NGEC
National Gender and Equality Commission

Guidelines for Gender Responsive Budgeting (GRB) in Kenya

2014

Edition One

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Foreword

The National Gender and Equality Commission (NGEC), was established by an Act of Parliament in August 2011 following the promulgation of Kenya's new Constitution in 2010. The NGEC is mandated to promote gender equality and freedom from discrimination by monitoring, facilitating and advising on the integration of these principles in all national ad county policies, laws, and administrative regulations. The NGEC will also be coordinating and facilitating the mainstreaming of gender issues, which includes ensuring that the concerns of women and men constitute an integral dimension in the design of policies and laws and administrative procedures, and budgeting and budget implementation, so as to ensure that both sexes benefit equally, and that inequalities are not perpetuated. This is in recognition of the fact that gender inequalities not only distort social dynamics, they also hinder economic growth and poverty reduction and as such, national development agendas.

Since its establishment, NGEC facilitated Kenya government to adopt gender-responsive budgeting (GRB) as a strategy for promoting gender equality and inclusion at both the national and county level. The commission spearheaded development of GRB guidelines and will in consultation with key national actors such as the National Treasury, the Ministry of Planning and Devolution and the county governments develop capacities of policy and technical arms of government to implement the GRB guidelines.

The Commission believes that the guidelines will assist in the mainstreaming of gender considerations in the planning and budget formulation processes, as well as in the monitoring and evaluation of the implementation of the same. The guidelines will assist technical officers and policy arm of government in understanding what the concept of 'Mainstreaming in Planning' entails, as well as enabling them and stakeholders to track the outcomes of their efforts. The ultimate goal is to make sure the budgeting process in Kenya is equally responsive to needs and priorities of women, men, girls and boys, respectively. NGEC envisages that the development and application of these guidelines will accelerate the transformation and elimination of structural inequalities between the sexes.

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Comm. Winfred Osimbo Lichuma, EBS.
Chairperson
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Acknowledgments

The National Gender and Equality Commission would like to acknowledge His Excellency President Uhuru Muigai Kenyatta C.G.H., for his government's commitment towards the realisation of gender equity and equality in Kenya. GRB is now recognised worldwide as one effective strategy for ensuring that gender concerns are mainstreamed into development, planning and the allocation of resources, with the aim of ensuring the effective targeting of resources to otherwise marginalized groups of persons, for their developmental progress.

These GRB guidelines are designed to facilitate the ministries of Devolution and Planning, and the National Treasury, respectively, to integrate considerations of gender in developing planning and budget formulation processes. The process of developing these guidelines benefitted from a series of consultations with the ministry of Devolution and Planning, the National Treasury, Kenya Institute for Public Policy Research and Analysis, and the Institute for Economic Affairs among others. NGEC would like to thank all institutions and officers who have contributed to the development of these guidelines.

The National Gender and Equality Commission is grateful to the United Nations Population Fund (UNFPA) Kenya Country Office for their financial support in development, printing and dissemination of the first edition of the GRB guidelines.

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Abbreviations

BPS	•	Budget Policy Statement
BSP	•	Budget Strategy Paper
GBIs	•	Gender Budget Initiatives
GBS	•	Gender Budget Statements
GNP	•	Gross National Product
GRB	•	Gender Responsive Budgeting
FWCW	•	Fourth World Conference on Women in Beijing
FY	•	Financial Year
ICPD	•	International Conference on Population and Development
MTEF	•	Medium Term Expenditure Framework
NGEC	•	National Gender and Equality Commission
PERs	•	Public Expenditure Reviews
PETS	•	Public Expenditure Tracking Surveys
PEMAAP	•	Public Expenditure Management Assessment and Action Plan
PER	•	Public Expenditure Review
SWG	•	Sector Working Groups
WSSD	•	World Social Summit on Development

1 Introduction

The concept of 'gender responsive budgeting' (GRB) is based on a number of critical premises:

- Government budgets are not just a technical compilation of incomes and expenditures. It is the most important policy statement made by the Executive in the course of the year;
- Budgets are the strongest expression of a government's political priorities and commitment;
- They constitute a declaration of the government's fiscal, financial and economic objectives and reflect its social and economic priorities.

Budgets are therefore not gender-neutral in impact. They have the potential to either increase or reduce the burdens and/or vulnerabilities of different social groups, or to improve their capacities and capabilities. They can also encourage positive and/or negative behavioural changes.

The Council of Europe (2005) defined 'gender responsive budgeting' (GRB) as: *a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality.* GRB approaches are therefore designed to enhance the responsiveness and accountability of government budgets and policies to commitments aimed at reducing gender-inequalities.

> *"A gender perspective means recognising that women stand at the crossroads between production and reproduction, between economic activity and the care of human beings, and therefore between economic growth and human development. They are workers in both spheres – those most responsible and therefore with most at stake, those who suffer most when the two spheres meet at cross-purposes, and those most sensitive to the need for better integration between the two."* (Gita Sen, 1995)

It is important to point out that GRB is not about separate budgets for females and males, respectively, or about the equal sharing of resources between males and females. Instead, GRB is a strategy for supporting gender mainstreaming in development processes. GRB seeks to incorporate a gender perspective at all stages of the budgetary process, and restructure revenues and expenditures to promote gender equality rather than contradict them. GRB merges the policy framework addressing gender equality and equity, with budget practice. GRB allows for the accounting of externalities that are the result of the budget and economic performance, due to gender disparities.

