



Key messages

- Nepal has explicitly included the principles of equality, equity, non-discrimination and participation in the country's Constitution of 2015.
- Although gender-responsive budgeting was introduced in 2007 and a gender-responsive budget committee was formulated at the ministerial level¹, mainstreaming gender perspectives into the local budgeting process has remained a challenge.
- Gender-responsive budgeting, planning and the implementation of development actions can meet the varying development needs of women, who are usually impacted differently by climate change than men.
- To mainstream gender-responsive budgeting in Nepal, budget monitoring systems need to be strengthened by increasing the financial literacy and technical capacity of female local leaders and decision-makers.
- There is a significant opportunity for Nepal to integrate and align the separate climate and gender-responsive budget codes and processes to monitor the inclusion of gender approaches in climate plans, and ensure sufficient funding of gender approaches in climate actions.

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Supporting climate action through gender-responsive budgeting in Nepal

Women are critical actors in climate change adaptation and their knowledge and capacity must be recognised to strengthen climate actions. Gender-responsive budgeting was introduced in Nepal over a decade ago to ensure gender equality and equity in development. A gender-responsive budget committee was also set up at the ministerial level to guide and support gender-inclusive budgeting. However, mainstreaming gender perspectives into local budgeting processes remains a challenge. To move forward, an enabling environment is needed that supports the efficient use of financial resources and harnesses the transformative potential of gender-inclusive actions to support investment in climate change adaptation.

Background

The Government of Nepal has been working over the last few decades towards building a gender-responsive and climate-adaptive society. Nepal has largely an agrarian economy highly sensitive to changes in climate patterns and the availability of natural resources. Climate change also threatens the effectiveness of development initiatives undertaken by local governments. Mainstreaming gender-responsive budgeting has become crucial, as adaptation measures should go beyond coping strategies to include creating well-adapted systems that allow people to thrive despite changing conditions.²

Women, particularly those who are reliant on agriculture, are impacted differently due to climate change than men. Even migration, where it is mostly men who move, impacts women who

are left behind with more work and responsibilities. In addition, inequitable power relations with men and discriminatory social norms, may result in adaptation investments not meeting the specific needs of women.

Nepal is among those countries that have initiated and mandated gender-responsive budgeting through regulatory and legislative reforms. The Constitution of 2015 has also vested powers in local administrative units (urban and rural municipalities), allowing them to formulate, approve and implement policies, laws and plans.³ In 2015, the Ministry of Federal Affairs and Local Development (MoFALD) formulated the Gender-Responsive Budget Localisation Strategy to translate national policies into local actions.⁴ However, these initiatives have failed to eliminate

discriminatory practices in a largely patriarchal society due to the lack of requisite technical capacity to effectively plan and implement gender-responsive actions.⁵

Gender inequalities in Nepal tend to affect the resilience and climate adaptive capacity of women and communities. For instance, the ownership of land and resources has a strong bearing on the food security, well-being and the adaptive capacity of an individual. The 2011 population census showed that only 19.7 percent of the households in Nepal included women who owned land and other property,⁶ leading to the inequitable distribution of rights, resources, and power. While climate programmes will not directly solve these land inequalities, addressing tenure and ownership issues (through gender-responsive policies and budget) can go a long way in increasing the adaptive capacity of women and their resilience to climate impacts as well.

What is required is an enabling environment that supports gender-responsive budgeting for inclusive and climate-resilient development. Here, elected local decision-makers can play an important role in achieving the vision of the Constitution and global commitments, by allocating resources to address the negative impact of gender inequalities, close gender and social gaps, and make communities more climate-adaptive.

This policy brief discusses the major knowledge gaps being faced by local government decision-makers for gender-responsive budgeting, and highlights the challenges in programme planning and design. It gives recommendations for effectively sharing relevant knowledge with decision-makers to strengthen the implementation of gender-responsive strategies and build a sustainable and climate-resilient society.

