

**Preparation of Second Program Extension
Caribbean Regional Technical Assistance Center (CARTAC)
Gender Analysis**

Executive Summary

As part of the preparation of the CARTAC phase III program document (called CARTAC III), the need has been identified to go beyond the gathering of gender-disaggregated data and focus on gender analysis of proposed reform measures in advance of their planning/implementation. This paper considers to what extent CARTAC has sought to integrate gender into its technical assistance and training activities, and the current opportunities for such integration based on its proposed programme of work under CARTAC III. Based on these factors, it then outlines recommendations for the integration of gender and gender mainstreaming considerations into CARTAC III, and discusses gender equality outcomes and related indicators to be incorporated into CARTAC's results-based reporting.

The overall findings of the report do indicate an absence of gender analysis in the development and execution of CARTAC's work to date, but this is indicative merely of its lack of operation and technical capacity in this area. The study also discovered some promising opportunities to which future efforts at integration of gender into macroeconomic policy may respond, beginning with a strengthening of the capacity of CARTAC staff to mainstream gender into their programmes of work, and including concrete suggestions such as gender-aware TA manuals in some of the core programme areas.

The final draft of the paper also takes into account the currently ongoing design of CIDA's project for Supporting Economic Management in the Caribbean (SEMCAR), and benefits from data gathered during this process. Recommendations have been made with the awareness that given the similarity in their areas of work, SEMCAR and CARTAC will need to coordinate their work and supplement each other's activities.

1.1 Background

CARTAC is a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its participating countries. It was created¹ to help develop skills and build capacity in the specialized areas required to design and implement measures to meet required standards of economic and financial governance at both the national and regional levels. CARTAC therefore provides technical services and training in five core areas:

- Public expenditure management;
- Tax/customs policy and administration;
- Financial sector regulation and supervision, including off-shore financial operations;
- Economic and financial statistics; and
- Macroeconomic policy and analysis.

CARTAC was initially established for a three-year period (2001-2004, called CARTAC I), and it was subsequently extended for an additional three-year period (2005-2007, called CARTAC II). Based on the findings of an independent review carried out in 2006, the Steering Committee of CARTAC agreed that the preparation of the Programme Document for CARTAC III should be started in early CY2007 to ensure the continuation of the Center for a three-year period.

The purpose of the program extension exercise is to design the CARTAC phase III program document, including recommendations for increased focus on gender analysis of proposed reform measures in advance of their planning/implementation.

This paper considers to what extent CARTAC has sought to integrate gender into its technical assistance and training activities, and the current opportunities for such integration based on its proposed programme of work under CARTAC III. Based on these factors, it then outlines recommendations for the integration of gender and gender mainstreaming considerations into CARTAC III, and discusses specific gender equality outcomes and related indicators to be incorporated into CARTAC's results-based reporting.

The research process involved interviews with the Programme Coordinator and CARTAC advisers in each of the 5 core programme areas, along with donors and other stakeholders. A questionnaire was circulated to the Steering Committee to assess members' position on and knowledge of the gendered dimensions of economic policy, and relevant CARTAC documents were also consulted.

¹ Please see TORs Appendix I for a summary of the origin and institutional arrangements of CARTAC.

1.2 Introduction

Prevailing economic wisdom has traditionally dismissed gender roles and relationships as belonging strictly within the realm of sociological study, and assumes that such roles do not merit specific attention in the study of macroeconomics. A divergent position maintains that gender is an analytical category that is central to our understanding of the economy, not only in specialized microeconomic study such as labour markets, but in considering all aspects of economic theory. Considering the extent to which countries' systems of economic management affect women and girls, as compared to men and boys, is now seen as a valuable tool not only to build accountability for national policy commitments, but to ensure that economic policies have the desired impact on all people for whom they were intended.

This section briefly explores the argument and conceptual basis for integrating gender into macroeconomic policy rather than leaving it marginalized within the often ill-defined and under-resourced national goal of 'gender equality'. It links this argument first to the reality of Caribbean societies to demonstrate why it is relevant to the region, and then discusses how gender integration advances CARTAC'S goals as stated in CARTAC III.

a. International Commitments to Gender Equity in Economic Management

Governments of the Caribbean are signatory to several international conventions and commitments which either encapsulate or expressly address the integration of gender equality concerns in economic policy and management. All countries of the region have ratified CEDAW, the Convention on the Elimination of all forms of Discrimination Against Women, and in so doing are legally bound to not only advance gender equality, but to report periodically on the status of several Articles, including those related to economic security and rights.

The Port of Spain Consensus adopted at the Third Economic Commission for Latin America and the Caribbean/Caribbean Development and Cooperation Committee (ECLAC/CDCC) Ministerial Conference on Women also urges governments in the Caribbean subregion to engage in gender impact assessments of macroeconomic and budgetary policies, with a view not only to influencing policy responses, but also to taking full account of all the potential negative effects of the ongoing process of globalization. It furthermore recommends the application of data on female-headed households as part of macroeconomic policy formulation. This consensus was restated at the Special Session on Women 2000 (the Beijing Plus Five review), where it was agreed that a gender perspective must be applied in macroeconomic and social policy development in order to ensure equal access to social services and to economic resources.

Furthermore, at the Commonwealth Finance Ministers (CFM) Meeting in 2005, Ministers recognized the critical importance of gender-responsive budgets (GRBs) and the need for sustainable progress on this issue. They collectively "urged members that have not

already done so to establish an institutional mechanism within their countries to monitor progress on implementing GRBs, and committed to report biennially on progress in implementing GRBs”. In the 2005-2007 report compiled from the CFM meeting of 2007, only 3 Caribbean countries reported, and of these, none had made significant progress in institutionalizing gender equality in their budget or other economic processes.

