



**GENDER
BUDGET BRIEF**

Newsletter #2

Watching the 2021 budget adoption process

in the framework of the
Gender Budget Watchdog
Network in Western Balkans
and Republic of Moldova



Dear Gender Budget Watchdogs,

The 2020 was a year which we started with budgets that did not foresee the crises induced by the Covid-19 virus, that began very shortly after the start of the year. Therefore, the Gender Budget Watchdog Network closely monitored the management of the public finances during the year, the budget reallocations, the measures developed and implemented as well as resources put forward for realization of those measures. But we also followed with interest the budget adoption process for 2021 Budget. Are countries planning recovery measures, are these measures gender specific and how much gender responsiveness of the budget is part of the budget adoption debate?

Following the 2021 budget adoption process we tried to apply the experience of our sister network the UK Women's Budget Group. Learning from lessons from abroad is a priority for GBWN. We took their practice to organize Budget Days – mirroring the UK Budget Day which features discussions on the gender impact of the proposed budget. On this day together with the experts, gender advocates and academia we analyzed rapidly what the impact of the 2021 budget will have on gender equality.

This newsletter features information from the monitoring of the adoption of 2021 budget in each of the countries of our project. You will see the different dynamics within the region. In some countries we have increased interest in Gender responsive budgeting and this is reflected in the budget adoption debate, and in the budget document as well, reflecting the recommendations of feminist economists for more money to be put in social infrastructure; in others the budget adoption process has been rather fast, without participation and consultation with interested stakeholders, including women, resulting with not much reference to the contribution of the 2021 budget to gender equality. Finally, we have countries that have not yet adopted the 2021 budget document due to political reasons and the pandemic.

We keep watching, researching, analyzing and advocating for Gender Budgets!

Yours sincerely,

Marija Risteska

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Impressum

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Lessons learning from Women's Budget Group

In March 2020 GBWN went on a study visit in the UK where we have actively participated in an event organized by the Women's Budget Group at the *London School of Economics (LSE)*.

At the event screening of House of Commons Budget's presentation by the Chancellor of Exchequer was the main focus. The event was organized by the Women's Budget Group at LSE. Mainly people from academia and civil society were commenting on the presented budget. The discussion focused on tax policy, regional development, capital investments and etc. The event was structured in to two parts: screening and fast response

followed by discussion on the different aspects of the budget that translated into a joint statement. During the debate, the attendees were mostly interested on the issues and questions related to the social care, social security, childcare, gender violence and disability. They were also debating on the sources for investments bearing in mind the increased spending amounts and the potential cuts made to do so.



Meeting with Diane Elson, Professor Emerita of sociology at the University of Essex

During the discussion, the GBWN members met Professor Diane Elson who reflected on the current challenges in regards to the division and expenditure of the public money in UK aiming at balancing the gender gaps in several societal areas. She also raised her personal concern that Budgets must address the needs of single mothers and child poverty, especially now in times when the economic and social consequences from the corona pandemic are serious and

intense; overall there is a lack of gender analysis for most of the budget interventions.

The GBWN project partners instantly agreed that this kind of activism model is applicable in Western Balkans and Moldova and that they will organize such events for the 2021 Budget adoption process. Here is a summary of their work.



Albanian Parliament
adopting 2021 budget

GBWN Gender Budget Days 2021

In **Albania**, on November 2020, the Albanian Parliament approved Law no. 137/2020, "On the Budget for the year 2021". According to the Minister of Finance and Economy Mrs. Anila Denaj - "Budget 2021 aims at economic recovery of the country after two natural disasters such as the earthquake of November 26, 2019 and the pandemic caused by Covid-19, through employment promotion schemes, pro-active support for business, complete reconstruction of citizens' homes affected by the earthquake as well as measures to prevent the further spread of Covid-19." However, the 2021 budget was opposed by the President of the Republic as a budget that is not tailored based on the socio – economic consequences from the pandemic of Covid-19.

According to the Albanian Ministry of Finance and Economy, the budget of 2021 aims to create stability, economic recovery, as well as keeping under control the budget deficit and public debt of Albania, after the strong recession in 2020, currently projected at -6.1 percent. Economic growth is projected at 5.5 percent in 2021 and is projected to remain close to 4.9 percent over the medium term.

