

MONITORING THE FISCAL IMPACT OF COVID-19 CRISIS ON WOMEN IN WESTERN BALKANS AND REPUBLIC OF MOLDOVA



GENDER BUDGET WATCHDOG NETWORK OF WESTERN BALKANS and REPUBLIC OF MOLDOVA AND COVID-19 CRISIS

The Gender Budget Watchdog Network of Western Balkans and Moldova is made of 88 CSOs that use gender responsive budgeting tools to monitor budget spending from gender perspective and to appraise gender budget initiatives in all seven economies of the region. From April 2020 to end of 2020, the GBWN gathered data on the government measures to respond to COVID-19 and their implementation and impact on women and men. The data analyzed was collected by using a jointly established methodology, based on PEFA Gender Framework which was developed by the Center for Research and Policy Making, together with the partners of the Gender Budget Monitoring Network in the Western Balkans and Republic of Moldova. The data was collected by making requests for free access to information, via interviews and surveys so as to collect primary data, as well as through secondary data from analyses, reports, public documents, and statistics. The method of analysis was covering the period March - December, 2020.

The analysis is focusing on five dimensions (i) Timeliness of response; (ii) Gender responsiveness of budget (fiscal measures for COVID-19 response); (iii) Transparency of the process of responding to Covid 19; (iv) Accountability for COVID-19 response and its impact on women and (v) Gender impact of COVID-19 fiscal measures. The analysis identifies a gender gap created by the implementation of the measures adopted to deal with COVID-19 and lessons are learned, and also, recommendations to be implemented in the post-Covid 19 period. This activity of the GBWN does not intend to compare economies just to capture status as it serves as baseline for the engagement of CSOs in gender budget work under the project financed by the Austrian Development Agency-ADA and co-financed by Swedish International Development Agency-SIDA.

¹ For the purpose of this analysis, a survey of civil society organizations working on gender issues was conducted and the full results of the survey are given in an annex to this analysis.

Timeliness of response to COVID-19 in Western Balkans and Moldova.

In analysing timeliness GBWN used the methodological approach for assessing dimension 2.3 of the Public Expenditure and Financial Accountability Framework (PEFA) which relates to expenditures from contingency reserves in times of crisis.



01

From February until December 2020, 31 laws, 33 normative acts and 67 decisions of the Council of Ministers were approved. The Budget was amended four times: in March, April, June and two weeks before the end of 2020. Due to the very small contingency reserve, foreign and domestic lending was used and the existing EU funding was reoriented towards medical supplies and equipment acquisition, as well as in addressing the social and economic fallout of the crisis.

AL

02-12
2020

BIH

03-07
2020

"One pandemic, three responses" in sum was the BiH response. Each level of government declared a state of emergency as early as of 16th March, 11 days after the first recorded case of COVID-19. Shortly after the declaration of the emergency, the Law to Mitigate Negative Economic Effects of the COVID-19 was adopted, followed by amendments to the 2020 budget, except for the Institutions of BiH for which the Law on Budget for 2020 was adopted in July, foreseeing funds solely for mitigation of the economic effects of the crisis.

02

03

The state of emergency was declared on March 17th 2020. The annual State Budget Law was amended three times: in April, July and September.

MD

04, 07, 09
2020

MK

The first case of COVID-19 was registered in February 2020 and the measures in response to COVID-19 were eventually adopted on March 10th. Eight days later, along with the declaration of Emergency, 150 decrees with legal force and 73 binding decisions were adopted by the Technical Government. The budget in response to COVID-19 was used in April, when the Decision on reallocation of funds was made. The revised Budget was adopted in mid-May along with the measures in tackling COVID-19 pandemic.

04

02-03
2020

05

The "informal" state of emergency was announced on March 26th, 2020. The Budget was revised three months later, and was predominantly aimed at health and safety protection whilst ensuring a functional state. Thence, separate account of the National Coordinating Body for Combating Infectious Diseases was opened.

