

**Mainstreaming gender perspectives
in issues addressed in the preparations for
the International Conference on Financing for Development.
An initial analysis.**

**Prepared by the Interagency Meeting on Women and Gender Equality
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Introduction

Over the past decade increasing recognition has been given to the importance of equality between women and men for sustainable people-centred development. Initiatives that improve gender equality ultimately contribute to economic development. This is recognized in the Millennium Declaration objective: "To promote gender equality and empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable" (para 20). Economic development policies and strategies should pay more explicit attention to the policies and strategies on the promotion of gender equality, as part of efforts to improve achievement of overall economic goals.

There has been little recognition of the importance of gender perspectives in macroeconomic policies and institutions, including those areas covered by the International Conference on Financing for Development. An increasing number of economists have, however, begun to highlight that macroeconomic policies and institutions which do *not* take gender perspectives into account not only often impact negatively on women relative to men, but through the perpetuation and exacerbation of gender inequality can also have a direct negative impact on the achievement of the macroeconomic goals set. There has been an important shift from focusing on how economic policies have affected welfare in a gender-specific manner, to illustrating how gender biases negatively affect the outcome of these same economic policies. Efforts are being made to illustrate the impact of gender inequalities on the major concerns of policy makers, for example, economic growth and structural adjustments. Gender perspectives need to be given more attention in, for example, fiscal policy, financial sector reform, financial architecture, trade and debt.

It needs to be recognized that the significant gender differences and disparities with respect to decision-making powers, participation, and returns for effort that prevail in different societies should be taken into account when responding to the forces of globalization. Because of their subordinate position in many parts of the world, women can be affected negatively by globalization processes to a greater extent than men. On the other hand, there can be significant gains for women, with globalization being a positive force for greater equality. For this to be possible, however, social objectives,

equity/equality issues, and the provisioning of needs must become central to macroeconomic policy-making.

Women as well as men are actors, stakeholders and agents of change in economic and social development. The potentials and contributions of women as well as men, as farmers and entrepreneurs for example, should be highlighted. Even though women in many parts of the world face serious inequalities and constraints in relation to economic development, the focus on women in relation to economic resources and economic development should not be solely in the context of vulnerable groups, or as those bearing unequitable burdens in situations of economic crisis.

The key challenge in financing for development is to ensure that the process of resource mobilization and the allocation of these resources, are in line with the overall development goals, including social development goals and gender equality. The issue is complex, particularly because contradictions can arise between the policy goals of poverty reduction, good governance, human rights, environmentally sustainable development and gender equality in national and international development strategies and the conditions of financial liberalization and trade liberalization processes.

It is not sufficient to plan, implement and monitor the different options for financing for development from a purely economic standpoint. Social development criteria need also to be utilized and questions of equity/equality should be high on the agenda. Key issues include the potential of all groups in society, including both women and men, to influence, participate and benefit from economic development. Access to and control over resources is a critical element. There are potentials and constraints from a gender perspective related to each of the issues covered in the International Conference on Financing for Development, as will be outlined briefly in this paper.

"The Report of the Secretary-General to the Preparatory Committee for the High-Level International Intergovernmental Event on Financing for Development" (A/AC.257/12) focused on the major macroeconomic variables affecting development, as well as the importance of ensuring that financing for development is in line with global commitments to social development goals. In this context, the goal of promoting gender equality, as outlined in the Platform for Action (1995) and the twenty-third special session of the General Assembly (2000), should be explicitly raised in the final outcome, both because of the need to ensure increasing equality between women and men and because of the importance of gender equality for economic development.

Issue 1: Mobilizing domestic financial resources for development

Inequalities in access to resources, including independent income, faced by women in many parts of the world have important implications for development. These inequalities reduce the participation of women in economic production and thus reduce their contribution to development. In addition, gender inequalities hamper human capital formation of future generations. A number of studies have shown that women have

greater propensity than men to spend their income in ways that directly benefit other family members, especially children. According to the World Bank, evidence has shown it can take up to fifteen times more spending in some contexts to achieve a given improvement in child nutrition when income is earned by the father than by the mother. In Nicaragua, a survey found better nutritional status in female-headed households than in male-headed household. Improving women's access to credit and other financial services has direct positive developmental impacts. The fact that, in some situations, women tend to utilize their economic resources for the betterment of their families to a greater extent than men should be taken into account in efforts to mobilize and allocate domestic resources for sustainable and people-centred development.