Despite these and other official government commitments to the development of macroeconomic policies which are compatible with the goals of gender equality, governments in the region have not sufficiently prioritized gender equity concerns within their operational processes of economic management and development. Such concerns tend to be marginalized within national women’s machineries which lack the capacity, influence and access to inform and monitor gender equity outcomes. Moreover, governments in the region tend to appreciate the importance of gender equality in health, education and other “social sectors”, but believe that economic processes are “gender-neutral”, and therefore do not warrant any specific gender analysis. They further believe that even if such analysis were warranted and undertaken, it would reveal that neither sex is benefiting disproportionately, or that in fact boys and men are becoming the real losers to girls and women. Many of these conclusions are based on insufficient exposure to the evidence supporting gender equality in economic access, and are also due to inadequate collection and analysis of gender-disaggregated data.

CARTAC is well placed to through its high degree of success and credibility in the region to acknowledge in its interactions with member states that there does exist this gendered content and effect of economic policies, and to advise on potential sources of funding or technical support - e.g. through DFID or SEMCAR – that might assist member states in developing gender-sensitive policy

b. Unpaid labour

The gendered division of labour, which sees women primarily responsible for reproductive work, and men for productive work², also has macroeconomic implications. Cagatay, Elson and Grown (1995a) assert that ‘free market’ economies, as socially constructed institutions, reflect and perpetuate gender inequalities in their failure to capture unpaid reproductive work as an economic activity. Such work must be made visible if implicit gender biases are to be removed from economic planning.

Caribbean women, like most of the world’s women, bear greater responsibility for the care and maintenance of the household than do men. The unpaid domestic (or reproductive) work of managing a household, cooking, cleaning, maintaining the good

² . Productive activities are those income-generating activities generally associated with the formal market, whereas reproductive activities are associated with the household and involve the care and development of people. It is biological differences which dictate that women give birth to children, but it is socially-constructed gender relations which account for women being primarily responsible for unpaid, reproductive activities.

condition of home, clothing and domestic equipment, and caring for family members (particularly children and the sick, elderly or disabled) is carried out mostly by women. Such work augments a family's cash income, and reproduces and maintains the labour force. It increases the productivity of formal market workers, enhances the value and effectiveness of community services, and generally helps to raise societal well-being. Domestic activities are considered labour in economic terms because not only do they produce the important economic outputs described above, but they also require the standard inputs of formal market labour, such as time and effort. However, this contribution of women to the macro economy is underestimated or unaccounted for because of missing and biased markets and incomplete statistics.

One obstacle is the lack of available data. Relatively few countries in the world have undertaken the time use studies that provide estimates which can be converted into monetary equivalents. ECLAC, one of the pioneers of gender and economics work in the region, has now turned its focus to quantifying the role of unpaid labour as a contribution to the achievement of national development goals. It seeks to accomplish this through pilot time use surveys in 2 countries including Guyana, whose NGO Red Thread has already begun the process through its 101 diaries of women. This is a potential area of collaboration for CARTAC in its work on statistical collection and analysis, to be further discussed below.

Detailed data are, however, not necessary for unpaid labour to be considered in economic policy. If we acknowledge that women bear the main burden of most types of unpaid labour, we can begin to design and implement appropriate policy, while starting to develop the data that would strengthen the case.

Certain conditions may also increase the burden on women's time use. For example, several economic policies have demonstrated the economic value of reproductive and voluntary work and its link to productive sectors. Reductions in social spending might yield financial cutbacks in hospital medical services. In reducing resources for convalescent care, these may result in earlier discharge of patients to household care, and therefore to the women in the home. This transfer of the burden of labour from the formal market to the household, while appearing to be an increase in efficiency for the whole economy, also represents a transfer of costs to the unpaid economy. It has implications for women's time use and their contribution to the labour supply in the formal market, often resulting in their absence from paid employment or a decrease in their productivity.³ Therefore, as Elson (1995) observes, forced savings at the macroeconomic level assumes 'forced labour' in the reproductive sector, with repercussions manifested in the disintegration of the health and social cohesion of the population. This in turn may require the restoration of government intervention through public expenditure on social services, returning the economy to the very situation in which contractionary policies were thought to have been necessary.

³ Elson, 2000.

In the Caribbean, women's time use burden is also being increased by the problems of men's participation in organized, violent criminal activity that results in death and incarceration; and (ii) the increasing incidence of HIV/AIDS infection. In the first case, the direct effect on the men concerned is clear and must be addressed. And in both cases, there is also a clear and sustained impact on the women, girls and boys whose care and time use burdens are increased when a productive factor is removed from the household. This removal represents not only a gap in financial inputs that must be compensated for by the increased economic activity of female partners and offspring (or result in lowered well-being), but also a gap in social and emotional support to the family and community. These are not just social issues, but must be considered in economic policy and management to determine what necessary inputs would respond to the increased poverty and decreased well-being created in these situations.

c. Poverty, income security and support of productive capacity

Among other factors, women's time use is directly linked with their ability to participate in income-generating activity, and therefore with their own poverty and overall national poverty levels. The Core Welfare Indicator Questionnaire⁴ (CWIQ) data for St. Lucia report clear, gender-specific trends in unemployment. 38% of household heads are unemployed, with the incidence of unemployment being greater amongst female- rather than male-headed households (50% in women-headed households versus more than 25% in men-headed households). A gender analysis of the CWIQ⁵ found that amongst the economically inactive, a significant proportion of women (24%) cite family duties as the cause, versus only 2% of men.

