and qualitative improvements in time-use.

In **Pakistan**, for gender budget statement and Budget Call Circular instructions, ministries were required to select subprograms for inclusion on the basis of their relative importance from a gender perspective and the size of the allocation.

<sup>3</sup> Ministry of Finance. 2018. [MTEF Preparation Rules](#) (in Azerbaijani).

<sup>4</sup> UN Women. 2016. *Budget Call Circulars and Gender Budget Statements in the Asia Pacific: A review*.

In the **Philippines**, budget legislation required all government agencies to allocate at least 5% of their budget for gender and development where the level of gender sensitivity of the programs is a subject for separate assessments.

In **South Korea**, the Ministry of Planning and Budget already required that every ministry report on budget allocations that aimed to promote gender equality and monitor the impact of mainstream programs on gender equality. The budget legislation made it mandatory for all ministries to submit a gender budget statement and balance sheet to the National Assembly. The legislation required that the government evaluate the impact of public expenditure on women and men.

**Timor-Leste's** budget circular requires that agencies give attention to gender equality in their budgets by providing sex-disaggregated data at all levels for outcomes and outputs, targets and performance indicators.

#### **MTEF Stage - New Policy Initiatives (MTEF Rules 4.10)**

Budget organizations should submit their applications for New Policy Initiatives (NPI) to the Ministry of Finance in the format specified in the MTEF instructions (MTEF Rules - 4.2) by budget organization before March 1. As a part of the MTEF process, budget organizations also provide information on cost analysis for new high-priority investment proposals to the Ministry of Economy.

#### **Gender Dimension**

The MTEF Preparation Rules (2018) indicate that a maximum of three requests for New Policy Initiatives (NPI) can be submitted by the budgetary organizations when additional funding is required. The total annual amount of all proposed NPIs should not exceed 10% of the sectorial allocations for the next budget year (MTEF Rules Article No. 4.12). Budget organizations should propose at least one NPI that is aligned with the National Action Plan on Gender Equality in the Azerbaijan Republic 2020-2024 (not yet officially approved) or the gender related nationalized SDG indicators. The Ministry of Finance can include requirements for budget organizations to provide detailed justification for the effects of the NPIs on men and women. Under the MTEF framework, the Ministry of Finance can request budget organizations to provide sex-disaggregated data on (a) the number of employees by sex involved in the implementation of NPIs, and (b) the number of new permanent workplaces that will be created as a result of the implementation of NPIs.

#### **MTEF Stage - Submission of the Consolidated and State Budget for the Medium-Term (MTEF Rules 4.13)**

Submission of the consolidated budget and state budget for the medium-term period to the Ministry of Economy, based on sectorial strategic plans of budget organizations, in accordance with the medium-term resource envelope and budget expenditure orders by the Ministry of Finance before April 1.

#### **Gender Dimension**

The Ministry of Finance can request all budget organizations to include at least three gender sensitive key performance indicators and gender disaggregated targets into the sectorial strategic plans at least for the next five years. There is no limit in the legislation on the number of indicators and targets. The number of beneficiaries of public services for each sector should be presented by sex.

### **MTEF Stage - Preparation and Submission of the MTEF (MTEF Rules 4.17)**

Preparation and submission of the MTEF to the Financial Stability Council and the Cabinet of Ministers by the Ministry of Finance before May 15.

#### **Gender Dimension**

Budget forecasts, performance indicators, related targets and policy proposals for the NPI that constitute the MTEF can include sex-disaggregated data on revenue forecasts (e.g. taxpayer private companies led by male and female entrepreneurs and gender sensitive information on the recipients of donor assistance from international organizations), sex-disaggregated data on expenditure forecasts (e.g. health and education programs toward boys and girls, and men and women in the communities of Internally Displaced Persons) and NPIs with specific gender equality-related targets.<sup>5</sup> The State Treasury Agency can easily track sex-disaggregated data of beneficiaries for different programs financed by the state budget.

### **MTEF Stage - Requesting Additional Information from the Budgetary Organizations (MTEF Rules 4.21, 4.22)**

Requesting additional information from budgetary organizations and submission of the budget instruction letters to the budget organizations to prepare and submit annual budget orders on the basis of the approved MTEF by the Ministry of Finance before July 1.

#### **Gender Dimension**

The Ministry of Finance can demand additional information from the budgetary organizations on the total number and proportion of women and men among their staff at each remuneration grade, and the number of beneficiaries of public service provision disaggregated by sex. The Ministry of Finance can request a brief gender budget statement from budget organizations to demonstrate the effects of their budget programs on gender groups and policy priorities to ensure gender equality in a region or sector.

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<sup>5</sup> There may be clear disparities in favor of men but will be a strong argument to strengthen gender equality in the country and to increase the entrepreneurial activities of women.