

TECHNICAL GUIDEBOOK:

# INCLUSIVE BUDGETING RESPONSIVE TO THE NEEDS OF ALL GROUPS IN LIBYA

UN WOMEN LIBYA, TRIPOLI, OCTOBER 2025





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**UN Women Libya**  
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Dr. Aïcha Ben Belhassen serves as a Chief Judge at the Court of Auditors in Tunisia. This report was reviewed by Dr. Muraje Ghaith Suleiman, a Libyan financial expert and the former Deputy Minister of Finance, and the UN Women team.

The opinions expressed in this guidebook are those of the researcher and do not necessarily reflect the views of UN Women, the United Nations, or any of its affiliated organizations.

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# INTRODUCTION

## General Framework for Preparing the Technical Guidebook

UN Women has contributed to raising awareness, building capacities, and strengthening the commitment to integrating the inclusive approach into policies and budgets in multiple countries worldwide. Several countries have systematically and structurally introduced guidelines for inclusive budgeting and have focused on capacity-building for actors involved in planning and budgeting. These efforts aim to incorporate an inclusive approach to planning and budgeting processes, with a focus on creating mechanisms to monitor detailed outcomes that respond to the needs of all groups. Among these are Arab countries that have made significant progress in this field by considering the needs of all groups while policymaking, general planning, and adopting an inclusive approach when formulating the general budget of the state and the private budgets of institutions and central and local authorities.

This Technical Guidebook has been designed by UN Women in Libya with the goal of supporting the development and implementation of an inclusive budget that responds to the needs of all groups. The Guidebook aims to raise awareness about the importance of this concept, build individual and institutional capacity within ministries and relevant institutions, and establish institutional frameworks that ensure project adoption and sustainability. It also aims to integrate this concept into the general budgeting policies and procedures, ensuring its application throughout all budgeting phases.

The Guidebook provides technical resources for users within the Ministry of Finance, the Ministry of Planning, the Ministry of Women's Affairs, sectoral ministries, local associations, and civil society organizations in Libya. It draws on successful international experiences and best practices in inclusive budgeting responsive to the needs of all groups.

Given the specific context and requirements of Libya, this Technical Guidebook has been tailored to align with the preparation, implementation, and monitoring of inclusive budgeting that is responsive to the needs of all groups, based on Libya's Public Finance model and the 2011 Constitutional Declaration, particularly Article 6. The Guidebook has been designed in accordance with Libya's legal and accounting systems while incorporating relevant international references from the United Nations.

During the development of this Technical Guidebook, several scientific materials presented at the workshop held in Tripoli on May 23–24, 2023, were used. The workshop, organized by the Ministry of Planning of the Government of National Unity with support from UN Women and UNICEF, focused on "Inclusive Budgeting Responsive to the Needs of Men, Women, and Children." Additionally, the Guidebook benefited from the outcomes of focus groups and discussions where representatives from Libyan ministries and institutions enriched the workshop's findings with their expert contributions.,

This Guidebook serves as a technical reference for those actors in the field of preparation and implementation of budgets of the state and local groups in alignment with an inclusive approach. It provides a framework for monitoring indicators related to responsiveness to the needs of all groups and evaluating the economic and social effectiveness of public expenditures directed toward these needs.

## Objective of the Technical Guidebook

Given the importance of integrating the needs of all groups into planning and budgeting in Libya to ensure responsiveness and sustainable development, this guidebook has been developed to support the institutionalization of methodologies that promote proper application of the inclusive approach in budgets through a scientific and practical framework. This Technical Guidebook

seeks to enhance the capacities of actors in this field by providing essential tools and mechanisms for public employees, parliamentarians, and various actors in the field of planning and budgeting to enable them to incorporate an inclusive approach into the public budget of the state, local government budgets, and sectoral strategies.

The guidebook aims to clarify and improve the understanding of the various theoretical and technical dimensions related to this budgeting model. It has been formulated in a detailed and simplified manner to facilitate its use across different budgeting cycles, encompassing four key phases: formulation, approval, execution, and evaluation.

Users of the guidebook, including public employees, parliamentarians, and civil society members will find this Guidebook useful, especially in the early stages of applying inclusive budgeting approach in Libya, as it provides the necessary mechanisms and conditions for integrating the inclusive approach into budgeting, facilitating its institutionalization and successful application.

A significant portion of the Guidebook is based on lessons learned from successful international initiatives and experiences in the field of inclusive budgeting while taking into account Libya's specific legal and financial framework. The Guidebook applies across the public sector in Libya, making it relevant and comprehensive for all stakeholders, including sectoral ministries and local governments.

This Technical Guidebook serves as an updated and comprehensive reference document designed to enhance the capacities of stakeholders in the field of inclusive budgeting. It has been developed in alignment with international standards, those accepted and utilized by governments and international organizations that apply inclusive budgeting practices, ensuring a solid grasp of fundamental concepts related to the inclusive approach in planning and budgeting. This enables a structured and educational application of the inclusive budgeting model.

This Technical Guidebook stands as a reference document that seeks to contribute to strengthening the capacities of actors in the field of public

finance to ensure the effective and practical implementation of the concept and foundations of inclusive budgeting in Libya.

## Content of the Technical Guidebook

The Technical Guidebook consists of five interrelated technical units that collectively cover the fundamental aspects necessary for the budget preparers, implementers, and auditors to ensure the success of Libya's initiative in the field of inclusive budgeting responsive to the needs of all groups. This will enable the establishment of essential and practical mechanisms for integrating the needs of all groups into the planning and budgeting process in a simplified and effective manner.

Each technical unit comprises three to four sections along with practical examples, case studies, and comparative experiences to facilitate practical engagement with the content. The Guidebook aims to provide clarity and understanding of the various methodological and technical aspects of inclusive budgeting. The four technical units provide a comprehensive overview of the concepts and foundations of inclusive budgeting, as well as the analytical methodologies used to apply the inclusive approach based on Libya's adopted general budgeting model.

- **The first technical unit** covers the fundamental concepts of inclusive budgeting. It introduces the concept of the inclusive approach, its objectives, and the various pathways to integrating this approach within the current budgeting model. It also reviews key successful international initiatives and experiences in this field. Since adopting this approach requires a results-oriented public finance system - particularly the use of performance indicators and reports - this unit also includes key concepts related to results-based budgeting system to facilitate its application by public institutions in Libya.
- **The second technical unit** outlines the key phases of inclusive budgeting. It provides a detailed explanation of budget analysis methods aimed at developing inclusive budgets, along with an introduction to methodological approaches for incorporating the inclusive approach into public

policies and the budgeting process. Additionally, it highlights the main entry points for ensuring that the needs of all groups are considered in the budget, drawing from successful international experiences.

- **The third technical unit** presents a methodology for performance evaluation. Since this budgeting model aims to achieve economic and social efficiency in public policies while ensuring responsiveness to the needs of all groups, the unit focuses on defining need-responsive indicators, establishing impact measurement methods, and developing systems of responsibility and accountability – all to be applied in an effective and coherent manner.
- **The fourth technical unit** discusses mechanisms and strategies for strengthening inclusive budgeting in Libya. This includes institutionalizing the inclusive budgeting model by establishing the necessary legal and institutional foundations for its successful implementation, sectoral guidance mechanisms for inclusive budgeting, and ways to support Libya's efforts in this field.
- **The fifth technical unit** outlines the Strategy for Inclusive Budgeting Responsive to the Needs of All Groups, focusing on defining need-responsive indicators, establishing impact measurement methods, and developing accountability systems to ensure effective and coherent application of inclusive budgeting principles across national and sectoral levels.

# UNIT ONE

## **BASIC CONCEPTS OF INCLUSIVE BUDGETING RESPONSIVE TO THE NEEDS OF ALL GROUPS**

## INTRODUCTION TO THE UNIT:

This technical unit aims to present the fundamental concepts of inclusive budgeting responsive to the needs of all groups before delving deeply into the process of integrating the inclusive approach into planning and budgeting, exploring methods of performance evaluation and examining mechanisms to support this budgeting model in Libya. It is essential to first understand the inclusive approach in general, become familiar with the fundamental concepts of inclusive budgeting and its processes, and explore successful international initiatives and experiences in the field of inclusive budgeting. This foundational knowledge will enable stakeholders to effectively develop sectoral budgets in accordance with the key principles and requirements of this budgeting model.

### Unit Objectives:

- To gain an understanding of the inclusive approach, its objectives, and pathways, allowing stakeholders in planning and budgeting to integrate it into budgets and sectoral strategies.
- To understand the fundamental concepts of performance-based budgeting, including expenditure classification and its pathway from preparation to final account approval. This will equip stakeholders with the necessary knowledge to understand how the inclusive approach is incorporated into the budget, along with its mechanisms and phases.
- To understand applications of inclusive budgeting by reviewing successful international initiatives and experiences in the field. These insights will serve as a reference for implementing the Libyan initiative and ensuring a smooth and proper transition from the current budgeting model to the inclusive budgeting model.

### Key Questions:

- In which areas can the inclusive approach be utilized?
- How are expenditures classified in performance-based budgeting, and what are its phases?
- What is an inclusive budget responsive to the needs of men, women, and children?

- What are lessons learned from successful international initiatives and experiences?

## Section One: The Inclusive Approach – Concept, Objectives, and Pathways

### I. The Inclusive Approach

The inclusive approach is defined as a methodology that does not reinforce existing inequalities and disparities in opportunities but rather seeks to correct, address, and reduce them.

It is a continuous, long-term process aimed at addressing the needs of all segments of society, including men, women, children, and persons with disabilities, by promoting equitable access to resources and opportunities to all, regardless of age, ethnicity, socio-economic status, and geographic location.



Figure 1: Objectives of the Inclusive Approach

In all sections of this Technical Guidebook, equality refers to the concept set out in the 2011 Libyan Interim Constitutional Declaration, particularly Article 6, which states: "Libyans shall be equal

before the law, enjoy equal civil and political rights with, have the same opportunities in all areas and be subject to the same public duties and obligations, without distinction on the grounds of religion, belief, language, wealth, sex, kinship, political opinions, social status, or tribal, regional or familial adherence."

## II. The Inclusive Approach in Planning and Development

The inclusive approach is applied in planning and development through three key procedures:

- **Inequality Analysis:** Identifying and understanding disparities affecting different population groups—women, men, children, and persons with disabilities—across all policies, tools, programs, and budgets<sup>1</sup>.
- **Positive Measures:** Implementing long-term structural and systemic reforms to address the root causes of inequality, complemented by short-term targeted measures designed to accelerate progress and ensure equal rights and responsibilities for all groups<sup>2</sup>.
- **Special Measures:** Taking specific, often temporary actions to address inequalities among different social groups, ensuring no one is left behind in the development process<sup>3</sup>.

In inclusive budgeting, Distributional Impact Analysis is a key tool for assessing how specific policies or budget decisions influence the distribution of resources and outcomes across different population segments. This analytical approach—applied ex ante (before) or during policy implementation—helps policymakers evaluate the differentiated effects of fiscal decisions on men and women, children, income groups, or geographic areas, thus informing evidence-based, equity-oriented planning<sup>4</sup>.

1 UN Women, [A Global Gender-Mainstreaming Strategy](#), 2018

2 OECD, [STRUCTURAL REFORMS AND INCOME DISTRIBUTION](#), 2015

3 UN Women, [Handbook on Gender-mainstreaming for Gender Equality](#), 2022

4 UN Women, [Engendering Budgets: A Practitioners' Guide to Understanding and Implementing Gender-Responsive Budgets](#), 2006

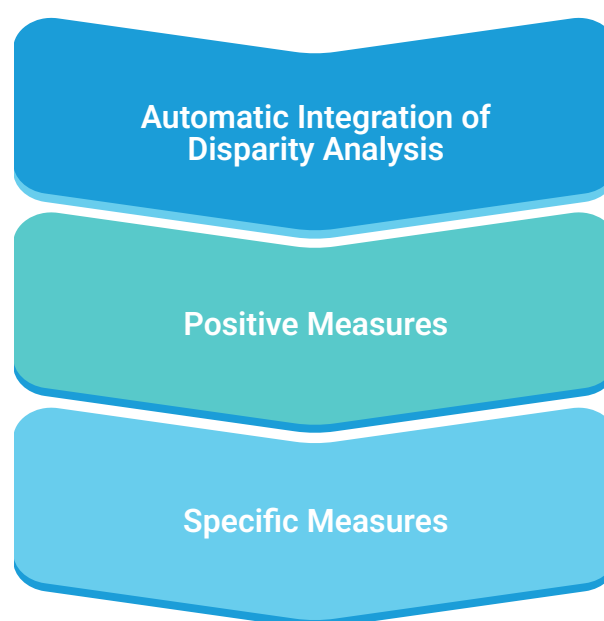


Figure 2: Measures for Integrating the Inclusive Approach

### How Does Development Address Different Needs?

To answer this question, we discuss the definition of the inclusive approach and its role in development. The United Nations defines mainstreaming the inclusive approach as "the process of assessing the impact of equality across all sectors and at all levels."<sup>5</sup> In other words, it involves embedding the concerns, experiences, and priorities of men, women, children, and persons with disabilities, regardless of age, ethnicity, socio-economic status, and geographic location, as a fundamental aspect of all areas of sustainable development.

### Section Two: Key Concepts of Goal-based budgeting

A **government budget** is an official financial plan that outlines a governing body's projected revenues and planned expenditures over a fiscal year. It reflects policy priorities, translating political commitments into actionable programmes and public services.

5 UN, [Gender Mainstreaming, an Overview](#), 2002

In essence, the budget serves as the government's most important economic, political, and social policy tool<sup>6</sup>.

The **budget cycle** refers to the recurring process through which a government plans, approves, implements, monitors, and evaluates its budget. It generally consists of four interrelated phases: formulation (preparation), approval (legislative adoption), execution (implementation), and evaluation (audit and review)<sup>7</sup>. Each phase involves different institutional actors—such as ministries of finance, line ministries, parliaments, and supreme audit institutions—and provides opportunities for transparency, accountability, and citizen participation. Understanding the budget cycle helps identify entry points for inclusive approaches, ensuring that diverse social groups, including women, youth, and persons with disabilities can meaningfully engage in how public resources are allocated and monitored.

**Public Financial Management (PFM)** encompasses the laws, systems, processes, and institutions through which public funds are collected, allocated, managed, and reported<sup>8</sup>. Strong PFM systems ensure fiscal discipline, allocative efficiency, and operational efficiency, thereby improving service delivery and building public trust. Effective PFM supports a government's ability to manage resources transparently and equitably, while maintaining macroeconomic stability and accountability.

Together, these three concepts form the foundation of inclusive budgeting. A clear understanding of the government budget, the stages of the budget cycle, and the broader PFM framework enables policymakers and practitioners to embed principles of equity, participation, and responsiveness across all stages of public financial decision-making. This ensures that budgeting processes are not only fiscally sound but also inclusive and responsive to the needs of all groups.

Performance-based budgeting is a public financial management approach that focuses on generating performance data to improve the

efficiency, effectiveness, and accountability of public spending. It aims to help governments better respond to citizens' needs and expectations, while also serving as a tool for public institutions to assess and enhance their own performance. Although the terminology and methodologies may vary across countries, there is broad consensus that performance-based budgeting represents a modern, results-oriented approach to planning, resource allocation, and budget implementation. The main objectives of this system are to:

Utilize human and material resources with greater transparency and efficiency, based on programs and objectives within a medium-term planning framework.

Evaluate results using objective performance indicators.

Define accountability and responsibility for the use of resources and the achievement of committed objectives.

**Figure 3: Objectives of the Performance-Based Management System**

Performance-based management serves as an effective framework for enhancing transparency and parliamentary oversight. It clarifies strategic choices in public finance and contributes to the overall improvement of government accounting system.

One main challenge in implementing performance-based budgeting is ensuring that public policies are clear and understandable to all stakeholders. This enables the identification of priorities, the allocation of necessary resources, and the provision of transparent explanations to taxpayers regarding the use of public funds. Another key challenge is guiding public administration toward results-based management, which fosters greater accountability among public officials. This system requires measuring the outcomes of commitments and objectives at the end of each fiscal year, ensuring the effective use of public funds.

6 OECD, [Budgeting and Public Expenditures in OECD Countries](#), 2019

7 World Bank, [PEFA overview page: Public expenditure and financial accountability](#)

8 Ibid

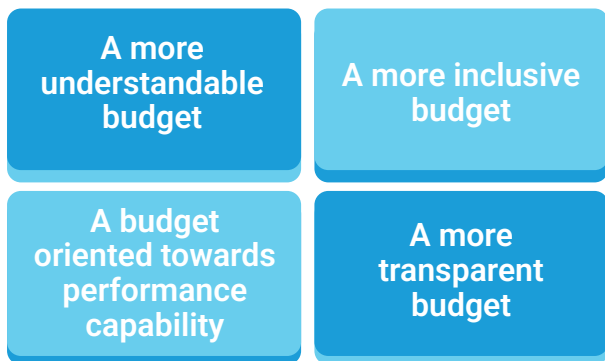


Figure 4: Characteristics of Budgeting in a Performance-Based Management System<sup>9</sup>

## II. Core Concepts used in this Guidebook

- **Mission:** The mission refers to the area of intervention of a ministry and typically represents a sectoral strategic pillar within the national development plan or a specific part of it. A mission consists of multiple programs<sup>10</sup>.
- **Program:** A program is a coherent set of operations managed by the same ministry (mission) that contributes to implementing a plan of national interest. Program-based classification highlights the strategic intervention areas of a ministry and consolidates all its relevant structures. Each program is assigned a dedicated budget and is overseen by a Program Head<sup>11</sup>.
- **Medium-Term Expenditure Framework (MTEF):** The MTEF connects planning and budgeting over a multi-year horizon, offering a financial forecasting framework that aligns expenditures with national priorities and available resources. This helps balance fiscal implications while working towards the medium-term goals of programs<sup>12</sup>.
- **Performance Indicator:** A performance indicator is a quantitative or qualitative metric used to measure the achievement of a specific objective. It allows for an objective evaluation of performance levels. The indicator is monitored according to a timeline, enabling comparison

between actual results and with set targets. Generally, each program defines a maximum of three objectives and two indicators for measuring goal achievement<sup>13</sup>.

- **Annual Performance Plan:** The performance framework includes mechanisms, documents, and responsible entities tasked with achieving the program's objectives. The key documents within this framework are "The Annual Performance Plan (APP)" and "The Annual Budget Performance Report". These annual plan documents, following the goal-based budgeting methodology, strengthen the link between medium-term planning and annual budget implementation. This is achieved through two key components "Programs", which define the strategic intervention areas of a ministry and "Program Objectives", which translate the sectoral policy goals of a ministry. These objectives are determined through national or sectoral plans and are based on legal frameworks governing each ministry's responsibilities<sup>14</sup>.