As such, GRB links the macro policies with the micro picture. *It ensures that the development paradigm and resource mobilisation options pursued by the government take into consideration the status of the different sexes in the economy, and factors that facilitate or hinder their productive potential and full achievement of their capabilities. As such GRB is a continuous process informed by the analysis of the status of men and women in the economy.*

1.1 Government's commitment on gender and realisation of constitutional imperatives

The Constitution of Kenya provides the basis upon which GRB is anchored. In the preamble it recognises the aspirations of all Kenyans for a government based on the essential values of human rights, equality, freedom, democracy, social justice and the rule of law. Article 21(3) on the Bill of Rights specifies that: *"all State organs and all public officers have the duty to address the needs of vulnerable groups within society, including women, older members of society, persons with disabilities, children, and youth, members of minority or marginalised communities, and members of particular ethnic, religious or cultural communities."*

Article 27, further expands on equality to include that: Women and men have the right to equal treatment, including the right to equal opportunities in political, economic, cultural and social spheres. To give full effect to the realisation of the rights guaranteed under this Article, the State shall take legislative and other measures, including affirmative action programmes and policies designed to redress any disadvantage suffered by individuals or groups because of past discrimination.

- On public financial management specifically, Article 201 in Chapter Twelve of the Constitution provides five principles that shall guide the rationalisation of public resources. It states that the public finance system shall promote an equitable society. In particular: "Expenditure shall promote equitable development of the county including by making special provision for marginalised groups and areas."

The government of Kenya is strongly committed to protecting and promoting the agenda of gender equity and equality in Kenyan society. Some of the development goals that have been articulated by the government which can only be facilitated through the adoption of GRB include:

- Ensuring universal healthcare for pregnant and breastfeeding mothers;
- Ensuring free water supplies in informal settlements;
- Promoting jobs by outlawing workplace discrimination, and by providing grants and loans for women's businesses; and,
- Promoting the education of girls by among others, building more boarding schools.

1.2 Relating budget-making to gender inequalities

Women mostly operate in the informal economy and the reproductive/unpaid care economy sector. In addition the productive mostly unpaid sector also carries within it the biases of socially constructed gender roles and distribution of resources in labour categorisation that affects income levels, and subsequently savings and investments. The aggregates of economic policy and budgeting currently do not however recognise the contribution of the unpaid care economy to the Gross National Product (GNP) and as such the contributions of women continue to be highly underestimated.

A distinction should however be made between GRB, and allocating resources to a specific activity or set of activities targeting either males or females. Though this is sometimes a necessary step to correct past inequality in the short term, as a long term strategy, it isolates rather than integrates gender issues throughout the development process.

A mainstreaming approach is thus more preferred i.e. ensuring that considerations of gender inequalities are factored into development policies and plans across the various sectors and those resources are allocated towards addressing these inequalities.

The main role for government is stepping in where there is market failure in allocating resources efficiently and equitably. GRB tools can facilitate government interventions in addressing these challenges. The recent adoption of Program Based Budgeting in ministries, government department and agencies and county governments provides Kenya will yet another significant opportunity of systematically identifying gender inequities and allocating adequate resources and programs to addresses these inequities.

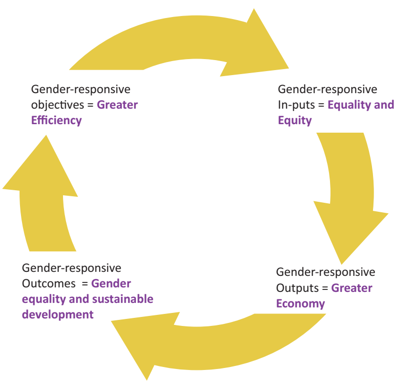

Figure 1: ***Linkages between GRB and budget outcomes***

Gender Budget Initiatives (GBIs) can improve budgetary performance and optimize the use of limited resources (efficiency gains). Improved targeting through gender analysis of budgets can avoid “false economies,” i.e. the reduction or containment of the financial costs in one sector through the transfer of actual costs to another sector. This is best illustrated when the costs of production under the formal/paid sector are partially transferred to the unpaid care economy (Elson and Cagatay, 2000). This is mainly due to the fact that the mainstream economy has traditionally privileged the monetized aspects of the economy, while ignoring the sphere of “social reproduction” or “unpaid work “which includes both subsistence production (e.g. domestic farming) and unpaid care (i.e. household responsibilities which include child bearing and rearing, cooking, cleaning, collection of cooking fuel and water etc.) which keeps the social fabric together.

1.3 Structure of the document

In line with the above, these guidelines have been developed based on the Medium Term Expenditure Framework, to enable key actors in the budget- making process to mainstream gender issues within the process. The guidelines are designed in recognition of opportunities within the budget formulation process as outlined in Chapter Twelve of the Constitution and the Public Financial Management Act (2012), with a focus on the roles of the Office of the Presidency -Ministry of Devolution and Planning, and the National Treasury.

