

Financing for gender equality and the empowerment of women

Report of the Expert Group Meeting*

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*The views expressed in this document are those of the experts and
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I. Introduction

1. In accordance with its multi-year programme of work for 2007-2009, the Commission on the Status of Women will consider “Financing for gender equality and the empowerment of women” as its priority theme during its fifty-second session, from 25 February to 7 March 2008. In order to contribute to a deeper understanding of the issue and to assist the Commission in its deliberations, the United Nations Division for the Advancement of Women organized an

research pointed to serious failings and challenges in this area, indicating the resources remained insufficient to adequately support policies and programmes that promote gender equality and the empowerment of women. While the costs of addressing gender inequality are significant, the means to meet these costs are available. Research has shown, for example, that investing in women is affordable within existing commitments on ODA; however, gender equality should be funded, at least in part, through the mobilization of domestic resources to promote ownership and sustainability.

12. Despite the mounting body of evidence demonstrating that promotion of gender equality is “smart economics”, public sector expenditures have not systematically addressed gender equality concerns. Efforts have been made in many countries to integrate gender perspectives into national budgets in order to better align policy commitments on gender equality with resource allocations. Little is known, however, of the practical impact of many of these efforts.

13. Ms. Hannan emphasized that particular attention should be given to the resource needs of national machineries for the advancement of women. Around the world, many such machineries are limited in their effectiveness because they are marginalized in national government structures and hampered by a lack of human and financial resources and insufficient political support. It is essential that these mechanisms receive the financial and human resources necessary to carry out their mandates in support of the implementation of policies to

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meet the development targets and benchmarks agreed upon at the major United Nations summits and conferences and their follow-up processes. The Commission also called for mobilization of adequate funding for gender-sensitive development policies and programmes and for national mechanisms for gender equality, through national, regional and international resource mobilization and gender-responsive budget processes in all sector areas, and allocate adequate funding for women-specific measures.

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27. The Paris Declaration on Aid Effectiveness was endorsed by more than 100 countries and donor organisations in March 2005, to reform the ways in which aid is delivered and managed.¹⁴ The Paris Declaration on Aid Effectiveness acknowledged that harmonization efforts are needed on cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.¹⁵ And most recently, the Workshop on Development effectiveness in practice¹⁶, held in Dublin in April 2007, emphasized that gender equality, human rights and environmental sustainability are fundamental cornerstones for the achievement of good development results and must be harnessed to advance the implementation of the Paris Declaration.

28. Regional commitments reinforcing and applying existing international commitments can be found, for example, in the Solemn Declaration on Gender Equality in Africa of the Heads of State and Government of Member *States* of the African Union (2004)¹⁷ and the Conclusions of the

- § Young women are 1.6 times more likely to be living with HIV than young men. Young women make up over 60 per cent of 15-24 year olds living with HIV.²¹
 - § Today 980 million people live on less than one dollar a day, and a majority of the world's absolute poor are female.²² Worldwide, women on average earn slightly more than 50 per cent of what men earn.²³
 - § Every minute, a woman dies in childbirth. For every woman who dies, 20 or more experience serious complications.²⁴ According to the World Health Organization, the estimated number of maternal deaths in 2000 for the world was 529,000. In terms of the maternal mortality ratio (MMR), the world figure is estimated to be 400 per 100,000 live births. By region, the MMR was highest in Africa (830), followed by Asia (330), Oceania (240), Latin America and the Caribbean (190), and the developed countries (20).²⁵
31. Research indicates only limited progress in allocating and channelling re

34. A review undertaken in 2005 of the implementation of the Beijing Platform for Action²⁸ illustrated that budgetary allocations to national machineries for the advancement of women were insufficient or had decreased. In many countries, resources fell short in specific sectors, such as education, rural development, health, the prevention of HIV/AIDS

38. The pursuit of fiscal austerity requirements in programmes of international financial institutions (IMF and World Bank), as well as the focus on low inflation, have had detrimental consequences on the capacity of poor countries to finance public services. While low inflation targets protect and enhance the profits of foreign investors and the rich, they result in a cap or ceiling on public expenditures, with implications for social sector spending on health and education.

39. The following sections of this report will explore in detail the implications of national and global trends on financing for gender equality and the empowerment of women. Issues are divided into four themes: macroeconomic policies and follow-up to the Monterrey Consensus; public finance

- § There is a need to provide greater access to the vast majority of women not yet being reached;
- § Microfinance increases women's indebtedness by targeting women who already have few assets and may contribute to making their overall net-worth negative; and
- § Microfinance puts the debt and poverty burden almost exclusively on women as women are recognized as reliable credit takers.

48. Microfinance is not a panacea for realizing the full range of women's entitlements and rights. Broader macroeconomic measures addressed at creating more pro-poor economic conditions need to work in tandem with a critical assessment of the access, delivery and evaluation of microfinance systems.³⁸

Gender equality in the intergovernmental follow-up processes to the International Conference on Financing for Development

49. Gender equality and the empowerment of women have received limited attention in the follow-up processes to Monterrey to date. In the General Assembly only one of the eight ministerial roundtables during the first High-level Dialogue on Financing for Development in 2003 addressed gender equality and made specific proposals, such as integrating women's issues and rights into the other MDGs. During the 2005 High-level Dialogue on Financing for Development, participants emphasized that domestic resource mobilization policies should incorporate the international commitment to gender equality and recommended using gender-responsive budgeting to ensure that the relevant commitments are resourced, to upgrade the employment of women in the value chain, and to increase women's access to assets and property rights.³⁹

50. Similarly, the annual Special High-level Meetings of the Economic and Social Council with the Bretton Woods Institutions and the World Trade Organization (WTO) have paid limited attention to gender perspectives. In 2003, participants emphasized that the cross-cutting nature of gender equality and women's empowerment should be recognized as critical to the achievement of all development goals and that gender perspectives should be incorporated into trade policies. In 2004, the important contribution of women in support of, and as part of, private sector development was highlighted. In 2007, participants emphasized the im

address the situation of women and proposed indicators, including those on the empowerment of women, for monitoring progress and their impact.⁴¹

Member States with all relevant stakeholders, including gender equality actors and women's organizations, in a thorough evaluation of progress in meeting the Monterrey Commitments.