## III. Defining Program Objectives and Measuring Performance

Goal-based budgeting management is not limited to program-based budget classification for the ministry but also requires the development of stable program objectives and performance indicators through the annual plan framework to measure goal achievement. Program objectives define the program's priorities over the medium term. Performance indicators track progress towards achieving the stated objectives, as outlined in the Annual Performance Plan, which accompanies the ministry's budget proposal for voting it. The selection of program objectives follows specific criteria and must meet at least one of the following characteristics:

<sup>9</sup> Neubrain, [Performance-based Budgeting: Methodology and Tools](#), 2013

<sup>10</sup> US GAO, [Mission Budgeting: Discussion and Illustration of the Mission Budget Concept](#), 1977

<sup>11</sup> IMF, [A Basic Model of Performance-Based Budgeting](#), 2009

<sup>12</sup> World Bank, [Medium-Term Expenditure Frameworks Revisited](#), 2023

<sup>13</sup> CIPFA, [Public Financial Management - a whole system approach](#)

<sup>14</sup> World Bank, [Publication: Performance-Based Budgeting and Medium-Term Expenditure Frameworks in Emerging Europe](#), 2013



Figure 5: Characteristics of Program Objectives in a Performance-Based Management System

When defining program objectives, accountability is a key consideration. The objectives should be achievable by program participants based on their authority and available capacities.

#### IV. Classification of Expenditures in Goal-based budgeting

The classification of expenditures in goal-based budgeting follows internationally recognized accounting standards and can include the following categories:

- **Administrative Classification:** Used to define responsibilities and beneficiaries of expenditures (Ministry – Department - Agency - Institution).
- **Classification by Expenditure Items:** Used to ensure budget control and economic analysis (e.g., personnel expenses, electricity costs, transfers). This classification must align with the expenditure and asset classification in the accounting manual and allow for the preparation of reports following international standards, such as those defined in the International Monetary Fund's (IMF) Government Finance Statistics Manual<sup>15</sup>.
- **Program-Based Classification:** Used for analyzing and formulating budgeting policy and

performance monitoring. This program includes expenditures allocated for an activity or a set of coherent activities within the same ministry, linked to specific objectives. This classification may include different levels (such as programs, sub-programs, or activities).

- **Other necessary classifications for budgeting management and analysis** (e.g., classification by funding sources, classification by transfer beneficiaries, regional classification by geographical areas).

The classification of expenditures in the goal-based budgeting model is governed by the budgeting regulatory requirements<sup>16</sup>, which allows for introducing expenditures in the state budget within programs and missions. Both the Ministry of Finance and sectoral ministries classify expenditures based on several distinct reference documents:

- The state budget under the goal-based budgeting model based on the Master Plan<sup>17</sup> for Goal-based budgeting System, which serves as the first reference document for budgeting management;
- The Prime Minister's Circular (Annual Budget Circular), issued by the Prime Minister in some countries or by the Minister of Finance in other countries such as Libya, which serves as the second reference document for budgeting management;
- The State's Accounting System Strategic Guidelines, the Benchmarking Model for Annual Projects and, and the Annual Budget Performance Reports, which serve as additional reference documents in the field of public finance management.
- Master Plan for the Budget System Based on Objectives (Issued upon adopting the new budget model)
- Prime Minister's Circular on Performance

<sup>16</sup> The equivalent in the Libyan accounting and financial system is the "State Financial System" and the "Budgeting Regulations."

<sup>17</sup> The master plan for the performance-based budgeting system is a reference document issued upon the adoption of this budgeting model and includes the general framework for budgeting reform including: the objectives of the reform / components of the reform / the reform calendar. This document, after the issuance of the performance-based budgeting law, serves as a roadmap for the comprehensive reform process.

<sup>15</sup> Sage De Clerck ; Tobias Wickens, Government Finance Statistics Manual 2014, International Monetary Fund, March 10, 2015.

- Capability (Annual Budget Circular from the Ministry of Finance)
- Strategic Directions for the State Accounting System
- Annual Projects for the Annual Plan
- Annual Performance Capability Reports (Budget Implementation Reports)
- **Master Plan for the Budget System Based on Objectives (Issued upon adopting the new budget model)**
- **Prime Minister's Circular on Performance Capability (Annual Budget Circular from the Ministry of Finance)**
- **Strategic Directions for the State Accounting System**
- **Annual Projects for the Annual Plan**
- **Annual Performance Capability Reports (Budget Implementation Reports)**

The benchmarking model for annual projects and annual performance reports, along with the Medium-Term Expenditure Framework (MTEF), is structured according to the Master Plan for Budget Management Development under the goal-based budgeting model. This framework includes the following key components, as illustrated in the diagram below:

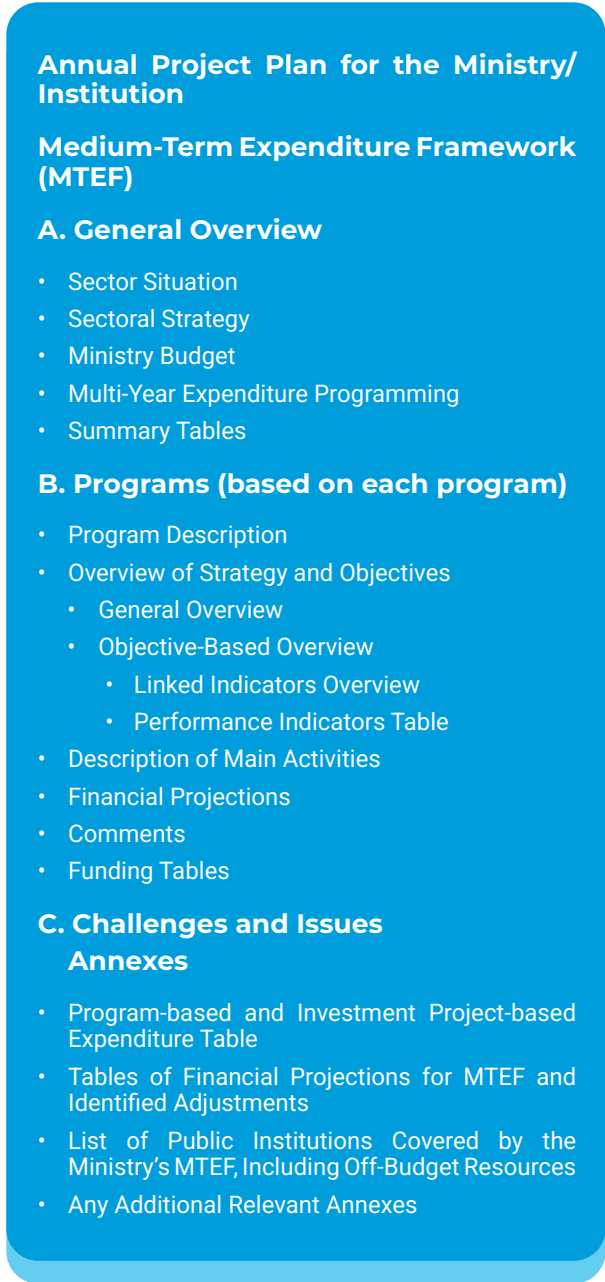


Figure 6: The benchmarking model for projects in the annual plan

## Section Three: Key Concepts of the Inclusive budgeting responsive to the needs of All Groups

### What is the inclusive budgeting responsive to the needs of all groups?

- **Definition:** It is defined as "A method for assessing the extent to which public spending

is directed toward achieving equality in rights and responsibilities among all groups and responding equitably to their needs or how close it is to achieving this goal." An inclusive budget responsive to the needs of all groups refers to government budgets that are formulated, planned, executed, monitored, and evaluated in a way that reflects responsiveness to the needs of all groups collectively. These budgets aim to incorporate the needs of all men, women and children, regardless of age, ethnicity, socio-economic status, and geographic location, at all phases of the policy-making process, including budget planning, implementation, monitoring, and evaluation<sup>18</sup>.

- **Purpose:** The main purpose of inclusive budgeting is to analyze and adjust public expenditure so that it better reflects the diverse needs and priorities of different social groups. This process helps governments identify disparities in resource allocation and advocate for a more equitable distribution of funds that supports inclusive growth and social justice.
- **Function:** Functionally, inclusive budgeting serves as a practical tool for reforming institutions and policies from within, ensuring that programs and expenditures contribute to development goals while addressing the differentiated needs of all societal groups. By embedding inclusion at every stage of the budget cycle—planning, implementation, monitoring, and evaluation—it strengthens accountability, transparency, and the effectiveness of public finance management<sup>19</sup>.

They are not budgets dedicated to a specific segment of society but rather they represent integration of the principle of equality among different groups within budgets aimed at achieving development for all men, women, and children.

It is not about increasing the overall expenditures in the state budget but about setting new priorities that align with achieving the government's policy objectives and sustainable development goals.

### **Advantages of an Inclusive Budgeting responsive to the needs of All Groups**

Preparation for inclusive budgeting is a method designed to include these needs in all phases of the budget cycle. Its aim is to analyze the different effects of the state's financial policy concerning expenditures and revenues at both the central and local levels and their impact on men, women, and children. It also includes proposals for reassessing revenue and expenditure priorities while considering the different needs of men, women, and children.

Issues related to the needs of men, women, and children serve as statistical and social indicators of inequality between these groups.

Budgets that do not take these needs into account reinforce inequality, as they treat men, women, and children, as well as other marginalized groups such as persons with disabilities, in the same way. In contrast, inclusive budgets that are responsive to the needs of all groups enable the allocation of resources and funds while taking these needs into account, as finding solutions to problems is easier when they have been precisely identified.

Moreover, identifying the real needs of men, women, and children is essential for facilitating the development of inclusive budgets and directing funds to their rightful beneficiaries, ensuring economic and social efficiency and effectiveness in public policies.

According to statistics, studies, and successful international experiences, inclusive budgets that are responsive to the needs of all groups offer many advantages, including:

- They encourage a more effective use of resources to achieve equality among men, women, and children and to attain human development.
- They work on utilizing available resources to improve the quality of life for men, women, and children equally.
- They allow any country to invest all its human resources (men, women, and children) to maintain its competitive capacity.
- They help identify gaps in the distribution of public resources and work on reallocating resources to better respond to the needs of different groups of society.

<sup>18</sup> UN Women, [Engendering Budgets: A Practitioners' Guide to Understanding and Implementing Gender-Responsive Budgets](#), 2006

<sup>19</sup> UN Women, [Gender-Mainstreaming](#), 2020

- They contribute to prioritizing needs for men, women, and children.
- They help direct special attention to the most deprived, marginalized, and vulnerable groups.
- They contribute to achieving equality, social justice, and equal opportunities

The key advantage of inclusive budgeting is its ability to improve women’s participation in economic activities, to reduce poverty, and to contribute to accelerated growth. Research<sup>20</sup> has shown that effective integration of the inclusive approach enhances annual GDP growth and enables individuals facing discrimination to have better access to opportunities and economic resources. According to successful international experiences, this budgeting model provides significant advantages, including:

- Achieving efficiency and effectiveness in public policies.
- Enshrining national and international legal principles.
- Responding to the comprehensive human rights framework.

Figure 7: Advantages of inclusive budgeting responsive to the needs of all groups

**1. Achieving Economic and Social Efficiency:** Inclusive budgeting ensures that allocations reach the intended target groups and contributes to reducing inequalities. This budgeting model prioritizes addressing social needs as a key development objective, considering disparities in access to rights and responsibilities as indicators of inequality between men, women, and children.

Budgets that do not consider these needs reinforce inequality by treating men and women in the same manner, without considering the specific needs of each group.

20 Dalia Hakura, Mumtaz Hussain, Monique Newiak, Vimal Thakoor, and Fan Yang, Inequality, Gender Gaps and Economic Growth: Comparative Evidence for Sub-Saharan Africa, IMF Working Paper WP / 16 / 111, March 2021.

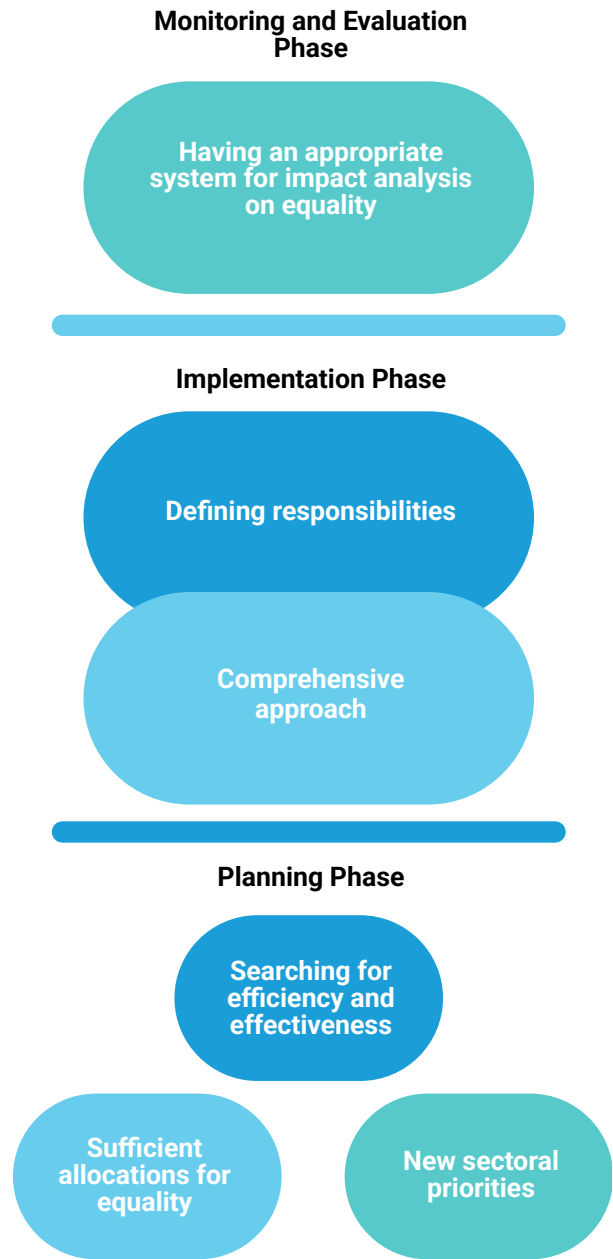


Figure 8: Achieving Economic and Social Efficiency in Inclusive budgeting responsive to the needs of all groups

Additionally, inclusive budgeting acts as both a driver and enabler of public financial management (PFM) reforms by embedding equity and results-oriented principles into fiscal systems. It strengthens planning and budgeting processes through the management by objectives approach,

promoting greater transparency, accountability, and alignment between budget allocations and development outcomes that respond to the needs of all groups.



Figure 9: Moving Towards Management by Objectives Approach in the Inclusive Budgeting Model

## 2. Enshrining National and International Legal Principles

Adopting the inclusive budgeting model in Libya can help enshrine national and international legal principles related to equality between men, women, and children in access to public resources and development needs. This budgeting model is responsive to the needs of all groups and reinforces the implementation of constitutional principles and international treaties in Libya, particularly by enshrining the 2011 Libyan Constitutional Declaration, specifically Article 6, which guarantees equality among all Libyans before the law in terms of rights, duties, and equal opportunities. This principle is directly linked to equal access to public policies and programs included in the public budgets at both the central and local levels. Moreover, it enshrines the principles provided in the international treaties ratified and adopted by Libya.

## 3. Supporting the Comprehensive Human Rights System

Inclusive budgeting identifies the specific needs of different groups and hence helps to direct resources and allocations, taking these issues into account. Effective integration of the inclusive budgeting approach positively impacts living conditions, improving health, education, and economic security for men, women, and children, as well as other

targeted groups, and increasing their expected average lifespan according to international studies and reports<sup>21</sup>.

Moreover, adoption of this budgeting model facilitates the achievement of the 2030 Sustainable Development Goals (SDGs) internationally, including eradicating poverty, ensuring quality education, providing good health and well-being, securing decent work opportunities, reducing inequalities, and achieving equality between different groups of society.

## Section Four: Initiatives and Successful Experiences in the Field of Inclusive Budgeting Responsive to the Needs of All Groups

This section primarily focuses on successful international experiences, including those presented during the workshop held in Tripoli on May 23–24, 2023, organized by the Libyan Ministry of Planning with the support of UN Women and UNICEF under the title: "Inclusive Budgeting Responsive to the needs of Men, Women, and Children." Other international experiences have been included throughout the Guidebook to provide practical examples and real-world applications of inclusive budgeting.

### I. The Moroccan Experience

Morocco began incorporating the inclusive approach into planning and budgeting in 2002, focusing on public finance reform through the goal-based budgeting model. This process was supported by a strong legal and institutional framework, ensuring alignment with international best practices and standards for inclusive budgeting including the adoption of the Organic Law on the Finance Bill in 2014.<sup>22</sup>

The Moroccan experience, led by the government and the Ministry of Finance, was further strengthened by parliamentary support, which played a crucial role

21 Maria Elena Ruiz Abril and A. Waafas Ofosu-Amaah PREM Gender and Development Group, Improving Gender Targeting of Public Expenditures A Consolidated Note on Lessons and Policy Implications, The World Bank, 2009.

22 UN Women, [Morocco's successful case in implementing gender responsive budgets](#)

in ensuring consensus-building, especially during budget presentation, approval, and finalization. Discussions in parliament included not only budget performance reports but also indicators measuring the impact of the inclusive approach, ensuring accountability and responsibility.

In addition to the Guidebook prepared by the Ministry of Finance for officials responsible for budget preparation and execution, Morocco also developed a parliamentary manual on inclusive budgeting. This manual was designed to establish procedural guidelines and an oversight framework.

Morocco's inclusive budgeting framework is based on aligning the budget with national development policies, ensuring fair access to public services and resources, and enabling performance-based evaluation of the inclusive budgeting approach, particularly analyzing the economic and social efficiency and the effectiveness of public budgeting management<sup>23</sup>.

In the same context, to demonstrate the responsiveness of the inclusive approach to the needs of all groups, a social expenditure analysis (the inclusive approach analysis) was conducted before adopting public policies and programs in the budget as more responsive to the needs of children; the proportion of Morocco's annual budget allocated to health and social protection, which ranged between 6% and 18%<sup>24</sup>.

The inclusive budgeting analysis has helped the Moroccan government reconsider public policies and redirect financial allocations toward meeting the needs of men, women, and children. This is considered one of the core objectives of the inclusive budgeting approach.