Even though it is increasingly recognized that gender inequality is an impediment to economic development, little has been done in many parts of the world to increase the access of women as well as men to economic resources. The specific constraints women face, relative to men, need to be clearly identified and addressed. These include lack of access to productive resources such as land, property rights and inheritance; lack of access to the formal economy; and inequitable representation at all levels in both private and public political and economic fora, and in particular in decision-making.

Gender perspectives need to be taken into account in relation to poverty eradication strategies. There are important gender differences and disparities in terms of the causes and consequences of poverty, as well as the potential to develop adequate coping strategies. Although precise data is not available, there are indications that women are seriously overrepresented among the poorest of the poor. The Secretary-General's report (A/AC.257/12) highlighted the importance of focusing on the household and intra-household income and security as well as the need to disaggregate in terms of women and men and children. Issues of access to and control over resources and decision-making potential within households are critical.

1.1. An enabling environment

Ensuring that resource mobilization and allocation at domestic levels, in particular through national budget processes, take relevant gender perspectives into account and provide equitable opportunities for both women and men to voice their priorities and needs, depends on the development of an enabling environment. This requires identifying the specific constraints women face in gaining equitable access to property rights and productive resources, credit and financial services, social protection, entrepreneurship support and developing effective policy and institutional responses. Transparent and accountable governance should provide opportunities for consultation and participation with all groups of stakeholders, including women's groups and networks. Legal and regulatory frameworks need to take gender perspectives into account to ensure that the development constraints imposed by gender inequalities are removed.

The Secretary-General's report (A/AC.257/12, para 25) highlights that adequate responses to people and their needs is highly correlated to the achievement of effective, participatory, transparent and accountable governance institutions. This is linked to the

intensification of reforms geared to strengthening legal and regulatory frameworks, social, economic and institutional infrastructure, equal access to and control over resources for women and men, the enforcement of contracts and domestic laws regarding private property, and financial sector reform. Each country needs to maintain a set of macroeconomic and financial policies and institutions that can be sustained both economically and socially. Since both public and private actors are involved, an important role of governments is to establish the policy frameworks, institutions, rules of law and regulations for mobilization and utilization of private as well as public capital. These elements should be particularly addressed in relation to established development goals, including on poverty reduction and gender equality.

Actions required to bring relevant gender perspectives to the fore would include:

- **Initiation of legal and administrative reforms to ensure women's equal access to productive resources, such as land, property rights and inheritance;**
- **Development of fiscal policies and financial sector development plans that address social development objectives and incorporate gender concerns in the allocation and mobilization of domestic financial resources for economic and social development;**
- **Establishment of effective, transparent, participatory and accountable governance policies and institutions, responsive to the needs and priorities of all groups in society, including women. This requires intensifying reforms geared to strengthening legal and regulatory frameworks, institutional infrastructure, the enforcement of contracts and laws regarding private property, and financial sector reform, with due attention to all relevant gender perspectives, as well as ensuring equal access to and control over economic resources for women and men;**
- **Broad-based consultation approaches to include the voices of all stakeholders, including both women and men, as a means of ensuring greater transparency and accountability in the allocation and use of financial and other domestic resources, in accordance with commitments to social development and gender equality in global conferences and summits.**

1.2. Strengthening public finances

National budgets

National budgets are a mechanism for ensuring the allocation of adequate resources to achieve established development goals, including gender equality. This includes resources for provision of essential public goods and services. National budgets should be assessed in relation to social development goals, as well as financial and monetary goals and targets. Increasing attention to gender perspectives, particularly through consultation with women's groups and networks, in identifying priorities and needs can contribute to greater transparency and accountability and the long-term legitimacy of governments.