- h. The theme of 'Financing for Gender Equality and the Empowerment of Women' should be a central one in the preparatory meetings for and during the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.
- i. The outcome of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus should be a negotiated Declaration with new commitments to mobilize resources for the attainment of internationally agreed development goals, including gender equality and the empowerment of women.

V. Theme 2: Public finance and gender-responsive budgeting

52. Government budgets are the largest single source of financing for gender equality and women's empowerment for most countries. It is through national and sub-national budgets that government promises are translated into practical policies and programmes. Empirical findings show that expenditure patterns and the way governments raise revenue have different impacts on women and girls as compared to men and boys, often to the detriment of the former. This is due to the socially determined roles that women and men play in society, the gendered division of labour, different responsibilities and capabilities, and the different constraints that women and men face, all of which often leaves women in an unequal position in relation to the men in their community, with less economic, social and political power.

53. Differential gender impacts of public finance systems can emerge in a variety of ways, in relation to how these systems seek to fulfil their functions of:

- § *The provision of public goods and services:* Allocations to certain functions, policies and programmes will benefit women more than men, and vice versa.
- § *The distribution of income and wealth:* Inequalities exist between women and men, as well as between and within households or other groups.
- § *The stabilization of the economy:* The level of employment, stability in prices, economic growth, environmental sustainability and external balance requires economic, political judgments in determining which objectives have priority at any one time, and the assumptions and theories that underpin macroeconomic policy shape the capacities of public finance systems to promote both gender equality and economic growth.
- § *Financial control and accountability:* The frameworks and mechanisms adopted and the relative scope for effective participation of men and women have gender impacts.

54. Despite the evidence of the importance of gender equality for economic progress, and the many calls for gender mainstreaming in economics and in budget processes, public sector expenditure has not systematically addressed gender equality concerns. Efforts have been made in many countries to integrate gender perspectives into national budgets in order to better align policy commitments on gender equality with resource allocations, in recognition of the direct and

reinforcing links between the budget and social policy. Restrictive fiscal policy measures, such as the imposition of value added taxes or a rise in sales taxes on consumer items, can have a pronouncedly negative effect on social equity because these instruments impact directly on household budgets. World Bank research confirms that indirect taxes increase poverty since they take the biggest chunk out of the budgets of the poor. In addition, higher taxes on consumption goods increase the relative prices of these goods in the context of static or falling incomes. What is usually less acknowledged is that women in households will seek to produce these goods themselves in order to protect their family's consumption patterns.⁴²

55. Gender-responsive budgeting has been identified as a public finance strategy in a range of international commitments on gender equality and financing for development including the Beijing Platform for Action, the outcome of the twenty-third special session of the United Nations General Assembly, and the Monterrey Consensus. Gender-responsive budgeting has also been identified as a crucial element of the full implementation the Convention on the Elimination of All Forms of Discrimination against Women, and the achievement of the Millennium Development Goals, most specifically MDG3 on gender equality and the empowerment of women. It has also been cited as critical to the development and implementation of national poverty reduction strategies. The increasing focus given to gender-responsive budgets is underpinned by compelling economic, social, good governance and rights based rationales, a growing body of theoretical work and analytical tools, and more than 20 years of practical experiences and their lessons.

56. Gender-responsive budgets involve two broad interrelated types of activities, both technical and political in nature:

- § A systematic examination of budget programmes and policies for their different impacts on men and women, boys and girls – gender budget analysis; and
- § Decision-making that changes budgets and policies so that gender equality is promoted – informed actions that change financing processes and gender equality outcomes.

57. Ideally these assessments and decisions should take place throughout the budget cycle, cover both revenues and expenditures, involve a range of actors (including finance ministries, national machineries for the advancement of women, sector ministries, statistical and planning bureaus, parliamentarians, media, donors and international organizations and civil society) and be fully integrated into budgetary and policy procedures and decision-making. In practice, a wide range of interventions for integrating a gender perspective into public finances have emerged – varying in scope, resource commitments, institutional embeddedness, political commitment and sustainability.

58. Participatory budgeting and analysis – whether pro-poor, environment-sensitive or gender-responsive – offers a new innovative means for ensuring government accountability to international and national commitments as well as a more balanced distribution of public resources. It needs to be combined with other measures to produce policies that create sound outcomes in terms of social and gender equality. There are a number of compelling reasons why gender-responsive budgets offer a link between the commitments to financing for development (Monterrey Consensus, Paris

⁴² All findings drawn from Mariama Williams, *Financing for Gender Equality and the Empowerment of Women*, UNDAW EGM/FFGE/2007/EP.15, August 2007.

Declaration) and the more specific goals of attaining resources to meet the goals of achieving substantive gender equality.