MNE

03-06
2020

KS

Kosovo entered 2020 without a government and without an approved budget for the year. In early February, the Assembly of Kosovo approved the new government, subsequently approved the Budget in the second half of March. Soon after, the Government received a vote of no-confidence, followed by a motion initiated by their coalition partner, due to disagreements in regards to the government's response to COVID-19 pandemic. Nonetheless, in the end of March 2020, the Emergency Fiscal Package for mitigation of the crisis was adopted. The new government was elected on June 3rd and shortly afterwards the Government Program 2020-2023 was endorsed, which foresaw an economic recovery program and embarked on the approval of the Law on Economic Recovery on July 22nd, which foresaw 15 measures.

06

02-06
2020

07

The Budget revisions took place in April and in November 2020. Throughout the distribution of budget resources in mitigation of the effects of the pandemic and epidemiological measures, women and vulnerable groups were not taken into account. The budget allocations were primarily aimed at supporting the economy, while the services provided by the CSOs such as free legal aid, HIV prevention and control services were completely cancelled. Humanitarian and other related activities at local level were organized by the municipal crisis task forces.

SRB

03-06
2020

Gender responsiveness of response to COVID-19 in Western Balkans and Moldova

This section analyses the extent to which the government measures and budget adopted in response to COVID-19 have been gender responsive, applying PEFA framework. Gender analysis is relevant for informing social, health, economic, and other government policies and programs to ensure that the potentially differing needs and interests of diverse women and men are addressed.

Although all economies have gender equality legislation which require all public and private bodies to engender the decisions they make and even promote specific measures for improving gender equality, the following table provides a snap shot of the extent to which governments gender mainstreamed their first COVID-19 response.

Gender Responsiveness

AL

Out of 23 measures taken against COVID-19, 11 measures were considered to have gender-sensitive indicators, addressing mainly violence against women. Provisions on gender-responsive budgeting at local or central level were not observed in opposition of the principles of Gender Equality as per Law no.9970, "Gender Equality on Society" and "Budget System

Management in the Republic Of Albania" Council of Ministers Decision No.208.

Two support packages were adopted in support of the businesses, health care and people in risk. The Regional Tax Directorates in December 2020 reported that out of the total number of beneficiaries, 44% were women.

BIH

Most COVID-19 measures did not consider the different needs of women and men, as measures did not recognize existing gender gaps and did not include actions for closing existing gender gaps and advancing gender equality. Ministry officials were not gender-aware and did not consider integrating the gender perspective in the design of the

mitigation measures, with the exception of several institutions which implemented GRB initiatives during the crisis.

Gender positive measures of support to the economy, private sector, support to parents and measures of prevention and protection from VAW and DV.

MD

The social, economic and fiscal measures in response to COVID-19 were gender-neutral or gender-blind. Several measures were readjusted in regards to women's economic empowerment, aimed at young people, the diaspora, and the

people who lost their jobs during the 2020 emergency. The response increased the gender gap in employment and the closure of educational institutions created limits in women's economic life.

MK

Of the 46 measures - 14 can be considered gender-neutral, 8 gender-positive and only 2 gender-transformative.

The adopted economic and social measures "include gender-sensitive measures", but "still lack a specific focus on women and structure of men/women in the total number of potential users for which the measure was designed. The only exception is the innovation encouraging support measure for development of domestic start up products and services, which provides specific support to micro, small and medium enterprises established and/or run by women and youth.

Two main effects on gender inequality: (i) the increased

number of cases of domestic violence and (ii) the increased burden of unpaid domestic work among women.

Most women lost their jobs into the manufacturing and processing industry, transport and storage, agriculture, forestry and fisheries, healthcare and social care activities, and real estate activities. The measures did not help to support the retention of women's economic activity.

Gender stereotypes prevailed among the measures intended for sports workers, which targeted 83% men and only 17% women beneficiaries.

MNE

The introduced economic measures were mainly gender-blind and the socio-economic impact of women was not addressed. Some of the measures even negatively affected women, namely the paid leave for parents of children not older than 11. No direct support to women-owned businesses. The targeted

sectors for one-time support within the third set of economic measures intended for the most vulnerable categories, were in fact the sectors where women were underrepresented.