Since the mid 1980s, efforts have been made within a large number of Member States (at least 41 countries and mainly in developing countries) to give more attention to gender perspectives in national budget processes. These efforts have been initiated by

NGOs and civil society groups or by governmental mechanisms for promotion of the advancement of women. Parliamentarians have been actively involved in these processes in some countries. Ministries responsible for national and/or state budget processes have also been directly involved in a number of countries.

Over the 15 years these initiatives have been undertaken, there has been a clear evolution of approach - from analyzing how the budget, as already formulated, would impact on both women and men, to trying to influence the actual formulation of budgets. There has also been a move from an almost exclusive focus on expenditures to incorporate a focus on revenues, including taxation. Attempts have been made to link budgets at different levels to national policy statements on gender equality - to point out glaring gaps in allocation of resources to match policy goals. The initial focus in many initiatives to influence budget processes from a gender perspectives was on the budget at national or state levels. Increasing attention is, however, being given to local-level resource allocation processes. In some countries there has been a strong focus on training individuals and groups in civil society, including women's groups and networks, on analysis of budgets and lobbying techniques to influence the formulation of budgets at different levels and facilitate more transparent and accountable processes of resource allocation.

As well as promoting gender equality, such gender-sensitive and participatory budget and review procedures would assist Governments in protecting development expenditures in times of adjustment, enhance the cost-effectiveness of public expenditures, ensure appropriate target groups are being addressed, and facilitate adequate evaluation of impacts, particularly in terms of promoting gender equality, eradication of poverty, and promoting people-centred development.

Actions required:

- **Application of gender analysis to revenue raising, expenditure plans and reviews and provision of public goods and essential services in order to help reduce gender inequality in the allocation of public resources;**
- **Initiation of transparent budget procedures which incorporate gender perspectives and facilitate the participation of civil society, including women's groups and networks, with a view to enhancing the efficient and equitable provision of infrastructure and services and meeting the needs of all groups in society;**
- **Initiation of transparent expenditure reviews, based on participation of civil society, including women' groups and networks, which link the allocation of resources to overall development goals, in particular social development and gender equality, and evaluate impacts on the poor, in particular women (as recommended in the Secretary-General's report - (A/AC.257/12, para 35);**
- **Exploration of potential to tap civil society and private sector resources to contribute to the provision of infrastructure and social services in a manner which expands access to the poorest, including in particular to women. (as recommended in the Secretary-General's report (A/AC.257/12, para 36).**

Taxation

The gender perspectives on taxation systems have become more widely recognized as a result of research around taxation policy changes in some developed countries. This has raised the importance of taking gender perspectives into consideration in discussions of direct vs indirect taxation; types of appropriate tax rebates; and the issue of the impacts of progressive taxation schedules. Systems where direct taxation provides the dominant proportion of taxation-based public revenue tend to benefit the poor, including women, more directly. Women's entry into the labour market, and the conditions of their involvement, can also be directly affected by taxation structures and schedules. Employment disincentives can exist for women because of joint income tax structures which disadvantage the spouse earning least, usually the woman, as well as the failure to provide tax rebates to cover social costs involved when women enter the labour market, such as for child-care. Tax rebates on retirement savings schemes must also take into full account the disparities between women and men in relation to labour force participation and the specific conditions of that participation. All the above issues, as well as impacting negatively on the coping and survival strategies of individual women and their families, have broader developmental impacts at different levels.

Action required:

- **Development of efficient and equitable tax systems on the basis of an assessment of the needs and priorities of both women and men and the gender implications of different systems ;**
- **Incorporate attention to relevant gender perspectives in the attempts to integrate the informal sector into the mainstream of the economy and in any efforts to develop alternative systems of taxation.**

1.3. Strengthening the domestic financial sector

Credit and financial services

Gender-based discrimination in the credit market means that the rates of interest charged to women overestimate the cost of lending to women and underestimate the returns to lending to women's enterprises. While women in urban enterprises may receive more bank loans than men, on average the size of loans made to women is smaller than those provided to men. Institutional procedures can create gender bias in that formal lending services are not set up to administer small loans, and this effectively hinders women's equitable access to credit. Women also accrue higher transaction costs as a percentage of their total loan due to the fixed costs associated with lending.