59. First, greater allocation of domestic resources toward gender equality is critical to achieving MDG3 and signals a country's commitment to achieving gender equality through investments of their own resources. Such a commitment signals the necessary 'ownership' articulated in the Paris Declaration. In the case of low-income countries, "between 35-52 per cent of the total costs of the MDGs can be directly attributed to the achievement of gender equality objectives".⁴³ In other words, investments that directly and indirectly promote gender equality and women's empowerment represent a significant share of total investments for all the MDGs. Also, as was reaffirmed by General Assembly resolution 60/210 of 22 March 2005, gender equality is of fundamental importance for achieving sustained economic growth, poverty eradication and sustainable development. In other words, investing in women and girls has a multiplier effect.⁴⁴

60. Second, two recent studies, by Budlender (2004)⁴⁵ and Elson (2006)⁴⁶, focus on government budgets – that is, public expenditure and revenue – as indispensable tools for the realization of human rights. Both of these reports offer detailed templates for linking budgeting processes and outcomes to gender equality commitments and as such, make important contributions to the financing for gender equality follow-up process. Budlender, for instance, provides a budget checklist or series of *budget questions* which relate budget allocations and distribution of resources to each of the Articles and recommendations of the CEDAW Convention in the South African context.⁴⁷ This is an important contribution as most manuals provide questions on laws, policies and programmes but do not deal with budgets. Budlender also provides a series of outcome indicators based on the Beijing Platform for Action.

61. Elson offers a comprehensive guide which analyzes government expenditure, revenue, macroeconomic policy and budget decision-making processes from a CEDAW perspective. Her report clarifies "that government budgets (like any other activity carried out by the State) should be constructed and implemented in ways that respect, protect and fulfill human rights".⁴⁸ Linking women's human rights to government budgets affords both a legal force and a moral authority. CEDAW imposes binding legal standards on States parties. The discourse of human rights also

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seems to suggest, gender-sensitive approaches are more likely to be taken into consideration in the social sectors (education, health and even agriculture) than in the 'harder' economic sectors (transport, rural infrastructure, finance).⁵⁰

63. Fourth, budgets have also been tied to the 'New Public Management', which has reshaped approaches to public policy and management in both developed and developing countries. New Public Management entails the restructuring of many public services in an attempt to enhance the efficiency of firms and government, the introduction of more competition and private market discipline and promote a more accountable and results- and citizen-oriented government.⁵¹ One limitation of this shift is that it tends to eclipse other concepts of efficiency such as social and allocative efficiency. In the area of budgeting, the emphasis is on performance and results rather than inputs. Referred to as performance oriented budgeting or results-based budgeting, the goals are twofold: to allocate resources according to government priorities and objectives and; to relate the budget's resource allocation, or how the funds are planned to be used, to expected results or impacts. These goals offer an entry point for harmonizing with gender-responsive budgeting.

Achievements and challenges

64. There are different ways of assessing gender-responsive budgeting but a central issue is their capacity to foster government accountability for financing gender equality commitments. Accountability is an aspect of governance that involves power and authority relationships (of governors to the governed), transparency (the ability to inspect and establish the truthfulness of claims) and the credibility of policies over time (a government's intentions and actions with regard to policy must be believed by its constituents or the market players). Women, particularly the poorest women in a society, are often at the margins of economic governance and decision-making about fiscal policy. Gender-responsive budgets were developed as a tool for inserting women's voices into discussions of taxation, spending and debt to underscore that budgets are not gender neutral.

Achievements

65. Gender-responsive budgeting work has been carried out by different actors in different countries, with some initiated by the Ministry of Women or Ministry of Finance, some by parliamentarians and some by NGOs. Most of the initiatives focused on the expenditure side of the budget, while only a few also analyzed the gender impact of revenue raising policies. Although in many countries gender-responsive budgeting work was limited in scope and was not institutionalized, such initiatives have contributed to the following:

- § The awareness that budgetary decisions may have an impact on gender relations and gender equality has increased;
- § The capacity to analyze budgets from a gender perspective has increased;

⁵⁰ Debbie Budlender (2007). *Financing for Development: Aid Effectiveness and Gender-Responsive Budgets*, (Commonwealth Secretariat 2007), Background Paper WAMM (07)9.

⁵¹ Paolo DeRenzo (2004). "Why Budgets Matter: the N0.0 (Tj6.40.0006 5.6:(TD0 Tc0 Tw@083Fj/TT6 10.02 0 h8 Tc0 perspecTw

- § Greater understanding of the importance of the care and informal economies in policy impacts generally, and for assessing the impacts on women's time burdens in particular, has developed;
- § In some countries, budget allocations have been reprioritized in favour of women and girls;
- § In some countries, budget guidelines and formats have been changed;
- § Debates on gender issues have taken place in parliament, and gender issues have been mentioned in the budget speeches of ministers of finance;
- § Budget processes have become more transparent;
- § The participation of civil society in the budgetary process has increased;
- § The availability and use of sex-disaggregated data has increased, and gender-sensitive indicators for monitoring and evaluation of budgetary performance have been developed; and
- § Gender perspectives have been mainstreamed in economic policy areas and the interrelationships between economic and social policies have been highlighted.

Challenges

66. Although a number of Governments have integrated gender perspectives into their national budgets in order to reflect the differentiated needs and priorities of women and men, resources remain insufficient to adequately support policies and programmes that promote the empowerment of women and political commitment remains inconsistent. Moreover, gender-responsive budgeting is not a panacea; it is one strategy in a multi-pronged approach to financing gender equality and women's empowerment. Although they have, in some cases, helped to channel development resources in a more equitable manner, there are limitations that must be underscored. In many countries, gender-responsive budgeting work was limited in impact because initiatives adopted a stylized approach⁵² that was not appropriately adapted to their specific contexts.

67. Furthermore, gender-responsive budgeting work in many countries remained a 'one-off' activity (such as sensitization workshops, trainings, and analyses) and was not institutionalized. The gender-responsive budgeting activities were normally not linked to ongoing public finance reforms. Many countries have started to change their public finance systems towards more results-oriented budgeting and have established Mid Term Economic Frameworks to link planning and budgeting more closely. Following the Paris Declaration and the discussion on new aid modalities, such as direct budget support and sector wide approaches, good economic governance in general, and transparent public financial systems in particular, have gained in importance. To increase accountability of governments and donors with regard to their gender equality commitments, a gender perspective needs to be brought into these discussions.

