



Australian Government  
Department of Foreign Affairs and Trade

Education Learning and  
Development Module



**Diplomatic  
Academy.**



## **EDUCATION FINANCING**

Practitioner Level  
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## ACRONYMS

DFAT	Department of Foreign Affairs and Trade
GRB	gender responsive budgeting
IMF	International Monetary Fund
MTEF	Medium-Term Expenditure Framework
ODI	Overseas Development Institute
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	public financial management
PMF	Performance Management Framework
QSDS	Quantitative Service Delivery Survey
SAIs	Supreme Audit Institutions
SDG	Sustainable Development Goals
UNESCO	United Nations Educational, Scientific and Cultural Organization



# 1 INTRODUCTION

This Practitioner level module is designed to ensure that Department of Foreign Affairs and Trade (DFAT) staff members who engage with and lead policy dialogue with international and domestic partners are informed about key aspects of education financing, including public financial management, expenditure accountability, and gender-responsive budgeting.

It is recommended that staff complete the *Education Finance: Foundation Level* module as background information to this Practitioner level module.

## 2 WHAT IS PUBLIC FINANCIAL MANAGEMENT?

Public financial management (PFM) is concerned with how governments accrue and make use of public resources, and with how their decisions about public resource use impact the economy and society. PFM consists of the systems and processes used to develop, approve and execute government budgets, including holding governments to account in parliament and by the public. These systems and processes determine how government priorities are set, how funds flow, how money is spent and reported on, and what external scrutiny is applied to budget plans and outcomes.

Using partner government PFM systems can be good way to understand them, and thereby enable more informed approaches to system strengthening. While donors have made general commitments in the space, it is not always the best option. There may well be other more effective ways to engage with and strengthen PFM systems than by putting aid funds through them. This paper explores issues to be considered in choosing how and to what extent to engage with partner government PFM systems.

### Context and trends in public financial management and procurement systems

Countries with sound PFM in place are in a better position to effectively manage their domestic economy. Developing countries spend large amounts of their public budgets on education, but are constantly challenged to deliver better services from pre-school through to university. A scarcity of public resources, a complex educational agenda and competing demands for funding from other sectors make for tough choices when prioritising expenditure.

In 2005, development partners and partner governments agreed to the [Paris Declaration on Aid Effectiveness](#) and its five principles (ownership, alignment, harmonisation, managing for results and mutual accountability). The Paris Declaration sets out development partner and partner government commitments to each principle. It includes a commitment by development partners to use country systems and procedures to the maximum extent possible and, where use of country systems is not feasible, to design



safeguards in ways that strengthen rather than undermine country systems and procedures. Since the Paris Declaration there have been numerous other declarations linked to development effectiveness. In 2008, stakeholders endorsed the [Accra Agenda for Action](#). It reaffirms commitments to the Paris Declaration and calls for greater partnership between different parties working on aid and development to improve four main areas (ownership, inclusive partnerships, delivering results and capacity development).

Source: OECD 2019, Paris Declaration and Accra Agenda for Action

In Busan in 2011 the fourth high level forum discussed how to maintain the relevance of the aid effectiveness agenda in the context of the evolving development landscape. On 25 September 2015, Australia joined 193 other countries at the United Nations in New York to welcome and endorse the 2030 Agenda for Sustainable Development (the 2030 Agenda). The 2030 Agenda for Sustainable Development is made up of the 17 [Sustainable Development Goals](#) (SDGs) – a roadmap for global development efforts to 2030 and beyond, and the [Addis Ababa Action Agenda on Financing for Development](#) (2015) – a global plan for financing the Sustainable Development Goals.

Sources: United Nations n.d., United Nations 2015, Third International Conference on Financing for Development: Time for global action, 13-16 July, Addis Ababa, Ethiopia.

The Addis Agenda on Financing for Development seeks to promote gender responsive budgeting and tracking, urging countries to track and report resource allocations for gender equality and women's empowerment. It also includes seven action areas and a package of over 100 measures that provide a coherent framework to harmonise and align financing for sustainable development. These are:

- domestic public resources
- domestic and international private business and finance
- international development cooperation
- international trade as an engine for development
- debt and debt sustainability
- address systemic issues
- science, technology, innovation and capacity building.



