

**LET'S MAKE THE WORLD
A BETTER PLACE THROUGH PPB:
Budget Issues of the State's Gender
and Environmental Policy**



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It has become clear today that in a democratic society, the development of an individual as a unique personality, irrespective of his/her social status, gender, religious beliefs and political views, must be the key goal of public policy. That is why the issues of gender equality and the creation of decent living conditions, primarily, through supporting territories' environmental standards, are now becoming increasingly more significant and relevant.

What Is Gender?

There is still some misunderstanding and ambiguity in society with regard to the very concept of gender. Hence, in the process of stating the principles of gender policy, the focus is rather frequently made on gender equality based on sex. However, a broad understanding of gender brings out not only its binary (man – woman) but also unitary designations (children, pensioners, persons with special needs, students, etc.), since the social roles and activity areas of men and women are defined not by their biological and sexual differences but rather by the social organization of a society¹.

What Is the Connection between the Concepts of Gender, Environment, and Budget?

It is the budget which plays a leading role in implementing tasks and functions undertaken by the State in order to satisfy social needs. It is the most powerful tool for addressing gender issues,

since the practical implementation of gender equality directly depends on the mechanisms of its implementation, procedures, and guarantees provided by the State. In regard to a country's environmental safety, this too depends on the efficient implementation of public policy, in particular, by means of budgetary support.

Are There Gender Expenditures in the Budget Today?

Based on a broad understanding of the concept of gender, expenditures intended for supporting separate social groups, such as children, mothers, students, pensioners, and persons with special needs, are already included in the budget. Year in year out, the expenditures intended for human development and ensuring the quality of life while taking into account an individual's special features and social roles, have been concentrated in such sectors as education, healthcare, social protection and social security, cultural and physical development.

It becomes obvious that the expenditures allowing for the gender approach are inherent in the State budget.

Gender-related expenditures are represented most explicitly in the transfers for the social and cultural sectors from the State budget to local budgets.

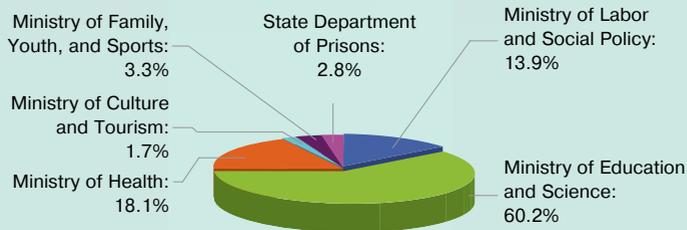
For example, in 2008 alone, the State budget provided Hr 12.7bn in subventions to local budgets intended for paying allowances to families with children, low-income families, disabled persons from birth, disabled children, and temporary



Therefore, the gender-based approach means the obligatory taking into account of the differences in the conditions, situations, and needs of not only women and men, but also of various demographic and social groups in the population, which leads to the need of mobilizing efforts in such areas of social life as labor activity and the labor market, education and training, social protection, support for maternity and childhood, protection of human rights, etc.

¹ Implementation of Gender Approaches in Proceedings of Committees of the Verkhovna Rada of Ukraine: Practical Handbook. – K.: K.I.C., 2005. – 186 p. (pages 22-23)

Structure of the 2008 State Budget Expenditures Most Responsive to the Gender Aspect (by Government Ministries and Departments)



For example, according to the State Statistics Committee of Ukraine, there are numerous indicators divided by gender and main demographic groups, which could be used for planning and monitoring the public strategy aimed at addressing gender issues in various sectors and for implementing the approaches to gender budgeting. These include the indicators of personal income (wages), employment, morbidity, antisocial manifestations, etc.

State support to children, and Hr 5.6bn for benefits to certain groups in the population.

Environmental Budget Expenditures

Budget expenditures related to the environment are implemented in both the State budget and local budgets. In 2008, the State budget expenditures for this purpose totaled Hr 2.2bn and those of local budgets totaled Hr 0.5bn. Also, nearly half of the total expenditures (42.8%) were financed via the proceeds from pollution-related revenue.

PPB as a Tool for Addressing Gender and Environmental Issues

The Performance Program Budgeting (PPB) method is the most effective tool of budget planning and execution. Certain components of this method were implemented at the national level in 2002. This method allows the implementation of stated tasks and objectives within the framework of the declared State and local policies by means of developing individual budget programs, including programs that take the gender and environmental aspects into account. To ensure the efficiency of expenditures for implementing the gender and environmental components, the process of budget planning and execution must use the performance indicators that describe the impact of the activities undertaken.

The preconditions for introducing such indicators have already been created in Ukraine.

A similar situation is observed in environmental issues. The official statistics include, e.g., emissions of harmful substances into the air by stationary sources of pollution by region and by locality, etc. There are also a number of economic indicators regarding nature management, which include the structure of capital investments and operating costs of environmental protection by sector.

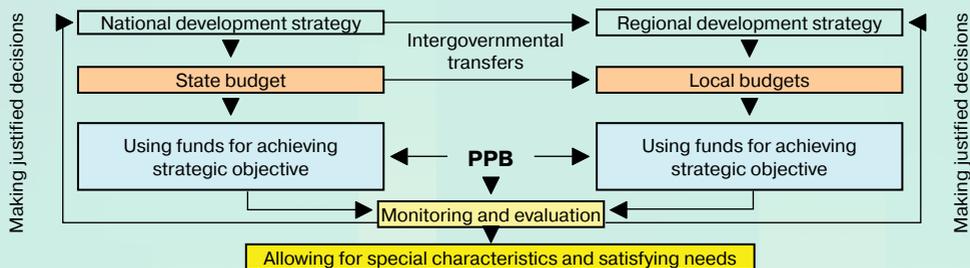
Anticipated Result

In the future, the data gathered while reaching the stipulated indicators could be used when making strategic decisions by the State. This would be a kind of a combination of State strategy and budgeting policy, which would create a unique budgeting method based on a complete cycle: strategy – objective – mechanism – implementation – monitoring – evaluation – strategy.

The implementation of this approach will be based on a transition from a single-year budgeting cycle to medium-term budgeting, using PPB both at the State budget and local budget levels.

Therefore, the potential capabilities of PPB allow the implementation of the gender and environmental policy in the country in the most successful manner, which would allow each member of Ukraine's society to obtain specifically the amount and quality of public services she or he needs.

Budgeting Technology Model for Implementation of Gender and Environmental Policy





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MUNICIPAL FINANCE STRENGTHENING INITIATIVE

Information on the Municipal Finance Strengthening Initiative (MFSI) Project

October 1, 2008, the Institute for Budgetary and Socio-Economic Research (IBSER) started the implementation of Municipal Finance Strengthening Initiative (MFSI) Project provided by the generous support of the American people through the United States Agency for International Development (USAID).

The main purpose of the project is to develop a municipal capacity to plan and finance the municipal projects development, in particular, municipal infrastructure through its own-source revenues increase and alternative financing sources attraction.

The project helps national and local authorities to:

- improve the legislative and regulatory framework for fiscal autonomy increase, enhancement of cities' creditworthiness and municipal infrastructure development, particularly in communal sector;
- to promote further budget reform, to increase local self-governments capacity in elaborating realistic municipal infrastructure development strategies and to use Program Performance Budgeting (PPB) at the central and local levels for these strategies implementation in pilot oblasts of Ukraine;
- develop and implement innovative financing mechanisms for realization of municipal infrastructure development strategies in pilot cities;
- improve regulatory framework regarding borrowings at the internal and external finance markets.

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