The process of developing these guidelines benefitted from information obtained through unstructured interviews with key informants from the various government agencies responsible in the budget process as well as relevant civil society agencies; informal discussions with other observers have also enriched the document.

2 Kenya's national budget making process

In order to understand the guidelines, it is first important to understand the budget-making process and key terms and documents within the process. Additional information about budget making process can be obtained from national treasury.

2.1 Key terms in budget formulation

2.1.1 Medium Term Expenditure Framework (MTEF)

The MTEF is a tool of budgeting which seeks to allow for the development of a three year rolling financial plan of which the first year is the annual budget. It seeks to translate government policies and plans into an expenditure programme within a coherent multi -year (i.e. three year) macro framework. It is a framework through which fiscal realities are linked with policy priorities.

It brings together two perspectives: the top-down which provide the fiscal framework for budgets and the resources available; and the bottom-up, a consultation process takes place tthrough Sector Working Groups (SWGs) that formulate budget proposals and sectoral budget policies and planning in line with the national policy framework.

2.1.2 Budget Policy Review and Outlook Paper

This document inform the formulation of the budget and captures: Actual fiscal performance in the previous Financial Year (FY) compared to the budget appropriation for that year; Updated macro-economic and financial forecasts; Information on any changes in the forecasts compared with the Budget Policy Statement (BPS), and Reasons for any deviation from the fiscal responsibility principles or the financial objectives, and proposals to address such deviations.

2.1.3 Budget Call Circular

This document provides instructions on the processes and procedures for preparing the MTEF budget and they are issued to ministries, departments and agencies, the Judiciary, Parliament, constitutional commissions and independent offices.

2.1.4. Budget Policy Statement

This document provides a summary of the government's priorities in the next FY and the medium term, which is submitted to Parliament for approval, comprises of:

- Strategic priorities and policy goals that will guide the National Government and the County Governments in preparing their budgets for the ensuing financial year and over the medium term;
- Assessment of the current state of the economy and the financial outlook over the medium term, including macro-economic forecasts;
- Financial outlook: Revenues, expenditures and borrowing for the next financial year and over the medium term;
- Proposed expenditure limits for the National Government (including those of Parliament and the Judiciary) and indicative transfers to County Governments; and

- Fiscal responsibility principles and financial objectives over the medium term.

2.1.5 Public Expenditure Reviews (PERs)

The overall objective of PERs is to inform the budget process. They provide an in-depth analysis of budget performance in the preceding FY; and aims to inform future budget decisions. For ministerial PERs, ministries state challenges, weaknesses and successes in budget implementation. This information then defines how they rationalize their programmes, projects and resources for the ensuing FYs (the MTEF period).

2.2 Key ministries

The key ministries for the purposes of these guidelines are:

i) The Presidency -Ministry of Devolution and Planning;
ii) The National Treasury
iii) County Treasury
iv) Office of Controller of Budget

2.2.1 The Presidency -Ministry of Devolution and Planning

The mandate of the ministry of Devolution and Planning is outlined in Executive Order No. 2 of May 2013 as including:

- Office of Management and Budget;
- Efficiency and monitoring;
- National development planning;
- National development planning promotion of equitable social economic development between men and women; and,
- Gender mainstreaming and policy management.

Its role within the government as it relates to GRB is:

i) To spearhead the integration of gender equity and equality issues in all aspects of national development planning i.e. formulation, monitoring and evaluation;

ii) To improve the co-ordination of policy formulation, development planning, budgeting and budget implementation.

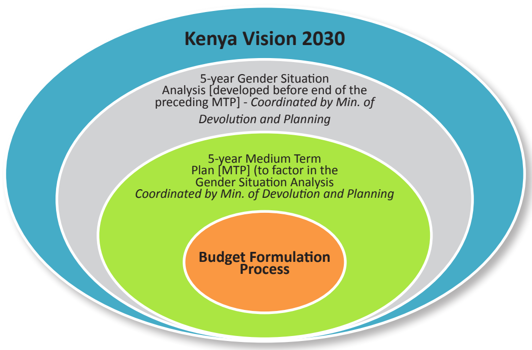

Figure 2: *Opportunities within Kenya's development planning cycle*

2.2.2 The National Treasury

The mandate of the National Treasury as derived from the Constitution of Kenya and section 12 of the Public Financial Management Act (2012) and include to:

- Formulate, implement and monitor macro-economic policies involving expenditure and revenue;

- Formulate, evaluate and promote economic and financial policies that facilitate social and economic development in conjunction with other national government entities;
- Promote transparency, effective management and accountability with regard to public finances in the national government;
- Co-ordinate the preparation of annual appropriation accounts and other statutory financial reports by the national government and its entities;
- Prepare annual estimates of revenue of the national government, and co-ordinate the preparation of the budget of the national government.

Its roles as they relate to GRB are:

- To spearhead the integration of gender equity and equality issues in all aspects of the budget formulation, monitoring and evaluation;
- To improve the co-ordination of macro-economic and financial policy formulation, development planning, budgeting and budget implementation.