## DFAT guidance on PFM

The DFAT Framework for Engaging on Public Financial Management sets out why Australia should engage on PFM in countries that receive Australian aid resources, and provides guiding principles for deciding whether, where and how to engage.

Source: DFAT 2017.

The Framework should be read in conjunction with [Effective Governance: Strategy for Australia's Aid Investments](#), which notes the contribution PFM reform can make in improving governance and reducing corruption. It also complements the [Framework for supporting tax policy and administration through the aid program](#), which addresses the taxation component of PFM in detail.

Sources: DFAT 2015 & DFAT 2016.



## Procedurally correct budget administration

PFM is principally concerned with procedural budget administration, an approach grounded in an established tradition of budget stewardship. Against this definition, PFM sets appropriate procedures to ensure that:

- disbursement of the public budget is carried out in accordance with the amounts appropriated under law
- 'due process' is followed in all aspects of revenue collection and expenditure authorisation
- auditing and accountability ensures the correct application of those procedures and reduces the chances of funds, including aid funds, being diverted from their intended purposes.

## An important tool for policy making

While the starting point of PFM and its key focus is to deliver sound budgeting and administration of public funds, in recent years, PFM has been extended to form an important policy-making tool. This extended version of PFM offers an integrated approach to public finance which encompasses not just budgeting but also policy making, planning, and performance measurement. This extended approach is a next generation model of PFM that will tend to be applied where a system has achieved a sufficient level of experience and achievement in procedurally correct budget administration. The extended approach can then supplement the traditional budget process by explicitly incorporating strategic policy priorities into the budgetary system. This ensures that the efficiency of budget inputs in achieving desired policy outcomes can be checked through performance indicators.



## Collecting some basic resource materials

The following checklist identifies useful finance related data for the education sector. A definition of selected documents is provided with the checklist.

**Table 1 – Checklist**

Document Type	Available (Y/N)	Most recent year	Copy available (Y/N)	If no copy held, can it be procured? (Y/N)
National Budget Papers				
Education Ministry Annual Report				
DFAT Assessment of National Systems				
DFAT Education Sector PFM and Procurement Assessments				
National PEFA Assessment				
Public Expenditure Review				
Public Expenditure Tracking Study				
Education sector studies				
Donor reports				
Academic studies and report				
Other				

### Education Finance Data Sources

**Assessments of national systems** are DFAT assessments that provide a broad overview of the fiduciary risks associated with using a partner government’s PFM and procurement systems, and recommend treatments to manage identified risks.

**Sector or agency assessments** are DFAT-specific assessments that cover fiduciary risks associated with using the PFM and procurement systems of a sector or agency. Program areas must design education investments that use partner government systems to include appropriate capacity development support, fiduciary risk treatments and monitoring and evaluation frameworks. For assessments in devolved country contexts, or where the Australian aid program is considering providing funding to sub-national government, assessments should include relevant sub-national entities.

The **Public Expenditure and Accountability (PEFA)** performance management framework is a methodology for assessing public financial management performance. It identifies 94 characteristics (dimensions) across 31 key components of public financial management (indicators) in seven broad areas of activity (pillars). PEFA provides a snapshot of PFM performance at specific points in time using a methodology that can be replicated in successive assessments, giving a summary of changes over time. Data on assessments



undertaken or planned are updated every six months. The data is available from the [PEFA Assessment Pipeline](#).

Source: PEFA 2016

A **Public Expenditure Review (PER)**: (i) provides an overview of the sector's performance through its policies and public expenditure programs; (ii) assesses expenditures in terms of their efficiency, effectiveness and equity and builds a database which can be regularly updated; (iii) reviews the institutional arrangements for managing budgetary resources and service delivery, and; (iv) explores policy implications of selected topics specific to the sector which will be identified on an ongoing basis in consultation with the stakeholders.

**Public Expenditure Tracking Surveys (PETS)** follow the actual flow of funds through government systems and hierarchies down to the school and community level. PETS are a specific diagnostic tool focused on public accounting systems and broader accountability mechanisms. They identify the incentives in place within the education system that either support or divert the intended flow of funding.

### An activity for you

**Consider your country program or a developing country known to you.**



Use the checklist in Table 1 to identify and collect all the available and most recent documents on how education is financed in your selected country.