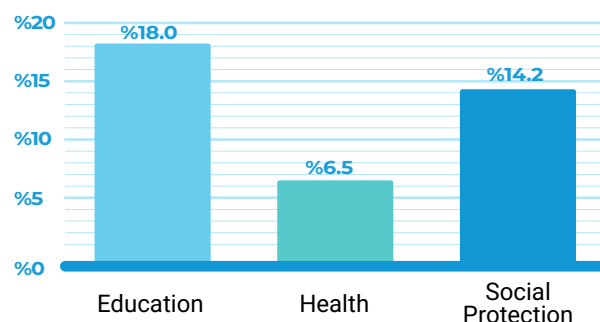


Figure 10: Social Expenditure Analysis in Morocco (2021–2022)<sup>25</sup>

The findings of the social expenditure analysis were further strengthened with detailed budgeting data for 2021–2022, focusing primarily on the analysis of economic growth and the analysis of inflation rate in relation to budget size.

23 IMF, [Morocco: 20 Years of Reform](#)

24 Presented by UNICEF Libya Office during a workshop on the inclusive budgeting responsive to the needs of men, women and children, Tripoli, Libya, 23-24 May 2023.

25 This item was formulated based on the intervention of the UNICEF team in the workshop held in Tripoli on 23 and 24 May 2023, which was organized by the Libyan Ministry of Planning with the support of UN Women and UNICEF on "Inclusive Budgeting responsive to the needs of Men, Women and Children."

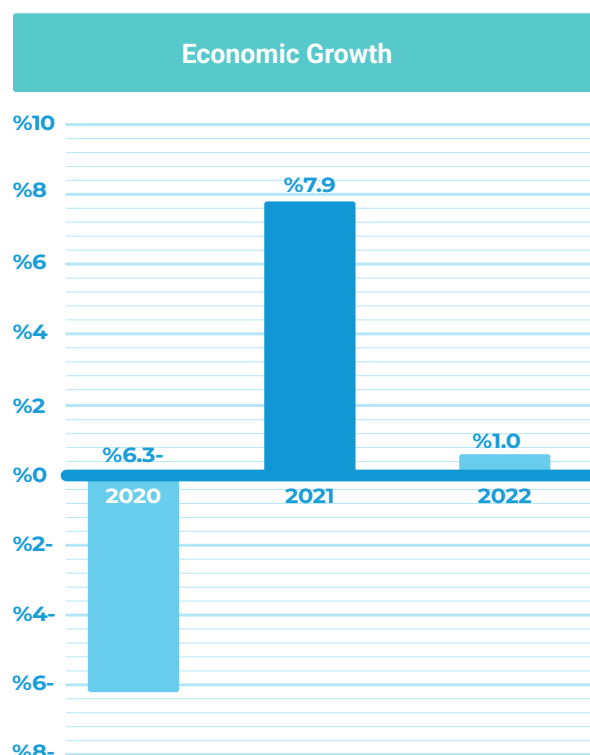
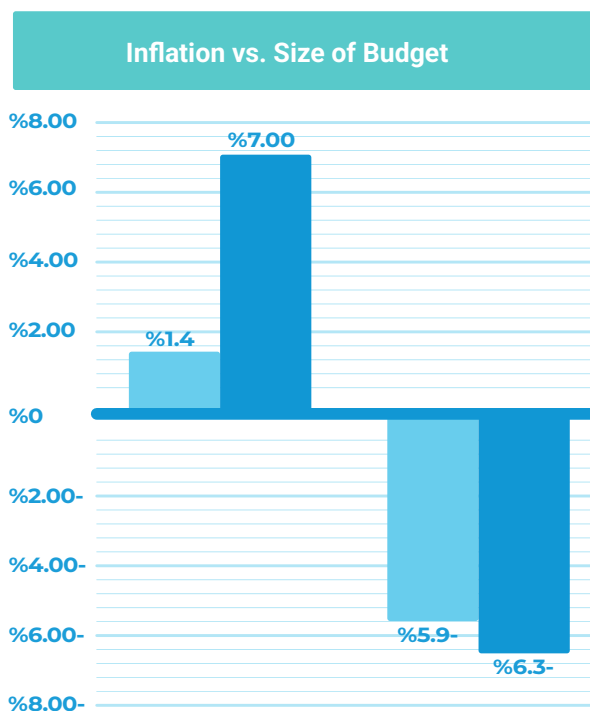


Figure 11: Economic Growth and Inflation Analysis in Relation to the Budget in Morocco for the two years (2021–2022)<sup>26</sup>

26 See the previous source

Comprehensive sectoral analyses enabled the identification of challenges and obstacles related to funding children's needs in Morocco:

- **Education:** Inefficiency and insufficiency of resources allocated for the sector
- **Health:** Insufficiency of resources and regional inequality, particularly in the rural areas
- **Protection:** Lack of a budget for the public policy to expand the scope of local systems
- **Social integration:** Financial sustainability for comprehensive family bonuses and efficiency of social aids

Based on the results of comprehensive sectoral analyses, key ministries and government agencies have strengthened their capacities in public budgeting and child-responsive financing:

<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; border-radius: 10px; margin-bottom: 10px;"><b>Education</b></div> <p>Policy analysis and advocacy to enhance the efficiency and effectiveness of financing universal access to education, especially in early childhood education for all children.</p>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; border-radius: 10px; margin-bottom: 10px;"><b>Health</b></div> <p>Policy analysis and advocacy for sufficient public investments to ensure the sustainability of national initiatives for children's health and nutrition, particularly at the local level and in rural areas.</p>
<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; border-radius: 10px; margin-bottom: 10px;"><b>Protection</b></div> <p>Estimating the cost of expanding local child protection systems, including social work capacities (case management).</p>	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; border-radius: 10px; margin-bottom: 10px;"><b>Integration</b></div> <p>Estimating costs and ensuring sustainable, efficient, and adequate funding for unconditional child allocations and other complementary social services; improving effectiveness, efficiency, equity, and transparency in public finance.</p>

Figure 12: Directing the finance responsive to children needs in Morocco based on the inclusive sectoral analysis findings<sup>27</sup>

27 This item was formulated based on the intervention of the UNICEF team in the workshop held in Tripoli on 23 and 24 May 2023, which was organized by the Libyan Ministry of Planning with the support of UN Women and UNICEF on "Inclusive Budgeting responsive to the needs of Men, Women and Children."



Figure 13: Tools of Child-Responsive Financing in Morocco<sup>28</sup>

The factors enhancing the success of the Moroccan experience include:

- Building a strong and sustainable partnership with the Ministry of Finance and relevant sectors involved in the inclusive budgeting initiative
- Establishing a joint inter-ministerial committee to monitor the implementation of the inclusive budgeting strategy
- Capacity building and engaging various stakeholders in development and implementation processes

## II. The Egyptian Experience

The foundations for the inclusive budgeting initiative in Egypt were established between 2000 and 2004 when Equal Opportunity Units were created in all ministries, tasked with promoting equality within each ministry. In 2001, the Ministry of Finance

established its own Equal Opportunity Unit, which later became the primary liaison with the National Council for Women, established<sup>29</sup> in 2000. The main tasks assigned to it include:

- Proposing general policies for the development of women's affairs, enabling them to play their economic role, integrating their efforts into comprehensive development programs, and monitoring and evaluating these policies.
- Developing a national plan to advance women's status and solve the problems they face.
- Expressing opinions on draft laws and decisions related to women and recommending legislative proposals as necessary to improve their conditions.
- Establishing a documentation center to collect information, data, studies, and research related to women and conducting studies in this field.

Through coordination between the Ministry of Finance and the National Council for Women, some analytical work was carried out during that period to highlight the status of women and men in public policies, programs, and budgets. The results of the analysis and survey studies<sup>30</sup> showed that almost all Egyptian ministries did not have programs specifically targeting women or responding to their needs. The exceptions were the ministries responsible for electricity, foreign trade, and finance, each of which had one project, and the Ministry of Social Affairs, which had 20 projects at the time.

The analysis and survey work<sup>31</sup> led to the inclusion of the principle of equal opportunities in the national plan as part of a five-year initiative under the title "Equal Opportunities for Women in Egypt's National Budget," which received strong support from the National Council for Women, the Ministry

<sup>28</sup> See the previous source

<sup>29</sup> Resolution No. 90 of 2000, which was later replaced by Law No. 30 of 2018 regarding the issuance of the law regulating the National Council for Women.

<sup>30</sup> Kolkovich Lisa and Shibuya Sakina (2016). Middle East and Central Asia: A survey of gender budgeting efforts. Working Paper WP 16/151. International Monetary Fund: Washington DC. Deborah Budlender, Gender-Responsive Budgeting in the Arab States: Experiences in Nine Countries, Based on the Workshop on Gender-Responsive Budgeting (GRB) in the Arab Region report and other resources, UN Women, October 2016.

<sup>31</sup> See the same reference

of Planning, the Institute of Planning, the Ministry of Economic Development, the Houses of Parliament (House of Representatives and Senate), the National Council for Childhood and Motherhood, the Central Agency for Public Mobilization and Statistics, academics, researchers, civil society organizations, and the media.

The first phase of the initiative focused on tools and methodology. During this phase, a series of analyses were conducted covering the entire budgeting cycle, along with other activities such as the regular analysis of the status of men and women, which was ratified to be conducted every two years, the development of sex-based indicators, and the establishment of a monitoring and evaluation system. The Ministry of Finance used the simplified three-category framework adopted by Australia, as the first country in the world to implement inclusive budgeting, including:

- Evaluation of other public expenditures in terms of their impact on the inclusive approach
- Spending allocations to support equal opportunities among government employees
- Spending allocations by sex

At the start of the initiative, the focus was on five sectors: education, health, finance, human resources and migration, water resources, and irrigation. The initiative also focused on training and capacity-building through the formation of an expert team, which included representatives from the Ministry of Finance, the National Council for Women, the Ministry of Economic Development, responsible for drafting multi-year national social and economic plans, the National Institute of Planning, and UN Women. The expert team developed a detailed guidebook on inclusive budgeting, which was used for training stakeholders involved in the budgeting process. Employees were also trained in how to calculate monitoring and evaluation indicators and equal opportunity measures across different sectors<sup>32</sup>.

The Egyptian inclusive budgeting initiative was further strengthened with the adoption of the

goal-based budgeting model, which was enacted through Law No. 87 of 2005, amending certain provisions of Law No. 53 of 1973 concerning the state general budget.

In 2008, the Ministry of Finance submitted a proposal to Parliament regarding inclusive budgeting, and Parliament approved the proposal, enacting it into the law of the budget for the year 2008–2009. Parliament also called for the circulation of inclusive budgeting and the inclusion of sensitive disaggregated data in performance reports. The budget circular for that year emphasized the needs of men, women, and children, stating, "Incorporating the needs of Egyptian families - men, women, and children - into the national budget is essential for promoting social justice and protecting children's rights." Articles 11 and 12 of the budget law explicitly include a legal commitment to apply inclusive budgeting. Additionally, the 2008–2009 statistical report of the Ministry of Finance included data prepared using the inclusive approach, prepared under a collaboration between the Ministry of Finance and the Central Agency for Public Mobilization and Statistics to collect sensitive-disaggregated data on beneficiaries of public services in five governorates.

In 2009, Law No. 53 of 1973 was amended to explicitly provide for the necessity of adopting inclusive and goal-based budgeting in Egypt's national budget. Consequently, in 2009–2010, the government led the transition to goal-based budgeting, implementing modifications to national budget templates to facilitate data analysis using the inclusive approach. The initiative was circulated widely and adopted across all 27 governorates as of 2010. The Egyptian experience achieved its objectives through the following main points:

- Amending the Budget Law and Budget Circular to accommodate the inclusive approach
- Incorporating inclusive budget-related wording into designated data tables
- A successful institutional partnership between various government entities involved in budgeting
- Adopting a modeling approach before circulating it to all ministries and governorates
- Parliamentary support and technical support from the United Nations

<sup>32</sup> Deborah Budlender, *Gender-Responsive Budgeting in the Arab States: Experiences in Nine Countries*, Based on the Workshop on Gender-Responsive Budgeting (GRB) in the Arab Region report and other resources, UN Women, October 2016.

### III. The Tunisian Experience

The Tunisian initiative for an inclusive budgeting was launched under the 2014 Constitution and was further strengthened by the 2016–2020 Development Plan and the adoption of the National Action Plan for the Integration of the Inclusive Approach in 2018<sup>33</sup>. This plan recognized and institutionalized this inclusive budgeting model in Tunisia, making its implementation an urgent necessity due to the constitutional requirements, international treaties, and principles of equality, equal opportunities, and sustainable development.

Since its adoption, Tunisia's inclusive budgeting initiative has aimed to incorporate the principles of equality and equal opportunities into public policies and programs, ensuring the enforcement of the 2014 Constitution's provisions and principles on women inclusion and the 2019 Organic Budget Law. This was achieved by institutionalizing equality and equal opportunities, promoting women's economic and political empowerment, and combating sex-based discrimination and violence.

Article 18 of Organic Budget Law No. 15 of 2019, dated February 13, 2019, states:

*"The Finance Law allocates the state budget appropriations according to missions and programs. Each mission shall include a set of programs that contribute to achieving specific public policies and include the appropriations allocated to the head of each mission. A program represents a defined public policy under the same mission and consists of a set of homogeneous sub-programs and activities that directly contribute to achieving the program's public policy objectives. The program head is responsible for preparing the budget based on objectives and indicators that ensure equality and equal opportunities between women and men and, in general, among all segments of society without discrimination, and it is evaluated on this basis."*

The adoption of the inclusive budgeting in Tunisia coincided with the progress of major public finance

reforms, particularly the goal-based budgeting methodology, which created a favorable and important opportunity to admit the inclusive approach into planning and budgeting. Since goal-based budgeting relies on objectives and performance indicators, it provided the essential framework for implementing this new inclusive budgeting model.

In Tunisia, the government embraced this initiative through the 2016–2020 Five-Year Development Plan and the submission of the 2019 Organic Budget Law. The Ministry of Finance, responsible for preparing, implementing, and monitoring the budget, played a central role, along with several sectoral ministries, which were initially selected as pilot ministries before the approach was expanded (the Ministry of Agriculture and the Ministry of Infrastructure and Housing were the first to implement the model, followed by a gradual expansion to include health, employment, higher education, and other sectors.)

Other key actors included the Ministry of Women, Children, and Family Affairs, which is responsible for promoting sex inclusion through policies and programs, and the Ministry of Development, given that the Organic Budget Law mandates equality among all segments of society without discrimination.

Since the adoption of the 2014 Constitution and the 2016–2020 Development Plan, Tunisia's institutional system for integrating equality into planning, development, and budgeting has evolved significantly.<sup>34</sup> A key milestone was the establishment of the Peer Council for Equality and Equal Opportunities between Women and Men, created by Government Decree No. 626 of 2016, dated May 25, 2016.<sup>35</sup> This Council has played a pivotal role in institutionalizing the inclusive budgeting model, as its composition includes representatives from all sectoral ministries. The Council was mandated to prepare the national plan for incorporating the inclusive approach, approving

33 The National Action Plan for the Inclusive Approach was approved by the Ministerial Council on June 20, 2018, which aims to integrate the inclusive approach into planning, programming and budgeting in order to eliminate all forms of discrimination and achieve equality in development, rights and duties between male and female citizens by 2020.

34 IMF/METAC, [Gender Responsive Budgeting in METAC Countries](#), 2019

35 Its formation was ratified by the Prime Minister's Decision dated January 25, 2017.

sectoral annual action plans, and monitoring and evaluating their implementation.

The Peer Council for Equality integrates the inclusive approach into planning, programming, evaluation, and budgeting. Additionally, each ministry has an inclusion officer, tasked with proposing measures to integrate the inclusive approach into sectoral programs, projects, and plans, as well as contributing to the development of qualitative and quantitative indicators for evaluating programs and projects related to equality and equal opportunities.

Tunisia's inclusive budgeting initiative was not limited to the national (central) level but was also extended to the local level (municipalities) following the 2018 Local Government Code. This extension was crucial because municipal and local administrations are closest to citizens, and municipalities play a fundamental role in local governance and grassroots democracy. Article 156 of the Local Government Code<sup>36</sup> states: "Local governments allocate funds in their annual budgets according to missions and programs to implement the development plan and urban planning models. These allocations must consider mandatory expenditures, the need to achieve social justice, and ensure sex inclusion based on available statistical data."

The importance of municipal budgeting is evident in its role in various sectors (including economic, social, cultural, and sports), particularly in the construction and maintenance of infrastructure, including roads, public lighting, and economic, cultural, and sports facilities, as well as other facilities. An example of the significance of applying the inclusive budgeting model at the local level is that the planning and programming of infrastructure projects at the municipal level must take into account the specific needs of men, women, and children, such as road quality, public lighting, the establishment and organization of markets within municipal areas, and social services for patients, the elderly, and persons with disabilities.

Similarly, in the design of sports, cultural, and recreational facilities, the specific needs of children, adolescents, and young people must be taken into account, as these facilities primarily serve

this age group. This applies to various municipal interventions in these areas as well. From the lessons learned from Tunisia's local governance system, which has successfully integrated the inclusive budgeting approach, the following key principles can be adopted in Libya's inclusive budgeting initiative:

- Creating a Statistics Department within the municipal organizational structure to collect and categorize various statistics by sex, age group, social and economic category, etc., in collaboration with national institutions specialized in this field. This department will be managed by qualified experts in the field.
- Establishing a permanent committee within the municipal council dedicated to the needs of women and children, in addition to existing committees. This committee will have the authority to evaluate the extent to which the annual budget and municipal investment plans align with the inclusive budget approach.
- Forming a local committee dedicated to the needs of women and children, bringing together regional representatives from ministries responsible for women, childhood, youth, social affairs, education, health, employment, and others. This committee will serve as a policy and planning advisory body at the local level.
- Preparing an annual report to be presented to the municipal council, assessing the extent to which local public development policies and decisions address the needs of women, men, and children.
- Encouraging partnerships between local authorities and civil society organizations working in this field through funding and various incentive mechanisms.

#### **IV. Key Pillars and Lessons Learned from Successful International Experiences**

Successful international experiences in the field of adoption of the model of inclusive budgeting have been characterized by shared foundational elements, including careful assessment and planning, sustainability through institutionalization, and accountability mechanisms, that contributed to their success and advancement. These include the experience of Australia (as the first inclusive

<sup>36</sup> Issued by Basic Law No. 29 of 2018 dated May 9, 2018.

budgeting in the world, adopted in 1984), the experience of Ecuador (as recipient of two international awards for its progress in inclusive budgeting methodology), the experience of South Africa (since 1995), the experience of the United Kingdom (since 2007), the experience of Morocco (since 2002), the experience of Uganda (since 2009), the experience of Mali (since 2011), as well as the experiences of Philippines, Indonesia, China, and India. All these initiatives received official governmental or parliamentary support, or both, which was a key factor in their success and long-term sustainability.