Many women lack access to land ownership, property and other critical resources, in part because of discrimination in relation to inheritance rights. Consequently, these women lack the collateral necessary to receive credit and loans from formal financial sector institutions. The tightening of credit controls in many developing countries creates even greater impediments for small-scale producers, including women, to gain access to

credit. While many women have benefited from special micro-credit initiatives, equal access to mainstream financial and credit markets is also essential, as was recognized in the Secretary-General's report (A/AC.257/12, para 37). Women should not be relegated to the informal economy and special micro-credit schemes but should be recognized as important economic actors, in some sectors and situations critical for economic development, and be given equal access to credit and other financial services.

While micro-credit is important for many women, particularly in rural areas, it is important not to focus solely on micro-credit and neglect the issue of access to other financial services. It is also critical to go beyond consideration of micro-credit for women in trying to incorporate a gender perspective into economic development. The risks of ghettoizing women in the micro-credit field have been well established. The potentials and constraints of women as well as men as economic actors need to be taken into account in all areas of macroeconomic development.

Actions required:

- **Increase the mainstream financial services available to women – poor and rural women in particular - such as credit, insurance, savings mobilization, and technical assistance, to improve women's capacity to contribute to household survival, poverty reduction and achievement of local and national development goals;**
- **Strengthen women's rights to pledge collateral as a means of improving access to mainstream sources of financing (as recommended in the Secretary-General's report (A/AC.257/12, para 41);**
- **Development of a rural credit plan to provide services to farmers, fisherfolk and other rural producers, including in particular women (as recommended in the Secretary-General's report (A/AC.257/12, para 40);**
- **Establishment of a transparent and efficient overall legal framework and administration complemented by effective regulatory and supervisory institutions to reduce excessive risk taking and "moral hazard", taking into account the impacts on the poor, particularly women.**

1.4. Social security and savings mobilization

Social protection systems

The Secretary-General's report "Enhancing social protection and reducing vulnerability in a globalizing world" (E/CN.5/2001/2) points out that the experiences of countries successful in economic, political and social terms illustrate that economic development and social protection are mutually reinforcing. While social protection should not be considered separately from macroeconomic stability, the right to social protection should not be sacrificed to conjunctural considerations. Social protection spending should be seen not as non-productive expenditure but as an important investment into human capital and social cohesion, essential for economic development. Social protection may provide an incentive for both women and men to invest in education and training, thereby augmenting human capital, and contribute to labour productivity, leading in turn to economic development. The major challenge is to find

solutions which allow social protection to meet increasing needs, including the particular needs of poor groups and particularly poor women, in such a way that it contributes positively to economic performance.

The Secretary-General's report (E/CN.5/2001/2) also points out that in some societies, women experience discriminatory treatment under existing social protection regimes. Inferior access to health services (including essential reproductive health services), education and training places women in a disadvantaged position in the labour market, they predominate in low-pay, low-status, part-time or contract work that offers limited opportunities of social security coverage. In addition, unequal access to productive resources, such as land, capital, credit, technology and extension services, has the effect of reducing incomes and savings, thereby restricting women's capacity for self-protection and increasing their dependence on their families. In addition, the cost of reproducing and maintaining the labour force in a given society remains invisible, so long as the scope of economic activity does not include unpaid 'reproductive' labour.

In developing country contexts the majority of the population stands outside formal systems of social protection, being engaged in various forms of rural or urban self-employment. Women play a key role in traditional forms of social security, often developing innovative approaches to secure the livelihoods of their families and support relatives and neighbours. The challenge in these contexts is for social protection systems to strengthen the capacity of individual women and men to sustain their own independent livelihoods (where facilitation of access to credit, financial services and savings is a critical element), while at the same time guaranteeing a collective public response for those deprived or seriously at risk (Secretary-General's report (E/CN.5/2001/2)).