Similar data for Grenada show higher rates of poverty among female-headed households, and higher rates of unemployment for women (25.5%), than men (12.5%); and Country Poverty Assessment (CPA) data for Antigua and Barbuda indicate that women systematically occupy lower paying jobs than men. There is growing research indicating that gender biases and inequalities in income and asset distribution, the labour market, in access to credit and in decision making can hamper the effective and productive use of human resources in meeting human needs. Economic management systems that link poverty reduction strategies to budget processes, trade agreements and debt management initiatives are one of the steps in ensuring the livelihoods of citizens.

d. Agriculture

In terms of agricultural production, reducing gender inequality could significantly increase agricultural yields, and this is especially significant for many agrarian Caribbean territories such as St. Lucia and St. Vincent. The particular reality of women's unremunerated and under remunerated work in the Caribbean also extends to agricultural production, where women often work on family-owned farms for little to no pay; or

⁴ The 'Core Welfare Indicator Questionnaire' survey is a household survey instrument developed by the World Bank in close collaboration with UNDP, UNICEF and ILO. It measures changes in key social indicators of population groups, specifically indicators of access to, utilization of and satisfaction with core social and economic services.

⁵ UNDP Draft Report _____ as yet unpublished.

engage in subsistence production that requires inputs of labour, and produces food for the family and community, but is not sufficiently acknowledged when determining agricultural policy responses. Even within the formal market, women are largely not owners of land, but workers. Policy interventions directed to farmers tend to target the (predominantly male) owners of large, highly productive farms, whereas the workers on these farms, who tend to be women, may not benefit as greatly. Female farmers involved in production on a smaller scale may also often fail to benefit.

Furthermore, much of the arable land in the region is farmed but not owned by women, and in some cases where women do own land, it is often rocky and hilly and therefore does not produce yields as high as that owned by men. Such differences in access highly favour the application of gender analysis to economic and other policy formulation.

e. Capacity of National Women's Machineries and Civil Society (CSOs)

In the past, the tendency has been to separate the goal of gender equality from economic and other development targets. Even with recent acknowledgement of gender as a 'cross-cutting issue', there is little understanding of what this means, and how to make it operational. Arguably, gender is not an issue at all, but a characteristic of all economic agents that determines their economic decisions and access, and therefore an important point of economic analysis. Early attempts to mainstream gender in the Caribbean have largely been situated within national bureaus of gender affairs, or national women's machineries (NWMs). And any emerging dialogue on the topic tends to be redirected away from key government agencies, and towards the NWM.

There are two main reasons why this approach is unlikely to be successful. The first is that NWMs are severely under-resourced, and having traditionally been tasked with micro-level types of interventions such as community skills-training programmes, have very little experience with integrating gender into economic policy. The second reason is that departments of gender affairs do not enjoy the access to policymaking that would make them more able to affect economic decisions. Several in the region have worked towards the development of a national gender policy, which once completed, is not clearly implemented within the country's overall policy framework. Bureaus of gender affairs are constrained in their ability to bring about gender equality in economic planning and access because they are not the economic decision makers. Strengthened capacity of these NWMs is necessary, but will not alone achieve the desired outcomes. Economic management involves Ministries of Finance; financial agencies such as statistical departments and Auditors General; and line Ministries, which must all be engaged in order to ensure gender-sensitive policymaking. CARTAC's direct interaction with these institutions makes it well placed to undertake this dialogue in the context of economic management.

f. CARTAC III programme goals and strategy

CARTAC's purpose is to improve members' capacity to manage macroeconomic and fiscal policies, as well as to strengthen financial supervision and development, to support

economic growth and poverty reduction in the region. In line with its core competencies and mandate, CARTAC's objectives are to include:

- i) Promoting sound and transparent public resource allocation, and efficient public finance management based on modern government budgeting, effective budget execution and accounting, and adequate auditing and scrutiny.
- ii) Establishing simpler and more efficient revenue administrations with modern organization, systems and procedures for serving taxpayers and enforcing tax laws.
- iii) Promoting healthy financial institutions through robust supervisory regimes with broad coverage, including deposit-taking institutions, insurance companies, securities market participants, other financial service providers and offshore financial centres.
- iv) Strengthening capacity for monitoring and analyzing economic and policy developments based on accurate and timely statistics;
- v) Improving the capacity of countries to effectively formulate, implement, and monitor macroeconomic policies.⁶

In several ways, the integration of gender into CARTAC programming is directly in line with the Centre's stated purpose to support economic growth and poverty reduction in the region, and does not fall outside its mandate or objectives.

Beyond the large literature documenting a positive correlation between economic growth and gender equality in education, research also suggests the positive impacts of gender equality in access to markets (labor, land, and credit) and decision-making power within households on poverty reduction and productivity at the individual, household and macro levels. Without needing to explore in detail all the pathways by which gender equality increases economic growth and contributes to reduced poverty, it should be emphasized that the study is not proposing that CARTAC undertake any explicit gender equality initiatives, which might indeed fall outside its mandate. The assumptions on which most will agree are that (i) countries must engage in the business of economic management, and that (ii) they are all committed to gender equality. How then do they engage in economic management that at best advances gender equality, and at the very least does not disadvantage men or women in any way?

Attention to analysis by gender and other characteristics also advances CARTAC's specific objectives. By encouraging the measurement of outcomes and impacts in keeping with stated national development targets, it promotes sound and transparent public resource allocation, efficient public finance management, effective budget execution and accounting, and adequate auditing and scrutiny. Gender analysis also strengthens capacity for monitoring not only economic developments but progress on Millennium

⁶ CARTAC Programme Support Document 2008-2010

Development Goals and other benchmarks of development with which regional governments are concerned.

1.3 Regional country experiences: some examples

Some progress has been made in the region in making visible the economic importance of gender-sensitive policy formulation and implementation. UNIFEM and ECLAC have worked in several countries including Belize, Suriname, Trinidad and Tobago and St. Lucia on initiatives ranging from gender-sensitive institutional framework analyses to training of high-level government officials and gender analyses of the CDB's Country Poverty Assessments. In 2002, UNIFEM supported a GBI in Belize that undertook a gender-aware institutional framework analysis of economic and governance institutions and processes. This was supplemented in 2005 when ECLAC published its needs assessment of economic planning units in gender analysis in selected Caribbean countries, as a means of assessing what steps might need to be taken if gender were to be integrated in economic planning and analysis.