- Parliamentary accountability of the government within the Finance Law
- Integrating equality goals and indicators within accountability and responsibility documents
- Building on the Public Financial Management Reform System
- Evaluating the impact of government policies and budgets on equality among all social groups  
Setting goals and indicators for monitoring and impact assessment
- Publishing results and committing to achieving constitutional equality in the development process. Including the report on the integrated budget initiative within government budget documents
- Establishing offices responsible for integrated policies
- Providing data and reports on compliance with the principle of responsiveness to the needs of men, women, and children
- Parliamentary and civil society oversight
- Engaging citizens in public budgeting policy

## UNIT TWO

# INTEGRATION OF THE INCLUSIVE APPROACH IN PLANNING AND BUDGETING

## INTRODUCTION TO THE UNIT:

This unit provides an overview of the key phases of inclusive budgeting and practical methods for integrating this approach into Libya's planning and budgeting processes. It introduces methodological tools for embedding inclusivity within public policies, programs, and fiscal frameworks. As part of Libya's ongoing inclusive budgeting initiative, understanding the main entry points for incorporating social needs and equity considerations throughout the budget cycle is essential. Doing so strengthens budget formulation, execution, and oversight while promoting more responsive and transparent public finance management.

The unit also presents country case studies that illustrate the types of data required for conducting budget needs analyses, which should be collected and prepared in advance to ensure effective implementation of the inclusive budgeting model. In addition, it offers comparative international examples of budget analysis using the inclusive approach, highlighting lessons learned and good practices from other contexts.

### Unit Objectives:

- Mastering the key phases of inclusive budgeting as a new budgeting model and understanding the outcomes of each phase to facilitate the participation of all stakeholders, each according to their role, in adopting and successfully implementing this new approach.
- Understanding the analytical methods and key entry points of the inclusive approach in budgeting and applying them to smoothly transition from the current budgeting model to an inclusive budget. Gaining knowledge of methodological approaches for integrating the inclusive approach into public policies and the budget, mastering these techniques, and applying them correctly within the framework of the inclusive budgeting.

### Key Questions:

- What are the main phases of inclusive budgeting?
- What are the methods of budget analysis used to develop inclusive budgets?
- What are the methodological approaches for integrating the inclusive approach into public policies and the budget?
- What are the main entry points for ensuring that the needs of men, women, and children are considered in the budget?

## Section One: Key Phases of the Inclusive Budgeting Responsive to the needs of all groups

The development of an inclusive budget responsive to the needs of all groups follows five phases, based on international best benchmarking of inclusive budgeting initiatives<sup>37</sup> and successful experiences in this field.

- **Phase One:** Classification of information systems and databases according to an inclusive approach (needs-oriented)
- **Phase Two:** Categorization of allocated expenditures in the inclusive budget into three types
- **Phase Three:** Aggregation of expenditures directed towards men, women, and children
- **Phase Four:** Preparation of an inclusive budget responsive to the needs of men, women, and children
- **Phase Five:** Preparation of a report on the performance of the inclusive budget responsive to the needs of men, women, and children

### I. Phase One: Classification of Information Systems and Databases According to an Inclusive Approach

Implementing the inclusive budgeting model requires identifying challenges and disparities resulting from inequality and establishing indicators within programs to monitor and evaluate progress.

<sup>37</sup> ONU Femmes, BUDGETISATION SENSIBLE AU GENRE, guide pour les facilitateurs de budgétisation sensible au genre : approche pratique. Gender Budgeting Facilitators' Guidebook: A Practical Approach

To achieve these objectives, comprehensive data and information on the needs of men, women, and children must be made available across all sectors and policy areas. This involves classifying information systems and databases within sectoral ministries according to these needs.

Providing disaggregated data and making it accessible in the form of reports and databases across all ministries and budget-related institutions will allow for the later categorization of expenditures within inclusive budgeting. To achieve this goal, a standardized model for inclusive budgeting data must be adopted across institutions. This will facilitate data aggregation in the budget and enable its tracking through performance reports. It is important to note that data classification under the inclusive approach includes both classifying beneficiaries of sectoral policies and services and classifying service providers.

- Allocation of the budget for the sub-program
- Establishment of specific indicators
- Determination of activities to be implemented to create the desired impacts
- Identification of the impacts to be achieved
- Analysis of the situation of men, women, and children

According to successful international experience and performance-based management requirements, the indicators used in the inclusive budgeting data model should be<sup>38</sup>:

- Specific, Measurable, Achievable, Relevant, and Time-bound (SMART).
- Inclusive of women and child-related considerations whenever possible.
- Reflective of changes over time in terms of equality in rights and responsibilities among different groups.
- Multi-dimensional to the greatest extent possible.

38 Source: UNEG document, 2011.

## II. Phase Two: Three Types of Allocated Expenditures in Inclusive Budgeting

The allocated expenditures in the inclusive budget are categorized into three types, based on their degree of relevance to these groups:

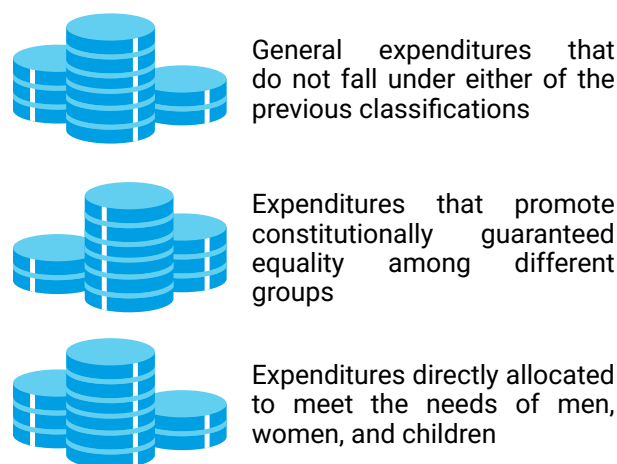


Figure 14: Classification of Expenditures in the Inclusive Budgeting Responsive to the needs of all groups

- **Expenditures targeted directly for meeting the needs of all groups:** These include budget allocations designated for programs, projects, and activities that aim to address the specific needs of men, women, and children. Beneficiaries of these allocations are identified based on the inclusive approach, such as allocations for elderly women or rural women; funds to support women's presence in decision-making positions; allocations for men in inclusive -related policies, such as reproductive health programs; and allocations for children, such as reducing school dropout rates, child vaccination programs, and infant mortality reduction initiatives
- **Expenditures that promote constitutionally guaranteed equality among different groups:** These allocations aim to promote economic empowerment by supporting women's access to production resources and infrastructure to facilitate their work; employment and professional integration programs for women, which allocate a specific percentage of funds

for women's participation; and ensuring fair representation of men and women in decision-making positions through special allocations for programs that promote equal leadership opportunities

- **Neutral expenditures:** These cover general public services available to all male and female citizens, meaning they are shared expenses that benefit all groups rather than being directly targeted. These expenditures include public services accessible to men, women, and children alike. Beneficiaries of these shared services and expenditures are determined using the inclusive approach (based on distribution indicators). The proportion of budget allocations for men, women, and children within these shared expenditures is determined based on their level of access to these services

### III. Phase Three: Aggregation of Expenditures Allocated for Men, Women, and Children

This is a critical and essential phase in developing the inclusive budgeting, as it aggregates all expenditures directed towards achieving constitutional equality and equal opportunities, directly and indirectly. Based on the classification of information systems and databases conducted in phase one (the classification of information systems and databases according to an inclusive approach) and the classification of expenditures according to the three categories outlined in phase two (Categorization of Allocated Expenditures in the Inclusive Budget), all expenditures allocated to consider the needs of all groups are compiled, during this phase, within sectoral programs and policies, while taking into account the sectoral specificities of various ministerial programs.

This phase also facilitates the formulation of the overall inclusive national budget responsive to the needs of all groups and meets transparency and accountability requirements, as the consolidation of targeted expenditures in the budget enables the government to be held accountable by the parliament about the volume of these expenditures, their components, and related performance indicators.

- Holding the government accountable before parliament regarding the volume of expenditures, their components, and performance indicators

- Enhancing transparency and accountability by consolidating expenditures allocated to men, women, and children within the budget
- Formulating and structuring the budget in an inclusive approach that responds to the needs of men, women, and children

### IV. Phase Four: Preparation of an inclusive budget responsive to the needs of all groups

Preparing and formulating an inclusive budget, in line with the best international practices, requires completing all the previous phases (phases one, two, and three). This process must be carried out in coordination between the Ministry of Finance and sectoral ministries, while ensuring compliance with specific requirements and conditions:

- Establishing performance measurement indicators for the integrated and inclusive budget responsive to the needs of men, women, and children
- Preparing integrated and inclusive budgeting data that responds to the needs of men, women, and children using standardized models and tables to define programs and sub-programs for various ministries within this approach
- Developing annual sectoral executive plans by agencies specialized in women's empowerment in accordance with the national plan, in coordination with sectoral ministries, to facilitate the preparation of the annual estimated budget

#### **Case Study: Initiative for Designing an Inclusive budget responsive to the needs of all groups in the Health Sector**

##### **Objectives / Impact:**

Contribute to the improvement of therapeutic healthcare system outcomes/outputs responsive to the needs of all groups.

##### **Results:**

Contribute to increasing the use of therapeutic services and awareness of transitions in the field of equality and equal opportunities.

##### **Expected Results:**

- Enhancing/expanding access to therapeutic healthcare services.

- Providing appropriate, integrated, and high-quality therapeutic healthcare services.
- Strengthening individual capacities in planning and budgeting activities that respond to the needs of all groups in the Ministry of Health and among health service providers.
- Developing strategies and standards for inclusive practices responsive to the needs of all groups in the Ministry of Health and among service providers.
- Improving research capabilities regarding the health needs of men, women, and children.
- Collecting, formulating, and analyzing disaggregated data based on the needs of men, women, and children, along with relevant indicators in the health sector.

#### **Activities:**

- Training and capacity-building for various target groups, including employees, service providers, and members of the National Office for Statistics and Research.
- Establishing a specialized unit within the Ministry of Health to oversee the inclusive budgeting initiative responsive to the needs of all groups.
- Renovating hospitals and clinics.
- Developing inclusive policies, protocols, and medical equipment responsive to the needs of all groups.
- Analyzing budget processes to integrate the needs of men, women, and children.
- Conducting data collection activities (such as assessments that respond to the needs of all beneficiary groups) and specialized studies in this field.
- Awareness-raising activities.

#### **Indicators:**

- Objective, verifiable, and measurable indicators can be set at each level of the system, aligned with expected outcomes.
- Indicators should be used to track and evaluate the progress of the inclusive budgeting initiative responsive to the needs of all groups
- Types of indicators: impact indicators and outcome indicators.

## **V. Phase Five: Preparation of a Performance Report on the Inclusive budgeting responsive to the needs of all groups**

The final stage of implementing inclusive budgeting includes incorporating performance measurement indicators of the inclusive approach into the annual plan report, which accompanies the budget proposal under the goal-based budgeting model.

The annual performance plan, which contains the inclusive approach indicators, is developed based on evaluating and measuring the past year's performance, as included in the annual performance report during the budget closure phase, and setting targets for the upcoming year, based on the objectives outlined in the Medium-Term Expenditure Framework (MTEF).

This final phase in the preparation for inclusive budgeting serves as the methodological framework that links the results and outputs from the past fiscal year related to the needs of men, women, and children to the objectives and financial estimates for the upcoming year. This is to ensure that funding for equal opportunities is efficient and economically and socially effective.

## **Section Two: Methods of Budgeting Analysis for Developing Inclusive Budgets**

### **I. Objectives of Budget Differences Analysis**

The primary objective of conducting a budget differences analysis is to lay the foundation for a budget responsive to the needs of men, women, and children and to reform the budgeting system to incorporate the inclusive approach.

This analysis can help enhance the database related to budgets that considers the needs of men, women, and children, which is then used to lead policy formulation, implementation, and evaluation.

A comprehensive budget differences analysis should include an assessment of revenue and expenditure components in the budget, with a focus on the impact of resource flows and expenditures analyzed through an inclusive approach.

- Assessing the impact of resources and expenditures in the budget on different groups of women, men, and children

- Analyzing all public expenditures and allocated appropriations from the perspective of the inclusive approach
- **Conducting a Budget Differences Assessment by Providing an Overview:**

This is represented in evaluating whether budget allocations are sufficient to fulfill the government's commitments to equality among different groups and respond to the needs of all groups. It extends to assessing the budget's impact on equality across all segments of society. The budget differences assessment provides valuable inputs and insights into how well the budget addresses the needs of different groups and its effectiveness in promoting equality.

#### **Example of Using Difference Analysis Data in Bolivia:**

The **differences analysis** of budget allocations from the **Ministry of Productive Development and Plural Economy** indicated that in the **first quarter of 2013, less than 5% of activities promoted equality**. This data was later used to **enhance the integration of equality issues among different groups in the ministry's planning process**.

- **Conducting a Budget Difference Assessment by Providing Practical Recommendations<sup>39</sup>:**

This objective goes beyond the previous step, as it leads to proposing methods for preparing a budget that addresses disparities among different groups and ensures an equitable response to the needs of all groups, such as restructuring resource distribution.

To conduct this type of analysis, it is necessary to assess the current budgeting situation, particularly by monitoring the planned and executed budgets for programs, policies, or plans, as well as evaluating their impact on equality among different groups. Based on this assessment, practical recommendations have been made to modify specific elements of these programs, policies, and plans, including activities and resource allocation.

39 Debbie Budlender, Nisreen Alami, UNFPA Fonds des Nations Unies pour la population, UNIFEM Fonds des Nations Unies pour la Femme, *Pratique de la Budgétisation Sensible au Genre : un manuel de formation*, 2005.

#### **Example of Utilizing Disparity Analysis to Recommend Policy and Program Changes:**

Cambodia, Costa Rica, and Sri Lanka reduced their spending on security and defense to reallocate resources towards funding social protection, based on budget differences assessments and the recommendation of practical measures.<sup>40</sup>

#### **Other Objectives of the Analysis:**

- Conducting an analysis related to monitoring and evaluating the implementation of the budgeting.
- Conducting an analysis to serve as a basis for designing cost-effective methodologies for budget difference analysis.
- Conducting a difference analysis to serve as a foundation for improving or modifying the budgeting system.
- Thanks to the results-based accountability mechanism generated by the analysis, the Center for Analysis and Research was able to secure funding for reproductive health services and create a space for dialogue on women's health issues within the legislative, governmental, and civil society sectors. This ensured sustained funding for these issues and guaranteed that poor Mexican women benefited from these resources.
- One of the successful examples of combining budget disparity analysis with advocacy is the Mexican experience, led by Fundar Center for Analysis and Research (an independent organization). Fundar conducted an analysis of Mexico's health sector budget, focusing particularly on women's reproductive health needs, especially poor women in rural areas. By collaborating with partners in Mexico, particularly the inclusive budgeting initiative stakeholders, the Center successfully engaged with government agencies, parliamentary committees, civil society, and the media.<sup>41</sup>

40 Debbie Budlender, Nisreen Alami, UNFPA Fonds des Nations Unies pour la population, UNIFEM Fonds des Nations Unies pour la Femme, *Pratique de la Budgétisation Sensible au Genre : un manuel de formation*, 2005.

41 Debbie Budlender, Nisreen Alami, UNFPA Fonds des Nations Unies pour la population, UNIFEM Fonds des Nations Unies pour la Femme, *Pratique de la Budgétisation Sensible au Genre : un manuel de formation*, 2005.

## II. Directing Budgeting Analysis from an Inclusive Approach Perspective

To direct budget analysis using the inclusive approach, three fundamental questions should be posed:

- **Question 1:** The link between policies and the budgeting
- **Question 2:** How are expenditures distributed?
- **Question 3:** Budgeting implementation
- **Question One: The Link between Policies and Budgeting – How Can We Identify the Government’s Commitments to Equality among All Groups, and How Are These Reflected in the Budget?**

The key aspect of this step is represented in assessing the extent to which the needs of men, women, and children are considered in public policies and the budget.

To achieve this, it is essential to identify the government’s equality commitments based on the public policy framework and legal framework. In some cases, determining budget allocations to achieve equal opportunities among all groups is more straightforward. For example, specific programs designed to address women and children-related disparities may have clearly designated budgets. In other cases, it may be more difficult to identify or track these allocations, particularly in the absence of a program-based budgeting system, i.e., when goal-based budgeting is not implemented.

In all cases, commitments related to equal opportunities among all groups must be properly funded, and budgeting should be implemented as planned.

- **Second Question: How Are Expenditures Distributed in the Budget?**

One of the main elements of budgeting analysis involves evaluating the distribution of expenditures and assessing the impact of budget implementation on different groups. The distribution of expenditures should be adequate to ensure that all groups (considering the diverse needs of men, women, and children) have access to appropriate resources and services. It is also essential that all groups are

provided with equal opportunities for development and well-being, recognizing access to these resources as a fundamental human right.

- **Third Question: What Is the Impact of Policy and Budgeting Implementation on Equality among All Groups and Meeting Their Needs?**

To assess the impact of resource allocation and budget implementation, relevant data and methodologies must be available.

In some cases, performance-based or program-based budgeting indicators provide useful inputs for analysis. In other cases, additional sources such as policy evaluation reports, sectoral studies, budgeting oversight reports, expenditure reviews, and other monitoring mechanisms can help identify and assess the impact of policies on different groups.

It is advisable to conduct budget analysis using a participatory methodology, relying on inputs from both governmental and non-governmental entities to enrich the analysis with data and insights. Ministries involved can take the lead in defining objectives related to equal opportunities for all groups, along with the associated budgets and indicators within their areas of responsibility. In this case, non-governmental entities, particularly civil society organizations, play a crucial role in enhancing the analysis by providing more specific information on the needs of men, women, and children, identifying related priorities, and assessing the impact of policy implementation, along with other relevant indicators for analysis.

### Methodology for Budget Analysis from an Inclusive Approach Perspective

To achieve the objectives of budget analysis from an inclusive approach perspective, it is essential to follow a five-step methodology.

#### • Step One

Identify the sectoral scope for applying the analysis

#### • Step Two

Determine the sources of information for budget analysis

#### • Step Three

Analyze the collected budget information

#### • Step Four

Summarize the information and prepare a report presenting general conclusions, findings, and recommendations

#### • Step Five

Present and disseminate the analysis results

Several challenges arise in analyzing budgeting from an inclusive approach perspective, primarily related to the availability of budgeting data and performance indicators that consider the needs of all groups. These challenges become even more significant when budgeting data is non-transparent or unaggregated, making it difficult to identify budget allocations directed toward meeting the needs of all groups. In such cases, it is recommended to conduct interviews with key government stakeholders (such as planning and budget departments and decision-makers in the Ministry of Finance responsible for planning and budgeting).