Increasing financial integration in the global economy has been accompanied by a growing vulnerability of developing countries to financial and economic crises which have had devastating social costs, especially in terms of a rise in unemployment and poverty and reduced access to basic social services. With globalization, more flexible labour markets and the spread of informal types of work there is evidence that various forms of socio-economic insecurity are spreading, leaving a growing number of people and communities unsupported by mainstream forms of protection. In these situations it is women who are more adversely affected.

Given both the social dimensions and the economic implications of the HIV/AIDS pandemic, social protection schemes, particularly in developing countries, should be designed to take this into account, as was highlighted in the Programme of Action for the World Summit for Social Development (1995, para 38). The Report of the Secretary General to the Special Session of the General Assembly on HIV/AIDS (A/55/770, para 28) highlighted that more women than men are caretakers of people with AIDS, which puts the burden of care on them as well as financial responsibility for their family's survival. The implications of the important roles played by women in securing the continued livelihoods of families in contexts of considerable economic and social stress need to be identified and addressed.

Action required:

- **A comprehensive approach to the development of sustainable social protection systems which facilitates risk management at individual and family levels, particularly for women, as recommended by the Secretary-General's report (A/AC.257/12, para 44);**
- **Progressive extension of social protection systems to the sectors of the economy where women dominate, such as smaller enterprises and the informal economy, and to women performing unpaid work (as recommended by the Secretary-General's report (A/AC.257/12, para 44), through the introduction of special measures for those not covered by formal social protection systems. These measures should include the introduction of state-funded social assistance, and the promotion of micro-insurance programmes and micro-credit schemes at the community level;**
- **Development of social protection and social support programmes that take into account the multiple roles and concerns of women, including in particular their contributions to economic development through unpaid work, and meet the specific needs of particular groups of women, for example the reintegration of women into formal work after periods of absence and support for older women, as recommended in the Programme of Action of the World Summit for Social Development (1995, para 38 (j));**
- **Explicit consideration of the impact of HIV/AIDS pandemic on the social protection potentials of households and communities, taking particular account of the critical roles played by women;**
- **Make visible unpaid work and redefine the economic meaning of work to include unpaid reproductive labour.**

Savings and entrepreneurship

Formal programmes to promote savings and entrepreneurship development tend to neglect women. The assumption has been that women are unable, for a variety of reasons including extreme poverty, to mobilize savings effectively. Part of the reason for the failure to engage women has, however, also been related to the persistent perception of women as dependents of men and the assumption that any income women earn is purely supplementary and of less importance for household survival than the contributions of men. Studies have shown, on the contrary, that women's income is critical for family wellbeing. It is increasingly well known, for example, that women tend to allocate a greater share of household income to health, education and nutrition-related expenditures. Women are actively involved in small-scale enterprises which, in many cases, are essential for the survival of families and development of local communities, as acknowledged in the Secretary-General's report (A/AC.257/12, para 38). In addition, the existence of many different forms of informal savings clubs and networks run by women around the world is indicative of the strong interest and capacity among poor women to mobilize savings as a means of improving the welfare of their families.

Action required:

- **Promotion of household savings among the poor, taking into account specific constraints of different groups, including in particular women;**
- **Increase access to financial services and savings possibilities for small and medium-size enterprises run by women;**

- **Improve the opportunities and working conditions for women entrepreneurs by eliminating discrimination in access to credit and other productive resources, including information, new technology, management skills, improved infrastructure and access to wider markets, as recommended in the Programme Action of the World Summit for Social Development, 1995, paras 51 (d) and (f).**

II. Mobilizing international resources for development: foreign direct investment and other private flows

There are important gender perspectives in relation to FDI at macro-, meso- and micro-levels. At the *macro level*, FDI helps to promote the feminisation of the labour force and thereby contributes to increases in the intensity of women's labour in the formal sector (in Export Processing Zones, for example) and in the informal sectors (via subcontracting and homeworking links). At the *meso level*, there are issues of unequal transaction costs, inequitable access to information, asymmetric property rights and gender segmentation of markets. The expansion of investment opportunities as a result of the infusion of foreign investment may not be equitably available to women entrepreneurs, due to gender bias that locks women into, or out of, particular markets.