The roles of the key departments in this regard in the National Treasury are:

Economic Affairs Department

This department is responsible for:

- Policy analysis on fiscal and monetary policies;
- Financial sector reforms;
- Coordination of the preparation and monitoring of the national budget;
- Monitoring and analysis of macro-economic performance, especially relating to fiscal and monetary policies;
- Analysis and formulation of tax policies.

The department also collaborates with the Budget Supplies Department in being responsible for short-and medium-term projection of revenues, and expenditures. Also in collaboration with other departments and agencies it prepares the MTFF of such budgetary documents as the BROP and the BPS.

Budget Supplies Department:

Key functions of the department which are relevant to GRB are:

- Coordination of the preparation and presentation to Parliament of MTEF and Annual Estimates of expenditures;
- Development of broad priorities for allocation of public expenditures and implementing ministerial ceiling systems;
- Enforcing proper management control, monitoring and evaluation for efficient utilisation of budgetary resource to realise value fro money;
- Setting up systems for budget processes;
- Ensuring the allocation of resources is consistent with government priorities.

2.2.3 The County Treasury

This is an entity of county government responsible for development and implementation of financial and economic policies in the county, preparation of annual budgets for the county, co-ordinate the implementation of the budget, manage the county public debt and other financial obligations, consolidate annual appropriations' accounts, Act as custodian of county governments' assets, and maintain proper account of records for audit and other statutory disclosures. In respect to GRB, the county treasury in collaboration with various ministries and departments responsible for finance treasury and economic planning should take leadership in ensuring equity and inclusion principles are integrated in all aspects of the budget formulation, monitoring and evaluation.

2.2.4 Office of Controller of Budget

The office of controller of budget plays as significant role in ensuring national and county level governments have gender responsive budget. The Constitution of Kenya 2010 provides the office of the controller of budget an oversight role. This involves overseeing the implementation of the budgets of both national and county governments. The Controller of Budget monitors the use of public funds in-year and reports to Parliament on how the funds have been utilized. The office authorizes withdrawals from public funds as per the law. In addition the office of controller of budget is mandated under Article 206 (4) of the Constitution of Kenya to ensure that the consolidated fund is utilized in accordance with the law. The office also has the sole mandate and/or power to approve any withdrawal from a Revenue Fund.

The Office of the Controller of Budget is expected to investigate the matter the financial performance of a State organ or entity after which prepare and present a report on the matter to Parliament which will be used to approve or renew the decision to stop transfer of funds to a State organ or public entity as provided for under Article 225 (7) of the Constitution. The Controller of Budget also gives advice to government entities on improving budget implementation e.g. low absorption of funds by Ministries, Departments and Agencies and County entity. This therefore promotes accountability in the use of public financial resources.

3 Guidelines for Gender Responsive Budgeting (GRB)

The guidelines articulated herein below speak to the roles of key departments within the ministry of Devolution and Planning, and the National Treasury, respectively, based on key stages and documents in the budget formulation process *(see annex 1).*

The proposed guidelines in Table 1 focus on key stages in the budget formulation process and outline the key departments in the relevant ministries. They also provide a checklist of questions that should inform the integration of the considerations to address gender equality issues.

Table 1: Stages in budget formulating process and key questions at each stage to guide consideration of gender equality.

These stages apply to national government and to a very great extent to the county government

STAGE Budget process	TIMELINES	KEY ACTOR(S)	CHECKLIST
Launch of SWGs	August	Treasury (Budget Supplies Department)	
Development of the MTEF Budget Guidelines (Budget Call Circular)	August-September	Treasury (Budget Supplies Department)	▪ What is the gender situation in the sector i.e. (i) gender disparities impacting upon the sector's performance- and Kenya's Vision 2030; and (ii) gender equality issues within the public sector (including capacity development)? ▪ What outcomes and strategic objectives will be targeted based on the situation analysis identified? ▪ What measures (short, medium and long-term) are proposed for the MTEF period in question, to address the issues as identified above to promote gender equality in the sector? ▪ What resources are proposed to be allocated for actualising the measures above? ▪ Categorise the resources as follows: (i) Resources to address the promotion of gender equality within employment in the public sector; (ii) resources towards capacity development for gender mainstreaming and (iii) resources towards gender-specific measures identified above. Separate recurrent and development expenditures). *It is anticipated that gender officers in ministries will take the lead in articulating the gender considerations within their ministries.*

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STAGE Budget process	TIMELINES	KEY ACTOR(S)	CHECKLIST
Update of Ministerial Strategic Plans	August-September	All	■ Do strategic plans explicitly show ways of mainstreaming issues of gender and other special interest groups? ■ Are there systematic reviews of status of men and women in the economy and allocated specific resources and activities in the plan to address gender disparities, promote equity and inclusivity of women and men and other special interest groups in development agenda?
Undertake Ministerial Public Expenditure Reviews	September	All	Do expenditure reviews show sex disaggregated benefit incidences, enumerate resources spent in reducing inequities, show resources spent in improving inclusivity of men and women in development agenda?
Development of the Budget Review Outlook And Paper	September	Macro-Working Group and disseminated by Treasury (Economic Affairs department	
Update and submission of the BROP to Cabinet for approval	October	Treasury (Economic Affairs Department))	
Circulation of BROP to Accounting Officers	October	National Treasury	
Development of MTEF Budget Proposals (Line- Item and Programme-based)	November	SWGs under guidance of the Treasury (Budget Supplies Department) and Ministry of Devolution and Planning	**Equality Consistency Checklist (under Ministry of Devolution and Planning's Directorate on Gender) based on the Budget Call Circular: The following questions need to be addressed:** ■ Does the sector provide the gender-related outcomes and strategic objectives targeted over the medium term by the sector i.e. on an annual basis? ■ Does the sector provide gender-related measures (short, medium and long-term) proposed for the MTEF period in question? Does the sector link on-going programmes and newly proposed measures? ■ Does the sector provide the resources proposed to be allocated for actualising the measures above?