Another major challenge is how to assess the impact of budget implementation in the absence of monitoring and evaluation mechanisms and budget closure reports. In this case, the analysis can be supplemented with data collected through participatory methodologies, such as interviews, focus groups, and surveys. Additionally, the analysis can be further strengthened by relying on assessments responsive to the needs of all groups, focusing on beneficiaries of public policies and the budgets being analyzed.

### Section Three: Methodological Approaches for Integration of an Inclusive Approach into Public Policies and the Budgeting

#### I. Phases of Preparing Data for Inclusive Budgeting

The methodology for integrating the inclusive approach into budgeting consists of two main phases:

##### • Phase One: Selecting the Appropriate Budget for Analysis

It is essential to identify budget programs that have a significant impact on equal opportunities among all groups. These programs should be highlighted and prioritized for funding by integrating the

inclusive approach. When preparing data for inclusive budgeting, the focus should be on outcomes and activities that can be tracked and evaluated annually. The evaluation of outcomes and impact should be conducted over the medium term and should not be limited to the immediate application of inclusive budgeting data.

##### • Phase Two: Following a Five-Step Process to Identify Issues Related to the Inclusive Approach and Propose Suitable Programs to Find Solutions for Them

Data for inclusive budgeting is prepared using five key steps, as illustrated in the following figure.

- Describing the situation of women, men, and children in the sector and identifying the problem (determine the factor causing disparities among these groups).
- Verifying the extent to which the sector's adopted policy integrates the inclusive approach (ensure that provisions address the identified issue) and proposing activities and impacts aimed at improving the situation.
- Checking whether a sufficient budget is allocated to implement a policy that responds to the needs of men, women, and children in the sector (confirm that funding is available for the proposed activities) and identifying resources to contribute to implementing these activities.
- Ensuring that expenditures have been executed according to expectations (impacts).
- Assessing the impact of the adopted policy and executed expenditures to determine whether equality among all groups has been enhanced as intended (results and impact).

The inclusive budgeting data serves as the accountability framework for equality among all groups and is prepared by sectoral ministries to reflect their commitment to addressing the needs of men, women, and children in their areas of intervention. This data is included in the budget framework document, submitted to the Council of Ministers for approval, and then referred to the House of Representatives along with the annual budget law.

The inclusive budgeting data demonstrates the commitment of the respective ministry and the government as a whole to enshrining equality among all groups.

The budget reference terms are incorporated into the inclusive budgeting data, selecting key programs, sub-programs, outcomes, activities, indicators, and allocated funds. This approach simplifies the budget preparation process for officials and makes it easier for parliament, civil society, and citizens to understand the inclusive budgeting information presented by each sectoral ministry.

## II. The Benchmarking model for Inclusive budgeting data

The inclusive budgeting data is presented using a benchmarking model, prepared by budget program officials, following the format below:

**Table 1: Inclusive budgeting data Model Responsive to the needs of all groups**

Program: Program's name in the relevant sectoral ministry				
Sub-program: Name of the sub-program				
Analysis of the Status of Men, Women, and Children	Impacts	Activity	Indicator	Allocated Budget

Given the importance of preparing inclusive budgeting data and given its impact on the success of the process of integration of the inclusive approach in the budget, it is worth noting that the following details should be taken into consideration when preparing the inclusive budgeting data table:

- **Analysis of the Status of Men, Women, and Children:**

This analysis should describe social issues requiring government intervention within the specified sub-program. The description should focus on issues specifically related to the needs of men, women, and children.

- **Defining the Expected Impacts:**

In the context of inclusive budgeting, the Medium-Term Expenditure Framework (MTEF) provides a

mechanism for integrating equity objectives—such as equality, disability inclusion, and regional balance—into multi-year budget planning. The expected impacts should address the key issues identified through assessment and analysis related to women, men, and children, ensuring that fiscal planning responds to diverse social needs over time.

These impacts are derived from the MTEF but may be refined to ensure alignment with the inclusive approach. This integration allows governments to sustain funding for inclusive policies, reallocate resources as priorities evolve, and maintain long-term fiscal commitment to reducing inequalities. Importantly, expected impacts should remain within the scope of the relevant sectoral or program budget and be based on evidence rather than assumptions.

### Identifying Activities Implemented by the Relevant Sectoral Ministry to Achieve These Impacts:

Multiple activities can be carried out to achieve the same impact. In this case, these activities should also be drawn up by the MTEF, with the possibility of adjusting where necessary. There must be alignment between the activities listed in the MTEF and those in the inclusive budgeting data.

- **Developing Specific Indicators:**

These indicators should enable to measurement of the degree of achievement of each expected impact. At least one indicator should be assigned to each impact. Indicators should be disaggregated by men, women, and children, or include other specific data classifications.

- **Specifying the Budget Allocated to the Sub-program:**

This should be recorded in the last column of the table. Where necessary, the allocated funds for activities supporting men, women, and children should be explicitly stated.

To conduct an expenditure analysis within the budget, it is essential to prepare workforce data tables alongside the table of the inclusive budgeting data. The employee data table provides an overview of workforce distribution across sectoral ministries, categorized by sex (men and women).

(This classification is easily achievable according to the sex of the employee (male/female) using national identification numbers). Data should be compiled by the budgeting department in each ministry.

The model below outlines how to analyze the distribution of employees in the ministry based on job and sex:

**Table 2: Public Sector Workforce Data Model**

Level	Total	Women	Men	Percentage of Women	Percentage of Men
Central Administration (Secretary-General)					
General Administration (Directors-General)					
Departments (Directors)					
Technical Positions					
Support Positions					
<b>Total</b>					

Inclusive budgeting data enables ministries to evaluate the cost of increasing women's participation in decision-making positions and to incorporate this criterion into the budget planning process.

**Case Study: Table of Inclusive budgeting data for the Ministry of Health in Rwanda (2012–2013)**

**Employee Data for the Ministry of Local Administration, Rwanda (2012–2013):**

Position / Level	Total Employees	Women	Men	Percentage of Women	Percentage of Men
Ministers	2	1	1	50%	50%
State Secretaries	1	0	1	0%	100%
Directors-General	3	1	2	33.3%	66.7%
Advisors	2	0	2	0%	100%
Directors	5	2	3	40%	60%
Specialists	38	10	28	26.3%	73.7%
Clerks	8	7	1	87.5%	12.5%
Contracted Employees	12	9	3	75%	25%
Work team Staff	4	1	3	25%	75 <sup>42%</sup>
<b>Total</b>	<b>75</b>	<b>31</b>	<b>44</b>	<b>41.3%</b>	<b>58.7%</b>

42 ONU Femmes, Budgétisation sensible au genre, Guide pour les facilitateurs de budgétisation sensible au genre : une approche pratique, Appui technique de la Direction du Budget au Sénégal et la Direction Générale du budget national au ministère des finances et du plan du Rwanda, 2016.

UN Women, Facilitators' Guide to Gender-Responsive Budgeting: A Practical Approach, Senegal Budget Management Technical Support Programme and General Directorate of National Budget, Ministry of Finance and Planning, Rwanda, 2016.

How Inclusive budgeting data was presented in the Ministry of Health, Rwanda (2012/2013)<sup>43</sup>:

**Program 2: Human Resources for Health**

**Sub-program 02: Nurses and Midwives**

No.	Analysis of the Situation for Men, Women, and Children	Impacts	Activity	Indicator	Allocated Budget
<b>Program 2: Health Human Resources</b>					
<b>Sub-program 2: Nurses and Midwives</b>					
1	The shortage of midwives contributes to a high maternal and child mortality rate.	Increase in the number of pregnant women cared for by specialized midwives.	Deployment of specialized midwives in relevant public centers.	Increase in births attended by midwives from 66.2% to 68%.	20,000,000
<b>Program 2: Health Human Resources</b>					
<b>Sub-program 2: Nurses and Midwives</b>					
1	The shortage of midwives contributes to a high maternal and child mortality rate.	Increase in the number of pregnant women cared for by specialized midwives.	Deployment of specialized midwives in relevant public centers.	Increase in births attended by midwives from 66.2% to 68%.	20,000,000
				Increase in the number of specialized midwives from 300 to 600.	
2	Shortage of specialists and trainers in nursing and midwifery schools.	Increase in the number of midwives and trainers in nursing schools.	Identification and redistribution of obstetric specialists in various nursing schools.	Increase in the number of obstetric specialists and midwifery trainers from 5 to 12 per nursing school.	19,200,000
3	Insufficient training equipment and materials for midwives.	Availability of necessary training equipment in all nursing schools.	Provision of equipment and training materials in nursing schools.	Each nursing school has a library and a practical training room with the necessary equipment.	98,699,832
<b>Total</b>					<b>137,899,832</b>

43 ONU Femmes, Budgétisation sensible au genre, Guide pour les facilitateurs de budgétisation sensible au genre : une approche pratique, Appui technique de la Direction du Budget au Sénégal et la Direction Générale du budget national au ministère des finances et du plan du Rwanda, 2016.

UN Women, Facilitators' Guide to Gender-Responsive Budgeting: A Practical Approach, Senegal Budget Management Technical Support Programme and General Directorate of National Budget, Ministry of Finance and Planning, Rwanda, 2016.

#### Program 4: Geographic Access to Healthcare Services

##### Sub-program 1: Medical Equipment

No.	Analysis of the Situation for Men, Women, and Children	Impacts	Activity	Indicator	Allocated Budget
1	The shortage of medical equipment contributes to a high maternal mortality rate.	Improvement in maternal health.	Rehabilitation of maternity centers in local hospitals.	Reduction in maternal mortality from 750 to 600 cases per 100,000 mothers.	450,000,000
			Establishment of 60 health centers before the end of 2012.	60 health centers were established.	
2	The shortage of ambulances in each area threatens the ability of women to reach health centers in time for delivery.	Improvement in the referral system for better care during childbirth for the mother and newborn.	Procurement and equipment of 60 ambulances.	60 ambulances provided.	1,800,000,000
<b>Total</b>					<b>2,250,000,000</b>

### Section Four: Key Entry Points for Responding to the Needs of Men, Women, and Children in Budgeting

The inclusive approach is integrated into the budgeting process based on successful international experiences through **key entry points**, which can be defined as opportunities to integrate the inclusive approach into the budget at various phases of the budgeting

Understanding these key entry points at different phases of budgeting enhances the opportunities for integrating the inclusive approach. It is important to note that failing to incorporate this approach at any phase of the three budgeting phases affects its integration in the subsequent phases.

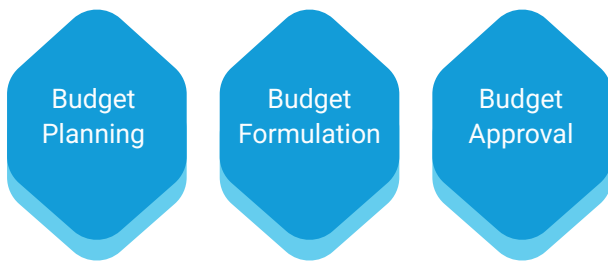


Figure 15: Reminder of the Budgeting Phases

### I. Key Entry Points in the Budget Planning Phase

- **Supervising the identification of questions related to the needs of men, women, and children during budget planning:** This is done by reviewing performance reports from the previous year and budget data that considers these needs. During this phase, the integration of the inclusive approach in different programs and the achievements in the relevant sector from the previous year should be analyzed and evaluated.
- **Developing strategies and programs that consider women and children-related disparities:** The strategy should aim to reduce inequalities between men, women, and children. The planning process should be transparent and participatory, allowing civil society organizations to participate, ensuring that the needs of various groups have been considered.
- **Establishing programs that integrate funding to address inequalities in all development sectors.**

### II. Key Entry Points in the Budget Formulation Phase

- Providing clear directives on inclusive budgeting when issuing the annual budget circular.
- Ensuring that budget data related to the needs of men, women, and children is utilized during budget discussions between the ministry responsible for budget preparation and sectoral ministries, and that it is considered a prerequisite for the full presentation of the budget.
- Preparing the budget proposal document and including a specific section on inclusive budgeting responsive to the needs of all groups and the resources allocated to programs targeting these groups. It should be ensured that the inclusive approach is automatically incorporated into the budget. The areas related

to the rights of men, women, and children should be allocated appropriate resources.

### III. Key Entry Points in the Budget Approval Phase

- Ensuring that the consolidated budget data considers the needs of men, women, and children when submitting the budget proposal to the Council of Ministers.
- Presenting the draft budget law along with the consolidated inclusive budgeting data to the House of Representatives: The inclusive budgeting data should be discussed and approved as an integral part of the budget law.
- Integrating the inclusive approach during budget implementation and accountability phases within annual performance reports: The results related to achieving equality among all groups should be included in these reports.

## **UNIT THREE**

# **PERFORMANCE EVALUATION IN INCLUSIVE BUDGETING RESPONSIVE TO THE NEEDS OF ALL GROUPS**

## INTRODUCTION TO THE UNIT:

This technical unit aims to define the performance evaluation methodology that will be adopted within the framework of inclusive budgeting responsive to the needs of all groups in Libya. Performance evaluation is of great importance because the inclusive budgeting initiative is not an end in itself but rather a means to achieve economic and social efficiency in public policies and real equality among all groups.

Since impact assessment is a technical and sometimes complex process, this unit provides a theoretical and practical approach to develop and evaluate indicators responsive to the needs of all groups in budgeted projects and programs and measure the economic and social efficiency of public spending within a comprehensive accountability framework based on efficiency and effectiveness. To achieve these objectives, this unit includes practical examples and case studies on indicators and impact measurement, drawing from international comparative experiences.

### Unit Objectives:

- Understanding indicators that consider the needs of all groups and incorporating them into sectoral programs and projects within the budget. These indicators must be correctly formulated based on technical requirements, ensuring they can be measured, monitored, and evaluated throughout the inclusive budgeting process.
- Mastering the methodology for measuring the economic and social efficiency of public finance management within the new budgeting model. This includes learning impact measurement methods and how to evaluate results and effects on equality among all groups.
- Gaining knowledge of the elements accountability system within inclusive budgeting. This system is used to track and assess the budgeting process before and after its implementation, ensuring efficiency and effectiveness in performance.

### Key Questions:

What are the need-responsive indicators that should be established to measure the achievement of projects and programs?

What are the components of economic and social efficiency in public finance management, and how can impact be measured?

What are the pillars of the accountability system in the inclusive budget?

## Section One: Need-Responsive Indicators at the Project and Program Levels

Need-responsive indicators include statistical data that adequately reflect differences between men, women, and children, as well as gaps arising from inequality.

### I. Basic Requirements for Need-responsive Indicators

- **Indicators should reflect issues, problems, and needs in all aspects of life for men, women, and children:** Differences, gaps, and equality issues significantly impact access to services and decision-making across all sectors, particularly in health, education, and employment. They also affect the ability to access resources and make decisions in family and community life. The development of need-responsive statistics involves multi-dimensional classification to highlight disparities and inequalities. It also requires collecting data on specific issues that disproportionately affect a particular sex or demographic group.
- **These statistics should appropriately reflect sex (men and women) and child-related disparities and inequalities. In other words,** the concepts related to equality issues should be incorporated into data collection to ensure consideration of the diversity of groups, their activities, and needs. Additionally, gaps in data collection should be considered, such as underreporting of women's economic activities or violence against women.

Indicators are a fundamental element of the inclusive budgeting initiative where most experiences<sup>44</sup> with this budgeting model confirm that having indicators at various phases of the budgeting process is crucial for the initiative's success.

Since indicators responsive to the needs of all groups are a key component of any inclusive budgeting initiative, it is essential to collect and design need-responsive systematic data and statistics early in the process. As part of this initiative, we need indicators and data categorized according to needs to carry out the analysis process and enrich the related assessments. We also need indicators that take into account the differences between men, women, and children to assess the results and impacts of the integration of the inclusive approach into the budget.

A multi-dimensional methodology requires a broad set of indicators to demonstrate the impact of public interventions on different groups, including women, men, and children, while also considering other demographic groups. The Ministry of Finance can request the collection, design, and use of women and child-sensitive indicators for use in the budget.

In this field, the Bureau of Statistics and Census in Libya<sup>45</sup> plays a key role in supporting the inclusive budgeting responsive to the needs of all groups as part of Libya's National Strategy for the Development of Statistics (NSDS) by reviewing current statistical data produced in Libya through integrating classification of data and statistics produced by the Bureau using the inclusive approach, along with developing new indicators related to equality among men, women, and children. The inclusive approach shall be integrated into the national statistical policy to be approved by the Bureau. Capacity building and training are essential in this

area, given the new challenges posed by Libya's inclusive budgeting initiative, responsive to the needs of all groups.

"Libya's National Strategy for the Development of Statistics 2020-2025 is a comprehensive strategic document that guides the evolution of the national statistical system to provide the necessary data for evidence-based decision-making aimed at achieving sustainable development. It sets out a vision for the next six years (2020-2025) and establishes milestones that the national statistical system must reach to turn this vision into reality."

#### **Excerpt from the Libya National Strategy for the Development of Statistics 2020-2025**

In addition to official statistical agencies, international experiences have shown the involvement of **universities, research institutes and experts** to contribute to the collection of the national-level data responsive to the needs of men, women and children using certain tools such as survey-based studies, studies on interpersonal violence, and assessments of beneficiary satisfaction with equality policies, etc.

Some international experiences have also relied on **specialized observatories** as complementary mechanisms for data collection, exchange and relevant statistical indicators. For example, in Spain, NGOs support observatories on violence against women, providing relevant information and statistics. It is important to note that the ultimate goal of data collection and compilation is to institutionalize these activities as a good practice within the government system to ensure continuity and prevent data gaps that could negatively impact the success of the inclusive budgeting initiative. For sustainability, data collection should be reinforced and integrated with other institutional mechanisms mentioned earlier.

#### **Methodological Recommendation<sup>46</sup>: Indicators should be:**

<sup>46</sup> Source: UNEG Document, 2011. "Integrating Human Rights and Gender Equality into Evaluations – Towards a UNEG Policy Paper." New York.

<sup>44</sup> Some experiences will be presented in the following units of the present Guidebook.

<sup>45</sup> The Bureau of Statistics and Census was established by the Statistical Law of 1953, where it conducted the general population and housing census in 1954. Since that date, the Authority has conducted many surveys and censuses that provide data, statistics and indicators for the country. Source: UNEG Document, 2011. "Integrating Human Rights and Gender Equality into Evaluations – Towards a UNEG Policy Paper." New York.

- **Specific, Measurable, Achievable, Relevant, and Time-bound (SMART):**
- **Inclusive of the needs of all groups as far as possible:** Indicators that consider equality issues should classify data by sex and needs to enable accurate measurement.
- **Reflective changes over time in terms of needs and equality issues among all groups:** For example, the extent to which men's and women's perspectives are heard during policy dialogue sessions.
- **Multi-dimensional as far as possible:** For example, measuring both men's and women's participation in policy dialogues while considering other characteristics such as age, ethnicity, religion, and disability, etc.)