Credit conditions are generally more favourable to men. As a result of gender inequality in the ownership of economic resources, women may also lack the necessary property rights to qualify for credit to take advantage of new investment opportunities in the export or domestic sector. At the *micro level*, women's responsibility for household work may constrain their ability to take advantage of employment opportunities or to participate in higher-valued business activities. Furthermore, gender differentiated patterns of demand will influence the purchase of particular types of goods and services. Ultimately, the differing patterns of control over assets and income, and the bargaining power and position of women and men, will influence the investment and spending decisions related to the opportunities presented in trade and foreign investment liberalisation.

The relocation of labor intensive industries from advanced market economies to middle income developing economies has increased employment of women. Even though female employment has remained concentrated mainly in low skill sectors and the gender wage gap has shown no signs of disappearing, the rapid increase in the female labor force participation rate can have considerable positive impact on women's economic well being. Nevertheless, the issue of the poor conditions under which many women work needs to be consistently raised. The problem is particularly acute in sweatshops in the informal sector which, through arrangements such as sub-contracting and outsourcing, became an integral part of the formal economy and have experienced an explosive growth in recent years.

The shift of women into paid employment without inputs to relieve them of their reproductive responsibilities leads to unacceptable increases in the work loads, often with negative impacts on family welfare. Social service cuts, in both developed and developing countries, which shift responsibility for care, child-care and care of the

elderly, sick and mentally disabled, back to the family - and in effect to women - exacerbate this situation.

The increasing role of multinational corporations in food and agriculture is creating serious survival and sustainable livelihood issues for women farmers and women in family farming entities. Traditionally, women have dominated food production in many developing countries. In addition, the privatisation and transformation of land to cash crop export agriculture is affecting women's access to land in many countries. At the same time, the reduction in domestic support to agriculture will present a problems for small farmers, including women farmers, who are often totally reliant on some form of assistance from government.

Action required:

- **Establishment of a standard code of conduct for FDI and for transnational corporations that is transparent, fair and enforceable and includes adequate attention to gender perspectives, and other social equity issues;**
- **Evaluation of gender-specific developmental impacts of FDI, including on employment, income, working conditions, unpaid work.**

III. Trade

For many countries, trade is the primary vehicle for realizing the benefits of globalization. Trade policies affect employment, markets, distribution and consumption patterns, cultural values, social relations and the environment, all of which engage and affect women as well as men. Potential does exist for greater human development gains through trade, but only if the adherence of foreign firms to goals and established standards in relation to human rights, gender equality and environmental sustainability can be assured.

Many sceptics of the WTO system - including some of its members as well as civil society - are questioning whether the critical values and objectives of equity/equality, rights, transparency and sustainable development, on which the global trade system should be based, are being taken into account adequately. Issues raised include poverty, unequal income distribution, and gender disparities in relation to representation, access to and control of economic resources and in the shouldering of the burden of adjustment to economic shocks and dislocations resulting from trade liberalization.

Trade policies may have significant gender implications as various sectors of the economy are affected in different ways in terms of both cutbacks and expansion associated with membership in WTO. In the transition towards trade liberalization the sectors in which women represent the majority of the labor force are often the most affected by cutbacks. Women need to be given access to the opportunities linked to expansion in other sector areas. The Secretary-General's report (A/AC.257/12, para 70) recognized the fact that the textile and clothing sector and agricultural sector continue to

be critical in developing countries. It would also be important to highlight the fact that these sectors are as well the main source of employment for women in many countries.

Comparative advantage in low labour costs has led to the relocation of labour intensive industries to developing countries, assisted by policies including trade liberalisation, investment incentives and subsidies and deregulation of labour markets. This has significantly increased the demand for labour, usually non-skilled labour, and often young, female labour. The positive gains in this respect may, however, be negated by the lack of compliance with adequate standards for working conditions, leading to exploitation of workers, particularly where there are weak or non-existent rights of worker organisation, lack of opportunities for long-term skill development and the lack of sustainability of employment due to volatility of investment flows and intensive working conditions.