Answer these questions with the papers you have collected:

1. What are the key partner government national laws and regulations on PFM?
2. Which are the key agencies involved in enforcing PFM? What is their relationship with the Ministry responsible for education?
3. Have laws, regulations and agencies been reviewed and what has been the assessment of strengths and weaknesses?
4. Do central PFM Regulations articulate links between the education sector plans and budgets? Do sector plans inform annual budgets in practice?
5. How aware is government about gender disparities that may be evidenced?
6. To what extent has gender responsive budgeting (GRB) been articulated and implemented?
7. Has any policy been implemented/tailed to direct funding to improve access for girls and women, or to promote gender equality?
8. Has the Education Ministry identified problems with PFM and procurement laws and regulations that impact on their service delivery? Are the management and IT systems in place to support the implementation of these laws?



9. Do regions/districts have responsibility for the financial aspects of delivering education? Are there local legislation or institutional arrangements for PFM? How effective are they?
10. Has any policy been implemented/tailed to direct education funding to improve access for marginalised groups (including people living with a disability), or to reduce stigma associated with marginalised groups?
11. What public or institutional consultations occur around laws or budget process? What role if any do local school communities play in reviewing school budgets and expenditures?
12. Is there sex-disaggregated data, or gender-specific data collection and analysis that informs budget allocation or policy decisions for the education sector?

### 3 ELEMENTS OF PFM

The PFM system comprises of a number of inter-related elements, presented in Figure 1. Each is discussed in turn.

Figure 1 – Key elements of PFM



#### The PFM regulatory framework

The legislative and regulatory framework sets the parameters within which the formal PFM system operates and how the various elements interact. The previous activity shows the types of information comprised in the regulatory framework for PFM in a country. Understanding the national framework of laws and regulations helps to identify issues that affect the education sector and possible Australian aid program funding activity.

#### Planning and budgeting

The budget process starts with planning. National development plans and poverty reduction strategies are often the guiding planning processes in developing countries. These often pre-figure and guide the planning for the annual budget.



As a general rule, planning for the next period should be based on information on results from the previous period, especially for medium-term forward planning. Access to information on results is incisive where outputs and outcomes are key to making decisions on allocations of financial resources for the next period.

In this way, budget planning and operational planning should be undertaken hand in hand, and all planning should be informed by analysed information (e.g. education statistics). Therefore, the Policy and Planning area of the Ministry of Education is key to budget and operational planning.

### Medium-Term Expenditure Framework

Planning also needs to be linked to budgeting. All political ideas and intentions that derive from the planning process must be costed in annual and medium-term plans, such as a Medium-Term Expenditure Framework (MTEF). In response to the overall fiscal framework from the Finance Ministry, the education sector should present its financial needs assessment. Both should then be aligned to make the fiscal framework for the sector consistent with financial realities. The sector also needs to develop its own MTEF based upon the financial framework.

**Note:** Performance based budgeting is the practice of developing budgets based on the relationship between program funding levels and expected results from that program. The general purpose of the proposals is to make budget documents (and budgetary process) more policy-oriented. This is achieved by presenting information on (intended and achieved) policy objectives, policy measures or instruments, and their costs.

#### What is a Medium-Term Expenditure Framework (MTEF)?



MTEFs are a planning and budget formulation tool used by some governments to set medium-term fiscal targets and to allocate resources to strategic priorities within these targets. While not strictly a diagnostic tool, MTEFs can provide valuable information on a partner government's capacity for medium-term expenditure planning. MTEFs are most relevant to the Australian aid program as:

- inputs to policy dialogue on overarching development priorities
- information on the sustainability of fiscal policy and the design of country strategies
- tools to assist in aligning the Australian aid programs with country revenue mobilisation, expenditure priorities and fiscal gaps.

### Challenges to budget reliability

There are limitations to determining reliable budget figures in many developing countries. Technically, there could be regulations that make it possible to alter expenditure votes (also known as sector budgets). These can be approved, for example, by parliament



through a supplementary budget decision during the budget year. A cabinet (or equivalent) and even budget institutions may also have a certain right to reallocate or transfer resources within the budget (known as a virement). This, therefore, can impact upon within-year budget certainty.

These issues are quite commonly seen in the region. In some countries where Australia gives aid, some categories of expenditure are under-budgeted year after year, then made up through virements and supplementary budgets. Other sectors then face reductions to their original budget allocations, making it more difficult for them to plan activities and expenditures throughout the year.