## II. Quantitative and Qualitative Indicators

Indicators can be quantitative, relying on measurable figures such as numbers, percentages, and ratios. **Examples include:** the number of men and women in decision-making positions; employment levels and wage rates; and education and literacy rates.

Indicators can also be qualitative, measuring perceptions, opinions, and judgments. **Examples include** Women's perception of empowerment, satisfaction with work, education, or quality of life, and confidence levels in literacy and other skills

**Examples of Types of Useable Indicators include:**

- **Sensitive -disaggregated data** (e.g., the average number of hours men and women spend on paid and unpaid work)
- **Indicators on women's protection and empowerment** (e.g., domestic violence rates, maternal mortality rates)
- **Gaps between men, women, and children** (e.g., wage gaps, employment gaps, access to education, health, and social protection services)

**Examples of Quantitative and Qualitative Indicators for Empowerment in Human Rights and Equality between Men, Women, and Children**<sup>47</sup>

Legal Empowerment	
Quantitative Indicators	Qualitative Indicators
Number of human rights and sex-based discrimination related court cases and their rulings	Availability of legal and judicial services for women and men across various interested groups
Number of legal cases related to divorced or widowed women and their rulings	Application of legislation protecting the human rights of men and women across various interested groups
Application of laws protecting men's and women's rights across various interested groups	Changes in access to data on complaints and rulings related to human rights violations against men and women across various interested groups
The rate of violence against men and women across various interest groups	Changes in response levels to complaints regarding human rights violations against men and women across various interested groups

Economic Empowerment	
Quantitative Indicators	Qualitative Indicators
Employment/unemployment rate among men and women across various interested groups	Ability to make major/minor purchases independently
Wage/salary disparities between men and women across various interested groups	Measures ensuring economic independence for men and women in public and private spaces
Change in property ownership between men and women (land, real estate, buildings, etc.) across various interested groups	
Average spending controlled by men/women/children for health and education across various interested groups	

<sup>47</sup> Source: GNUE, 2011. « Intégrer les droits de l'homme et l'égalité des sexes aux évaluations – Vers un document d'orientation du GNUE ». GNUE. New York. P. 47

Social Empowerment	
Quantitative Indicators	Qualitative Indicators
Number of men and women, across various interested groups, participating in local, national, and regional institutions (e.g., women's associations, awareness groups, income-improving groups)	Extent to which men and women across various interested groups have access to networks and negotiation spaces to secure their rights or resolve disputes
Number of men and women across various interested groups holding leadership positions in local, national, and regional institutions	Comparison of training and networking activities between men and women across various interested groups
Control over fertility and reproductive decisions (number of children) among men and women across various interested groups	Perceptions of empowerment among marginalized or excluded groups in terms of self-confidence and abilities

### Case Study on Indicators Responsive to the Needs of All Groups in the Health Sector

This case study presents a model initiative for an inclusive budgeting responsive to the needs of all groups in the health sector, drawing from successful international experiences that received technical support from UN Women. Through which, we have focused on the result chain model for the inclusive budgeting initiative and the indicators and sub-indicators listed in the sector reference checklist.

The result chain approach is crucial for designing an inclusive strategy (responsive to the needs of all groups) in the sector and for identifying the necessary steps to achieve this objective.

### Initiative for Designing an Inclusive Budget Responsive to the Needs of Men, Women and Children for the Health Sector

#### Objectives / Impacts

Contributing to the improvement of outcomes in the therapeutic healthcare system that addresses the needs of men, women, and children.

#### Results

Enhancing the use of therapeutic healthcare services and understanding budgetary allocations in the field of equality among all groups.

#### Results

Expanding / improving access to therapeutic healthcare services.

Providing appropriate, inclusive, and high-quality therapeutic healthcare services: Maternal and child healthcare services

/ therapeutic healthcare services responsive to the needs of all groups

Supporting individual capacities in planning activities and inclusive budgeting responsive to the needs of all groups at the Ministry of Health and among service providers.

Developing strategies and standards for inclusive practices at the Ministry of Health and among service providers.

Strengthening capacities in research related to the healthcare needs of men, women, and children in the health sector.

Collecting, formulating, and analyzing sensitive -disaggregated data and indicators related to equality among all groups in the health sector.

#### Activities

Training and capacity-building for various stakeholders, including: employees, Service providers and members of the National Bureau of Statistics and Research

Establishing a group/unit/administrative body within the Ministry of Health responsible for monitoring the inclusive budget initiative responsive to the needs of all groups.

Renovating hospitals and clinics.

Developing policies, protocols, and equipment that consider the needs of men, women, and children.

Analyzing budget flows to integrate the healthcare needs of men, women, and children.

Organizing data collection activities (such as assessments responsive to all groups of beneficiaries) and specialized studies.

Awareness-raising activities.

#### Indicators:

- Objective and verifiable indicators can be established at every level of this system.

- Indicators should be designed to monitor and evaluate the inclusive budget initiative responsive to the needs of all groups.

### Types of indicators: Impact indicators and outcome indicators

To track the implementation of inclusive budgeting in the health sector according to the results chain model outlined above, it is recommended to adopt the indicators, sub-indicators, and control list presented in the following table:

<b>1.0</b>	<b>Participation of women in planning, programming, and budgeting</b>	
<b>1.1</b>	<b>Excellent:</b> Participation of senior female employees, the person responsible for sex inclusion coordination at the ministry level, mothers' groups, and representatives of other relevant stakeholders at the regional level.	4
	<b>Good:</b> Participation of senior female employees and a group of sex inclusion coordinators, including medical volunteers, mothers' groups, and representatives of other relevant stakeholders at the regional level.	3
	<b>Acceptable:</b> Participation of women in non-decision-making positions at the ministry level and 5% to 19% participation of medical volunteers, mothers' groups, and representatives of other relevant stakeholders at the regional level.	2
<b>1.2</b>	<b>Ensuring women's participation in implementation</b>	
<b>1.2.1</b>	Level of women's participation in specialized executive committees and other committees, particularly in high-level positions (Chairperson, Secretary-General, Director of Treasury Administration), as well as inclusion in user committees and committees for managing medical equipment and others:	
	<b>Excellent:</b> < 33%, particularly in decision-making positions and user committees	4
	<b>Good:</b> < 33% in decision-making positions, but < 33% in user committees	3
	<b>Acceptable:</b> 10% to 32.9% participation in decision-making positions and user committees	2
<b>1.2.2</b>	Level of participation of women (stakeholders) in specialized committees and other committees, particularly in high-level positions (Chairperson, Secretary-General, Director of Treasury Administration), as well as inclusion in user committees and medical equipment management committees and others:	
	<b>Excellent:</b> > 33% particularly in decision-making positions and user committees	4
	<b>Good:</b> < 33% in decision-making positions, but > 33% in user committees	3
	<b>Acceptable:</b> 10% to 32.9% participation in decision-making positions and user committees	2
<b>1.2.3</b>	Level of mandatory attendance / presence of female employees/managers and other members at project management or implementation meetings	3
<b>1.3</b>	Level of participation of women stakeholders or inclusion experts in project monitoring activities	4
<b>2.0</b>	<b>Enhancing women's capacities</b>	
<b>2.1</b>	<b>Level of capacity-building for women members of committees, local groups, and associations involved in decision-making</b>	6
	At least, developing decision-making skills	2
	Exemption from training in the form of repeated training sessions	2
<b>2.2</b>	Focusing on women from marginalized groups in these training sessions	2
	The level of participation of female employees and members in capacity-building programs, seminars, and training sessions is as follows:	
	• <b>Excellent:</b> < 33% 7	
	• <b>Good:</b> (20% - 32%) 5	7
	• <b>Acceptable:</b> (5% - 19%) 3	

## Section Two: Economic and Social Efficiency and Impact Assessment in Inclusive Budgeting Responsive to the Needs of All Groups

### I. Definition of Impact Measurement

Impact<sup>48</sup> can be defined as the long-term positive and negative, primary and secondary effects that arise directly or indirectly from a development intervention, whether planned or unplanned.

A positive impact on human rights and equality among all groups can be defined as the realization and effective, sustainable enjoyment of human rights and equality by rights holders. It also pertains to the ability of duty bearers to respect, protect, and fulfill human rights and equality. The impact can be positive or negative, expected or unexpected, primary or secondary<sup>49</sup>.

Assessing and measuring the impacts of public interventions can be complex but remains necessary to determine what contributes to advancing human rights and equality among all groups. Even when evaluating interventions that are not directly related to human rights and equality, it is essential to examine whether such interventions exacerbate discrimination and reinforce existing power structures that contradict human rights and equality principles.

**The matters to be considered deeply when evaluating the impact of inclusive budgeting responsive to the needs of all groups include:**

#### Impact Assessment

- Whether rights holders can exercise their rights and whether duty bearers can fulfill their obligations. Also, whether any changes occurred in both groups or if their rights have become more restricted than before.

- Whether there has been a tangible change in relationships between men, women, and children, such as access to and use of resources, decision-making power, division of labor, etc.
- Whether the targeted groups have been empowered and if there are effects of public interventions beyond the targeted groups.
- Whether unexpected effects have occurred on groups that were not considered in the design of public interventions (such as men, women, and children from a broader group that was not initially targeted).
- Whether there are effective accountability mechanisms in place in the areas of human rights and equality among all groups.

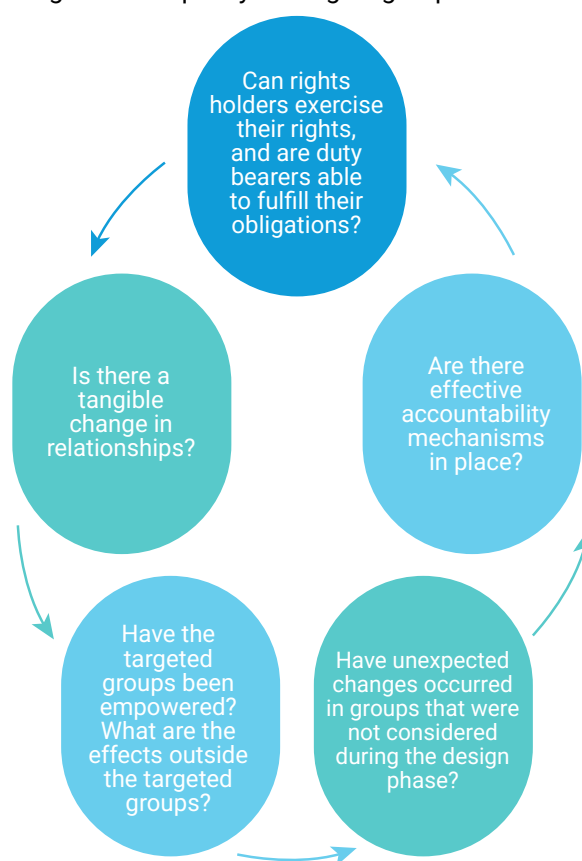


Figure 16: Evaluating the impact of inclusive

48 Source: UNEG Document, 2011. "Integrating Human Rights and Gender Equality into Evaluations – Towards a UNEG Policy Paper." New York.

49 The National Action Plan for the Inclusive Approach was approved by the Ministerial Council on June 20, 2018, which aims to integrate the inclusive approach into planning, programming and budgeting in order to eliminate all forms of discrimination and achieve equality in development, rights and duties between male and female citizens by 2020

budgeting responsive to the needs of all groups

## II. Measuring Outcomes in Terms of Equal Opportunities for All Groups

There is no universally comparable method for measuring impact, as the concept is open to interpretation. However, one of the key criteria to consider when measuring the impact of an integrated and inclusive budget is focusing on its ultimate goal achieving equality and equal opportunities for all groups.

Thus, the fundamental question is: How can we measure equal opportunities for all groups?

In this regard, there is a need for inclusive data and a comprehensive set of indicators. Data and statistics serve as essential tools for designing policies to promote equality between all groups, assessing their impact, and ensuring responsibility and accountability. This necessitates the formulation of effective indicators in planning and development and the availability of customized data to facilitate responsibility and accountability in implementing equality outcomes for all groups.

The primary challenges in inclusive budgets and development initiatives that respond to the needs of all groups relate to data availability, accessibility, and quality at various phases. Regular updates to inclusive data, which responds to the needs of all groups, help policymakers, planners, and monitoring and evaluation officers to enhance the decision-making process before, during, and after planning and budgeting.

Other data-related challenges include potential political implications when assessing policy commitments, especially when data results do not appear "optimal". This may indicate an insufficient commitment to equal opportunities across all groups.

To measure the impact on social justice and equal opportunities for men, women, and children, it is crucial to evaluate the situation before integrating the inclusive approach into the budget, as well as during and after this initiative. This requires a baseline database for context analysis, as well

as indicators to assess the results and outcomes of inclusive budgeting responsive to the needs of all groups. Additionally, a reasonable timeframe should be established to assess changes over time (before, during, and after the initiative).

### **Assessment of the impact of the initiative of inclusive budgeting responsive to the needs of all groups includes the following dimensions:**

- Who is the group targeted by the funding and grants?
- Who are the actual beneficiaries of the funding?
- Are there expected impacts on equality across all groups?
- Are there potential impacts on wage gaps between men and women?
- Are there potential impacts on access to education? If so, at what level?
- Are there expected changes in employment opportunities for men and women?
- What are the potential effects on unpaid work distribution between men and women?
- Could there be changes in the time allocated to unpaid work, such as child care, household duties, and patients and elderly care?
- What are the potential effects on tax liabilities and fees paid by men and women?
- Are men and women fairly and equitably represented?
- Is decision-making access feasible for the underrepresented sex?

Successful international experiences provide a valuable mechanism for evaluating the impact of inclusive budgets responsive to the needs of all groups based on the equality between all groups, "Procedural Memorandum for Supporting Equality between All Groups." This memorandum is issued by the Ministry of Finance and Planning or the Ministry/Agency in Charge of Equality and identifies key areas<sup>50</sup> requiring an impact assessment to determine the "real" impact of the budget on equality. These areas include:

<sup>50</sup> Source: Commission européenne, 2014. Échange de bonnes pratiques en matière d'égalité des sexes. Évaluation des impacts sur l'égalité des sexes. Rapport de synthèse

- Funding and allocated amounts for natural and legal persons
- Education, employment, and revenues
- Unpaid labor
- Public revenues
- Decision-making procedures and decision-making structures

Thus, the Ministry of Finance and the Ministry of Women's Affairs in Libya can issue a "Procedural Memorandum for Supporting Equal Opportunities among All Groups" to strengthen the inclusive budgeting initiative and prepare for an impact assessment of this new budgeting model on equality among all groups.

**Case Study: Evaluating the impact of legislation in the Austrian experience**

The inclusive budgeting initiative is relatively recent in Austria, having been introduced in 2013. However, it is considered a global benchmark for best practices in assessing the impact of legislation and policies on real equality across all groups.

Austria's experience can serve as a model for the Libyan context, supporting the inclusive budgeting initiative responsive to the needs of all groups. The Libyan Constitutional Declaration of 2011 enshrines equality among Libyans in rights, duties, and equal opportunities<sup>51</sup>, allowing more strength of the economic and social rights for both men and women in laws and regulations, providing further support to and complement with the inclusive budgeting initiative in Libya.

**Impact Assessment in the Austrian Experience**

Austria introduced its impact assessment methodology on equality across all groups as part of its goal-based budgeting framework. Since 2009, the law has required all levels of government (federal and municipalities) to implement effective budgeting measures that promote equality among all groups.

In 2013, Austria revised its methodology for assessing the impact of legislation, making it one of the most crucial components of goal-based

budgeting. The previous inclusive approach used in assessments was modified to highlight the "real" impact of legislation on equality among all groups. Furthermore, impact assessment methodology was incorporated into all new laws and directives, ensuring that legislative and policy decisions actively consider and promote equality.

**Section Three: Accountability and responsibility in inclusive budgeting responsive to the needs of all groups**

**I. Performance reports of the inclusive budget responsive to the needs of all groups**

Performance reports serve as the foundation of the accountability and responsibility system in the inclusive budgeting model, as they represent the commitment contract that binds public program officials with stakeholders (beneficiaries of the programs, the Parliament, and civil society).

The annual budget plan constitutes a commitment to achieving a set of objectives that program heads must adhere to. It includes performance objectives and indicators that should be met during budget implementation. Similarly, the annual performance report is a document that outlines results and achievements compared to the initial goals and indicators set during the budget planning phase and its approval. It thus serves as the basis for accountability in managing and executing the budget.

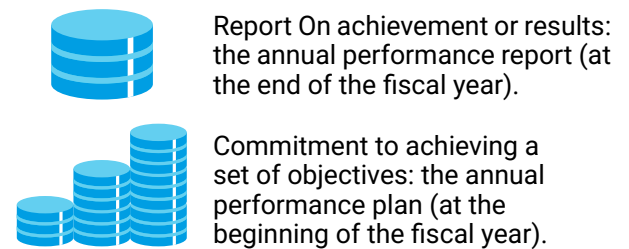


Figure 17: Accountability and Performance in Public Budgeting

Since inclusive budgeting is fundamentally based on the principles of goal-based budgeting (based on performance), the responsibility and accountability mechanisms remain the same as

51 Article 3 of the Libyan Constitutional Declaration of 2011

in the new budgeting model, but with the inclusion of equal opportunity indicators in both the Annual Performance Plan (submitted alongside the budget proposal), with adjusting the goals and indicators that consider the needs of all groups, and the Annual Performance Report (issued at the end of the budget cycle when approving the final accounts), with adjusting the expected results towards achieving economic and social efficiency in public finance management and ensuring equality among all groups, which is the primary goal of integrating the inclusive approach into the budget.

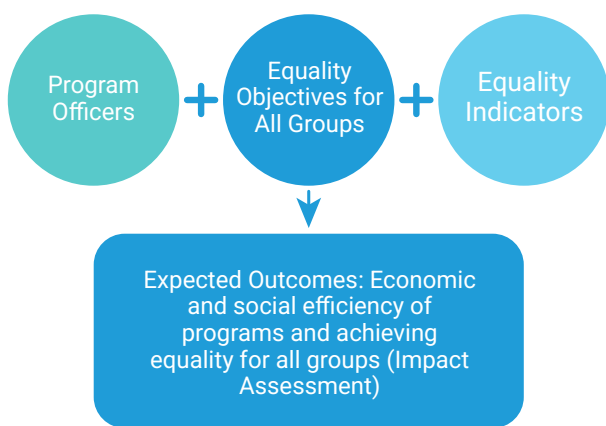


Figure 18: Responsibility and Accountability Mechanisms in the Inclusive budgeting model

The effectiveness of the inclusive budgeting helps determine progress in achieving equality among all groups and contributes to improving public programs by identifying obstacles and challenges related to these issues, ensuring they are addressed and rectified.