UNIFEM has also joined with the UWI Sir Arthur Lewis Institute for Social and Economic Studies (SALISES) to develop a Special Project on Gender and Economics. Under this initiative, regional economists have undertaken research specifically incorporating gender analysis. The Project has also examined the Country Poverty Assessment/Poverty Reduction Strategy (CPA/PRSP) process in Antigua and St. Lucia, developing an algorithmic tool for a gender-sensitive CPA or PRSP that may be applied in any territory. Another initiative in St. Vincent and the Grenadines under ECEMP saw the creation of a gender statistics database, development of a gender-aware budget process and a sectoral gender analysis of Education, Agriculture and Social Development.

These initiatives have had varying levels of success in their implementation, but they have managed to produce important tools that allow for gender-sensitive planning within existing or predicted (e.g. in the case of performance budgeting) planning frameworks in the Caribbean. Programmes such as CARTAC can easily incorporate these tools without in any way changing focus from its mandate of improving members' capacity to manage macroeconomic and fiscal policies.

2.1 Gender Analysis Study Findings

a. Gender in CARTAC Activities to date

CARTAC reports that it has worked closely with the Steering Committee to engender the work undertaken⁷. These reports further mention that "specific attention has been given to the area of tax policy and reform to ensure that these measures are progressive and do not disproportionately penalise vulnerable groups such as single female headed households..." Given CARTAC's extensive programme of work on the implementation of value added tax (VAT) – whose by its nature is a progressive or regressive nature is still being debated – it would be useful for CARTAC to more clearly identify how its

⁷ See TORs Appendix I

VAT work addresses the possible existence of any inequalities. This is further discussed below.

CARTAC also reports the twice yearly presentation of gender disaggregated data with a focus on female/male representation in technical assistance and training; female/male representation on the CARTAC team in Barbados and; female/male representation in terms of consultants engaged. This was, however, not reflected across all programme areas, as some advisers reported no collection or presentation of such data.

b. Needs assessment

This section discusses the capacity of CARTAC for the integration of gender taking into account:

The mandate/operational approach of CARTAC

The technical knowledge/capacity of CARTAC staff

The technical knowledge/capacity of supporting/member institutions

While CARTAC emphasizes its focus on capacity building rather than policy advice, this need not diminish its responsibility for assuring that the assistance it renders to member governments does not enable the introduction of policies that contribute to gender and other types of inequalities. Because of the Centre's outstanding reputation in supporting increased macroeconomic capacity, the representation of certain types of practices as best practice may be considered a tacit endorsement of the policy under question, and from this perspective CARTAC has some influence and scope to affect gender equality outcomes. While there may be some reservation that gender equality is a 'policy decision', the commitment of all countries in the region to this goal is implicit in its official endorsement of several international commitments. Indeed, social and gender equality in economic management is considered best practice by many in the international community, and simply by acknowledging its importance, CARTAC may contribute to its advancement.

This study recommends that the Centre seek to undertake gender and social equity analysis of its TA activities under 3 areas: Economic Statistics; Public Finance Management; Tax and Customs Policy and Administration. More comprehensive gender integration in the way of implementation and monitoring of outcomes may then be applied where opportunities arise within these three areas, and with input from partner agencies who have greater capacity in the area. This is discussed in more detail below.

The study found some staff to have some general appreciation of gender as an important consideration in determining certain types of policy. Although there was little understanding of the relevance of gender analysis to the work of the Centre, there was interest in its usefulness and methods of application. Any initiative to strengthen the gender outcomes of CARTAC III should therefore begin with capacity building among staff in general concepts of gender-aware economic theory and practice, followed by further familiarisation of the respective advisers with concepts and practical methods

specific to their programme of work. The study further found a high level of interest among the Steering Committee members consulted in the integration of gender into economic management processes. There was general agreement that there was some role for CARTAC to play in this goal, once supported by other institutions.

The recommended approach, then, given an absence of specific, technical knowledge, is that CIDA and DFID (through their Poverty and Social Impact Analysis (PSIA) initiative discussed below) take the lead in gender analysis and integration at this stage, as the CARTAC member agencies with greater technical capacity and experience in this area. SEMCAR may also be a valuable partner, given their scope. A referral mechanism may even be built in between CARTAC and SEMCAR, (depending on the structure that emerges as SEMCAR designs its future TA activities) for SEMCAR to provide more long-term support in the area of gender integration where CARTAC is not so equipped. This does, nonetheless, still require the full involvement of CARTAC advisers, who are ultimately responsible for overseeing/ implementing any gender-aware programme of work.

Such work would be further aided by greater transparency and better documentation of CARTAC TA activities in order to monitor for gender inputs and outcomes. One of the limitations of this study was that activity reports and similar documents primarily reflect the dates and general titles of workshops and meetings, but do not allow for analysis of their content. It might be useful for each core area to produce a more complete justification of established priorities and TA interventions. This would outline clear links between the Programme Support document and planned activities, and would also allow for gender analysis to be embedded.

Recommendations

- **Capacity-building among CARTAC staff on general concepts of gender-aware macroeconomic theory and practice**
- **Increased transparency in the process of priority setting and the development of TA activities in order to foster monitoring for gender inputs and outcomes**

c. Gender in CARTAC's programme areas: Analysis of Programme Support Document 2008-2010

i. Tax/customs policy and administration

Reforms implemented with CARTAC's assistance include the preparation of detailed VAT plans and capacity strengthening of project teams that have either introduced VATs or are planning to do so. The VAT implementation programme accounts for a significant percentage of the overall CARTAC resources, and represents an extensive programme in the region. Countries report great success with the support they have received and continue to receive from The Centre under this area of work. CARTAC maintains a focus on implementation and administration rather than policy, but assures that the nature of

this implementation in the countries where it has worked ensures that the incidence of VAT does not rest disproportionately on women and the poor.