The ad-hock social assistance failed to incorporate sex disaggregated data and omitted targeting of women.

KS

Three women out of 22 representatives of institutions were included in the Special Commission for the Prevention of the Spread of Coronavirus. The lack of capacities and knowledge among the finance officials and GEOs in ministries and municipalities regarding gender responsive budgeting and planning led to reduced inclusion of gender perspective.

The amended MTEF 2021-2023 does not consider or clearly establish steps to address the specific needs of diverse women and men. The measures did not include sufficient gender impact

analysis of expenditure policy proposals, gender responsive budget proposal documentation, or sex-disaggregated performance plans for service delivery. The focus was on support of businesses which led to implications for women, who are generally underrepresented among business owners; social measures were gender-negative leading to increase in childcare for women and job loss. The discontinuation of public transport enhanced gender inequalities in access to work and healthcare while the curfew, exposed women more to domestic violence.

SRB

Government response to the crisis was gender-blind and gender neutral. No specific measures responding to the needs of women. Lack of focus in critical areas (domestic violence and reduced availability of protection measures, lack of services, unpaid work and loss of jobs in sectors in which women constitute the majority of employees was observed together with lack of increased support to the services sector as the most affected sector, which is consisted mostly by women entrepreneurs, followed by the agricultural sector.

The measure of payment of 100 EUR to all adult citizens was assessed as gender-blind and had the lowest effect in single elderly households (women live longer and receive lower pensions), and in mono-parental families with one or more minor children. The salary increase for the healthcare workers also did not decrease inequality as the measure did not respond on the 15% pay gap between salaries of women and men in the same sector.

Participation of women and women's organizations in development of COVID-19 response measures in Western Balkans and Moldova

Engendering of policy and budget response to the crisis is only possible if the voice of women affected by the crisis is heard. Therefore, in this section the participation of women and women's organizations in development of COVID-19 measures is assessed in each country, based on PEFA framework.

Participation of women and women's organizations in development of COVID-19 response measures

AL

The consultation process between the CSOs and the Government was rather weak, due to the fact that the same organizations were not enabled to participate in the process of policy making, drafting and implementation of COVID-19 measures, which resulted in limited outreach, more precisely the adopted

measures did not cover the most vulnerable groups. There is no evidence whether the women were directly consulted in the policy making process, as well neither if the measures were adapted in accordance with these consultations.

BIH

Civil society organizations, including women's organizations were not involved in the development of on the COVID-19 measures, but took numerous activities in mitigating the

COVID-19 negative consequences, including analysis of socio-economic impact. Merely 25% provided gender analysis for the purpose of informing policy.

MD

The Government did not consult the civil society organizations at the first stage of approving the measures in response to health risks and socio-economic society support. The approved socio-economic measures were very modest, since they were made without prior consultations with the business

environment and exposed the employees to higher risk of layoffs and loss of income. In the later stages of policy development of response measures, the practice of limited consultations continued.

MK

The measures were created mostly by the central and local level anti-crisis bodies with the involvement of the business sector. No consultations were held with women's organizations during the preparation of measures and there was in

general lack of a broad consultation process (public or transparent) with CSOs or citizens, leaving the policy development process without the application of GRB tools and lack of gender-disaggregated data.

MNE

Important stakeholders (social partners – unions and official representatives of employers) were not involved in the creation of measures to support economy and citizens at the beginning of the crisis. Eventually, a working group was formed for the preparation of proposal for a new package of measures and the Union of Employers were enabled to comment on the

proposals, without directly participating in the policy development. Nevertheless, their suggestions were rejected and an explanation for refusal was not provided. There is no evidence that women's organizations were consulted in the development of COVID-19 response measures until December 2020.

KS

The government officials at local and central levels did not organize public debates. Inclusion of a gender perspective in the measures could not happen due to the lack of public discussions. Very few CSOs were consulted or included in the policy making in planning and drafting the government's response. In addition, women affected by the measures were not consulted.