By continuously assessing equal opportunity indicators and publishing them in an annual performance report, the accountability system in the field of achievement of equality between all groups is reinforced, as government as a whole and program heads in particular are held accountable annually and at the end of the budget cycle for: the efficiency in managing and executing the budgeting goals in economic and social terms; the extent to which they have achieved equality among all groups and responded to the needs of all groups, which were identified during the budgeting phase

through needs analysis and inclusion in the annual budget plan and inclusive budgeting data.

The inclusive budgeting framework enables to monitoring and evaluation of the progress made towards equality between all groups, based on assessing achievements compared to targeted goals and reviewing indicators and impacts to analyze their development.

The inclusive budgeting report also allows for the documentation of the government’s commitment to equality between all groups and the tracking of progress for the achievement of the goals of inclusive budgeting over the years.

The evaluation process is participatory between stakeholders, including the parliament, beneficiaries of programs and civil society organizations. This ensures the submission of necessary recommendations for adjusting the Medium-Term Expenditure Framework (MTEF) based on evaluating the extent to which the government has fulfilled its commitments to achieving equality between all groups within inclusive budgeting.

## II. Parliamentary accountability for the inclusive budget responsive to the needs of all groups

Parliamentary accountability for the government regarding the inclusive budget consists of two main phases:

- Approval of the budget within the annual budget law: Before budget implementation.
- Approval of the final accounts during budget closure: After budget implementation.

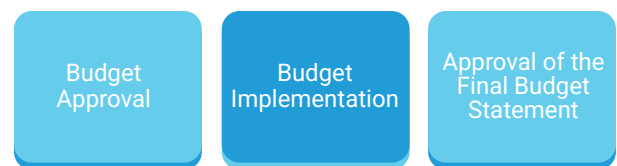


Figure 19: Parliamentary Oversight of the Government on the inclusive budget

The House of Representatives plays a crucial role in holding the government accountable during the budget approval process. This includes reviewing the data on the inclusive budget contained in the

budget proposal document, which is submitted for approval along with supporting budget documents.

Parliamentary accountability at this phase also involves discussing the Medium-Term Expenditure Framework (MTEF) and the annual budget project, both of which contain goals and indicators addressing the needs of all groups.

The government is responsible for attaching new documents to the Finance Law that ensure transparency of the objectives of public policies (programs) and their integration into the inclusive approach and a better reading of the financial information included in the Finance Law, namely:

- [Policy Document on the Inclusive Budget responsive to the needs of all groups, which includes data on the inclusive budget.](#)
- [Annual Implementation Reports by missions and programs, incorporating indicators responsive to the needs of men, women, and children.](#)
- [General Budget Balances Table \(What is meant by balances?\) over the medium term.](#)
- [Medium-Term Expenditure Framework \(3 years\) – overall and sectoral distribution by programs as a tool for medium-term programming.](#)
- [Draft Law on the Final Accounts of the Budget for the Previous Year.](#)
- Budget Approval Phase: During the budget approval phase, the role of the House of Representatives primarily consists of determining priorities and public policies to ensure they consider equality among all groups. It also involves enhancing economic and social efficiency in managing and implementing the general budget and achieving the principle of equality among all segments of society without discrimination by allocating budgetary resources (budget allocations) based on missions and programs that serve these objectives and defining a set of goals and indicators to measure performance at the budget closure phase.

The role of the House of Representatives in this phase is also characterized by maintaining budgetary discipline (including setting the total limit for budget financing, determining the overall number of employees, and ensuring

that investment allocations are not reduced or reallocated elsewhere...) These measures ensure that there is equality between all groups and that budget policies and programs, responsive to the needs of all groups, achieve their intended consequences.

### **How can we evaluate the distribution of expenditures?**

- One of the key elements in the analysis is conducting an assessment of expenditure distribution in policies and the budget, as well as evaluating the impact of implementing these policies on different groups.
- The distribution of expenditures should be sufficient to ensure that all groups (considering the different categories of women, men, and children) have access to appropriate resources and services. It should also guarantee equal opportunities for development and well-being, recognizing well-being as a human right.
- Budget Implementation Phase: The budget implementation phase involves the role of the House of Representatives in overseeing the implementation of the approved budget law, restricting the executive authority in making amendments (such as cancellations, freezes, or reallocations of funds between programs...)
- Final Account Approval Phase: The final account approval phase holds the House of Representatives responsible for holding the government accountable for achieving the expected results of budget implementation in terms of the economic and social efficiency of projects and programs, as well as ensuring equality among all groups, in accordance with the commitments made during the budget approval phase.

Accountability primarily revolves around the annual budget implementation report, which outlines the achievements, results, and the impact of public expenditures within the framework of inclusive budgeting.

As part of the parliamentary accountability system, the government submits a report to the House of Representatives detailing the results of budget

implementation and the application of budget law provisions for the fiscal year, following the completion of the first sixth of the year (the first two months) of each financial year.

The budget closure bill (the preparation of the final accounts) for the inclusive budget is accompanied by new and essential documents aimed at enhancing transparency regarding the execution of public policy budgets (programs) that are inclusive and responsive to the needs of all groups. These documents also highlight recorded results in terms of equality, equal opportunities, and economic and social efficiency, compared to previously set objectives.

- The annual budget implementation reports include monitoring equality indicators and assessing the impact on equality and equal opportunities.
- The annual report of the Libyan Audit Bureau on the state's final accounts is submitted to the House of Representatives, with a copy provided to the Council of Ministers and the Minister of Finance, in accordance with Article 11 of Law No. 19 of 2013 regarding the reorganization of the Audit Bureau.

## **UNIT FOUR**

# **CHALLENGES OF INCLUSIVE BUDGETING RESPONSIVE TO THE NEEDS OF ALL GROUPS IN LIBYA**

## INTRODUCTION TO THE UNIT:

Since the Libyan initiative for inclusive budgeting responsive to the needs of all groups is still in its conceptual phase, this technical unit presents the fundamental pillars necessary for institutionalizing inclusive budgeting in Libya. It introduces the legal and institutional framework required to integrate the inclusive approach into budgeting. As part of the preparation for inclusive budgeting responsive to the needs of all groups, this unit also highlights the sectoral guidance mechanisms that should be established, drawing from successful international experiences to facilitate the transition from the current budgeting model to the new integrated model. One of the key mechanisms discussed is the Circular of inclusive budgeting. Since the Libyan initiative is still in its early phases, this unit provides ways to support this initiative by addressing practical obstacles previously identified in international experiences. It also explores strategies to overcome these obstacles, ultimately shaping a framework for a strategy of inclusive budgeting. Additionally, it focuses on building the capacities of key stakeholders to ensure the success of this transition process.

### Unit Objectives:

- Understanding the legal and institutional foundations required to institutionalize inclusive budgeting responsive to the needs of all groups.
- Mastering and effectively utilizing the sectoral guidance mechanisms for the inclusive budgeting.
- Identifying ways to support the initiative of inclusive budgeting in Libya.

### Key Questions:

- **What are the legal and institutional foundations necessary to establish an institutionalized framework for an inclusive budgeting responsive to the needs of all groups?**
- **What are the sectoral guidance mechanisms required for an inclusive budget that addresses sex disparities?**

- **What are the ways to support the sensitive -responsive budgeting initiative in Libya?**

## Section One: Establishing an Institutional Framework for an Inclusive budgeting responsive to the needs of all groups

The adoption of an inclusive budgeting responsive to the needs of all groups in Libya would enhance the effectiveness and efficiency of financing equality among all groups, in line with the 2011 Libyan Constitutional Declaration, particularly Article 6. This approach ensures adequate allocations in the budget of the state, local authorities, and municipal levels to reduce disparities between men, women, and children and achieve sustainable development.

Since inclusive budgeting aims to identify expenditures allocated to addressing the needs of all groups and assess their impact on economic and social efficiency, as well as on development and equality, the adoption of inclusive budgeting in Libya would verify whether the allocated funds reach the target groups and whether there is progress in reducing disparities among men, women, and children.

Implementing the inclusive budgeting model requires a legal and institutional system that ensures equality and allows for meeting the needs of all groups, reducing disparities in public policies and sectoral and local programs.

### I. Legal Foundations for an inclusive budget responsive to the needs of all groups

Institutionalizing inclusive budgeting responsive to the needs of all groups is a key factor for success. It relies on establishing an appropriate legal and institutional framework for integrating the inclusive approach into planning and budgeting at both the national level (central government, ministries, public institutions) and the local level (municipalities, governorates).

Interventions aimed at promoting equal opportunities, particularly through inclusive budgeting, require a legal framework that extends from the Constitution to legislation and policies that ensure equality in rights and obligations and

reinforce the principles of equal opportunities and access to resources.

A key component of a supportive legal framework for an inclusive budget responsive to the needs of all groups is the introduction of affirmative measures in national laws to facilitate the implementation of international treaties and agreements ratified by Libya, thereby providing a practical and applicable dimension to these commitments.

The initiative of inclusive budgeting in Libya is fundamentally rooted in the Constitution, as Article 6 of the 2011 Libyan Constitutional Declaration provides for the principle of equality stating "Libyans shall be equal before the law, enjoy equal civil and political rights with, have the same opportunities in all areas and be subject to the same public duties and obligations, without distinction on the grounds of religion, belief, language, wealth, sex, kinship, political opinions, social status, or tribal, regional or familial adherence."

Additionally, the initiative is grounded in the Organic Budget Law (which in Libya corresponds to the State Financial System and the Budget Regulations), as this legal text governs the entire budgeting process, from planning to approval and implementation. Thus, the legal framework for budgeting must include provisions for inclusive budgeting responsive to the needs of all groups, specifying its preparation, approval, implementation, and monitoring (currently, Libya's budgeting process is governed by the 1967 State Financial System Law and the Budget, Accounts, and Stores Regulations issued on December 3, 1968, which outline budget preparation, execution, amendments, accounting procedures, and periodic and annual reporting.)

In addition to constitutional recognition and legislative inclusion in the budget law, the inclusive budgeting initiative must be supported by various legislative and regulatory texts that guarantee men's, women's, and children's rights, reinforcing constitutional guarantees and making them practical and enforceable. These include electoral laws, economic empowerment laws for women, sex inclusion in decision-making positions, property rights laws, and child protection law, etc.

To ensure the success of the initiative of inclusive budgeting, Libya's legal framework must not only include affirmative measures in specific laws but must also harmonize all pre-existing laws issued before the Constitutional Declaration with Article 6 of the Constitutional Declaration. Establishing a legal framework appropriate to inclusive budgeting responsive to the needs of all groups would facilitate legalization of the budget and ensure its success.

Additionally, integrating the inclusive approach into sectoral policies and programs, and translating them into measurable objectives and allocated funds within sectoral budgets, requires establishing technical procedures and guidelines on inclusive budgeting. These should be explicitly outlined in the annual budget preparation circular and linked to the government's capacity to implement public policies. This means that the current format of Libya's budgeting circular must be updated to include the data of the inclusive budget and its associated indicators.

A key aspect to highlight is that the legal framework for inclusive budgeting must be interconnected and comprehensive. Any gaps or weaknesses in one area will negatively impact the entire system, diminishing its effectiveness and outcomes.

Moreover, the successful adoption of the goal-based budgeting model across all sectoral ministries is a fundamental prerequisite for implementing inclusive budgeting. Ministries that have not yet adopted the goal-based budgeting model cannot transition to an integrated and inclusive budget due to the lack of necessary foundations and requirements.

## **II. Institutional Framework for an inclusive budget responsive to the needs of all groups**

A suitable institutional framework for an inclusive budget responsive to the needs of all groups includes various institutions and bodies that ensure the successful implementation of the inclusive approach to budgeting.

International experience with inclusive budgeting has shown a variety of stakeholders initiating the adoption of the model of inclusive budgeting. In some cases, the initiative was driven by civil

society organizations, while in others, this model of budgeting was adopted by the government or parliament.

In the Libyan context, if the government, with the support of UN Women, adopts this initiative, it would naturally fall under the Ministry of Finance, which is responsible for budget preparation, execution, and monitoring. Additionally, sectoral ministries would also be involved, as they oversee sectoral programs, prepare budget forecasts, discuss them with the Ministry of Finance, and oversee budget implementation and reporting.

Other key actors include the Ministry of Women's Affairs, responsible for women's empowerment through policies and programs, making it a crucial player in the inclusive approach.

The establishment of Women's Support and Empowerment Offices across various sectoral ministries in Libya, such as the Ministry of Civil Service, Ministry of Planning, Ministry of Economy, Ministry of Justice, Ministry of Interior, Ministry of Social Affairs, Ministry of Labor and Rehabilitation, Ministry of Local Governance, and the Ministry of Higher Education and Scientific Research, represents a strategic institutional foundation for integrating the inclusive approach into planning, development, and budgeting in Libya. These offices play a key role in preparing sectoral plans for women's support and empowerment, monitoring progress, and evaluating outcomes of the same in the ministries concerned. These offices can also submit the necessary proposals on empowering and supporting women and girls in programs, projects, and plans according to the scope of the ministry to which they are related, in addition to participating in developing the joint strategic plan between the offices for supporting and empowering women.

The National Planning Council in Libya, under the 2000 Planning Law No. 13, also plays a central role in conducting studies that define national economic and social development strategies, developing and investing natural, human and financial resources and capabilities, which enables the Council to prepare studies in the field of the inclusive budgeting, especially studying the needs of different groups and contributing to directing and ensuring a response to them.

The Libyan institutional framework also includes other institutional foundations that can be supported to undertake tasks in the field of inclusive budgeting, such as participating in preparing quantitative and qualitative indicators according to the inclusive approach and preparing an analysis of public policies and programs and sectors according to the needs of men, women and children. Relevant institutions include the Bureau of Statistics and Census, which has been responsible for conducting surveys and censuses since 1953, providing crucial data and statistics. Additionally, sectoral planning departments within ministries oversee policy formulation within each sector.

The National Council for Economic and Social Development<sup>52</sup> is also an important institutional pillar that would support the appropriate institutional framework for inclusive budgeting based on the tasks assigned to the Council in the field of conducting studies and research related to the economic and social fields in Libya, presenting initiatives, proposing economic and social policies, and evaluating their impacts.

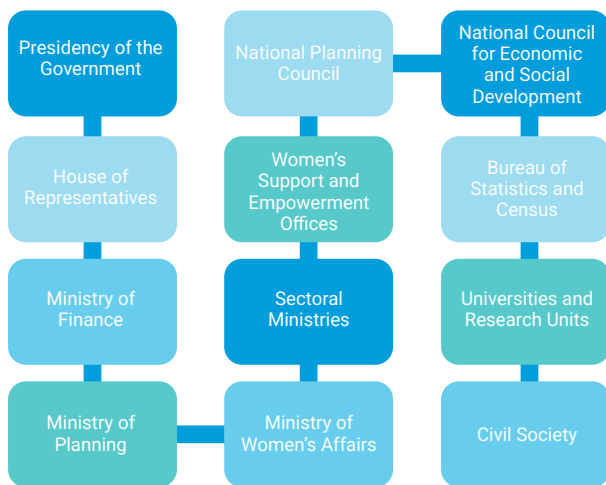
The Social Solidarity Fund, which provides grants and services to vulnerable populations, is another potential partner, as its database could help estimate budget allocations for men, women, and children.

For an initiative of inclusive budgeting to succeed, international best practices emphasize that the Ministry of Finance must adopt it, regardless of who initiated it, since the budget is a core financial planning tool that can only be implemented by the legally designated party.

Finally, members of parliament and civil society organizations must understand the principles of inclusive budgeting to ensure accountability and hold the government, Ministry of Finance in particular, responsible for the inclusive indicators and the incorporation of men's, women's, and children's needs into the developmental policies and programs.

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52 Which was reorganized by Resolution No. 118 of 2022.



## Section Two: Sectoral guidance mechanisms for inclusive budgeting responsive to the needs of all groups in Libya

### I. Circular of inclusive budgeting responsive to the needs of all groups

The budgeting circular is an official memorandum or directive issued by the Ministry of Finance at the beginning of each budget cycle. The purpose of this circular is to guide sectoral ministries and public institutions on how to prepare and submit their budgets for the upcoming fiscal year. According to the Libyan public finance system, this circular takes the form of an annual directive for preparing budget estimates.

In the context of the inclusive budgeting approach, the annual public budgeting circular must require sectoral ministries to submit their sectoral budgeting proposals simultaneously with their integrated and inclusive budget data. Additionally, it should be emphasized that these data serve as a decisive criterion in the budget discussion process. The budgeting circular should consider the inclusive approach by:

- Clearly stating the requirement to highlight the inclusive approach in budget presentations by preparing statements of inclusive budgeting.
- Ensuring that the inclusive approach is considered a key criterion in budget discussions between the Ministry of Finance and sectoral ministries.

- Providing for the inclusion of all indicators related to the needs of men, women, and children.
- Requiring a clear identification of the impacts on equality among all groups for all proposed projects and programs within the budget.

By explicitly defining all these requirements in the budgeting circular, sectoral ministries are encouraged to prepare inclusive budgets that effectively consider the needs of all societal groups.

**Methodological recommendations regarding the circular of inclusive budgeting** Different international experiences refer to the circular of inclusive budgeting using various terms such as "budgeting guidelines," "treasury directives," and "framework memorandum." However, the objective remains the same, i.e., to establish standards and conditions for budgeting that incorporate the inclusive approach.

**Circulars of inclusive budgeting are defined as a procedural and institutional tool that ensures the integration of the inclusive approach into the budget. It is issued by the Ministry of Finance and Planning during the budgeting period.**

Most budget circulars worldwide are "neutral" in relation to the inclusive approach. Therefore, adopting an inclusive budgeting model requires modifying these circulars to incorporate this approach, as they are directed to all sectoral ministries and agencies responsible for budgeting.

The circular of inclusive budgeting aims to guide sectoral ministries in preparing budget proposals by establishing the following conditions:

- Setting a limit for the budget of each ministry.
- Defining priorities in budget allocation.
- Providing directives for budget preparation and submission.

Although the budget circular is not exclusively designed for inclusive budgeting, its principles can be incorporated into all its components to strengthen the implementation of this budgeting model. All international comparative experiences in initiatives of inclusive budgeting have adopted this tool as a key instrument for supporting and implementing the initiative effectively.

### **Practical Example: The Budget Circular in Bhutan's Inclusive budgeting initiative**

The Government of Bhutan incorporated the inclusive approach into the budget circular for the first time during the 2014-2015 budget preparation phase. In the following year (2015-2016), the budget circular became more explicit regarding the requirements for the inclusive approach, although this budgeting model was initially applied to only three pilot ministries (the Ministry of Agriculture and Forests, the Ministry of Education, and the Ministry of Health.)