However, taxes such as VAT are still considered by many to be regressive, or at the very least not wholly progressive, impacting more severely on people with lower incomes, who typically spend a higher proportion of their income on basic consumption goods than people with higher incomes, and therefore spend a higher proportion of their incomes on paying taxes on these goods. Since women tend to have lower incomes than men, VATs may take a larger portion of women's earnings.

Countries have sought to prevent VATs from contributing to gender and other types of inequality by exempting essential goods such as foods and medicine from application of the VAT, or by wholly foregoing the tax in favour of pro-poor approaches like limiting tax breaks for private corporations, reducing tax evasion, progressive income taxes and taxing financial speculation.

Smith (2000), in addressing women and taxation in South Africa, considered VAT with special reference to the advisability and effectiveness of the zero-rating or exemption of certain foodstuffs and other goods and services, and multiple differential rates of VAT. His study found that VAT, the main indirect tax which affects the poor, had not decreased substantially as a proportion of the total tax burden since 1994.

The main decrease came in the "other" item, which includes the levy on financial services, import surcharges, marketable securities tax, transfer duties and stamp duties and fees. Decreases in these taxes and levies would be mainly of benefit to wealthier individuals. Any analysis of the impact of VAT on the poor and women must be based on the different expenditure patterns of households in the various income categories. Lower income households tend to spend a larger proportion of their income on basic goods such as food and drinks, clothing and footwear, energy sources and furniture (Third Interim Report, 1995).

While CARTAC cannot at this stage be concerned with assessing the regressive or progressive nature of the VAT – indeed it is not the regressive nature of a single tax which is crucial but the burden of the combined tax system on the poor – it should consider as a minimum requirement the likely impact of the overall tax and customs system within which it is operating. Such a consideration should then inform its TA activities. This type of analysis may be included in the VAT sensitivity studies it helps governments to undertake.

As countries move towards possible reductions in border taxes in the light of emerging trade agreements such as the EPA, and potentially seek to reclaim those revenues elsewhere, analysis of the overall tax structure, particularly VATs, becomes important. Given that women's income is usually spent predominantly on food and other goods which maintain the household, questions must be answered regarding who is bearing the greater burden of VATs and GSTs, and what would be the comparative cost/benefit of

restructuring other potentially underperforming sources of income, such as taxes from foreign investors.

A current opportunity exists through DFID's PSIA initiative for CARTAC to undertake or help facilitate more thorough VAT sensitivity studies. DFID remains committed to supporting the conduct of PSIA in the Caribbean and specifically a proposal made by CARTAC to conduct PSIA work on VAT. DFID would lead in the technical side of this work: preparation of TOR and sourcing the Consultant to conduct the PSIA, while CARTAC might assist in sensitisation and securing buy-in from Governments involved.

ii. Public Finance Management

Perhaps the greatest area of activity in the integration of gender into economic policy has been through the various gender-sensitive budget initiatives (GBI) which are ongoing worldwide, and some of which have had great success. Gender analysis of government expenditures may seek to answer such questions as:

How is spending prioritized: how much is to be spent, on what and why?

How will the work of the household economy be supported/hampered through this form of expenditure?

Who will benefit in terms of (i) access (ii) employment?

Similar questions may be asked with regard to the revenue side of the budget, such as taxes and user fees:

To what extent will these measures discourage/encourage women's participation in the labour force?

How will these measures affect access to services (e.g. through user fees)?

What will be resulting effects on patterns of income, consumption, and unpaid labour time use?

Policy options for integrating gender into the national budget exist at several levels. One may consider the aggregate macroeconomic strategy, i.e. the appropriateness of the overall deficit or surplus, or the sustainability of the medium-term framework; the composition of revenues and expenditure; and the effectiveness of public sector service delivery to firms, families and communities. A variety of theoretical approaches and practical tools exist for analysis at these three levels, some more common than others.

One of the common characteristics fundamental to many economies in the region is a segmented, non-integrated approach to macroeconomic planning, which separates fiscal and monetary targets from social policies and programmes, and which also fails to make adequate linkages between development targets and resource allocations. In St. Vincent and the Grenadines, for example, the government prepares a Medium Term Economic Strategy Paper (MTESP) containing the economic targets and strategies for a three-year period. This is used in preparing the Budget Circular to be sent to line Ministries, but at the time of the GBI carried out there (2005) was not used in determining resource allocations within the Ministry of Finance. Fiscal targets such as total expenditure to GDP and recurrent surplus to GDP are assigned figures based on a computable

macroeconomic model whose answers depend on the assumptions built into the model. Negative feedbacks from overburdening families with cost transfers are not built into such models because families and communities are regarded solely as consumers of goods and services, rather than as producers.

Gender budget work in St. Vincent has sought to build a gender-aware programme appraisal system into the existing budget process, starting with the targets established as part of the Budget Call and extending to the monitoring and evaluation of approved programmes.

CARTAC has provided PFM support ranging from developing organic budget laws to introducing output-based budget management and multi-year budgeting, realized through region-wide workshops in program budgeting, budget management and debt management. Given this experience, the area which lends itself most readily to the integration of gender is CARTAC's work in budget reform. Much work has been done globally and more specifically in the region on making budget processes more gender aware through several methods including but not limited to:

- Participatory budgeting which includes different groups of men and women
- The harmonization of Country Poverty Assessments and PSRPs with National Development Plans and the budget process. These CPAs and PSRPs acknowledge the feminization of poverty where it exists and account for principles of household bargaining in determining poverty reduction interventions
- Capacity building on gender-aware target setting as part of the Budget Call in the budget process. (This could go hand in hand with the MAC programme on the setting and forecasting of economic targets)
- Gender-aware formulation and monitoring of Public Sector Investment Programmes
- Gender-aware performance/programme budgeting

The latter is one of the emerging areas of interest and technical assistance in the region, not just within the CARTAC programme of work but with other institutions offering support. Performance/program budgeting is a form of budget formulation in which governments are required not only to report on monetary numbers, but also to include “outputs” and “outcomes” to measure performance and set targets. This approach encourages a stronger link between policy and budgets, and thus also between budgets and what the policies aim to achieve. Both output and outcome measures help us see what budgets are achieving, or aiming to achieve, in more concrete terms than the financial resource allotted. On one hand, outputs are defined in budget terms as the concrete deliverables of a budget allocation, so that an allocation for primary health care might produce x children vaccinated or z clinics constructed. On the other hand, outcomes measure impact, which is the degree of larger change in the situation that a particular programme is designed to address.