68. Other *limitations* include: (i) limited impact on macroeconomic policy which is often shaped by international financial institutions and globalization; (ii) little practical linking of budgets to rights

⁵² Janet Stotsky (2007). Budgeting with women in mind, *Finance and Development*, Quarterly magazine of the IMF, Volume 44, No. 3, June.

to date; (iii) the contradictions between gender equality as a development goal that cuts across sectors and ministries and the bureaucratic reality of line functions, departments and agents which mitigate against a broad approach; (iv) the difficulty in assessing the impact of gender-responsive budgeting given that policy change is often due to a range of forces and not one single initiative; and (v) those involved often do not have the power themselves to change budgets.⁵³

Public finance reforms

69. The widely adopted New Public Management reforms of the theory and practice of public sector administration have brought a raft of changes to public finances including:

- § A shift away from inputs and processes to a focus on results in the form of outputs and outcomes;
- § Devolution and decentralization of government activities along with the introduction of performance management systems to control what is being done;
- § A shift from the traditional annual budget cycle to multi-year (or medium term) expenditure frameworks as the basis for the annual budget process;
- § The separation of the purchaser and provider roles of government leading to a greater reliance on the private sector and the not-for-profit community sector to provide services on behalf of the government;
- § Re-casting the public as customers, consumers and clients; and
- § The promotion of the ideas of competition and choice being achieved by deregulation and marketization through privatization, contracting out and competitive tendering.

70. Also underpinning the budgetary changes are the objectives of public expenditure management (PEM). These are advocated by multilateral institutions and adopted by many governments as the basic objectives of public expenditure management through introduction of the following:

The results-based budgeting framework involves a particular approach to budgetary and policy performance that can be summarized in the following manner:

- § What does the government want to achieve? **OUTCOMES;**
- § How does the government achieve this? **OUTPUTS; and**
- § How does it know if it is succeeding? **PERFORMANCE REPORTING.**

72. There are potentially *three* dimensions or means by which gender-responsive budget frameworks can engage with output and outcomes budgeting.⁵⁵

73. *By developing gender-sensitive indicators of inputs, outputs and outcomes:* Data disaggregated by sex and other factors enhance the clarification, evaluation and targeting of all budget outputs and outcomes, which are central aspects of results-based budgeting. At present, most examples relate to specifically targeted programmes for women and girls (for example, health services and social policies).

74. *By extending the existing output and outcomes framework with equity as an explicit indicator of performance:* Equity is defined in terms of access for, or the representation of, different groups. This goes beyond the narrow focus of most results-based budgeting models with their economy, efficiency and effectiveness criteria of performance.

75. *By challenging the existing meanings of economy, efficiency and effectiveness to include unpaid care activities within budgeting frameworks:* For instance, economy-based measures of performance oriented budgeting only calculate monetary costs but if the non-monetary costs of inputs are considered, this results in a different measure of total economic activity. Efficiency measures do not take into account the care economy and the transfer of costs to the unpaid sector that often accompanies efficiency measures of performance. A similar argument is made with respect to effectiveness measures that do not take into account all contributions to outcomes since none of the unpaid contribution of care activities to outcomes is counted.

76. Ultimately, budgeting is a political process involving power. Performance oriented budgeting involves new governance arrangements that will close off some political spaces but potentially open new ones for gender-responsive budgeting. For example, both results-based budgeting and gender-responsive budgeting recognize that budgets are both a document and a process. Hence, a gender aware framework needs to engage with the whole budget cycle, not just the budget enactment stage. Gender-responsive budgeting needs to bring together information on intended and actual budgets over the budget cycle – something that would promote accountability of governments for their gender equality commitments. This is diffi

- § Cost and fully resource National Action Plans for gender equality and the empowerment of women and interventions to achieve international and regional commitments for gender equality, including MDG3, and ensure that these are also reflected in relevant sector plans and budgets;
 - § Make gender-responsive budgets mandatory in all sector areas, and in support to particular groups such as children and in specific situations such as disaster response, conflict situations, and in relief, rehabilitation and post-conflict and reparation processes; and
 - § Expand and monitor the participation of women and gender equality experts in budgetary planning and decision making.
- c. Multilateral and bilateral donors should ensure that tools to assess public financial management systems, such as Public Expenditure Reviews, Public Expenditure Tracking Surveys, Public Expenditure and Financial Accountability, and Country Financial Accountability Assessments, incorporate a gender perspective.

VI. Theme 3: Bilateral and multilateral aid

77. The preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus raise a number of important issues, among them:

- § How far have donor agencies implemented the gender equality dimension identified in the Monterrey Consensus and its follow-up?
- § How much of the increased aid has been directed towards gender equality and women's empowerment?
- § What are the opportunities for securing an increased proportion of 'scaled up' aid for gender equality and women's empowerment?

78. In 1969, the OECD's Development Assistance Committee (DAC) members adopted a target for aid of 0.7 per cent of donors' national income. At the Monterrey conference (2002), and at subsequent global meetings, donors have made commitments to increase aid. The OECD-DAC Secretariat estimated that if commitments are met, ODA could reach almost \$130 billion per year, including doubling aid to Africa by 2010 (to \$50 billion).⁵⁶

79. Although aid has been rising steadily since 1997, recently by as much as 5 per cent a year, it would need to rise by 11 per cent a year from 2008 to 2010. This would be an unprecedented increase with funding for aid programmes having to increase faster than any other public expenditure in donor countries.⁵⁷

⁵⁶ DAC Members' net ODA 1990 – 2005 and DAC Secretariat simulation of net ODA in 2006 and 2010 <http://www.oecd.org/dataoecd/57/30/35320618.pdf> (accessed on 18 December 2007).

⁵⁷ OECD (2007). OECD Journal on Development: Development Co-operation Report 2006, Paris.