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STAGE Budget process	TIMELINES	KEY ACTOR(S)	CHECKLIST
			▪ Please categorise the resources as follows: (i) Resources to address the promotion of gender equality within employment in the public sector; (ii) resources towards capacity development for gender mainstreaming and (iii) resources towards gender-specific measures identified above. Separate recurrent and development expenditures. *It is anticipated that the ministry of Devolution and Planning as co-convener of the SWGs, will take the lead in undertaking the Equality Consistency Checklist within the SWGs.*
Submission of draft Sector Reports to National Treasury	November	Sector Working Groups through Treasury (Budget Supplies Department)	
Submission of the Budget Policy Statement to Parliament	January (end)		It is recommended that the budget policy statement incorporate specific measures to address Gender equality and inclusion issues. This may begin by drafting a corresponding Gender Budget Statement prepared by National Treasury's Economic Affairs Department and Ministry of Devolution and Planning's Directorate on Gender: The Gender Budget Statement should: ▪ Indicate the gender equality priorities for a given MTEF period in line with the Vision 2030 and MTP- by sector; ▪ Indicate the proposed strategic objectives by sector and expected outcomes; ▪ Indicate programmes and resources proposed to address gender equality issues by sector and sub-sector (separating recurrent and development expenditures and revenue proposals); ▪ Review the results of the previous year's Gender Budget Statement i.e. objectives, programmes undertaken and resources utilised/mobilised (separating recurrent and development expenditures).
Approval of BPS and Gender Budget Statement by Parliament	February (mid)	Treasury and Ministry of Devolution and Planning's Directorate on Gender	Parliament to look out for gender specific issues in the BPS

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STAGE Budget process	TIMELINES	KEY ACTOR(S)	CHECKLIST
Development and issuance of ministerial MTEF budgets	February (mid)	Treasury (Budget Supplies Department)	
Submission of ministerial MTEF budgets	March	Treasury (Budget Supplies Department	
Consolidation of Budget Estimates	April	Treasury (Budget Supplies Department)	
Submission of Budget Estimates to Parliament for Approval	April	Treasury (Budget Supplies Department)	*Parliament to look out for gender specific issues in the proposed budget estimates*

3.1 Ministry of Devolution and Planning – Additional opportunities

Table 2 shows opportunities and checklists for two key directorates under the ministry of Devolution and Planning i.e. Sectoral Planning Directorate and the Monitoring and Evaluation Directorate, which can support the process of GRB.

Table 2: Checklist for integration of gender equality in budget making process: Opportunities in Sectoral Planning Directorate and the Monitoring and Evaluation Directorate, Ministry of Devolution and Planning

STAGE	TIMELINES	KEY ACTOR	CHECKLIST
Undertake Sector Performance Reviews	July	Sectoral Planning Directorate	Gender- Aware Checklist Review the results of the previous fiscal year's Budget by sector i.e. gender-related objectives, programmes undertaken and resources utilised (separating recurrent and development expenditures).
Undertake End- Year Gender Performance Audits And Submit (Ex-Post Gender Budget Statements		Monitoring and Evaluation Directorate	Point out disparities and gaps in the implementation of gender related programmes and projects and propose remedial measures to be addressed in the succeeding budget cycle

3.2 National Gender and Equality Commission

As an oversight body on integration for principles of equality and inclusion in Kenya, NGEC is responsible for monitoring and auditing applications of affirmative actions in all spheres of life including planning and resource allocations budgeting processes. The commission will undertake scheduled 'gender responsive budget audits' at county and national level and issue advisories to MDAs and county governments.

Annex 1: Kenya; stages in budget-making process

Like many other countries in Africa, the budget process in Kenya has undergone various reforms that have resulted into changes in the systems procedures and formats of the budget. Kenya has a dual budget i.e. a recurrent budget, which caters for recurring expenses, and a development budget, which caters for capital-related expenditures. The key stages in the budget can be summarized into the following stages:

Stage 1: Macro target setting and estimation of overall resource envelope.

This is the first stage of the MTEF process and it involves the setting of macro targets i.e. projected economic growth, desired inflation rate, money supply, projected interest rates, desired levels of Borrowing both domestic and external, and other macro aggregates such as the realizable revenues and sustainable expenditures levels.