The policy brief is based on a review of literature on gender-responsive budgeting in government policies and plans in Nepal and also discussions

Status of gender-responsive budgeting in Nepal

- Nepal has criminalised discriminatory practices against women, but has failed to eliminate discriminatory social and cultural perceptions, posing a major hurdle to fostering gender equality and equity.
- There is a lack of representation of women from indigenous communities and lesbian, gay, bisexual, transgender and queer (LGBTQ) communities in decision-making.
- Despite significant progress, especially in ensuring wage equality for similar work, women's average wage stands at only 62 percent of men's wage.⁷ This has a direct impact on women's ability to create safety nets and access finances to become economically sustainable.
- The gender perspective within a project's budget, which is largely missing at present, needs to address equity issues manifested in widespread discrimination against women in the form of early marriage, gender-based violence and differential access to infrastructure and livelihood.
- Despite mandated gender-responsive budgeting in seven ministries, local and district-level gender-responsive budget committees are lying dormant and are unclear about their roles and responsibilities.

conducted with experts through online dialogues under CDKN's Knowledge Accelerator project.

Meetings were held with experts and local leaders to understand the knowledge gaps that hinder the efficient implementation of gender-responsive budgeting.

Gender responsiveness in national programmes and policies in Nepal

As a party to the United Nations Framework Convention on Climate Change (UNFCCC) and several other UN commitments to gender equity and inclusive economic development, the Government of Nepal is committed to incorporating gender considerations in climate-resilient development plans and strategies.⁸ To achieve global commitments (like the Sustainable Development Goals), the government plans to integrate gender inclusion through periodic national plans that focus on the social, economic and political empowerment of socially- and regionally-excluded women, eliminating gender violence and increasing their role in peace and development.⁹ The Constitution of

Nepal outlines the country's aspiration to become an equitable society based on the principles of inclusion and proportionate participation, and calls for an end to discrimination based on sex, caste, geographic region, language or religion.¹⁰

Gender and climate change linkages have been researched intensively in Nepal. The National Climate Change Policy 2019, Local Adaptation Plan of Action (LAPA) and the National Adaptation Plan of Action all recognise gender equity and social inclusion as important cross-cutting issues that need to be integrated to achieve adaptation and mitigation goals.¹¹ Nepal developed its Climate Change Gender Action Plan for six priority sectors: agriculture; forest; water; energy; health; and urbanisation.¹² The Ministry of Finance has also included gender-responsive budgeting principles in the Budget Management Information System and Line Ministry Budget Information System since 2007.

As gender equity and responsiveness are considered cross-cutting in nature, no specific projects are being implemented to improve gender equality and equity, as such. However, the government's annual programmes



Women in agriculture field, Agyauli village, Nepal. © LI-BIRD

are categorised as ‘directly gender-responsive’ (impacting more than 50% of women), ‘indirectly gender-responsive’ (impacting 20% to 50% of women) and ‘neutral’ (impacting less than 20% of women).¹³ Gender budget coding is used based on the following five indicators:

- Women’s participation in formulating and implementing programmes
- Women’s capacity development
- Women’s share in benefits
- Support to women in employment and income generation
- Quality reform in the time spent on and minimisation of workload for women

Although gender-responsive budgeting is mandated at the national and local level, it is difficult for decision-makers to

apply these five indicators and classify projects’ gender responsiveness due to a lack of technical understanding. The budget process also does not provide tools to track expenditure (and therefore impact), but only the allocation.¹⁴ As a result, gender commitments under national plans and programmes are unable to provide evidence of equity in outcomes. Despite this lack of impact assessment, general observations show that women have been left out as beneficiaries of some major initiatives. For example, the Agriculture Development Strategy (2015) was developed for achieving gender inclusion and modernisation of the agriculture sector. However, it catered to mostly commercial farmers. Strategies such as the modernisation of farming techniques and improving crop yields do not have a strong impact on gender and social inclusion.¹⁵ A Ministry of Finance study in 2017 suggested that no effort had been made to evaluate the effectiveness of the climate budget

in supporting vulnerable communities from a gender perspective, even though the ministries were aware that the coding (a climate budget and gender budget) had been in place for more than a decade.¹⁶

Issues in mainstreaming gender-responsive budgeting at local levels

One of the main challenges in implementing gender-responsive budgeting at a local level in Nepal is the knowledge gap among policy makers and decision-makers. This directly impacts planning and budgeting, integrating a clear gender perspective within budget allocations, effectively transferring knowledge, and spreading awareness about gender-responsive techniques and approaches. In addition to the gender-responsive budget code, a climate budget code was introduced in 2013 to channel funds to climate actions under the LAPAs.