80. In 2005 official development assistance reached a record \$106.8 billion, a rise of 32 per cent. This represents 0.33 per cent of members' combined Gross National Income (GNI) in 2005. The increase is largely due to debt relief grants (mainly to Iraq and Nigeria), which more than tripled, and on humanitarian aid, which rose by 15.8 per cent. In 2006, however, many donors failed to meet aid targets. Excluding debt relief, other forms of aid fell by 1.8 per cent. In real terms, this is the first fall of ODA since 1997.⁵⁸

Gender equality-focused aid

81. For the last 10 years, the 23 members of the OECD-DAC have been using a gender equality policy marker to identify aid, which is principally or significantly focused on the achievement of gender equality. For the period 1999-2003 only, \$3.1 billion per year was focused on gender equality out of a total of \$50 billion ODA per year. For the 5-year period 2001-2005, 16 of the DAC members were able to provide reasonably complete data with an annual investment in gender equality focused ODA of \$5 billion a year, out of \$20 billion bilateral sector-allocable ODA.⁵⁹

82. Civil society plays a crucial role in holding governments accountable for global commitments on financing for gender equality and the empowerment of women. Women's organizations and international NGOs committed to women's rights and gender equality have a key role to play in ensuring accountability for gender equality within official development assistance investment. This involves tracking levels of official development assistance investment in gender mainstreaming and specific initiatives dedicated to gender equality and women's empowerment as well as monitoring actual delivery of results in this area.

Examples of linkages of regional commitments

83. It is important to highlight regional political commitments to partnership and development (MDG 8) based on increased resource allocations (*Monterrey*) and accountability at all levels (*Paris Declaration*). For example, Member States of the African Union (AU) are committed to report annually on progress on gender equality, in line with the Solemn Declaration on Gender Equality (2004).⁶⁰

84. European Union Member States and institutions have made a number of commitments to gender equality and women's empowerment in development cooperation, and recognized the need for increased and more effective aid allocations to facilitate the achievement of national, regional and international commitments on gender equality and the empowerment of women. This includes the introduction of effective measures and clear targets for significant increases in resources to support gender equality and women's empowerment over the coming years. In this context the European Council also recognized that budget support, as all other aid modalities, has to take into account gender equality concerns by going hand in hand with a high quality policy dialogue.⁶¹

⁵⁸ http://www.oecd.org/document/17/0,2340,en_2649_33721_38341265_1_1_1_1,00.html (accessed on 18 December 2007)

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95. The actual processes and mechanisms developed will vary with the country context. For example, Joint Assistance Strategies have been developed in a number of countries to concretize alignment and harmonization efforts. These vary significantly between countries, including in how they incorporate gender equality and women's empowerment. It is not at all evident that such harmonization modalities currently include adequate supports and safeguards to ensure that expertise to address gender dimensions will be sustained at the level required to meet national and donor gender equality and women's empowerment commitments.

96. Addressing gender equality and women's empowerment is challenging and there will always be those who resist in favour of what are supposedly gender-neutral technical reforms but which in reality can be gender-biased. This has to be countered, and strategies and evidence are needed to influence those who resist, and ensure that gender equality and women's empowerment are presented as cornerstones of development which are "functionally essential to achieving the overall goal of the Paris Declaration".⁶⁵

97. The past 10 years have witnessed major shifts in how aid is delivered, ranging from Poverty reduction and growth strategies, Sector wide approaches, Programme-based approaches and more recently, the Paris Declaration on aid effectiveness. Each of these has posed new challenges for work on gender equality and women's empowerment.

Gender mainstreaming and women's empowerment: a two-track strategy

98. The Beijing Platform for Action is premised on a dual strategy to achieve gender equality:

- § Specific policies, programmes and resources for the empowerment of women; and
- § Gender mainstreaming, understood as integration of gender equality perspectives into the mainstream of all policies, programmes and resource allocations.

99. Over the years there has been a tendency in some contexts to focus on gender mainstreaming, at the expense of dedicated investments in women's empowerment. There was a trend to reduce or even abandon specific investments in women-focused programmes, organizations and structures. Support to women's organizations, national machineries for the advancement of women and gender units were reduced with the argument that they had become redundant. There was a loss of gender expertise, capacity and advocacy – skills which are indispensable to successful gender mainstreaming.

100. The agenda of women's empowerment and gender equality requires an active policy, targeted operational strategies, resources and expertise for the implementation of the two-track strategy.

⁶⁵ Richard Carey, Director, Development Cooperation Directorate, OECD, remarks made at Workshop on Development Effectiveness in Practice – Applying the *Paris Declaration* to Advancing Gender Equality, Environmental Sustainability and Human Rights, Dublin, 26-27 April 2007.

Funding to multilateral organizations

101. In 2006 DAC members allocated approximately 27 per cent of their ODA to multilateral organizations – a total of \$28 billion.⁶⁶ Donors also provide multilateral agencies with additional funding for specific projects and programmes. What is not known is how much funding is directed towards gender equality and women's empowerment by these agencies.

102. As multilateral agencies are likely to be the beneficiaries of both the projected increase in official development assistance and the renewed interest by donors in gender equality and women's empowerment, further consideration needs to be given to:

- § Developing strategies to increase multilateral investments focused on gender equality and women's empowerment;

- §

Financing gender equality in fragile states and post conflict and humanitarian situations

105. In the context of aid delivery in fragile states and in humanitarian crises and post conflict situations, there are special challenges to ensuring protection for women and their rights. With national governance institutions weakened or destroyed, women and gender advocates should be assured access and space for meaningful engagement in decision making in these contexts.

106. The complex interactions between humanitarian, development and peace agendas in such situations require specific mechanisms to ensure an adequate response to women's priorities and protection needs.

RECOMMENDATIONS

107. Gender equality and women's empowerment are critical cornerstones of development effectiveness and essential for the achievement of all development goals and objectives.

