

# CHALLENGES TO GENDER BUDGETING IN GEORGIA ON MUNICIPAL LEVEL **POLICY PAPER**



Author: Shorena Kakhidze  
Editor: Eliza Nabakhteveli  
Design: Nata Kipiani, Natalia Glonti

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## INTERNATIONAL EXPERIENCE

Gender budgeting<sup>1</sup>, as the component of program budgeting, it is usually considered the public finance management instrument for boosting inclusive growth.<sup>2</sup> Gender mainstreaming<sup>3</sup> is becoming increasingly important for fiscal policy and management of public finances. There is plenty of international evidence that gender equality can ignite economic growth. That is why gender budgeting is an effective mechanism to achieve parity between gender equality and allocation of budgetary funds. Gender budgeting encourages the formation of gender-oriented budgetary processes, supports the incorporation of gender equality aspects in it, and leads to a such redistribution of resources that integrate a gender perspective in all sectors and spheres.

International practice proves that there are a number of advantages gender budgeting brings economic growth and welfare, good governance, effective public policy and efficient state expenditures, accountability and transparency, improved statistics, budgetary processes and indicators.

The local self-government plays a tremendous role in achieving gender equality because the living conditions of men and women of their municipality depends on their decisions. Local self-government will not be able to exercise good governance if it doesn't pay enough attention to gender equality issues and women's empowerment.

The local governance model, especially in the sphere of physical policy, contributes to introducing gender budgeting approaches. In the framework of the public finance reform, decentralization creates a vast opportunity for increasing transparency and at the same time, potentially ensures more citizen engagement on the local levels. Local government is more demanding in delivering services to citizens and implementing citizen-oriented public policy.

Local self-government bodies' proximity to the public's everyday life creates the opportunity to meet the interests of women and men through public policy and service delivery. Practicing gender budgeting, which naturally engages the local population, is an asset in this process.<sup>4</sup>

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- 1 According to the Council of Europe's definition (2009), "gender budgeting is 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 in order to promote gender equality".
  - 2 With the broad definition, inclusive growth means redistribution of welfare gained as a result of economic growth.
  - 3 Gender Mainstreaming is the integration of gender perspective in all policy-making stages; Gender mainstreaming also implies the integration of gender perspective and equality concerns in all spheres and on all levels of governance, including lawmaking and elaboration/planning/implementation of policies and programs.
  - 4 <https://eige.europa.eu/gender-mainstreaming/methods-tools/gender-budgeting>

Two-third of the OECD<sup>5</sup> countries have instituted gender budgeting at least on two levels of governance.<sup>6</sup> Gender budgeting is legally mandatory in some countries, such as Austria, where it's enshrined in the constitution; Norway, where gender perspective is integrated into all policy-making spheres either on central, regional or local levels. On the lower level of governance, gender budgeting is an administrative norm in other OCED countries, including Finland, Island, Israel and Spain. Gender budgeting is implemented in some regions and municipalities of these countries.

Even when a country doesn't practice gender budgeting on the central governance level, it is still possible to pursue it locally. For example, in Switzerland, the central government doesn't practice gender budgeting, while initiatives related to gender budgeting have been raised many times on local levels.

When a government starts integrating gender issues on the policy-making process, they most frequently concentrate on some core policy areas, such as economics, equality, education, gender violence, or the dichotomy of the public (professional) and private lives. For example, in Denmark, state gender equality policy includes assessing the delivery of citizen-oriented services, including services delivered to unemployed, healthcare, and senior citizens' care.

## **GENDER BUDGETING IN GEORGIA AND ITS ORIGINS**

In Georgia, gender budgeting is considered as a component of program budgeting.

According to Georgia law, program budgeting was instituted on the central government level since 2012, while on local and autonomous republics' level – since 2013.

Hence, the state budget has been formed in a program budgeting<sup>7</sup> format since 2012 and municipality and autonomous republic budget – since 2013. Program budgeting format implies allocating appropriations according to priorities, programs/subprograms; includes the information about the programs/subprograms, notes on their expected consequences and implementation assessment indicators, as well as capital projects.