In many countries, the national budgets are often poor predictors of revenue and expenditure. Three important drivers of budget non-credibility are (i) lack of knowledge as to how the future will unfold, (ii) the inability of the executive to fully control subordinates, and (iii) a desire for the head of the executive to gain the support of external stakeholders by publishing a budget that s/he does not truly intend to undertake.

Source: Overseas Development Institute (ODI) 2014, Working paper 400: Incredible Budgets.

### An activity for you

**Are you able to answer the following key questions for the education sector of your selected country from the documents you have collected?**



1. Do the sub-national levels of government replicate the national planning process?
2. Do schools and communities participate in planning activities?
3. Are there major changes being considered such as the introduction of performance based budgeting? Is there an MTEF, and if so is it being used effectively to align plans and budgets?
4. Are detailed line item budgets replicated by sub-national levels to help with budget discipline and monitoring?
5. Are local officials focused on budgetary details rather than policy?
6. Is there sex-disaggregated data, or gender-specific data collection and analysis that informs education policy?

## Budget execution

The extent to which the flow of funds and expenditure in the sector is possible to track and record is important for ensuring that budget allocations are matched by actual usage of funds for intended activities. Budget execution is complex and includes the following functions:

- revenue administration and collection



- cash and debt management
- budget release and controls
- payroll management
- procurement and supply chain management
- internal audit.

For education, these functions will typically affect the timely release of payments to schools, the correct and timely payment of salaries to teachers, and the procurement and distribution of materials to schools and other institutions.

There is significant scope for inefficiency and corruption in the execution of these functions. This can frustrate the integrity and effectiveness of spending of both government and development partner funding.

Some questions to consider in relation to budget execution are listed below.

- Do public service rules enable managers to select, train, and promote their staff?
- Are there weaknesses in internal controls over school cash collections?
- Are bank reconciliations undertaken on time by people independent of the payment?
- How transparent is procurement at department and school levels? Is there evidence of collusive practices?
- Is there an annual end of financial year splurge that wastes funds?

## Accounting and reporting

Accounting is an information and measurement system (or set of systems) that identifies, records, and communicates financial and performance information about activities. An effective accounting system provides relevant, reliable and comparable information, typically using a single IT-based integrated financial management information system. Less effective systems may involve use of multiple excel spreadsheets, or paper-based accounting.

Regular scrutinised financial reporting provides a basis for internal and external scrutiny of government revenues and expenditures.



## An activity for you

Consider the following questions about your selected country's education sector.



1. What reports exist on the financial execution of the budget and other resources in the sector?
2. Is there parallel financial reporting due to separate funding by development partners? What does this mean for the possibility to manage the flow of funds effectively?
3. How timely are financial and performance reports, and is this improving?
4. Is there an effective internal audit? How are its reports followed-up?

## External audit

Supreme Audit Institutions (SAIs) carry out the external audit of public sector bodies and are one of the key links in the formal system of financial accountability in most countries. In some countries, the powers of an SAI are enshrined in the country's constitution. However, there may well be a gap between what the SAI is legally expected to do and what it is allowed to do in practice. There is wide international agreement that to be effective an SAI needs to be independent of the government of the day but this independence is often curtailed in small but crucial ways. Audits need to be timely so that they are seen as relevant by their audiences. They need to be tabled in parliament and made public to enable parliamentary and public scrutiny. The Public Accounts Committee needs the skills and time to review audit reports and follow up progress on the issues they raise. And the SAI needs sufficient resources, capacity and independence to promote implementation of audit recommendations.

Development partners support SAIs in a variety of different ways – directly through funding for capacity development or by commissioning SAIs to carry out specific audits – and indirectly by advocating on their behalf with the governments and/or parliaments for example to introduce modern legislation giving the SAIs independence.

Source: OECD 2014, *Good Practices in Supporting Supreme Audit Institutions*.

The strengthening of partner country SAIs can therefore result in significant improvements to PFM effectiveness. Most SAIs were originally established to fulfil a narrow financial auditing function by providing assurance that financial statements fairly reflect the revenues collected and expenditure incurred. They also ensured that implementing bodies had appropriate authority for the transactions they had undertaken, and that they had acted in accordance with relevant laws and regulations.