- a. Commitments under the Monterrey Consensus and the Paris Declaration for significant scaling-up of ODA should include corresponding increases for financing gender equality women's empowerment. It is recommended that the share of ODA for gender equality and women's empowerment be scaled up to reach 10 per cent of all ODA by 2010 and 20 per cent by 2015.
- b. Bilateral and multilateral agencies should have clear institutional mechanisms for delivering on and assessing performance, results and accountability for gender equality and women's empowerment objectives through: (i) an explicit gender equality policy based on a dual approach of targeted interventions for women and gender mainstreaming; (ii) inclusion of gender equality objectives in the institution's overall goals and strategies; (iii) gender-responsive sector policies and programmes; and (iv) specific programmes and resources allocated for targeted women's empowerment and gender equality objectives.
- c. Tracking of ODA directed to gender equality and women's empowerment should be improved. *Bilateral donors* need to increase the number of donors using the DAC gender equality policy marker when reporting aid statistics, as well as the proportion of aid 'screened' using this marker. *Multilateral agencies and vertical funds* need to build on existing efforts to improve tracking and reporting on programmes focused on gender equality and women's empowerment. *International Financial Institutions* (multilateral and regional development banks) need to strengthen existing efforts to improve performance assessment, tracking and reporting on initiatives focused on gender equality and women's empowerment. *Member States* need to incorporate into national public financial management systems measures to monitor and report on expenditures on gender equality and women's empowerment.
- d. With aid modalities placing increasing emphasis on programme based and sector wide or gender equality strate with clear targets and measurable impact and outcome indicators, are formulated as an essential element of these programmes.

- e. Accountability for gender equality and women's empowerment requires capacity building of all stakeholders in relation to the new aid architecture including: (i) gender equality stakeholders in recipient countries (national machineries for the advancement of women, finance and planning agencies, sector agencies, women's organizations, parliamentarians) and (ii) development agency staff and other key stakeholders in donor countries (parliamentarians, civil society) to build and strengthen institutional capacity and accountability mechanisms for delivering on women's empowerment and gender equality.
- f. There should be increased attention to gender equality and women's empowerment in the design of reforms and in implementation, monitoring and evaluation of the Paris Declaration. In this regard donors should promote country-specific harmonized approaches to support and sustain inclusive processes and capacity for multi-stakeholder influencing of national development plans and strategies. This should include line ministries, parliamentarians, civil society organizations and women's groups and encompass information dissemination, access to and timely sharing of information and support for analysis, research and debate and for adequate representation of women's concerns in decision-making fora. In addition, all parties engaged in the design of harmonization and alignment reforms and modalities should include adequate measures and safeguards to ensure fulfilment of gender equality and women's empowerment commitments.
- g. There should be improved collaboration with colleagues working on related social policy and other essential cornerstones of development such as environmental sustainability, human rights and HIV/AIDS. In addition, existing 'silos' within and between bilateral and

VII. Theme 4: Funding the women's movement

108. Achievements in the areas of gender equality and women's rights are not feasible without the strong and effective presence of feminist groups and women's movements and organizations working at all levels, on a diversity of issues. The agenda of women's rights and gender equality requires strong actors and commitments from all stakeholders, given the need for a comprehensive approach to address the complex and interwoven nature of women's rights violations and issues such as violence against women, HIV/AIDS, the feminization of poverty, maternal and infant mortality, non-representation in decision-making, illiteracy, and discrimination. This implies recognition of the different and complementary role of different stakeholders, Government, civil society and the private sector. Strong civil societies flourish alongside strong governments. Towards this end, substantial investments are required to scale up the capacity of women's organizations, as well as provide support for the infrastructure and architecture of women's movements. Another critical issue is the need for long-term sustainability of women's rights organizations and women's movements.

Funding situation of women's organizations⁶⁷

109. Research carried out by the Association

- § **Diaspora funding:** Women's groups in Diaspora communities across the world have organized to help support women's human rights projects in their home countries. These efforts include community development programmes, scholarship funds, shelters for victims of domestic violence, promotion of women's political rights, and legal defence.

- § **Social enterprises:** NGOs are experimenting with for-profit ventures to finance their work. These range from bakeries and real estate to hotels and entertainment. For example, the All-China Women's Federation runs a hotel in Be

through partnerships with international donors and grant-making organizations, such as Women's Funds, that have the commitment, track record and capacity to support women's organizations and movements.

- c. Direct funding should support women's organizations in different regions, not only through national government channels, to advance the autonomy and independence of women's organizations, which also contributes to strengthening civil society. Donor funding and policies should be structured in ways that allow local women's organizations and networks access to funding directly and not exclusively through Northern-based institutions.
- d. Large Private Foundations, particularly those that have played a crucial role in supporting women's rights work, should continue to sustain the work of women's organizations. The growing number of new private foundations and individual philanthropists should also see investing in women as critical for the achievement of their philanthropic goals.
- e. Women's Funds should receive significant investments to build on their potential to deliver financial support to women's rights organizations and movements. There should be a concerted effort in the donor community to scale up existing Women's Funds using a combination of strategies, such as multi-year funding for grant making, core funding for institutional support, endowment funding and asset building and support to develop broad-based fundraising strategies.
- f. Women's specific budget lines and programmes should be created within bilateral agencies and international NGOs, private foundations, etc. Resources for women's organizations of diverse sizes, regions, sectors and issues should be secured.
- g. Donors should renew their commitments to strengthening women's movements by investing more in alliance building, networking, linking and learning. Funding for social change and movement building in all regions of the world should be a major priority for donors. There should be more funding available for activities such as institutional capacity building, leadership development, transition planning, inter-generational organizing, and conserving the legacies of women's rights activists.
- h. Donors interested in women's rights and gender equality should endeavour to work in true partnership with women's organizations and avoid narrow interpretations of donor policies, which tend to end up undermining the hard work of women in their communities. A specific example is the way in which some women's organizations are denied funding because their programmes only focus on women and do not include men.
- i. Donors should be willing to make long-term investments, so that organizations and social movements can grow, learn, evolve, and hopefully, sustain themselves. Donors to the women's movement should develop a *Sustainability Compact*. This compact would work towards making women's organizations sustainable, in holistic terms, independent of donor