So that the health clinic mentioned above might be intended to contribute to the outcome of increased health of the population in a particular community. Performance budgeting,

then, with its outputs and outcomes that may be disaggregated by sex, and that may potentially measure how the lives of men and women are differentially impacted by financing decisions, is an initiative which readily and easily incorporates gender analysis, and may be embedded in relevant training sessions and manuals. Additional consultants may be sourced, as is currently done with other areas of specific expertise, to address the gender-specific aspects of the training.

Certain country programmes have already provided opportunities for the integration of gender. In Antigua and Barbuda, CARTAC assistance in the establishment of a mechanism for the evaluation and screening of PSIP proposals prior to submission to Cabinet represents a key area where evaluation for likely gender impacts may have been considered. Although this specific expertise may not be found among the CARTAC advisers, a visiting short-term consultant may have assisted with this task.

Given that budget reform is also expected to be a new area of assistance under the MAC programme, this represents a potential area of collaboration between the MAC and PFM programmes.

iii. Statistics

One of the chief obstacles to gender analysis is the scarcity of data necessary for such research. Several countries have expressed interest in strengthening not just the economic data needed for the development of policy, but also social indicators which must accompany the economic data in order to develop socially responsive policy. The IDB social statistics project, CIDA's project aimed at strengthening CSOs and CARTAC's work on statistics all represent areas of potential synergy.

The capacity to effectively measure the informal sector and include it in macroeconomic analyses is also a priority area identified under CARTAC III, and one important for the inclusion of women's labour in economic planning. ECLAC, one of the pioneers of gender and economics work in the region, has now turned its focus to quantifying the role of unpaid labour as a contribution to the achievement of national development goals. It seeks to accomplish this through pilot time use surveys in 2 countries including Guyana, whose NGO Red Thread has already begun the process through its 101 diaries of women.

Although CARTAC focuses on macroeconomic statistics, there are certain principles of statistical analysis which might benefit efforts such as the one above. The main recommendation in this area is that CARTAC seek to coordinate its work with others working in this area, in order to identify potential areas of support and collaboration.

iv. Further opportunities

a. Development of a macroeconomic framework and strategic planning

One of the key gaps emerging not just from governments, but also from donors as an obstacle to their work, is the need for the development of a strategic macro outlook as the first step in regional processes of economic management. Indeed, this gap has also

hindered attempts at the integration of gender into economic planning, since there is often no overarching policy direction from which other policies are engendered. PSRPs, MTEFs and other policy documents may therefore suffer from lack of an overall macro foundation, and from failure to be integrated into the system of economic management. TA in this area, not in policy advice but in support to develop a macro framework, lends itself very easily to gender analysis that is fully integrated into the material.

b. Increased focus on poverty impact in CARTAC's reporting: gender in the PSIA

The 2008-2010 programme support document states a commitment to supporting poverty reduction in the region. There is no clear strategy in the current document for realizing this objective, and no discussion of how proposed interventions will contribute to this goal. But the carrying out of PSIA's represents an opportunity for CARTAC to more concretely realize its commitment to supporting poverty reduction in the region.

PSIA is the analysis of the intended and unintended consequences of policy interventions on the well-being and welfare of different groups, with a special focus on the vulnerable and the poor. The overarching objective of PSIA is to promote evidence-based policy choices by explicitly including poverty and social impacts in the analysis of reforms. It therefore constitutes a means of opening up a national debate on poverty impacts of policy and trade-offs between policy choices; increasing country ownership and acceptability of reforms; assessing the appropriateness and timing of reforms; and better designing of appropriate compensatory and complementary reforms.

In a PSIA Seminar held at CDB on Nov. 2, 2006, and bringing together the Caribbean Development Bank, UNDP, CIDA, the European Commission, CARTAC, CARICAD and DFID, it was generally agreed that PSIA's were a useful way of anticipating or evaluating the distributional impact of policy reform. And that having already been used in the region, (analysis of the sugar and bauxite industries in Guyana and of VAT in Dominica), its use could be extended. It was envisioned that these PSIA's ideally be demand-led by governments.

DFID reiterated at this seminar that it was keen to support the extended use of PSIA's in the region and that it would continue discussion with other agency partners interested and willing to take this forward. A Draft Concept Note has been prepared outlining the setting up of a small fund to support PSIA work in the Caribbean which noted:

DFID will be supporting the development of PSIA in the region through its future support to CDB and SPARC. However, we also intend to establish a modest fund which can be utilised by partner organisations (CARTAC, CARICAD, CRNM) and governments to undertake and pilot PSIA work. It is also intended that a regional pool of trainers will be established - possibly through UWI-SALISES or Mona.

Given CARTAC's already expressed interest in the conduct of PSIA's on VAT in at least two Caribbean territories with the support of DFID, this is an immediately available opportunity. UWI SALISES and UNIFEM are jointly supporting a regional initiative on the formulation of gender aware, equitable poverty strategies, and linking them with the budget process. Along with the initiative to develop a pool of trainers, such a collaborative effort would represent a significant opportunity for CARTAC to integrate social and gender equity into its work while realizing its commitment to support poverty reduction in the region.

c. Prioritization mechanism

CARTAC might also benefit from a more transparent and clearly defined prioritization mechanism that goes beyond the level of the demand that exists for a given programme of technical assistance. Such a mechanism could include some consideration of the contribution of the TA activity to gender-aware macroeconomic management. This may even be included in the existing 'strategic objectives' prioritization filter designed to screen requests, which already includes similar considerations such as 'contribution to regional integration'. What must accompany such a process, however, is an informed analysis of how the TA activity in question is gender aware, or is likely to contribute to gender equity.