## Oversight

Over time, the range of work of many SAIs has expanded to include a consideration of how well government bodies perform their work, typically looking at the economy, efficiency



and effectiveness of service delivery. This type of work is commonly referred to as performance audit or value for money audit.

## Asset management

School land is often an important piece of real estate held by the government. The buildings, facilities and equipment within these school grounds need to be maintained and periodically replaced. Managing assets effectively and efficiently can make a big difference to the quality of school environments, the resources available and the total long term cost of providing the infrastructure for schooling.

Responsibility for the buildings and land can rest with a unit within the Ministry of Education or it can be with another agency (e.g. Ministry of Public Works). Responsibility can be shared with sub-national authorities or fully delegated. Maintenance activities are often shared with the school community.

Thus it is important to have clear guidance on what maintenance activities and associated costs will be met by (which parts of) government, and which parts are the responsibility of the community.

**Note:** For more information on asset management and infrastructure, please refer to the modules on *Education Infrastructure*.

# 4 SOME KEY PFM ANALYTICAL TOOLS

## Public Expenditure and Financial Accountability (PEFA)

The Public Expenditure and Financial Accountability (PEFA) Program was founded in 2001 as a partnership between donor agencies and international financial institutions. It was established to assess the condition of country public expenditure, procurement and financial accountability systems, and to develop a practical sequence for reform and capacity-building actions.

The Performance Measurement Framework (PMF) (or PEFA Framework) was developed as a contribution to the collective efforts of many stakeholders to assess whether a country has the tools to deliver three main budgetary outcomes:

- aggregate fiscal discipline (aggregate fiscal discipline concerns all key measures of fiscal performance: total revenue, the financial balance, and the public debt)
- strategic resource allocation
- efficient use of resources for service delivery.

The PEFA Framework is a high level analytical instrument which consists of 94 characteristics (dimensions) across 31 key components of public financial management (indicators) in seven broad areas of activity (pillars). The PFM Performance Report provides an overview of the performance of a country's PFM system. It might also seek to mainstream the PFM best practices that are already being applied in some countries.

Through repeat assessments in a country, PEFA can demonstrate performance changes



over time. Data on assessments undertaken or planned is updated every six months, and this data and all publicly accessible PEFA reports are available from the [PEFA webpage](#). Reports monitoring and analysing characteristics and trends of PEFA assessments are produced as part of PEFA Secretariat Studies. These PEFA Performance Reports will often focus on one or more sectors to provide more nuanced information and analysis.

Source: PEFA 2016b.

## PEFA for education

Education is often one of the targeted sectors of a PEFA Performance Report as education receives a large share of public expenditure. However, data disaggregated to the sector level is rarely available as part of PEFA reports. PEFA reports are especially useful to consider during the program design phase as they can help to identify what might be the strengths and weaknesses of the system in regards to strategic resource allocation and the efficient use of resources within the public sector.

## Public Expenditure Reviews (PERs)

A Public Expenditure Review (PER) analyses the allocation of public resources within the education sector in detail, addressing government financial commitment, efficiency and the equity of the allocations. A PER:

- provides an overview of the sector's performance through its policies and public expenditure programs
- assesses expenditures in terms of their efficiency, effectiveness and equity and builds a database which can be regularly updated
- reviews the institutional arrangements for managing budgetary resources and service delivery
- explores policy implications of selected topics specific to the sector which will be identified on an ongoing basis.

PERs are useful to the annual and medium-term budget development process of a country as it provides detailed examination of issues beyond the scope of an annual financial performance report (for example: detailed analysis of salary differentials within the teaching force - for male/female; primary teachers/secondary teachers). A PER can help lay foundations for a future annual report by:

- identifying critical areas for review
- establishing databases and building internal analytical capacity to prepare an annual financial performance report.

It is worthwhile to note that PERs (and Public Expenditure Tracking Surveys – see below) are not as standardised as the PEFA. Because they are tailored to context this tends to make them more expensive and time-consuming to implement.

## Public Expenditure Tracking Survey (PETS)

Public Expenditure Tracking Surveys (PETS) are audits of financial flows that aim to



measure the proportion of government resources actually benefiting schools. They make it possible to determine whether resources reach their intended destination, or if there are leakages along the way. The scope of PETS can vary according to the type of expenditures tracked and number of levels of public administration involved. They also provide (i) descriptions of how funds are targeted among different schools and sub-populations, and (ii) information on school facilities, teacher quality and absenteeism, drop-out rates, test scores, school governance and accountability.