- j. Donors should ensure that women in fragile states and in crisis situations and post-conflict reconstruction have timely access to resources, capacity building and opportunities to participate in key decision-making processes.
- k. Strategies should be developed to present a strong case for supporting women's rights and empowerment to the business community.
- l. Donors should be prepared to invest substantially in the capacity of women's organizations to explore innovative and non-traditional sources of funding to ensure long-term sustainability.
- m. Greater exchange of information and training in fund-raising and management skills should be promoted to develop innovative sources of funding for national machineries for the advancement of women and nongovernmental organizations.
- n. Donors and funding agencies should examine policies and legal frameworks to optimize possibilities to use social enterprises as sources of funding. Barriers should be removed, and changes made widely known to all potential beneficiaries.
- o. Nongovernmental organizations should monitor and evaluate current trends and innovative experiences in fund-raising, including among faith-based organizations, and share experiences at various fora.

ANNEX I

List of proposed indicators

Indicators on trade, macroeconomic policy and gender equality

- § Percentage of women in trade negotiation teams;
- § Percentage of negotiators who have had gender sensitive capacity building;
- § Percentage of social clauses in trade agreements which include the conditions of gender equality;
- § Guarantees of basic labour rights for women and men, as specified by the ILO;
- § Indicators proposed for MDG3 by the Gender Equality Task Force, including on: land ownership and housing title by women and men, hours per day women spend fetching water and collecting fuel, and share of women in employment and gender gaps in earnings.⁶⁸

Indicators on public finances

Indicators will need to be developed to measure progress on the introduction and degree to which gender perspectives are incorporated into public finances. Three proposed indicators are:

- § The existence of a strategic plan for financing gender equality and women's empowerment that is reflected in budget guidelines and in budget decision making processes.
- § The use of input and output performance indicators of gender impacts in budgetary reporting.
- § The amount of government funds spent on capacity building on integrating a gender perspective in public finances for (i) Finance Ministry officials; (ii) whole of government

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Some budget questions:

- § Has government allocated any money for employment insurance or other forms of social security?
- § Has government allocated any money to provide or subsidize child care?
- § Has government provided any money for an institutional review on wages and working conditions? Does this mechanism cover all workers, including domestic workers and other workers in the informal economy?
- § Has government provided any money for an institution or an ombudsperson to which people can take their work-related disputes? §

ANNEX II

List of Participants

Individual Experts

Ms. Gemma Adaba (Trinidad and Tobago)
Representative to the United Nations
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(ITUC)
New York, USA

Ms. Bisi Adeleye-Fayemi (Nigeria/UK)
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Ms. Lydia Alpizar Duran (Costa Rica)
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Ms. Cathy Gaynor (Ireland):
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Dublin, Ireland

Ms. Kinga Lohmann (Poland)
Executive Director
Karat Coalition
Warsaw, Poland

Mr. Paul Lupunga (Zambia)
Australia National University
Canberra, Australia

Mr. Edward Mhina (Tanzania)
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Dar Es Salaam, Tanzania

Ms. Anastasia Posadskaya-Vanderbeck
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Ms. Katrin Schneider (Germany)
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Ms. Rhonda Sharp (Australia)
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Ms. Pawadee Tonguthai (Thailand)
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Thammasat University
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Ms. Mariama Williams* (Jamaica)
Research Associate
International Gender and Trade Network
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* *Submitted paper, but was unable to participate.*

Institutional Experts

Ms. Ireen Dubel (Netherlands)
Programme Manager
Gender, Women & Development
Hivos
Hague, Netherlands

Ms. Shireen Lateef (Fiji)

Ms. Margaret Kakande* (Uganda)
Head of the Poverty Monitoring
and Analysis Unit
Ministry of Finance
Kampala, Uganda

2. Inter-governmental organizations

Ms. Sarojini Ganju Thakur
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3. Observers from Government

Ms. Angela Langenkamp
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Ms. Violeta Neubauer
Coordinator for International Cooperation
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Slovenia for Equal Opportunities
Ljubljana, Slovenia

4. Civil society

Ms. Anne M. Kaltenborn Lunde
Huairou Commission
Oslo, Norway

Ms. Fulya Vekiloglu
Representative
Baha'I International Community
New York, USA

Ms. Soon-Young Yoon
UN Representative of the International
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Hoboken
New Jersey, USA

5. Nominated by the Government of Norway

Ms. Jannicke Bain
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Ms. Suraiya Kamaruzzaman
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Ms. Nyaradzai Gumbondzvanda
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Ms. Aruna Rao
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Ms. Torild Skard
Senior Research Fellow
Norwegian Institute for International Affairs
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Ms. Martha Skretteberg
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Oslo, Norway