According to changes to the program budget drafting methodologies introduced in 2015: “dependent on the specifics and considering the necessity, gender-sensitive programs/subprograms/events should be also assessed according to gender specific

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**5** Organization for Economic Co-operation and Development (OECD)

**6** <http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf>

**7** The Budget Code of Georgia <https://matsne.gov.ge/ka/document/view/91006?publication=46>

indicator”.<sup>8</sup> Worth noting that the program budget methodology defines the limit on the number of indicators identified to measure an expected result. Experience shows that employing an excessive number of indicators to assess the progress is counter effective. That is why each expected result is usually assessed through no more than five relevant indicators.

State and local budgets include the reference regarding gender equality and the importance of considering gender issues. More specifically, to support the creation and implementation of the state policy on gender equality, Gender Equality Council of the Parliament of Georgia in its 2014 document “Efforts to Implement Gender Equality Policy – Action Plan for 2014-2016” writes “institutions responsible for spending the state budget should ensure that the gender aspect is considered in the process budget drafting, dependent on the specifics and necessities of a program”. Also, local self-government bodies should ensure that “the gender aspect is considered in the budget project, dependent on the specifics and necessities of a program”. (1.5.2.)

Naturally, the relevant indicator of the aforementioned expected results are defined as follows: “When necessary, gender equality aspects are considered in the programs and priorities of the local self-government bodies’ budgets”.

Interestingly enough, according to the 13<sup>th</sup> Article’s 2<sup>nd</sup> paragraph of the “Law of Georgia on Gender Equality”<sup>9</sup> reads that “The budget, social-economic development priorities, municipal programs and plans of local self-government bodies shall be implemented in a way to exclude any kind of discrimination based on sex”.

Among policy documents pertaining to local policy issues, the Sustainable Development Goals National Document<sup>10</sup> is also very interesting for its objectives and indicators tailored to Georgia. The 5<sup>th</sup> goal, “achieving gender equality and improving the opportunities for all women and girls”, defines the state government’s role and the local self-government bodies in achieving gender equality and empowering women. The Sustainable Development Goals National Document also includes such other issues that fall under the responsibility of the local self-government bodies and are addressed within the municipal budget resources. One of them is the goal to ensure the pre-school education accessibility for all boys and girls (the global objective 4.2) so that they are ready for elementary education. Relevant indicators and expected results tailored to Georgia’s context are outlined as follows:

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- 8** <https://mof.ge/images/File/kanonebi-brdzanebebi/%E1%83%91%E1%83%A0%E1%83%AB%E1%83%90%E1%83%9C%E1%83%94%E1%83%91%E1%83%90%20N385%202011%20%E1%83%AC%E1%83%9A%E1%83%98%E1%83%A1%208%20%E1%83%98%E1%83%95%E1%83%9A%E1%83%98%E1%83%A1%E1%83%98.pdf>
- 9** <https://matsne.gov.ge/document/view/91624?publication=9>
- 10** <https://matsne.gov.ge/ka/document/view/4732470?publication=0>; <http://sdg.gov.ge/text-page/34>

4.2.1: Development, studying and physiological health of a proportional number of children under 5, according to their sex, is going in the right direction;

4.2.2: Students' participation level according to their sex, in an organized studying process (one year earlier than official school age). (Target: 20 percent increase)

## PROBLEMS ANALYSIS ON MUNICIPAL LEVEL

Though there are references to gender budgeting in some key policy documents, **Georgian legislation doesn't mandate the budgetary bodies to consider the gender aspect in every budget drafting stage. That is why gender budgeting is not institutionalized as the integral component of the entire policy process and only comes into play when elaborating indicators (only, if necessary). The indicator is just the measurement of the result, while the one stems from the goal. So, the goal needs to be the part of strategic policy priorities.**<sup>11</sup>

According to the methodology of program budgeting:

- » “Performance indicator is defined as an achievement of a result, expressed in measurable (quantitative or qualitative) parameters. Performance indicator defines the effectiveness of program/subprogram/effort implementation”.
- » “Expected final outcome is the program result, global in its essence and scale. This is the **final result expected to be achieved after implementing the pre-analyzed and pre-planned efforts and courses of action**”.