Research relating to trade and work has focused on formal, manufacturing employment. The implications of trade for small-scale agriculture, informal sector work, and unpaid household labour, are less well understood. In general the impacts of trade liberalisation have been mixed: positive in terms of women's employment and wages; but with negative impacts on leisure time and the reproductive economy that raise questions about the welfare outcomes and sustainability of such policies. More consideration should be given to the regulation of women's work that is hidden in the home or small sweatshops and informal sectors.

As well as being associated with rising female employment, trade liberalization is also expected to promote the expansion of women owned and operated businesses. Both of these opportunities provide women with income, which can contribute towards increasing their autonomy and empowerment in the household and the community. But trade liberalization policies may also exacerbate existing gender inequalities thereby worsening women's economic and social status. For example: trade liberalization policies that increase the employment of women in the formal and informal economy, without complementary measures such as day care, may simply increase the work burden of women; trade liberalization may also reinforce gender segregation and gender-typing of occupations and industries in which "women's jobs" have lower pay and less secure tenure than "men's jobs"; and trade liberalization does not necessarily move resources, such as land and credit, to women and may even reduce women's access to these critical resources, for example, when there is a switch from subsistence to cash crop production for export, women generally lose traditional access to land.

Existing gender inequalities can undermine the effectiveness of trade policy because they affect the factors that are critical to the successful implementation of the policy. Because of existing inequalities women may face difficulties in responding to incentives and opportunities. Women workers may have particular constraints, such as lack of childcare and sole responsibility for other reproductive activities, which can affect their ability to respond appropriately to price signals. The barriers women farmers and entrepreneurs face in accessing credit, technical assistance and training may also

negatively affect their ability to expand production and take advantage of new opportunities.

It is recognized in the Secretary-General's report (A/AC.257/12, para 78) that women in particular continue to be dependent on the agricultural sector and that the implications of this must be taken into account. Most discussions of trade have emphasized economic and political aspects at macro-level, but ignored the differential social and economic impact of changing trade patterns on women and men at other levels. This is particularly true in the agricultural sector which is the strength of many developing countries and where women play a critical role in both food and cash crop production. If gender equality concerns were to be given greater attention in trade policies, potential would exist for improving women's as well as men's standards of living and quality of life, for enhancing local community sustainability, and for opening access to resources and decision-making for women as well as men.

Actions required:

- **Analysis of the potential differential impacts of trade on women and men, and development of strategies to ensure benefits for women as well as men;**
- **Identification of measures to protect and retrain workers laid off in the sectors in which a country does not have a comparative advantage and to protect and invest in workers in the sectors in which the country has potential to specialize, taking into account the contributions and needs of women as well as men;**
- **Incorporation of social development perspectives, including gender perspectives, in the Trade Policy Review mechanism, particularly in relation to key development indicators, such as impacts on employment patterns and income generation;**
- **Investigate potentials for expanding access of women producers to trade opportunities..**

IV. Increasing official development assistance (ODA)

Effective mobilization and utilization of ODA to support achievement of the development goals established in the Millennium Declaration requires the establishment of strong economic and social policies and strategies in developing countries. The focus on ODA in the context of financing for development has stressed the importance of basing ODA on policies and programmes that enjoy ownership of the governments and civil society in recipient countries (Secretary-General's report - A/AC.257/12, para 83). Attention to consultation and participation should include attention to gender perspectives, ensuring that all groups in civil society, including women's groups and networks, have the possibility to make their voices heard and that women as well as men are reached in efforts to promote broad-based participation. The Secretary-General's report (A/AC.257/12, para 83) highlights the important role of ODA in promoting empowerment, in particular of women. The focus on expanding human capital and productive capacity within developing countries should be based on a recognition of the critical development inputs of women, and should identify and address the constraints hindering the full development of their potential

In response to intergovernmental mandates on gender mainstreaming the great majority of multilateral and bilateral development cooperation agencies have well established policies and strategies on the promotion of gender equality. Progress with the implementation of these policies and strategies has been mixed. Systematic mainstreaming requires attention to gender perspectives in analyses, policy development and in the planning, implementation and monitoring of programmes on the ground. It should ensure that women and men can influence, participate in and benefit from initiatives, resources and investments. The increased focus on programme assistance in many donor countries raises issues of the importance of gender perspectives in relation to the overall policy context and institutional development.