However, as of now, these two budget codes do not align, and there is no evidence that the gender-responsive budgeting is being used in a way that also improves the climate resilience of women in Nepal. Notwithstanding the current lack of integration between climate budgeting and gender-responsive budgeting, there is a huge opportunity for Nepal to integrate and align these two budget codes and processes. This would ensure that the government is adequately monitoring the inclusion of gender approaches in climate plans, and sufficient funding of gender approaches in climate actions.

Insufficient technical capacity and financial literacy: Local leaders do not know how to formulate programmes to be more gender-responsive. Newly-elected women leaders lack financial literacy; their male counterparts often get the upper hand.¹⁷ Limited access to education, jobs and formal financial markets can reduce not just the financial well-being of women, but also the extent to which they can improve their knowledge, confidence and financial skills. The dominance and influence of elite groups over financial resources and decisions related to the provision of public goods and governance also impact the decisive roles women leaders could play.

Gender auditing and monitoring mechanisms: A research report titled *Gender Budget Audit in Nepal*, commissioned in 2008 by the United Nations Development Programme (UNDP) and United Nations Development Fund for Women (UNIFEM), concluded that there were no mechanisms to monitor gender-responsive activities and their impacts.¹⁸ That scenario has not changed much until today. 'Gender audit' systems are being incorporated in budget processes, and sectors such as agriculture, labour, industries, energy and tourism are analysing budgets with a gender lens. But the impact of budgeted activities on the status and wellbeing of women over the medium to long term is not studied. As of now,

there is little scrutiny of the outcomes of budgets in each sector. For example, a gender budget analysis by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) found that even after substantial expenditure on girls' higher education (secondary and tertiary) under its Education to All policy, the dropout rates were very high. In 2017-2018, the dropout rate of female students at the lower secondary level itself was around 4.8%.¹⁹ It seems the education budget overlooked that girls from low-income families were less likely to access secondary and tertiary education. As things stand, most teenage girls drop out of school and get married.²⁰ Therefore, it would be equally or more effective to apply gender-responsive budgeting in primary education budgets and associated policies and programmes, to help girls from low-income families build their self-confidence to continue their education, and delay marriage.

Similarly, feminisation of agriculture was observed some years ago when men started migrating in search of employment leaving the women behind with increased workload. A review conducted in 2018 by the Ministry of Land Management, Agriculture, and Cooperatives (MoLMAC) and UNDP revealed that investments under *climate* budgets alone could not effectively introduce technologies to reduce women's agricultural workload. However, the review found that when gender-responsive budgets were also used, this helped women farmers adopt climate-smart agricultural technologies and practices.²¹ Investment to improve irrigation facilities would help women farmers save time and earn more, resulting in their economic empowerment. In Gandaki Province, MoLMAC, in collaboration with Local Initiatives for Biodiversity Research and Development (LIBIRD), is collaborating with local NGOs and training institutes to promote climate-smart women-friendly farming technologies and practices under its Chief Minister

Environment Friendly Model Agriculture Village Programme. Such initiatives promote gender-responsive climate adaptation locally.

Coordination among key actors and sectors:

Weak coordination is a key factor in the failure to institutionalise the gender-budgeting process. A study by the Ministry of Finance in 2017 found that some ministries had designated focal persons to screen proposed development programmes for gender responsiveness.²² However, the climate focal persons had not been engaged in analysing climate-relevant programmes in terms of gender. Even though climate change and gender are cross-cutting issues, there is no integration or collaboration among departments and sectors, including ministry-designated focal persons working on them.²³ The Department of Women and Children, sub-departments and women's cells under the ministry are also lying dormant, unclear of their responsibilities.