Provided definition explicitly suggests that **policy implementation should start with the context analysis and planning, and gender aspects should be integrated not only in the indicators' elaboration but also on each stage of budgetary processes.**

It is crucial to distinguish two terms from each other – both defined by the European Institute of Gender Equality<sup>12</sup>:

- Gender relevance – whether there is a specific law, policy or program relevant to gender equality and gender relations.
- Gender-sensitive – policies and programs that take into consideration the difference between men's and women's experiences and at the same time

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**11** For detailed information, please see the research publication “Gender Analysis of the State Budget” issued by the Parliamentary Budget Office <http://pbo.parliament.ge/ge/rs/rpapers/item/559-2020-01-22-08-24-26>.

**12** <https://eige.europa.eu/gender-mainstreaming/concepts-and-definitions>

aims at eradicating inequalities and unequal distribution of resources. Gender sensitivity also means the incorporation of gender parameters in policy analysis.

Either state or municipality budget analysis helps to understand criteria employed to assess whether a policy or a program is gender-sensitive or actual meaning behind some vague terminology, such as “according to program specifics” and “dependent on necessity”.

**Such general statements in the methodology don't create the need to employ gender-sensitive indicators to assess program/policy effectiveness. While gender-specific indicators are very important to ensure target groups are properly identified and their needs and interests considered in the budgetary programs of a number of crucial areas: education, health, social protection, economics, infrastructure and all the other spheres of life.**

The relevance of indicators is another crucial issue for gender analysis of the budgetary programs.

According to the methodology mentioned above, "outcome indicators should measure the goal that is realistic and attainable. Evaluation indicators should be useful, result-oriented, explicit and measurable, relevant and attainable, and conditional". Additionally, the same document notes that performance indicators may be quantitative, qualitative, cost-related, etc.. However, all of them should be verifiable. Also, "increase", "improve", "advance" does not fall into the categories mentioned above of indicators, mostly because it doesn't imply measurability and is impossible to monitor effectively. If you cannot measure it, you cannot improve it". (William Thomson)

This issue can be addressed by data collection. Available data will help to create more realistic and measurable indicators. So, in the initial phase, it is important to undertake data collection efforts and later, in the longer-term, create indicators based on them.

Thus, elaborating gender-relevant indicators require the collection of gender statistics, which is foundational for evidence-based policymaking<sup>13</sup> and, therefore, one of the most effective instruments for achieving gender equality.<sup>14</sup> Statistics reflect the reality in numbers, which is foundational for making right political decisions - “what hasn't been counted does not count!”<sup>15</sup> According to the 5th article (maintaining statistics in the sphere of gender equality) of the Law of Georgia on Gender Equality, the “official statistical reports related to gender issues shall be completed with data differentiated by sex.”

While statistics reflect the reality, indicators refer to future goals and progress, reflecting the potential change in the existing reality. Gender indicator – this is a statistical

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**13** Gender statistics by sectors: <http://gender.geostat.ge/gender/index.php?lang=ka>

**14** <https://eige.europa.eu/gender-mainstreaming/methods-tools/gender-statistics-indicators>

**15** <https://www.oecd.org/dac/gender-development/44896238.pdf>

measurement tool reflecting the difference in a specific context over the period. Indicators are widely utilized to measure the progress in achieving a project, program or policy goals. “You can’t monitor development progress without good data”<sup>16</sup>.

Thus, gender statistics and gender indicators (either qualitative or quantitative) are components of gender mainstreaming throughout the entire policy cycle. On the one hand, they ensure informed and evidence-based policymaking and assures that an intervention responds to the different needs and priorities of men and women. On the other hand, they do measure the change that occurred concerning men and women in a specific policy sphere, program or realm, or changes that might have occurred in the status of men and women. Statistics and indicators are vital components of implementation, monitoring and evaluation of any policy, program or project.<sup>17</sup>

As far as the indicators go, worth noting that the Budget Code of Georgia performance indicators are required to be found in Budget annexes, meaning that the Parliament doesn’t approve or adopt it.