Bhutan's 11th Five-Year Development Plan (2013-2018) mandated the establishment of a national strategy for integrated planning and budgeting. The plan required that budget authorities ensure that budget proposals incorporate the inclusive approach and include ECP (Environment, Climate Change, and Poverty) initiatives.

As a result, the budget circular issued in 2014 required the pilot ministries to include the following data in their proposals:

- Key policies and priority areas of the ministry's expected outcomes, with an explanation of how they contribute to achieving equality goals, along with material and financial data where available.
- Priority issues that need to be addressed to improve equality.
- Two or three key interventions, strategies, or activities in this area.

Additionally, Section 4 of the Ministry of Finance's 2014-2015 Budget Report included a chapter on the status of inclusive budgeting, stating:

"Although policies have been established to address social and economic equality issues, the concept of inclusive budgeting remains relatively new. To enhance the adoption of this new concept, awareness-raising programs and high-level workshops have been conducted, along with several initiatives aimed at implementing an inclusive budget."

## **Section Three: Supporting the Initiative of inclusive budgeting responsive to the needs of all groups in Libya**

### **I. What are the obstacles to an inclusive budget responsive to the needs of all groups?**

An inclusive budget requires a shift in perspectives and practices in public policy design, program development, goal setting, and budgeting indicators.

As with any policy shift, the initiative of an inclusive budget responsive to the needs of all groups faces several challenges and obstacles. While it is relatively easy to decide on incorporating an inclusive approach into public policies and budgets, the greatest challenge lies in sustaining and supporting the initiative over time.

Some of the most significant challenges facing the initiative of an inclusive budget include:

#### **A. Existing planning and budgeting systems may not align with the data and goals of inclusive budgeting:**

For example, these systems may not provide adequate data and inputs to conduct a detailed analysis of men, women, and child-related issues, or the data may be fragmented, unorganized, and lacking reference statistics for necessary indicators.

#### **B. Limited expertise in needs analysis and incorporating an inclusive approach:**

Since implementing inclusive budgeting requires effort and expertise, particularly at the beginning of its application, officials must undergo extensive training and acquire high-level skills in the field of inclusive budgeting.

#### **C. The inclusive budget demands sustained and intensive efforts:**

Changing mindsets and practices is a long-term challenge that cannot be done in a short time. However, the biggest challenge in the field of inclusive budgeting is to respond to the needs of all groups represented in the ability to change mentalities and visions.

Often, inclusive budgeting requires a change in the nature of power relations and may not find the necessary support from managers and supervisors of the budget. Without strong and effective institutions, this model cannot be implemented effectively.

#### **D. Lack of institutional measures for inclusive budgeting:**

Since this budgeting model primarily involves planning and execution, it must be led by the Ministry of Finance and Planning. If the initiative of inclusive budgeting is launched by civil society organizations, the Ministry of Women's Affairs, or any other official authority, its implementation and sustainability will be difficult without official support from the Ministry of Finance.

#### **E. Limited coordination:**

Effective implementation of inclusive budgeting requires cooperation between stakeholders, especially funding agencies, the House of Representatives, the government, and civil society. However, in case of a lack of coordination between various participants, efforts may not succeed.

#### **F. Lack of detailed statistics and data on the needs of men, women, and children:**

The success of inclusive budgeting responsive to the needs of all groups depends on comprehensive, categorized data that reflects how budget allocations address social needs, measure effectiveness, and assess economic and social impact.

#### **G. Lack of stable focal points:**

It is crucial to establish the units of inclusive budgeting within ministries and public institutions in a way similar to governance units, to ensure that employees responsible for these tasks are dedicated and remain stable within the sectoral ministries.

## **II. Common Challenges and Obstacles in Public Financial Management**

In addition to the specific challenges related to adopting and implementing an inclusive budget responsive to the needs of all groups, including

an appropriate legal and institutional framework, information systems, statistics and detailed and appropriate data, the initiative also faces general challenges common to public financial management. These obstacles are not unique to the inclusive budgeting model but still hinder its proper adoption. Some of the most significant public finance challenges include:

#### **A. Insufficient funding to meet social needs**

- Available resources are not enough to address social needs.
- Effective, needs-based programs exist but lack sufficient funding.
- Decision-makers do not invest in programs that address needs.

#### **B. Low budget transparency**

- Budget information is not accessible to the public or is released with significant time difference (delays) or is incomplete.
- There may be information about the budget, but spending on social services is not automatically disclosed or monitored.

#### **C. Low budget efficiency**

- Inefficiencies may be due to poor resource allocation; funds are not invested in the best programs.
- Problems may arise due to technical shortcomings; resources are not used efficiently.
- Problems may arise due to spending ineffectiveness: resources may fail to produce the expected results.

#### **D. Inequitable spending**

- Certain population groups receive fewer funds than others.
- Certain geographic regions receive fewer funds than others.

As proposed solutions to address these common challenges and obstacles, the international benchmarking experiences rely on the following methodologies and strategies:

- **Experimentation or Modeling:** Testing the new model to address challenges within a specific sector or region and later circulating the results.
- **Value-for-Money Analysis:** Comparing the resources spent on interventions with the results achieved in the new initiative.
- **Return on Investment:** Evaluating the return on investment for the initiative compared to spending on other projects and initiatives.
- **Cost-Benefit Analysis:** Comparing the hypothetical financial gains from all direct and indirect returns of the initiative with expenditures on other projects and initiatives.
- **Estimating the Hypothetical "Loss":** Assessing the financial loss from continuing the same interventions without introducing any design changes.

Opportunities for the Libyan Initiative of Inclusive budgeting responsive to the needs of all groups

- **Budget Oversight:** Rapid analysis of the budget proposal to identify evidence-based recommendations; discussions between committees and executive ministries during the budget preparation phase.
- **Public Financial Knowledge and Skills.**
- **High-Level Advocacy:** Investment cases (value-for-money analyses, cost-benefit studies).
- **Removing Spending Bottlenecks:** Public expenditure reviews and expenditure tracking surveys.
- **Budget Allocation and Policies:** Budget summaries.

## **UNIT FIVE**

# **STRATEGY FOR INCLUSIVE BUDGETING RESPONSIVE TO THE NEEDS OF ALL GROUPS**

## INTRODUCTION TO THE UNIT:

This technical unit presents a preliminary concept for the strategy to implement the Libyan initiative for an inclusive budget responsive to the needs of all groups, based on the outcomes of the seminars of discussion held during a workshop organized by the Libyan Ministry of Planning in Tripoli on May 23-24, 2023, with support from UN Women and UNICEF. The workshop focused on "Inclusive Budgeting Responsive to the Needs of Men, Women, and Children," particularly the recommendations that emerged from the discussions, with the participation of key Libyan ministries and national institutions. The session also addressed support mechanisms and participation strategies.

The preliminary concept of the strategy of the inclusive budget responsive to the needs of all groups and the capacity-building plan for key actors is based on best practices and lessons learned from successful international experiences, helping to enhance the national vision for this initiative and ensure the success of its implementation.

### What is the objective of the Initiative?

- Transform public policies and development plans into financial allocations incorporated within annual budgets, ensuring their impact, fairness, and contribution to meeting the needs of men, women, and children, measuring, detecting and identifying activities allocated to women, men and children within the budget according to any ratios and the extent to which they contribute to reducing gaps between groups.
- Assess the adequacy of budget allocations in achieving declared objectives.
- Verify the credibility of policies and their responsiveness to the needs of all groups.
- Improve public spending efficiency and measure its effectiveness.
- Enhance transparency, oversight, and accountability in budgeting.

**To achieve these objectives, the following actions are required:**

- Identify the financial allocations designated for programs and projects for men, women, and children.
- Analyze whether the government's financial allocations for men, women, and children's programs align with Sustainable Development Goals (SDGs) 2030 and the National Agenda related to the rights of men, women, and children.
- Identify challenges that hinder the implementation of an inclusive budget responsive to the needs of all groups.
- Define strategic intervention approaches in national strategies, plans, budgeting policies, and programs to institutionalize and sustain an inclusive budget responsive to the needs of all groups. This ensures the integration of this concept into the budget preparation policies and procedures for ministries, institutions, and public agencies in Libya. They include the budgets of different ministries, institutions, and official departments.

### Scope of the initiative:

The scope of initiative includes ministries and governmental agencies responsible for planning and budgeting, as well as ministries focused on women, children, and social affairs, primarily:

- Ministry of Finance
- Ministry of Planning
- Ministry of Economy and Trade
- Ministry of Women's Affairs
- Ministry of Youth
- Ministry of Health
- Ministry of Social Affairs
- Ministry of Education
- Ministry of Higher Education and Scientific Research
- Ministry of Technical and Vocational Education
- Ministry of Labor and Rehabilitation
- Ministry of Civil Service
- Ministry of Local Government

### Procedural steps for effective implementation of the initiative:

1. Establish a high-level steering committee and a technical committee from the Ministries

of Finance, Planning, Women's Affairs, and other relevant institutions to oversee project implementation.

2. Strengthen capacity building for budget and planning departments in key ministries through training workshops.
3. Conduct a budget analysis using the inclusive approach across all sectors.
4. Analyze public financial policies from the perspective of men's, women's, and children's rights, aligned with SDGs 2030 and the National Women's Strategy.
5. Review the state's financial system to align it with inclusive budget responsive to the needs of all groups and introduce goal-based budgeting (PBB) to facilitate the transition to the new budgeting model.
6. Adjust the budget preparation process to align with the proposed inclusive budgeting model. Ensure that the annual budget circular of the state explicitly mandates the inclusive approach responsive to the needs of men, women and children in the public budget, requiring all different entities to provide need-based disaggregated data.
7. Organize training programs for members of budgeting committees, ensuring participation of financial supervisors and officers across various institutions in training programs, provided that the training program shall be before the budget drafting period.
8. Conduct awareness-raising sessions for male and female members of Parliamentary Committees (Budget Committee, Women's and Children's Affairs Committee, Legislative Committee) on inclusive budgeting.
9. Organize awareness-raising sessions for local council members across different municipalities on inclusive budgeting.
10. Launch awareness-raising campaigns for civil society organizations on the importance of integrating men's, women's, and children's needs into the general budget of the state.

11. Update existing general expenditure budget models / tables divided according to parts of the budget and periodical monthly and annual reports to enable data analysis based on needs.

12. Analyze expenditures to assess the benefits received by men, women, and children and measure their impact on such groups.

13. Conduct field surveys to assess the actual impact of public spending on target beneficiaries (male and female).

Controlling factors in preparing a budget that responds to the needs of men, women and children

**First: Key elements of the initiative of inclusive budgeting responsive to the needs of men, women, and children**

- Actors in the initiative of inclusive budgeting responsive to the needs of all groups

**1. House of Representatives:** Budget Committee, Women and Children's Affairs Committee, Legislative Committee – accountability - arbitration.

**2. Government Actors:**

- Ministry of Finance: Budget documentation, expenditure classification, program distribution, and accountability standards.
- Ministry of Women's Affairs and Women's Support and Empowerment Offices: Strategic plans, sectoral plans for women's empowerment, databases, and sex-specific indicators.
- National Planning Council of Libya: National and sectoral goals for sex inclusion and economic and social empowerment for women, preparation of the studies that identify the objectives, policies, and strategies of economic and social development.
- Libyan Bureau of Statistics and Census: Statistics, data, and indicators on equal opportunity at national and local levels.
- Planning Departments of Sectoral Ministries: Responsible for formulating sector-specific policies.

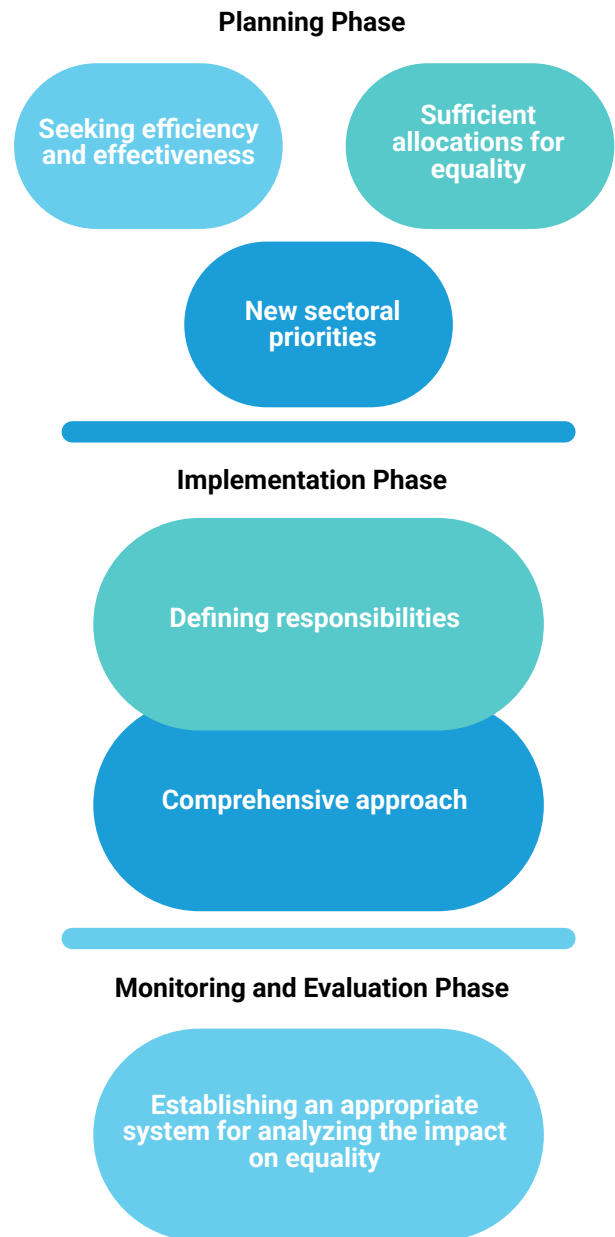
- National Council for Economic and Social Development: Conduct economic and social studies in Libya, propose policies, and evaluate impacts.

### 3. Non-Governmental Actors:

- Women’s Rights Organizations: Observatories, women’s (victims of violence) support and guidance centers, and NGOs that collect data and statistics relevant to inclusive budgeting.
- International Development Partners and CSOs: Capacity building in the field of inclusive budgeting.
- Mass media.
- Universities and Research Centers.
- Private Sector.
- Programs, Projects, and Administrative Structures:

Results analyzing the men’s, women’s, and children’s needs and leading the policies and programs according to an inclusive approach.

- Budgeting Phases: Preparation, approval, implementation, oversight, evaluation, and finalization.



**The five steps on which the preparation of inclusive budget responsive to the needs of all groups is based:**

- **Phase One:** Classification of information systems and databases based on an inclusive approach (needs-oriented).
- **Phase Two:** Categorization of allocated expenditures in the inclusive budget into three categories.
- **Phase Three:** Consolidation of expenditures directed towards men, women, and children.

- **Phase Four:** Design of the inclusive budget responsive to the needs of men, women, and children.
- **Phase Five:** Preparation of a report on the performance of the inclusive budget responsive to the needs of men, women, and children.

**Second: Elements to be considered in the Planning Phase of the initiative of inclusive budget responsive to the needs of all groups**

Reference rule for preparing an inclusive budget responsive to the needs of all groups and context analysis, which includes:

- Activities of awareness-raising, support, and advocacy on the inclusive approach and issues of equal opportunities.
- Development of individual and institutional capacities.
- Budget analysis from the perspective of the inclusive approach.
- Improving data collection processes and strengthening the development of indicators on equality, producing data classified according to needs.
- Establishing a normative framework.
- Modifying procedures used in the planning and budgeting process.
- Increasing the number of women participating in decision-making process in planning and development.
- Influencing the approval phase.
- Establishing tools and criteria to determine priorities or increase expenditures directed at promoting equality among all groups.
- Improving data related to budget allocations and proposing the direction of public investments.
- Creating monitoring and evaluation tools to conduct intensive follow-up on budget implementation.
- Enhancing mechanisms for participation in planning and budgeting.
- Strengthening partnerships in expertise development for designing an inclusive budget responsive to the needs of all groups. Conducting research on various topics and issues related to

inclusive budgeting.

**Assumptions and Risks:**

• **Difficulties and possibilities:**

Primarily related to classifying information systems and databases according to the inclusive approach, categorizing expenditures, and developing impact measurement indicators.

• **Means and Methods:**

- **Producing data for inclusive budgeting:**

**Required data model for a program within inclusive budgeting:**

**Program:** Title of the program in the relevant sectoral ministry

**Sub-program:** Title of the sub-program

Sub-program: Title of the program				
Analysis of the Situation of Men, Women, and Children	Impacts	Activity	Indicator	Allocated Budget

**Program Data Analysis Model:**

Level	Total	Women	Men	Percentage of Women	Percentage of Men
Central Administration (Secretary-General)					
General Administration (General Directors)					
Departments (Directors)					
Technical Employees					
Support Staff					
Total					

**Analytical Framework:**

- Categorizing expenditures within the three categories based on the Rhonda Sharp classification.
- Public Expenditures
- Expenditures that promote constitutionally guaranteed equality among different groups
- Expenditures directly allocated to the needs of men, women, and children

**The Five-Step Approach by Debbie Budlender for Budget Analysis**

- Describing the situation of women, men, girls, and boys in the sector and identifying the problem (determining the factor causing disparities among these groups)
- Verifying the extent to which the sector's adopted policy adheres to the inclusive approach (ensuring the presence of provisions that consider the existing problem) and proposing activities and impacts aimed at addressing the issue.
- Ensuring That a sufficient budget is allocated to implement a policy that responds to the needs of men, women, and children in the sector (verifying the availability of funds for the proposed

activities) and identifying resources to contribute to the implementation of the proposed activities.

- Confirming that expenditures have been executed according to expectations (impacts).
- Assessing the impact of the adopted policy and implemented expenditures to determine whether equality among all groups has been enhanced as intended (results and impact).

**Pre-budgeting tools (legal framework institutional framework / budget circular):**

Transition from the current general budget to a results-based system by defining objectives, programs, expected results, and impact.

**Concurrent Budgeting Tools:** Monitoring indicators and impacts during budget implementation.

**Post-Budgeting Tools:** Evaluation and publication of reports.

- Allocating the budget for the subprogram
- Establishing specific indicators
- Determining the activities to be implemented to achieve these impacts

- Identifying the expected impacts
- Analyzing the situation of men, women, and children

**Results framework for a need-responsive inclusive budget:**

- Objectives / impact
- Expected results
- Achieved results
- Activities
- Contributions: Financial / human / material resources / time

**Monitoring and Evaluation System:**

- Impact Indicators
- Result Indicators
- Output Indicators

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