For the sixth year the Government of Albania prepare the friendly readers document "Citizen's Budget". According to this document for the year 2021, the budget is responsive to the needs of men and women and aims to advance efforts for gender equality, through the planning of funds, which address issues of gender inequality in sectors such as: health, social protection, education, agriculture, etc. During phase III of the preparation of the Mid Term Budget Programme 2021-2023 document **38 budget programs** were identified that includes effectively gender budgeting.

In the field of social protection, the Ministry of Health and Social Protection aims to successfully implement the reform of the social care program in its three main pillars: i) Economic Assistance; ii) Disability; iii) Social Services.



Among other areas the following are planned to be covered under the budget of 2021:

- The number of families and individuals in need that are expected to benefit from the economic assistance scheme is projected to be on average 66 thousand beneficiaries per year during the period 2021-2023.
- The number of beneficiaries from persons with disabilities and their care persons is projected to increase from 172 thousand in 2021 to 174 thousand in 2023.
- Employment of persons from disadvantaged groups through social enterprises aim to be 250 people in 2021, 300 people in 2022 and 350 people in 2023.
- The establishment of the social fund aims to support local self-government units to provide 20 new territorial social services to groups in need and to support families in the economic aid schemes with social health packages.

More info please read at: Citizen budget 2021. <https://www.financa.gov.al/wp-content/uploads/2020/11/CB-2021-2.pdf>

In the budget for 2021, in accordance with the Plan for the introduction of gender-responsive budgeting in the budget of the Republic of Serbia for 2021, 47 budget users are obliged to introduce GRB, i.e. to continue with the implementation or to improve the implementation of gender-responsive budgeting. In 2020, based on the Report on the introduction of GRB, the same number of budget users was obliged to implement GRB, but 6 budget users did not fulfil the obligation. The number of budget users is not increased in 2021.

The key allocations in the 2021 Budget of Serbia that will have a gender impact are the 10% salary increase for employees in health sector and the increase of the pension - 5.9% percent. The biggest allocations are planned in infrastructure – public transport and adaptation and construction of 22 health centers.

From pensions increase the bigger benefit will have men, although among 1672506 pensioners is 56,1% women and 43.9% men. But, the average pension of men is for around 700 EUR higher than average pension of women at the annual level. At the same time, women are majority in agricultural pensioners, with average pensions lower than minimal.

The new packages of the support to economy are not yet assessed from the gender perspective. Previously introduced measures were available very fast but also were not targeted and adjusted to the needs of various categories of businesses. Women are 30.36% of self-employed, and 13.7% of firms are with female majority ownership. Data are not available according to the business sector.



Dr. Misala Pramenkovic,
Member of the National Parliament,

In **Serbia** during plenary discussion on the budget for 2021, one of participants, Dr. Misala Pramenkovic, Member of the National Parliament, raised the question of gender responsive budgeting by asking the Minister of Finance about the progress on GRB. The Minister of Finance responded that the Ministry every year adopts a plan related to the number of budget users that will introduce gender responsive budgeting. *"It is my pleasure to tell you that this plan is public, so you can see it on the website of the Ministry of Finance, and at this moment we have 33 users who already implemented gender responsive budgeting. From year to year that number of users grows, but we will be even more committed."*



Minister of finance Mr. Besimi
budget speech in Macedonian Saborie

In **Macedonia**, CSOs, academia and experts organized budget screening day during which they followed the Budget speech of the Minister of finance and discussed the gender impact of the budget. Key takeaways from discussion:

- For the first time in the budget speech the Minister talked about inclusive and budget that aims to provide for equal opportunities, however, the proposed budget does not seem very different from the 2020 budget which suggest that analysis for the impact of the Covid 19 crises was either not done, or not incorporated in the budgeting process.
- Responding to the needs of women who were affected immensely by the crises need to be done soon so that the recovery does not have even greater negative impact on gender equality.

¹ <https://otvoreniparlament.rs/transkript/7810?page=10#govor-1165068>

The budget adoption process showed us that the document is still not accessible for persons with disabilities as it is not presented in a readable format, and since the needs of persons with disabilities were overlooked with the current Covid 19 response, the GBWN members representing this interest group were looking if the 2021 budget will amend the situation, although the speech of the Minister did not provide information on whether this was done.

The Macedonian GBWN members commended on the allocation of funds for rural clinics, but saw only short-term financing provided, although continuous support is needed for improvement of quality of life and service delivery; to this end money for kindergartens in rural areas is not provided and are very much needed.