The methodology<sup>18</sup> of the program budgeting, approved by the Minister of Finance of Georgia with the relevant order in 2011, reads that “the transitional phase will be quite difficult and burdensome. Initially, during the first 3-4 years, designing the new format budget will be complicated and the new methodology itself will require substantial review for future improvement. In the initial stage of program budgeting, evaluation indicators will be solely informational, will be attached to the budget as an annex and will not be required to be adopted by the parliament according to the Budget Code.” Though the document mentions “initial stage” and “transitional phase”, performance and evaluation indicators still belong to the annex and do not require the parliament approval.

Due to these circumstances, **the indicators, including gender indicators, defined for the local self-government, aren't explicit and verifiable, don't fit the general criteria and are essentially, useless for monitoring purposes.**

**Ombudsman’s Office’s policy research document “The Assessment of the Gender Equality Policy in Local Self-Government Bodies”<sup>19</sup>** is an interesting analysis of the local government bodies’ gender policy, with the special emphasis on women’s economic empowerment. Besides one other interesting aspect, the document assesses one of the core issues: whether there is allocated sufficient human and financial resources to implement gender policy? (and how much the local budget reflects the

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**16** <https://www.oecd.org/dac/gender-development/44896238.pdf>

**17** Gender statistics and indicators are more comprehensively analyzed in the parliamentary budget office's thematic publication 04/20 – “Gender Statistics and Indicators”. <http://pbo.parliament.ge/ge/rs/theme/item/663-2020-11-22-16-08-40>

**18** <https://matsne.gov.ge/document/view/1400751?publication=0>

**19** The document was produced in the framework of the UN Women’s project “Joint Efforts for Women’s Economic Empowerment”: <http://www.ombudsman.ge/res/docs/2020061711084253805.pdf>

needs for achieving gender equality and how much the public is engaged in creating the municipality's budgetary processes).

The document assesses the status of gender equality condition and women's needs in the municipalities. Besides some achievements, it exposes some significant challenges that require policy solutions to activate gender policymaking in local self-government bodies. The Ombudsman's policy document includes recommendations on making local gender policy more effective and reasonable and what the local governments should do to support women's economic empowerment.

Ombudsman's Office's policy publication assesses local self-government bodies' gender policies in three phases. Initially, the scope of research and the research questions were defined, followed by the data collection from the relevant municipalities, throughout the country. The information collected included key documents, such as: reports on the implementation of gender equality action plans, projects and programs, and their budgets; Also, the information on the statistical data collection, Local Council meetings, policy initiatives, cooperation with non-governmental organizations, conducted trainings, gender budgeting and measures taken for women's economic empowerment were also collected and analyzed.

The research authors infer that **despite the local self-government bodies' actions oriented to improve the state of gender equality in their municipalities, a number of significant challenges still persist: a reflection of specific regional issues in country's general gender equality strategy and elaboration of systemic, evidence and need-based policies and programs in local government bodies. The analysis also shows that women's economic empowerment is less of a priority for local self-government bodies.**

**Concerning the budgetary issues, the research findings suggest that:**

“In order to establish institutional mechanisms, gender analysis of the budget is foundational. Meetings with gender councils reveal that its members do not have information on gender budgeting, its specifics and methodology. Funds allocated for the gender equality initiatives and services are integrated in program budget, reflected in relevant articles thematically. So, very frequently, questions regarding gender budgeting had to follow with multiple verification questions and requests to provide exhaustive and complete information regarding the gender budgeting practice of a municipality”. Besides, worth noting that in the municipalities, where local council members are trained in gender budgeting issues, find it challenging to identify women's specific needs, which would lead them to initiate additional programs, projects, and policies gearing towards the improvement of the status of women.