Meaningful representation of local women leaders:

The Constituent Assembly of Nepal reserves 33% of its seats for women in Nepal. But local governments, especially leaders such as mayors or chairpersons of urban and rural municipalities, are overwhelmingly men; only 2% of these positions are held by women. In 2020, women comprise only 32.7% of the legislators in parliament, and 14.3% of the ministerial positions.²⁴ The newly-elected women do not receive the same level of training in their roles and responsibilities, and struggle with issues such as balancing their time, understanding and fulfilling mandates, and in maneuvering within the socio-cultural environment.²⁵ Their representation in senior bureaucratic positions is also limited. Their ability to express themselves in parliamentary and plenary discussions and in local budgetary processes – usually influenced by men in powerful positions – needs to be more supported.

Recommendations

Gender-responsive budgeting in Nepal supports progressive social change, but more concrete efforts are needed to match political commitments. An engaged leadership can ensure that gender equality and equity are integrated into planning, monitoring and budgeting processes. Some of the recommendations that can be adopted are:

- **Capacity building of locally-elected representatives for integrating gender and social inclusion in planning should be a major area of investment.** This is not only for women, but also men, who often need more sensitisation to the gender and social inclusion aspects of planning. Capacity building programmes must keep in mind the level of understanding, education and background of the leaders, and provide accessible, relevant and grounded knowledge products. For female legislators financial literacy training is

vital. Discussions with senior practitioners and federal officials on budgetary process and impacts must be conducted regularly. Local leaders play an important role in gender-responsive budget allocation, given their understanding of communities, and in identifying the beneficiaries, especially in adaptation plans at the local and community levels (for instance, LAPA or CAPA programmes). Having legislators, particularly women, trained in budgeting processes can ensure inclusion of gender-responsive climate resilient actions in budgetary plans.

- **Women's participation in decision-making processes needs to be improved.** The focus is not only on the women politicians and bureaucrats who need to be proactive in participating in decision-making processes, but also equally on men, who need to be sufficiently sensitised to make conditions conducive for

women to participate. Deeply entrenched inequalities, such as discriminatory institutions or inequitable power relations at the household or community level, need to be targeted through gender-responsive strategies. Building women's capacity and knowledge in decision-making processes and in financial budgetary processes will provide them with technical skills to make significant contributions to gender responsive-budgeting and planning. This can increase the adaptive capacity and resilience of women in general.

- **Budgeted activities need to be monitored** to identify the impact of various expenditure on women and men to create more equitable delivery of services. The beneficiaries of gender-responsive budgets should be identified and monitored regularly to generate gender-disaggregated statistics for future plans. This information can be used by local governments to enhance women's roles as political actors. The gender impact of



Women farmers teaching sowing techniques to other in Tallo Kudule village, Nepal. © LI-BIRD

development projects needs to be studied. Adequate resources should be allocated to measure women’s well-being effectively (and progress against national indicators). The performance, outcomes and results relating to gender equity and women’s empowerment across sectors must be evaluated in local budgets.

- It is important that technical staff in various ministries, civil society and academia **share and transfer knowledge while developing and designing budgets and programmes.** The planning officers, climate focal persons and gender focal persons need to be oriented towards using the climate change budget

code in ministries, and linking climate and gender budgets to see how the investment in climate programmes help to empower vulnerable women. A built-in dissemination mechanism must be considered at various stages of programme implementation by stakeholders and communities through user groups to ensure a more transparent and accountable system.