In the debate for adoption of the budget, questions or comments on GRB were not made mainly due to overall absence of debate as the opposition did not participate in the process of adoption of the budget.

From the rapid assessment of the budget document conducted by CRPM we determined that:

- ✓ Several ministries and municipalities have begun providing specific measures that target women as beneficiaries, even subsidy schemes and other benefits to further gender equality, but these cannot be observed within the overall budget given the restrictions of the line presentation of the budget expenditure categories.
- ✓ The only gender specific line that is visible is the gender equality program in the Ministry of labor and social policy which is 10.750.000 MKD worth of which only 1.750.000 MKD are from the public budget whereas the remaining 9.000.000 MKD planned are from donations.



Kosovo Government
adopting the budget proposal

In **Kosovo**, following an eventful year in both politics, with several ruling governments, and the economy, amid the COVID-19 pandemic, the Law on Budget Appropriations of the Government was approved on 29 December 2020 and entered into force on 6 January 2021. No overall gender impact analysis seems to have been conducted prior to drafting of the Budget law, though the Law on Gender Equality requires gender responsive budgeting. Generally, appropriately implementing gender-responsive budgeting in Kosovo is difficult given that general expenditures categories are used, which does not enable inclusion of specific indicators towards gender equality, nor sex-disaggregated data. While the Ministry of Finance has encouraged via budget circulars individual budget organizations to conduct such analyses and submit them as annexes to their budget requests, they do not always do this.

The Economic Recovery Program to address COVID-19 foresees €182.4 million in expenditures for 2021. It includes a few targeted actions to support women, but these are small compared to the vast majority of expenditures. Specifically related to gender equality are:

- ✓ Expenditures for the Agency for Gender Equality amount to €221,207, and 14 municipalities have a budget line for "Gender Affairs" amounting to €190,944 in total, with a mean budget of approximately €13,028.
- ✓ While Kosovo still does not have a permanent budget line to address gender-based violence, €1,000,000 has been allocated for the budget line "Basic Expenditures for Shelters", which is an important development since 2019. Survivors of sexual violence perpetrated during the war in Kosovo also receive funds through the general budget line for on victims of war, though the precise amount that they receive cannot be determined based solely on the annual budget as it is not disaggregated.
- ✓ Several ministries and municipalities have begun providing subsidies and other benefits to further gender equality, but these cannot be observed within the overall budget given the restrictions of the aforementioned expenditure categories.



In Republic of Moldova the Budget Law for 2021 was adopted in a second reading on December 16, 2020 by the Parliament of the Republic of Moldova. It has been widely criticized by civil society groups as it was adopted after midnight, with an unusually long sitting without debate. The National Platform of the Eastern Partnership Civil Society Forum adopted a Public Declaration on the degradation of the legislative process and the governing act in the Republic of Moldova on December 21, 2020 to draw the attention of the society, the national authorities and the international community to the decisions that "generate imminent risks in what concerns the financial, political, economic and social stability and security in the Republic of Moldova". The most important annual decision of the Parliament took place in the absence of the mandatory procedures on transparency and lack of consultations. The Civil Society Organizations criticize next year's budget law claiming that "it does not solve any of the current problems, such as rising unemployment, health problems, education and the real sector of the economy and that it betrays political clientelism, including the distribution on political criteria of resources for capital investments in town halls/mayoralities, in favour of those affiliated to the new parliamentary majority". Analysis of documents accompanying the draft Budget Law denotes that the gender perspectives is missing and gender disaggregated data is still a big challenge for gender responsive budgeting in Moldova. However, we at GBWN observed there is an increase in budget allocation for health sector, social protection, education but this information is not relevant for the budgetary process.

Montenegro and Bosnia and Herzegovina have not yet adopted the budget for 2021

² The National Platform of the Eastern Partnership Civil Society Forum was created in 2011 and currently has 96 organisations as members, 7 of them representing umbrella-organisations for another 255 organisations. The mission of the platform is to consolidate the European integration process and the democratic development of the Republic of Moldova, to contribute to the advocacy process and monitoring the EU-Moldova Association Agreement as well as other relevant documents that refer to the Eastern Partnership and the relationship of the Republic of Moldova with the European Union. The English version of the declaration is available at: https://www.expert-grup.org/media/k2/attachments/Apel-public_21-decembrie-2020_-Platforma-Nationala-a-FSC-din-PaE_Eng.pdf