3.1 Overall Recommendations

- **Capacity building** among CARTAC staff on general concepts of gender-aware macroeconomic theory and practice
- **Capacity building** among relevant CARTAC staff on specific concepts and application of gender-aware programme formulation in Public Finance Management; Tax and Customs Policy and Administration; and Economic Statistics.
- **Increased transparency in the development of TA activities** through documentation with embedded gender analysis, in order to foster monitoring for gender inputs and outcomes
- **Gender and social equity analysis/integration of TA activities under 3 areas:** Public Finance Management; Tax and Customs Policy and Administration; and Economic Statistics.
- **Collaboration with DFID on the execution of gender-sensitive PSIA's** and their use as part of TA activities around VAT, budget execution and the improved formulation of macroeconomic policy
- **Inclusion of the principles of gender-sensitive budget formulation in PFM activities** in the areas of medium-term budget frameworks; planning methodology; public sector investment programmes; and budget implementation. These principles may also extend to proposed work on fiscal transparency and the integration of capital and current budgets. This may require the contracting of a short-term consultant (in collaboration with CIDA and/or ECEMP)
- As part of the recommendation above, **contracting of a gender economist within CARTAC** to work with relevant advisers on incorporating gender-aware

economics principles into existing and/or future operational manuals. Alternatively, such a resource provided under SEMCAR or other programme may be useful to CARTAC under a collaborative arrangement.

- Utilization of the proposed regular meetings of Accountant Generals, Budget Directors and Debt Managers to **include gender-sensitive budget formulation as one of the best practices promoted**
- **Macroeconomic statistics:** TA activities on gathering data on the informal sector and collaboration with other types of statistical initiatives in the region
- **Macroeconomic analysis:** Inclusion of the principles of gender-sensitive budget formulation in MAC/SATAP activities in the area of budget reform to complement PFM activity in this area; and measurement and inclusion of the informal sector in macroeconomic analysis
- **Development of a clear, transparent prioritization process** that includes contribution to gender equality as a criterion

3.2 Recommended Outcomes and Indicators

CARTAC is also in the process of developing a results-based management system (RBMS) to improve CARTAC III programme monitoring and evaluation. This improved M&E component would include gender outcomes and/or indicators to be incorporated into CARTAC's results-based reporting.

At the time of this reporting, it was not clear what stage of development the RBMS had reached, and therefore not clear what approach to monitoring (whether emphasizing country-level impact or institutional outputs/outcomes) is to be encouraged. Any outcomes and indicators would also need to be contextualized within overall programme targets and gender equality targets.

Whatever the approach, some of the traditional measures such as the number of women participating in TA activities are not sufficient to assess progress in integrating gender into CARTAC activities. This type of assessment is more likely to be captured by reporting at the country level, such as in the following examples:

Outcome 1: Enhanced national capacity to generate and use indicators and data disaggregated by gender (and other groups)

Outputs:

1. Wide range of gender-disaggregated socio-economic statistics
2. CSOs and NWMs engaged with capacity for monitoring gender commitments

Outcome 2: Strengthened capacities of Ministries of Finance and other national institutions to integrate gender and social equity concerns into economic policies for the reduction of poverty and inequality

Outputs:

1. Public policies integrate gender into economic planning;
2. Policy analysis on the articulation between women's labour market and the "care economy";

At the institutional level, recommendations made regarding increased capacity may be captured by outputs/indicators of the number of internal workshops completed on gender and economic analysis or the engagement of a gender economist in helping to develop TA activities. One may also ‘measure’ the number of TA materials assessed for their gender content.

It is essential, however, that an adequate framework be developed in which these types of indicators may be situated.

Conclusion

CARTAC has to date enjoyed much success in the region providing technical assistance in its recognized competencies within economic management. Gender equality does not represent an area of interest or a policy agenda, but is a commitment which all countries in the region have made, and a goal which contributes to growth and sound economic management. While CARTAC has not developed much institutional knowledge in this area, it is well placed to promote gender-inclusive methods in its areas of practice. A country may not specifically request assistance in gender budget initiatives, but in seeking to develop its performance budgeting systems, may be open to the inclusion of gender targets in such a system. Indeed, this study finds that many territories already show such interest, and are able to absorb this type of capacity building once included and fully integrated within economic management TA activities.

The study also concludes that capacity building among CARTAC staff is an important starting point, and that the use of a gender economist to demonstrate just how seamlessly gender integration can be achieved would also facilitate the process. Several opportunities exist, and there are several partners already engaged in this work on whose resources CARTAC can draw. What is a required next step, therefore, is the development of consensus on the way forward.

Appendix I – Terms of Reference

TERMS OF REFERENCE

Gender Specialist for Preparation of Second Program Extension Caribbean Regional Technical Assistance Center (CARTAC)

Background

CARTAC is a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its participating countries.⁸ The CARICOM Council of Ministers of Finance and Planning (COFAP) took the decision to establish the Center in September 1999. It became operational in November 2001. Its mission is to “enhance the institutional and human capacities of the countries in the Caribbean region to achieve their macroeconomic, fiscal, and monetary policy objectives.”

Countries in the region face similar problems in meeting the standards of economic and financial governance expected of them by their citizens, and by domestic and international investors. CARTAC was created to help develop skills and build capacity in the specialized areas required to design and implement measures to meet these standards at both the national and regional levels.

CARTAC operates as a UNDP project, financed by a consortium of bilateral and multilateral agencies.⁹ However, the IMF acts as CARTAC’s executing agency, is one of the three largest donor agencies funding CARTAC, and plays a key role as backstopper and quality assurer.