Some CSOs offered their support in the design and implementation of measures, but none were a WCSO, thus the recommendations were not gendered, and although KWN requested the gender perspective to be more integrated in the measures, according to the Law on Gender Equality, the Government initially failed to engage with the CSOs and KWN and their recommendations were not addressed.

SRB

No cooperation between the state and the CSOs in the creation of the measures was registered, including the lack of consultations with the Women's CSOs regarding the gender aspects of the crisis. The supply driven consultations by UN agencies started in April 2020 and resulted in mapping

of the challenges for women and vulnerable groups, recommendations for the creation of the measures, as well as an overview of the activities and contributions by women's organizations in the response to the crisis.

Accountability to gender equality in implementation of COVID-19 response measures

In this section it is assessed the completeness of the financial reporting, the capacity of reporting extrabudgetary expenditure and revenue of both budgetary units and extrabudgetary units during the crisis as well as the introduction of gender in the audits for COVID-19 response measures, based on PEFA framework.

Accountability of implementation of COVID-19 response measures

AL

Inconsistencies were identified in the implementation of the Public Finance Strategy 2017-2022 principle for increasing transparency and participation of citizens in processes of budgeting public expenditures. In general, there was a lack of available data concerning the budget

measures or other social-economic measures which contributed to gender equality and important information in terms of gender, ethnicity or age of beneficiaries of the implemented measures with public funds was missing.

BIH

Transparency in spending and procurement was lacking; corruptive practices emerged in most of the COVID-19 related procurement.

Audits are performed ex-post and not ex-ante or during the activities. That has not changed in 2020 due to the COVID-19 pandemic. Although the audit offices implied increased focus on the activities and implemented

measures in response to the COVID-19 pandemic, such audit did not take place in the period of monitoring.

As for the use of gender indicators in auditing, beside the willingness to conduct a parallel performance audit using gender indicators such gender responsive audit did not occur in the period of GBWN monitoring.

MD

The Government 2020 state budget execution report was considered acceptable and was an accurate representation of the approved budget, but lacked gender perspective. The Court of Accounts alluded to the weak capacities for absorbing external assistance by the authorities

due to the measures imposed by COVID-19, which eventually resulted in ending many ongoing project activities. However, the gender mainstreaming part in the report was also missing.

MK

Transparency in spending and procurement was maintained, although in some cases went through a direct negotiation procedure that was nontransparent and imposed a risk of corruption. The Ministry of Finance published the budget execution report in 2020, without a separate COVID-19 budget execution report., which was not the case with some institutions, such as the Agency for Youth and Sports (AYS).

For the relevant year, the State Audit Office did not publish spending reports of the financial support measures for mitigation of COVID-19, but out of 71, four audits of this kind were planned. Although capacities have been built, the performance audits did not observe gender indicators and gender aspects as subject to audit.

MNE

The budget spending was not transparent, and the implementation of the financial assistance measures lacked information on how many women and men applied and benefited from the measures. It remained unclear whether the contingency budget was used at all.

No interim financial reports issued during the crisis. The State Audit Institution (SAI) did not provide information on the assessment of the financial management of the response to the crisis, such as the number of audits planned and whether they were planned.

KS

Finance reports lacked inclusion of a gender perspective across all budgets lines and thus all gender equality related expenditures were not fully transparent. The

transparency was not used to promote gender equality as reports lacked inclusion of gender perspective. Audit reports related to COVID-19 were not available.

SRB

WCSOs pointed out lack of gender-sensitive measures, lack of gender statistics and sex disaggregated data. The Budget Revision was simply in the form of Government Ordinance, rather than a law, which automatically excluded public or even parliamentary hearing. The emergency situation with the pandemic led to a decrease

in the transparency of the creation and adoption of measures.

Overall, the absence of statistics or an ex-ante gender analysis for the measures that were gender neutral and directed at sectors employing more women is very noticeable.