Ms. Bjørg Skotnes
Gender Advisor
Norad
Oslo, Norway

ANNEX III

List of Documents

A. PAPERS BY EXPERTS

- EGM/FFGE/2007/EP.1 *Financing decent work for women*
Gemma Adaba (Trinidad and Tobago)
- EGM/FFGE/2007/EP.2 *Financing for development, gender equality and the follow-up to the Monterrey Consensus*
Pawadee Tonguthai (Thailand)
- EGM/FFGE/2007/EP.3 *Public finance management, including gender-responsive budgeting*
Katrin Schneider (Germany)
- EGM/FFGE/2007/EP.4 *Gender-responsive budgets (GRBs) have a place in financing gender equality and women's empowerment*
Rhonda Sharp (Australia)
- EGM/FFGE/2007/EP.5 *Financing for gender equality and the empowerment of women: experiences from Tanzania*
Edward Mhina (Tanzania)
- EGM/FFGE/2007/EP.6 *Financing gender equality and the empowerment of women: Asian Development Bank*
Shireen Lateef (Fiji)
- EGM/FFGE/2007/EP.7 *Gender and the Paris Declaration in Zambia*
Paul Lupunga (Zambia)
- EGM/FFGE/2007/EP.8 *Financing for gender equality and the empowerment of women: Uganda's experience*
Margaret Kakande (Uganda)
- EGM/FFGE/2007/EP.9 *Money matters: the strategic relevance of donor funding targets and conditionalities for women's empowerment and gender equality results*
Ireen Dubel (Netherlands)
- EGM/FFGE/2007/EP.10 *Financing for gender equality and the empowerment of women*
Lydia Alpízar Duran (Mexico)

- EGM/FFGE/2007/EP.11 *Funding women's organizations and movements as key driving forces for gender equality and women's empowerment: challenges and opportunities*
Anastasia Posadskaya-Vanderbeck (Russian Federation)
- EGM/FFGE/2007/EP.12 *Financing for gender equality and the empowerment of women: The critical role of autonomous women's funds in strengthening women's movements*
Bisi Adeleye-Fayemi (Nigeria/UK)
- EGM/FFGE/2007/EP.13 *Financing for gender equality and the empowerment of women in Eastern Europe*
Kinga Lohmann (Poland)
- EGM/FFGE/2007/EP.14 *The Paris Declaration on aid effectiveness and gender equality*
Cathy Gaynor (Ireland)
- EGM/FFGE/2007/EP.15 *Financing for gender equality and the empowerment of women: Some theoretical and practical issues from a trade and macroeconomic policies perspective*

D. INFORMATION PAPERS

EGM/FFGE/2007/INF.1	Aide Memoire
EGM/FFGE/2007/INF.2	Provisional Programme of Work
EGM/FFGE/2007/INF.3	Information Note for Participants
EGM/FFGE/2007/INF.4	Provisional List of Participants
EGM/FFGE/2007/INF.5	Participant Biographies
EGM/FFGE/2007/INF.6	List of Documents
EGM/FFGE/2007/INF.7	Procedures followed in ad hoc expert group meetings organized by the Division for the Advancement of Women, Department of Economic and Social Affairs (DESA)

ANNEX IV

Programme of Work

Expert Group Meeting
Financing for Gender Equality and the Empowerment of Women
will take place in the “Kavalersalen” meeting room in Lysebu

Tuesday, 4 September 2007

Plenary Session

- 8:00 a.m. Registration of participants (experts and observers)
- 9:00 a.m. Opening Statements
- H.E. Guro K. Vikør, Ambassador, Women's Rights and Gender Equality, Ministry of Foreign Affairs, Norway
- Carolyn Hannan, Director, Division for the Advancement of Women
- 9:30 a.m. Introduction of experts, election of officers and review of programme of work and information on working methods
- 10:00 a.m. Presentation of background paper
- Consultant's background paper: **Isabella Bakker**
Overview of financing for gender equality and the empowerment of women: paradoxes and possibilities [EGM/FFGE/2007/BP.1]
- Open discussion
- 10:45 a.m. Break
- 11.00 a.m. Presentations by experts and open discussion
- Theme 1: Macroeconomic policy and financing for development**
- Gemma Adaba** (Trinidad and Tobago): *Financing decent work for women* [EGM/FFGE/2007/EP.1]
- Pawadee Tonguthai** (Thailand): *Financing for development, gender equality and the follow-up to the Monterrey Consensus* [EGM/FFGE/2007/EP.2]
- 12:30 p.m. Lunch

- 2:00 p.m. Presentations by experts and open discussion
Theme 2: Public finance management and gender-responsive budgeting
- Katrin Schneider** (Germany): *Public finance management, including gender-responsive budgeting* [EGM/FFGE/2007/EP.3]
- Rhonda Sharp** (Australia): *Gender-responsive budgets (GRBs) have a place in financing gender equality and women's empowerment* [EGM/FFGE/2007/EP.4]
- Edward Mhina** (Tanzania): *Financing for gender equality and the empowerment of women: experiences from Tanzania* [EGM/FFGE/2007/EP.5]
- 3:30 p.m. Break
- 4:00 p.m. Presentation by experts and open discussion
Theme 3: Bilateral and multilateral support and official development assistance
- Patty O'Neill** (New Zealand): *Introductory remarks on the Paris Declaration on Aid Effectiveness and OECD-DAC policy marker on gender equality*
- Shireen Lateef** (Fiji): *Financing gender equality and the empowerment of women: Asian Development Bank* [EGM/FFGE/2007/EP.6]
- Paul Lupunga** (Zambia): *Gender and the Paris Declaration in Zambia* [EGM/FFGE/2007/EP.7]
- 6:00 p.m. Closing of meeting - Day 1
Dinner hosted by Norway

Wednesday, 5 September 2007

Plenary Session and Working Groups

9:00 a.m. Summary of Day 1 by Rapporteur

Introduction to work by Chair

9:30 a.m. Presentation by experts and open discussion
Theme 4: Funding the women's movement, including through women's funds

Ireen Dubel (Netherlands):

Friday, 7 September 2007

Plenary Session

9:30 a.m.	Introduction to work by Chair Presentation and discussion of initial draft of final report by Rapporteur
11:00 a.m.	Break
11:15 a.m.	Discussion of initial draft of final report (cont'd)
12:30 p.m.	Lunch
2:00 p.m.	Presentation and discussion of final draft of the report
4:00 p.m.	Break
4:30 p.m.	Adoption of final report
5:00 – 6:00 p.m.	Closing session