CARTAC’s priorities are set by a Steering Committee consisting of six representatives from the participating countries, four from the bilateral and multilateral agencies, and one each from CARICOM and the Caribbean Development Bank (CDB). The Committee is chaired by Dr. Marion Williams, Governor, Central Bank of Barbados. The Deputy Chairman is Dr. Ewart Williams, Governor, Central Bank of Trinidad & Tobago.

CARTAC provides technical services and training in five core areas:

- Public expenditure management;

⁸ Anguilla, Antigua & Barbuda, the Bahamas, Barbados, Belize, the British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & The Grenadines, Suriname, Trinidad & Tobago and the Turks & Caicos Islands.

⁹ The contributors to the current phase of CARTAC (2005-2007) include Canada, the European Union, the Inter-American Development Bank, Ireland, IMF, United Kingdom, United States, UNDP, and the World Bank. The CDB and Barbados provide contributions in-kind of staff and office space respectively. Member countries, other than Barbados, contribute of \$10,000 per year to support the operations of the Center.

- Tax/customs policy and administration;
- Financial sector regulation and supervision, including off-shore financial operations;
- Economic and financial statistics; and
- Macroeconomic policy and analysis.

CARTAC was initially established for a three-year period (2001-2004, called CARTAC I), and it was subsequently extended for an additional three-year period (2005-2007, called CARTAC II). At its April 2006 meeting in Jamaica, CARTAC's Steering Committee agreed that an independent review of CARTAC's performance should be undertaken during 2006 so that decisions on its future could be taken well before CARTAC II's termination date of end-2007. This review was carried out by an independent two-person team and considered at the October 17, 2006, Steering Committee meeting in Barbados.

The findings of the review were that the Center was serving its function very well, and that progress to date had been excellent. Based on these findings, the Steering Committee agreed that the preparation of the Programme Document for CARTAC III should be started in early CY2007 to ensure the continuation of the Center for a three-year period.

The purpose of the program extension exercise is to design the CARTAC phase III program document (called CARTAC III) including recommendations for the following issues:

- (i) technical areas to be covered and their relative weight in resource allocation; and
- (ii) a possible formula for increased contributions from CARTAC member countries.

CARTAC and Gender

There is growing international understanding that macroeconomic policy can contribute to the narrowing or widening of gender gaps. Often, the technical knowledge of conducting a gender based analysis is lacking throughout regional governments, therefore, translating gender equality commitments and policies into budgetary/ fiscal commitments will help to advance gender equality and promote fiscal policies that effectively respond to the needs of all citizens.

The Steering Committee has worked closely with CARTAC to engender the work undertaken. Specific attention has been given to the area of tax policy and reform to ensure that these measures are progressive and do not disproportionately penalise vulnerable groups such as single female headed households and the elderly.

Currently, CARTAC reports regularly (twice yearly) on gender disaggregated data with a focus on the following: female/male representation in technical assistance and training;

female/male representation on the CARTAC team in Barbados; female/male representation in terms of consultants engaged. Historically females and males are fairly represented in all arenas.

More recently the Steering Committee in collaboration with CARTAC has determined the need to go beyond the gathering of gender-disaggregated data and focus on gender analysis of proposed reform measures in advance of their planning/implementation. The UK has offered specific support to CARTAC to undertake gender analysis and social impact analysis.

Purpose

The purpose of retaining the services of a Gender Specialist (GS) short term Consultant is to assist the CARTAC III program extension team with analyzing how gender and gender mainstreaming considerations can be integrated into CARTAC III and develop specific gender equality outcomes and related indicators to be incorporated into CARTAC's results-based reporting.

Organizational arrangements

A core team has been formed to draft the CARTAC III programme document, which will subsequently be reviewed by the Steering Committee. The team consists of two IMF staff members (one the Office of Technical Assistance Management (OTM) and one from the Western Hemisphere Department (WHD)) and two consultants from the region. The experts from the region have expertise in the main sectors in which there are questions about the future priorities and plans for CARTAC technical assistance (macroeconomics, financial sector supervision (FSS), and capital market development).

The team held its first meeting in Barbados in early February 2007 to meet with the Chairman of the Steering Committee, UNDP, donor agencies, and CARTAC staff. Country and agency visits were conducted during February/March 2007, and draft extension documentation presented to the Steering Committee, member countries, and donors for comment in early May. The final document is targeted for approval at the October 2007 Steering Committee Meeting.

In addition to these core team members, punctual assistance will be provided in the areas of gender, poverty assessment and results-based management (RBM) to ensure that the new phase of CARTAC incorporates/strengthens these areas. UNDP will be providing assistance on the overall RBM system during the period of July 2007 and October 2007. CIDA will assist by providing a gender specialist to work with this team.

Responsibilities:

The GS will:

1. Review relevant CARTAC documents and meet with CARTAC staff, donors and other stakeholders to become familiar with CARTAC governance and programming.

2. Review work to date of core program extension team.
3. Collaborate closely with the UNDP RBM specialist team.
4. Assist team in developing appropriate gender equality outcomes and/or indicators to integrate into CARTAC's results-based reporting.
5. Provide suggestions and alternatives on how to best integrate gender and mainstreaming considerations into current operational structures and programming.

Deliverables:

- i) Brief analytical report how gender and gender mainstreaming considerations can be integrated into CARTAC III including potential options; and
- ii) Specific gender equality outcomes and related indicators to be incorporated into CARTAC's results-based reporting;

Level of Effort

It is anticipated that the level of effort required for this assignment would be up to twenty (20) days.

Qualifications/Experience

- Minimum of 5 years experience in international development and gender-responsive programming in the developing country context, specifically in the area of macroeconomic policy and fiscal reform;
- Working and living in the Caribbean region;
- Conducting gender analysis and planning in the Caribbean region;
- Expertise in building awareness of gender issues with senior developing country officials;
- Strong inter-personal and inter-cultural skills;
- Strong verbal and written communication skills.