The fact that mostly men occupy high-level decision-making positions in the municipality bodies represents another impeding factor for implementing gender budgeting. It also somewhat defines the situation of women's rights in municipalities as well as in the country. At the meeting with the local population in Samegrelo, local women mentioned that in the light of discussing which programs should have been funded

by the local village/town budget, the privilege was given to the issues that would not affect women's situation in the village/town.

In the municipalities, where financial assistance is provided for single mother and mother of many children, the level of public awareness on adopting this status is very low, either among single mothers or among the council members. The definition of a mother of many children is different in some municipalities: in some of them a mother of three and more is considered eligible, while in other a woman should have more than 4 or 5 children to acquire this status. Very frequently, a single mother or one with many children is also the recipient of social assistance which reaffirms their concerning socio-economic situation.

Focus group discussions revealed that the practice when the municipality budget allocates funds for single mothers and the ones with many children, but due to the lack of appeal, funds remain unabsorbed. So, it's crucial to inform citizens about the way (including legal consultation) to obtain relevant status and, consequently, benefit from the assistance packages. It's also notable that in most of the municipalities focus on allocate assistance packages for women in need, while the need of single fathers is predominantly neglected, and the municipality does not maintain statistics of single fathers or the ones with many children. So, some social benefits must be considered for either single mothers or fathers”.

**The document provides an insightful conclusion regarding the programmatic budgeting:**

“knowledge to understand and skills to practically implement gender budgeting remains one of the core challenges for Georgian municipalities. The majority of local council members cannot effectively identify women's specific needs and have not realized gender-sensitive budget's the potential positive impact on women's wellbeing. Another major challenge identified refers to the financial resources that makes the budget flexible to accommodate diverse needs. So, it is essential that action plans are supported with the relevant budget so that gender equality policies will be implemented more effectively”.

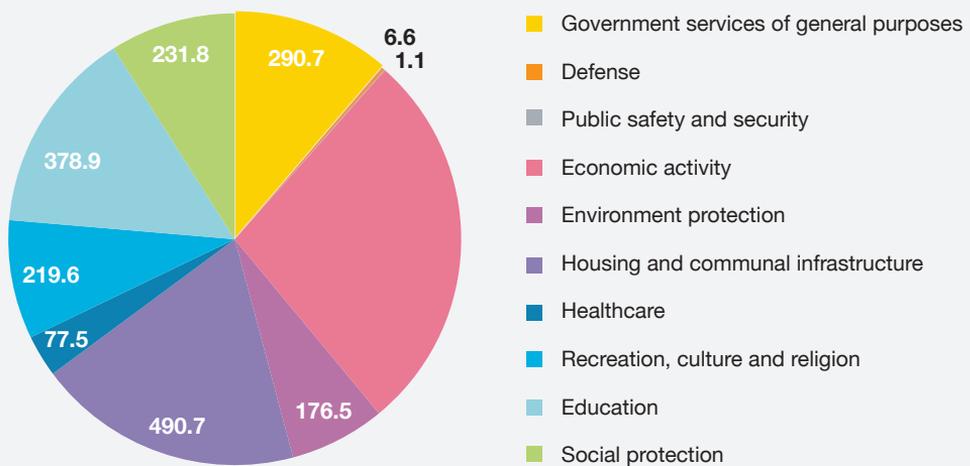
To reiterate, the institutionalization of gender budgeting practice on local self-government level is very important because the municipality budgets are meant to be spent on such critical spheres for gender equality, as infrastructure, development, education and culture, youth and sports, healthcare and social assistance, environment, economics and etc.<sup>20/21</sup>

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- 20** Gender importance of a sector is more comprehensively analyzed in the thematic publication by the Parliament's Budget Office 02/20 - “Gender Impact Analysis (GIA), Guidebook on How to Assess the Gender Impact in Policy Sphere” <http://pbo.parliament.ge/ge/rs/theme/item/642-gia>
  - 21** Gender Statistics and indicators are comprehensively analyzed in the thematic publication by the Parliament's Budget Office 02/20 – “Gender Statistics and Indicators” <http://pbo.parliament.ge/ge/rs/theme/item/663-2020-11-22-16-08-40>

According to the Organic Law of Georgia on Local Self-Government, a municipality has the authority to undertake such actions that aim at supporting employment, agriculture (including supporting agricultural cooperatives), tourism, providing social assistance, healthcare (in cooperation with the relevant state organs), also supporting youth policies on the local level, child support, environment protection, public education, gender equality, prevention of violence/domestic violence against women, service the victims of violence/domestic violence, production of local achieve, encouragement of healthy style of life, creating a safe environment for citizens health and wellbeing, attracting investors for the municipality, support the innovative development initiatives and etc.