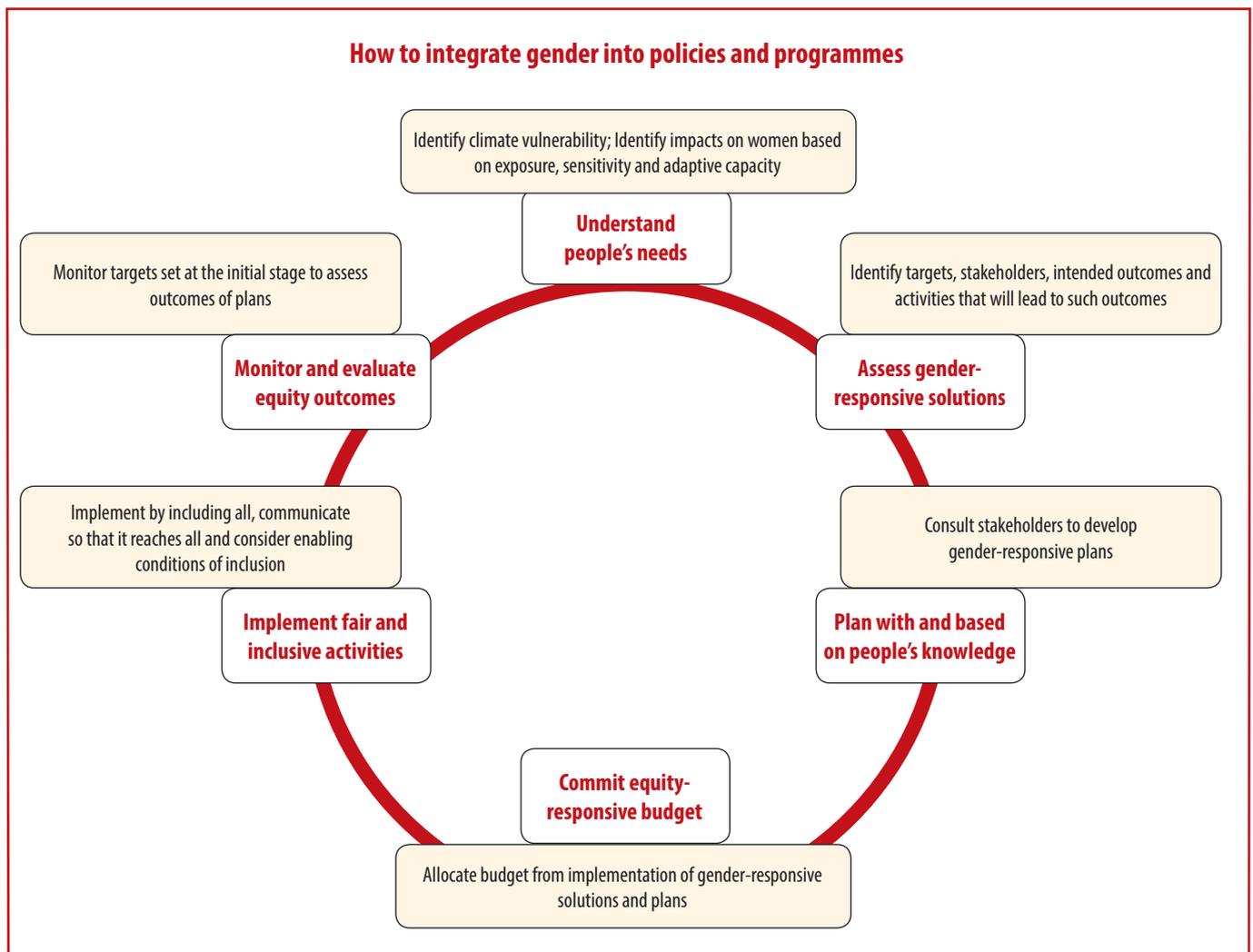
- **Cross-cutting gender responsiveness must be adopted in the overall project cycle.** While allocating budgets, women’s participation in planning, designing and evaluating projects must also be prioritised. There should be regular and ongoing monitoring

of progress in achieving the five national gender-responsive budgeting indicators during project implementation. Improved project reporting by developing gender-budgeting statements can help to ensure transparency.

Resources allocated to gender-mainstreaming activities and gender-neutral activities should be compared to ensure that there is a sufficient flow of resources to activities that address women’s needs and perspectives.

Gender-responsive budgeting is one vital part of an entire policy, programme or project implementation cycle that is gender-responsive at every step. The following figure gives step by step guidance for including gender considerations in planning processes (CDKN Global Gender Pack, 2020).

Figure 1: Integrating gender considerations in the planning cycle



Endnotes

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