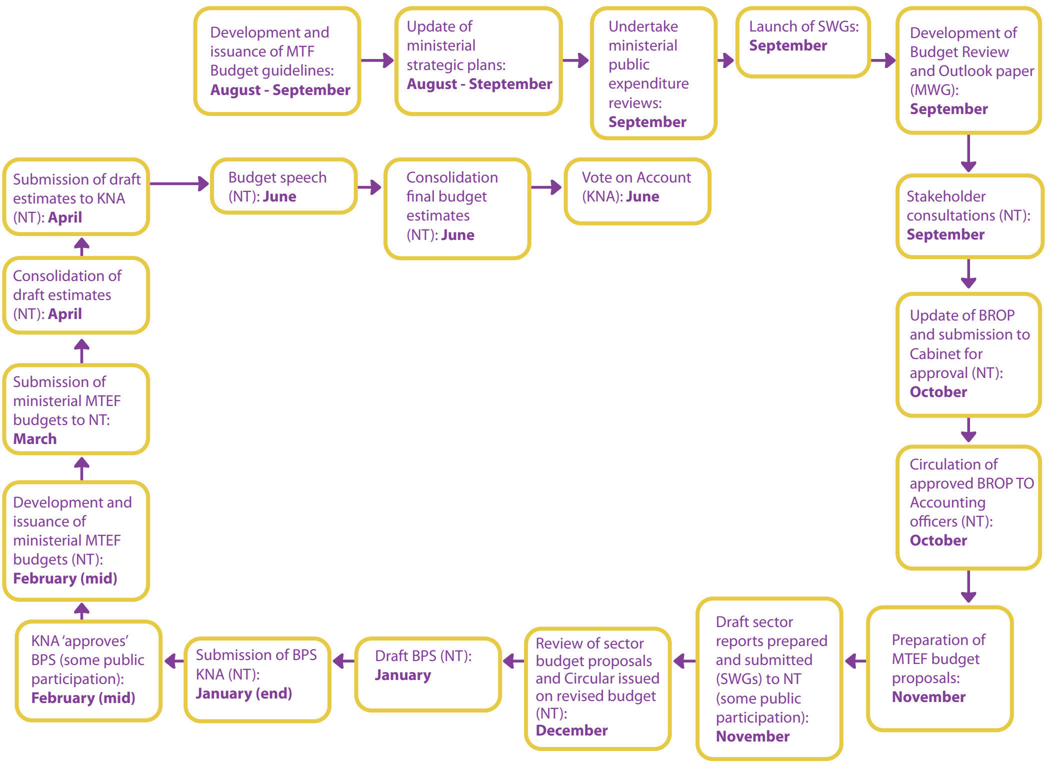

Figure 3: *The national budget-making process in Kenya*

Under the MTEF process, the setting of expenditure levels and other macro targets is done by the Macro Working Group. This group will also normally develop the BROP i.e. the initial document that gives the provisional macro indicators which are later firmed up after the sectoral hearings and used to prepare the Budget Strategy Paper (BSP). The BSP gives the macro framework, including the aggregate recurrent and development expenditure ceilings.

Stage2: Review of sectoral priorities

At this stage of the MTEF process, the sector working groups convene following their receipt of the Budget Call Circular issued by the National Treasury. The Budget Call Circular provides guidelines on how the sectors are required to generate the MTEF i.e. to prepare their sectoral reports i.e. ministries use these guidelines to prepare their budgetary needs for presentation at the sectoral level. Ministries within the sectors review their budgetary priorities and needs, taking into consideration the national priorities as set out in the guidelines (and which ordinarily reference the government's priority development plans and objectives); on-going activities and projects; and the financial plans of the sectors. The sectoral reports are expected to contain costed programmes which are organised in order of priority –based on a three-year rolling plan, and a criterion for allocation of resources among competing needs.

Stage 3: Sectoral resource envelopes and sector resource bidding

At this stage of the MTEF process, from the sectoral reports then the sectoral priorities are picked to determine the weight for each sector. These priorities are expected to have been costed and ranked from the highest to the lowest. The other issue taken into account while developing the ceilings is the whole issue of existing commitments. The Budget does not start from a zero base. It is a continuous process where by there are activities which take more than a year and these continue to be factored in as claims on the existing resources. Once the total commitments are established, they are added to the new policy/priorities to establish the total expenditure/resource requirements.

Once the total outlays are established then the next step is the matching of these needs to the overall macro level expenditure ceilings (established in Stage 1). At this stage should the articulated expenditures be more that the macro targets set in Stage 1 and hence result in a higher deficit than the macro target set in Stage 1, these expenditures have to be scaled down through the elimination of the items of lowest priority. This process has been known as the sectoral resource bidding stage. Ministries claim their share of resources through a process of negotiation where trade – offs are made between competing needs. The ministries bid for resources within their sectors and then compile the resources they secured within their sectors to form ministerial ceilings.

Stage 4: The Budget Policy Statement

These Standing Orders are important in that they introduced a requirement that 'every year, not later than 21st March, the Minister responsible for matters relating to finance, shall prepare and lay before the House a Paper to be referred to as the Budget Policy Statement.' This statement must contain: (a) an assessment of the current financial year and the projected state of the economy for the next three years; (b) the macro economic and fiscal policies for the same period (c) targets for total overall revenues including domestic and external borrowing and aggregate expenditure; and (d) the total resources to be allocated to individual programmes and projects within a sector (or ministry) for the same period, indicating the outputs expected from each such programme or project during this period, and the criteria used to allocate or apportion the available public resources among the various programmes and projects. Parliament's Budget Committee is required to look at it and where necessary, consult with departmental committees (within parliament) on what is contained and give Parliament its report, no later than 15th April.