For example, in 2019, data demonstrates that the municipality finances were allocated in the following functional areas:<sup>22</sup>

### Functional Classification of Municipalities in 2019



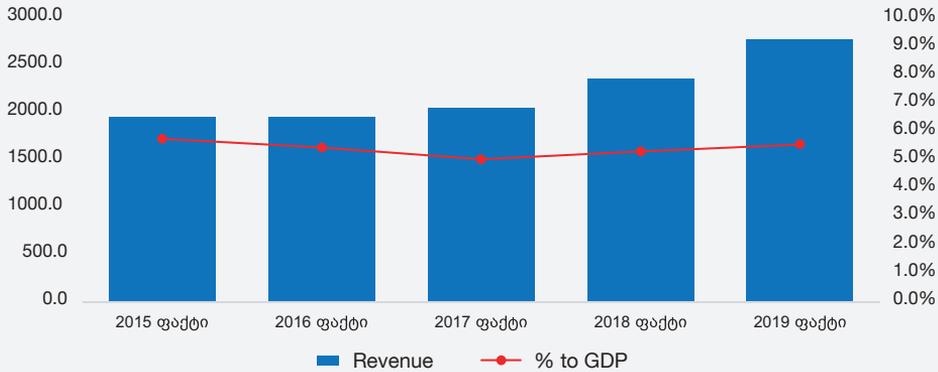
**DIAGRAM 1: Functional classification of Georgian municipalities in 2019, million USD.**

As the diagram demonstrates, according to functional classification, 2019 municipal appropriations were allocated in three major spheres: economic activities, housing and communal affairs and education. The same three directions championed in 2017-2019 years too. Education ranked as the 6<sup>th</sup> largest sphere in 2015, and the 4<sup>th</sup> in 2016.

Worth noting that the local self-governments' financial resources is increasing and usually amounts 5 percent of the Gross Domestic Product (GDP).

<sup>22</sup> Municipality budget information is available in the following report by the Parliament's Budget Office – "2019 Report on Autonomous Republics' and Municipalities' Implementation of the State and Local Budget" <http://pbo.parliament.ge/ge/component/k2/itemlist/category/155>

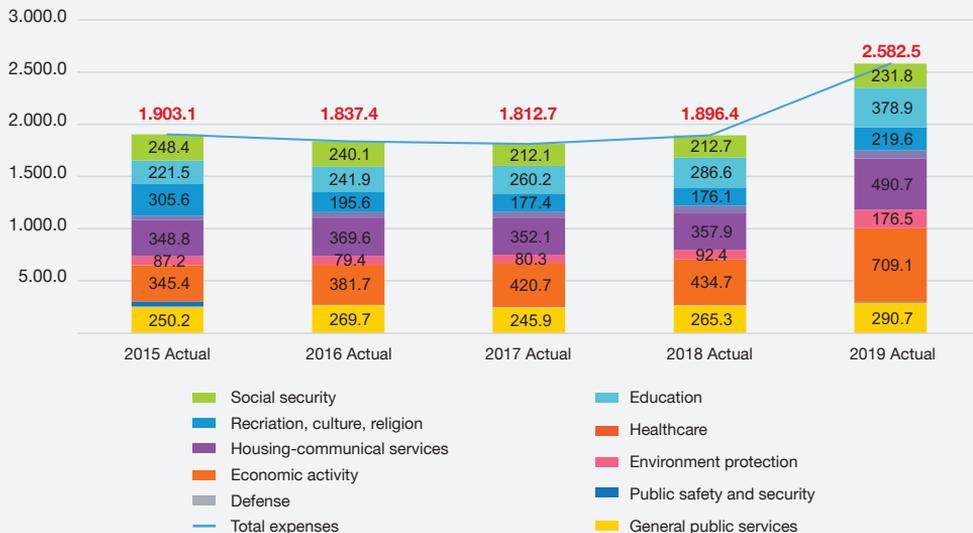
## Municipalities' Revenue (% to GDP)