PETS is one of the few tools that provide quantitative data on corruption. But further and deeper analysis is required to establish the causes of problems revealed. A UNESCO study on the use of PETS in the education sector has found:

- Thorough piloting of the questionnaires used is critical.
- Once a PETS has identified leakages and accountability failures, it is up to the government to translate recommendations into reality.
- Targeting concerns are probably best dealt with by a Quantitative Service Delivery Survey (QSDS) that includes a PETS exercise. This should be designed with well thought-out hypotheses in mind.

Source: UNESCO International Institute for Educational Planning 2014, Public expenditure tracking surveys in education.

## 5 GENDER-RESPONSIVE BUDGETING

The Aid Effectiveness Agenda is a commitment between development partners and partner countries to ensure that development policies and programs are designed and implemented in ways consistent with international commitments on gender equality. As mentioned earlier, the [Addis Ababa Action Agenda on Financing for Development](#) seeks to promote gender responsive budgeting and tracking, urging countries to track and report resource allocations for gender equality and women's empowerment. To achieve this, financial management and budget processes need to be gender-responsive. This means that public resources are used efficiently based on the differing needs and priorities of women and men, and girls and boys.

Source: United Nations 2015.

Gender-responsive budgeting (GRB) comprises three phases.

- **Awareness:** Making gender disparities visible. This requires sex-disaggregated data which demonstrate inequity. For example, investigating whether girls have the same access to schooling as boys, so that budgets can be analysed in terms of whether gender inequities are being addressed. This phase is important in raising awareness and building capacity among key stakeholders.
- **Accountability:** Extending analysis to the whole budget cycle. This phase moves GRB from being about transparency and information to generating a sense of accountability for gender equality objectives.
- **Change:** Changing government budgets and policies to fully mainstream gender equality.



## Case study: GRB in Timor-Leste

The Democratic Republic of Timor-Leste is a newly independent state that has taken significant steps towards gender budgeting as an important tool in achieving inclusive economic development. As a critical part of nation-building, the Timor-Leste government placed considerable emphasis on women's rights and gender equality. These principles were incorporated into the Constitution and embedded in the National Development Plan for 2002-2007, and more recently in the Strategic Development Plan 2011-2030. Gender budgeting was embraced as a key strategy to integrating gender into the policy process as a standard procedure. Within this context, gender budgeting was adopted by the Timorese Government in July 2009 with a mandate to ensure that gender equality was taken into account in the budget process.

In the initial implementation, the gender budgeting initiatives focused on fiscal issues within the context of rights-based goals such as women's equality, women's economic empowerment, poverty reduction, eliminating gender-based violence, enhancing women in decision making, education, and health. Education, health, justice, agriculture and finance served as the initial focus sectors for gender budgeting. However, directives from the government urged all ministries and state secretariats to take gender equality considerations into account during the budgeting process.

### Lessons Learned

- **Institutions:** Early institutionalization of gender budgeting was important to the sustainability of the process in Timor-Leste. The Parliamentary Resolution gave an early legal basis to gender budgeting.
- **Capacity building:** It is important to recognize the need for capacity building and training for both government and civil society. This was integral to the gender budgeting initiatives in Timor-Leste, the Marshall Islands, and Samoa.
- **High-level political support:** Getting the support of key decision-makers and political leaders is important. In Timor-Leste the Prime Minister and Parliamentarians were supportive, passing various resolutions. In the Caribbean, Solomon Islands, and Vanuatu, the governments did not see high level support as a priority and there was no significant gender budgeting effort.
- **Alignment with national goals and civil society involvement:** The gender budgeting initiative should be cognisant with the country's broader national development goals. In so doing, the initiative can be more applicable to a wide range of sectors. For example, having an inter-ministerial group to guide and coordinate activities can be effective. In several examples (such as Timor-Leste, Samoa, and the Marshall Islands) having such a group enabled greater awareness of the shared challenges and concerns different sectors had in addressing gender inequality. One way of strengthening such a group is to include civil society participants, as was part of the initiative in the Marshall Islands, which further improved the range of inputs and ideas available to the committee as well as its legitimacy.
- **Getting started:** By using gender budgeting to assess various program outcomes, as was done in Timor-Leste, governments can both understand the efficacy of other gender equality programs while also illustrating the utility of gender budgeting.