These newly introduced requirements are useful in that they have increased the role and influence of Parliament within the budget process. Treasury must sufficiently justify the allocations it has made, and spell out what it is seeking to achieve for the proceeding fiscal year, within various programmes, ministries and projects. Therefore accountability and transparency are enhanced; so to the potential role of Parliament in promoting gender-responsive-budgeting.

Stage 5: Financial Programming.

The fifth stage is the financial programming stage which is where the itemized budget is prepared and submitted. Once ministries have their expenditure ceilings, they then prepare their three year itemized budgets for both recurrent and development expenditures. The itemized budgets are then submitted to the National Treasury for review and approval. The National Treasury normally reviews the budgets to ensure that the ministries observed their ceilings and that their programmes are conformed to the sectoral and national priorities. Once this is done the National Treasury prepares the estimates for printing and presentation to Parliament for approval.

The budget format is central to the government's public finance management system i.e. it facilitates the government to oversee, manage, control, account for, to audit and report on the use of public funds. On the other hand, it is also critical to the ability of stakeholders to interrogate and understand the implications of the national budget in any given FY. As such a user friendly format is important. Under the current line item format, budget estimates are presented using an administrative classification, and broken down by votes (i.e. relevant ministries), sub-votes (i.e. departments and agencies under ministries) and heads (which refer to allocations made under specific sub-votes). Additional information is provided on ministerial (vote) allocations using economic classifications such as: compensation to employees, subsidies, grants and other transfers etc. This format is in-put focussed i.e. it only provides information on the sizes of proposed allocations to specific votes, sub-votes and heads, and not on the desired outcomes and/or objectives of the proposed allocations. There is also no indication on how the size of allocations relates to purpose for which the allocations are proposed.

The line-item budget format is therefore useful for accounting fro resources, but is of limited value in determining the purposes for which the allocations were made, or the effectiveness of the allocations for their purposes, for the purposes of monitoring the effective utilisation of these resources.

To address this, under the Public Expenditure Management Assessment and Action-plan (PEMAAP), the Kenya government has been working towards moving to a programme and performance approach beginning from 2005/6, to improve transparency in budget reporting.[1] Programme and/or performance-based budgets are budgets designed along specific programmes, and incorporating information on performance i.e. outcomes, objectives and indicative targets of particular resource allocations. The first Indicative Programme-Based Budget was published in

Stage 6: Approval of estimates by Parliament

Once the estimates are prepared, they are supposed to be laid before Parliament which refers them to various parliamentary committees for scrutiny. After a brief debate on the estimates, ministries are granted 50 percent of the total budget (referred to as 'Vote on Account'). This is done so as to enable the government to continue discharging its duties, as the scrutiny and debate of the estimates continues. After a review of the estimates at the parliamentary committee level (expected to take 21 calendar days) the committees report back to the whole house where brief debates take place and the votes are all approved not later than 31st of August every year. Thereafter the National Treasury prepares the Appropriations Bill which is expected to contain any changes to the budget estimates proposed by Parliament and upon approval the ministries then have full ability to implement the budget.

Stage 7: Execution and implementation of the Budget

During the implementation of the budget, shortfalls may arise which may need adjustments in the approved budget. These shortfalls may be due to the lack of realization of expected resources or new expenditure requirements. These adjustments are taken back to Parliament for approval as supplementary estimates. Parliament has a short period of time to approve the supplementary budget.

Monitoring evaluation and accounting for resource use.

The National Treasury, together with the ministry of Devolution and Planning are required to undertake end year reviews on the budget. The focus here is mainly on the collection on data on actual spending. No impact evaluation is done on a consistent basis. Indeed Public Expenditure Tracking surveys (PETs) have been carried on an ad hoc basis but these have not been used to inform policy and decision making. Public Expenditure Reviews (PERs) are also carried out on a yearly basis.

[1] Kiringai, J. and M. Were (2004)

At the end of the FY, ministries are required to prepare their accounts within a particular format which is submitted to the Controller of Budget and the Auditor General who then report back to Parliament. Parliament then reviews the controllers report and makes recommendations.

Annex 2: Glossary of Terms

A.1 Concepts on Gender

The central concept of gender is different from sex; the latter refers to the biological difference between men and women; girls and boys. Gender on the other hand refers to the prescribed roles and responsibilities of women and men, girls and boys, which are socially defined and is dependent on varying social contexts.

Gender analysis refers to the diagnosis of the differences between men and women regarding their specific activities, conditions, needs, access and control over resources, and access to development benefits and decision-making. Gender analysis entails first and foremost collecting sex-disaggregated data and gender-sensitive information about the population concerned. It is a prerequisite for gender-sensitive planning.

Gender equity is the concept that all human beings, both men and women, should be free to develop their personal capabilities and make choices without the limitations placed by stereotypes, gender roles, and prejudices. It does not mean that women and men are the same or have to become the same. Rather it means that the different behaviour, aspirations and needs of men and women should be considered and valued equally and should not affect their chances of achieving their desired outcomes and enjoying their rights, accessing public services or contributing in society.