**DIAGRAM 2: Revenue of Georgian Municipalities by components in 2015-2019 (% to GDP), Million Gel.**

According to the priorities and vision, 2025 outlined in the 2020-2025 Decentralization Strategy<sup>23</sup> municipalities' total revenue will amount to no less than 7 percent of GDP. More financial resources provide municipalities with more opportunities to fund more gender equality programs annually. For instance, in 2015-2019, according to functional classifications, appropriations allocated in different spheres draw the following picture:

## Functional Classification of Municipality Expenses, 2015-2019



**DIAGRAM 3: Functional classification of municipal expenses and operations on nonfinancial assets in 2015-2019 (Million Gel).**

## RECOMMENDATIONS

### To local self-government bodies:

In any sector, it might be economics, healthcare, social security, education or any other, identification of gender issues should be based on context analysis.<sup>24</sup> Comprehensive analysis of existing inequalities and identification of men's and women's different needs, interests and priorities is crucial.

Data collection<sup>25</sup> around the issue a municipality program is supposed to address. Emphasis should be put on collecting the data reflecting women's specific needs and interests. Thus, the program planning should be based on the relevant data related to the program target group, potential beneficiaries and state of women's rights and opportunities;

Gender analysis,<sup>26</sup> highlighting gender inequalities and related challenges that burden women in the community, should be conducted. Moreover, gender analysis should examine how the state service delivery system serves women, how the decision on public issues is made and how the activities in public space affects women and gender equality;

Gender analysis of budgetary appropriations are vital;

Goals and relevant policy recommendations to improve gender equality are to be set;

Pursuant to the recommendations drawn from the gender analysis and study of specific needs and interests of women, strategies, action plans and policy documents should be revised and updated;

Ensure equal participation of men and women in public consultation formats and reflect their needs and interests in the process of the municipality priority document;

**24** <https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/country/ukraine/en%20manual%20grb%20analysisprint-100.pdf?la=en&vs=228>

**25** <https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/country/ukraine/en%20manual%20grb%20analysisprint-100.pdf?la=en&vs=228>

**26** <https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/country/ukraine/en%20manual%20grb%20analysisprint-100.pdf?la=en&vs=228>

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Invite and consult gender specialists in the working group on municipality priorities;

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Program/project goals and objectives should highlight specific objectives in the light of improving gender equality. Expected results should also account for the potential results in improving the state of gender equality, and outcome indicators should include at least one gender-specific indicator which will measure the progress from the baseline to the targeted goal;

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Gender indicators should be useful, result-oriented, explicit, measurable, relevant, attainable and relative. It should not include phrases such as "increase", "improve", "advance", as they are impossible to measure on a scale and are, therefore, impossible to monitor;

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Municipality budget reports should include the information regarding the achieved results in the light of gender equality, measured by the relevant outcome indicators;

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Local men and women, as well as the representatives of some vulnerable groups, should be equally engaged in the public discussion on the budget project, proposed by the local municipality. Whether the local representative body has ensured such engagement and their needs are sufficiently reflected, should be adequately assessed by the monitoring;

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Local men and women, as well as the representatives of some vulnerable groups, should be equally engaged in the public discussion on the budget implementation reported by the local municipality;

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The budgetary process should integrate gender mainstreaming, involving the representatives of the gender council, as well as budget office representatives and authorities from specific spheres and territorial entities;

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Raise awareness of all stakeholders on gender equality issues and gender budgeting;

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Pay special attention to maintaining gender-segregated statistics;

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A gender equality council's action plan should reflect gender budgeting efforts.