Source: International Monetary Fund (IMF) 2016, Caribbean and Pacific Islands: A Survey of Gender Budgeting Efforts, IMF Working Paper WP/16/154.

To access other case studies on GRB, please refer to: [Empowering Women Economically: Illustrative Case Studies from Asia](#).

Source: United Nations Economic and Social Commission for Asia and the Pacific 2014

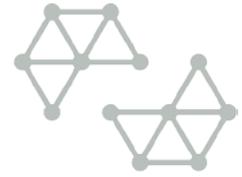
### Reflections on GRB initiatives

It is not easy to do GRB well. Australia's 30-year history of Women's budgeting (to 2013) has had uneven success. It raised awareness and contributed to gender mainstreaming going beyond gender-specific expenditures to recognize the importance of gender impacts of general expenditures, but it was not widely used to hold governments to account or change budgetary decision making. There has been a lack of progress for two main reasons. GRB requires: political support from an accountable government; and a lasting commitment, because of the time needed to collect data, to generate awareness and build accountability. If countries are to implement gender budgeting effectively will require capacity building and cooperation to reinforce national efforts, and women's organisations will require capacity building to be able to effectively engage and critique government gender budgets.

Source: Frances, Jeanne 2012, Gender Assessment of the Australian Philippines Aid Program November 2009.



## 6 TEST YOUR KNOWLEDGE



### Assessment questions

Answer the following questions by ticking 'True' or 'False'. Once you have selected your answers to all the questions, turn the page to 'The correct answers are...' to check the accuracy of your answers.

#### Question 1

The Australian aid program has developed a Framework for Engaging on Public Financial Management (PFM).

Is this statement true or false?

True

False

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#### Question 2

A Public Expenditure Tracking Survey (PETS) can follow the actual flow of funds through government systems and hierarchies down to the school and community level.

Is this statement true or false?

True

False

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#### Question 3

A country's Cabinet (or equivalent) and its budget institutions do not have any right to reallocate or transfer resources within the budget.

Is this statement true or false?

True

False

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#### Question 4

Budget reporting is restricted to allocation reports and does not consider what was actually spent.

Is this statement true or false?

True

False

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### Question 5

It is in the budget execution phase that there is significant scope for inefficiency and corruption to emerge.

Is this statement true or false?

True

False

---

### Question 6

Supreme Audit Institutions (SAIs) carry out the external audit of public sector bodies.

Is this statement true or false?

True

False

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### Question 7

A Public Expenditure Review (PER) can only analyse the allocation of public resources at a whole of budget rather than sectoral level.

Is this statement true or false?

True

False

---

### Question 8

Gender responsive budgeting is best introduced through a sequential progression (i) Awareness, (ii) Accountability, and (iii) Gender Equality.

Is this statement true or false?

True

False



The correct answers are...



### Question 1

The Australian aid program has developed Guidelines on Public Financial Management (PFM).

**This statement is true.**

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### Question 2

A Public Expenditure Tracking Survey (PETS) can follow the actual flow of funds through government systems and hierarchies down to the school and community level.

**This statement is true.**

---

### Question 3

A country's Cabinet (or equivalent) and its budget institutions do not have any right to reallocate or transfer resources within the budget.

**This statement is false.** These institutions can often make resource allocation changes.

---

### Question 4

Budget reporting is restricted to allocation reports and does not consider what was actually spent.

**This statement is false.** Actual expenditures are important in budget reporting.

---



### Question 5

It is in the budget execution phase that there is significant scope for inefficiency and corruption to emerge.

**This statement is true.**

---

### Question 6

Supreme Audit Institutions (SAIs) carry out the external audit of public sector bodies.

**This statement is true.**

---

### Question 7

A Public Expenditure Review (PER) can only analyse the allocation of public resources at a whole of budget rather than sectoral level.

**This statement is false.** Both whole of budget and sectoral levels can be analysed and reported.

---

### Question 8

Gender responsive budgeting is best introduced through a sequential progression (i) Awareness, (ii) Accountability, and (iii) Gender Equality.

**This statement is true.**



## REFERENCES AND LINKS

All links accessed August, 2019

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