A gender gap is the difference in any area between women and men in terms of their levels of participation, access, rights, power and influence, remuneration or benefits.

The concept of ***gender mainstreaming*** as is clearly established in the Beijing Platform for Action is the main global strategy for promoting gender equality. It entails introducing a gender perspective in the process of assessing the implications for men and women of each and every planned action irrespective of the sector. It aims to ensure that gender considerations are not boxed into a specific sector or addressed in isolation. Gender mainstreaming is based on the recognition that the experiences and position of men and women affect their performance and outcomes in the development process and as such an analysis of their relative status including their roles, rights over resources, socio-economic position, opportunities and vulnerabilities amongst other criteria should guide each and every sector intervention. It is a strategy for making women's and men's concerns an integral dimension of the design, implementation, monitoring and evaluation of all policies and programmes in political, social and economic spheres so that women and men benefit equally, and inequality is not perpetuated. Gender mainstreaming is a process, not a goal. Other activities and strategies such women empowerment aimed at correcting past gender equality are taken as complementary to gender mainstreaming.

Gender-sensitive indicators, as they measure gender-related changes in society over time, point out how far and in what ways development programmes and projects have met their gender objectives. Their usefulness lies in their ability to point to changes in the status and roles of women and men over time, and therefore to measure whether gender equity is being achieved. Indicators can be grouped as:

- Input indicators monitor programme - specific resources to be provided for each programme item; usually used at or close to the start of the programme. Examples of these include: Personnel, infrastructure amongst others.
- Output indicators/ deliverables measure output for each programme or component, such as improvements in relation to baseline test data; they determine whether programme goals are being achieved; and are used close to the end of the programme.
- Outcome and impact indicators measure the medium and long term impacts produced by each of the outputs and the program.

Annex 3: Policy and Legal Framework Supporting GRB in Kenya

The 1990s saw the emergence of an international consensus on poverty eradication and the promotion of gender equality through such policy commitments as the 1995 World Social Summit on Development (WSSD), the Fourth World Conference on Women in Beijing (FWCW), and the International Conference on Population and Development (ICPD). Signatory countries Kenya included made commitments to integrate the goals of these conferences into their policies and plans. This included mobilizing resources and ensuring transparency and accountability in budget processes, as well as the monitoring of progress toward these goals precisely because of the documented links between gender equality and broader economic and social progress. However, a number of significant shortfalls and inconsistencies in meeting these targets were identified in the 10-year reviews in 2005 of the UN Fourth World Conference on Women. A key obstacle was identified as the inadequate allocation of — and ineffective and inequitable use of — public resources. One problem in implementing these commitments is that there is often a gap between policy development, budget appropriations, and the outcomes of policies.

Some of the specific international instruments that relate to Gender Responsive Budgeting include:

I) The 1995 Commonwealth Plan of Action on Gender and Development, which was endorsed by Commonwealth Heads of Government in Auckland in 1995. This gave the Commonwealth Secretariat a mandate to advise and assist governments in mainstreaming gender in all their policies, programmes and activities. The Plan of Action identified 15 government action points as being desirable elements of national gender and development action plans, including the following:

- Integrate gender issues into all national policies, plans and programmes;
- Build capacity in gender planning;
- Conduct gender policy appraisal and impact assessment on macroeconomic policies;
- Implement action for women's participation in decision-making; and

II) The Beijing Platform for Action which was adopted in 1995 at the 4th World Conference on women in Beijing, China, requires that Governments:

- Restructure and target the allocation of public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty;

- Make efforts to systematically review how women benefit from public sector expenditures; adjust budgets to ensure equality of access to public sector expenditures, both for enhancing productive capacity and for meeting social needs;

- Conduct reviews of national income and inheritance tax and social security systems to eliminate any existing bias against women; and

- Facilitate, at appropriate levels, more open and transparent budget processes.

III) Beijing+5 was the twenty-third special session of the General Assembly with the theme "Women 2000: gender equality, development and peace for the twenty-first century". This took place at the United Nations Headquarters in New York in 2000 and after reviewing progress made since the Beijing Conference adopted a Political Declaration and outcome document entitled "further actions and initiatives to implement the Beijing Declaration and Platform for Action". This requires that governments incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes, as appropriate, in order to promote equitable, effective and appropriate resource allocation and establish adequate budgetary allocations to support gender equality and development programmes which enhance women's empowerment and develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation.

The Constitution of Kenya 2010 is the overarching document that provides for principles on which GRB would be anchored albeit not explicitly. With regards to specific PFM provisions, Article 201 (b) states that:

(b) The public finance system shall promote an equitable society, and in particular—
(iii) Expenditure shall promote the equitable development of the country, including by making special provision for marginalised groups and areas.

Article 203 sets out the criteria that shall be taken into account in determining equitable shares of revenue for Counties. One of the criteria is (h) the need for affirmative action in respect of disadvantaged areas and groups.

The Constitution has an expanded Bill of rights that specifies rights of all individuals with no discrimination. It also goes further to provide for groups that are considered disadvantaged or marginalised, by specifying their entitlement and details on the states obligation towards them.