Bringing gender perspectives into ODA can ensure a more accurate understanding of the development potential in a country - the resources, opportunities and challenges - and enable more appropriate responses and sustainable development outcomes from development agencies. The Secretary-General's report (A/AC.257/12, para 90) highlighted the importance of raising interest in development assistance in donor countries by linking to specific pursuits that resonate with the public at large in these countries. This would include gender equality goals, since there is a strong interest in improving the situation of women in many donor countries.

The Secretary-General's report (A/AC.257/12, para 2) recognizes the need for special attention to resource needs in relation to humanitarian and complex emergencies. An improved focus on gender perspectives, through for example the Consolidated Appeals Process (CAP), should be given particular emphasis.

Action required:

- **Ensure that the development goals established in the Millennium Declaration, particularly in relation to poverty reduction and promotion of gender equality, are taken into consideration in mobilization and utilization of ODA;**
- **Support the development of sound socio-economic policies and development frameworks, with a strong focus on poverty eradication goals and gender equality, in developing countries to guide the mobilization and utilization of ODA;**
- **Support the development of capacity for incorporating gender perspectives into development policies and programmes in developing countries, as an integral part of ODA;**
- **Ensure that gender perspectives are fully integrated into the development policy and operational frameworks utilized by the United Nations and the Bretton Woods Institutions;**
- **Increase ODA earmarked for supporting social development and gender equality goals, particularly related to increasing economic decision-making roles for women;**
- **Enhance the role of ODA in ensuring that the benefits of globalization reach people living in poverty, taking particular account of the needs and priorities of women;**
- **Give attention to issues of ownership, consultation and participation with particular consideration of the constraints facing women and ensure opportunities for the contributions, priorities and needs of women as well as men to be taken into account;**
- **Development of effective accountability mechanisms to ensure that ODA is based on assessment of gender differences and disparities and incorporates relevant gender perspectives;**

- **Ensure involvement of women's groups and networks in the development of holistic national development frameworks in developing countries to guide the provision of ODA in line with social development and gender equality goals;**
- **Ensure that donor coordination includes attention to the effectiveness in eradicating poverty and promoting the achievement of overall social development goals and gender equality;**
- **Ensure that gender perspectives are explicitly addressed in the Consolidated Appeals Process;**
- **Focus on increasing gender mainstreaming as a means to both promote greater equality and ensure achievement of all other development goals, in efforts to improve the delivery mechanisms for ODA;**
- **Carry out regular reviews of incorporation of gender perspectives of ODA, in particular that linked to economic development;**
- **Ensure that any campaign to review the implementation of the Millennium Declaration goals gives adequate attention to gender perspectives;**
- **Enhance the role of coordinating bodies working to promote greater attention to gender perspectives in ODA, for example the United Nations ACC Interagency Meeting on Women and Gender Equality and the OECD/DAC Working Party on Gender Equality;**
- **Investigate the gender perspectives in relation to Global Public Goods.**

V. Debt

The debt problem facing many developing countries, besides curbing economic growth, is a major impediment to achievement of social development goals, including gender equality. Unfavourable loan terms and complex conditionalities, coupled with inadequate systems of debt management, have created an untenable situation for the HIPC countries. Heavy schedules of debt servicing and the policy adjustments required by the loans, particularly relating to cuts in basic goods and services or shifts of responsibility for these goods and services to the market, has led to increased poverty in many countries. The failure to take gender perspectives into account has also exacerbated gender disparities to the detriment of sustainable development. Debt relief is essential for developing national capacity for sustainable people-centred development in these countries.

Loan negotiations, including discussion of conditionalities, must take into account the impacts of proposed policy changes on social development, and on gender equality as a precondition for development. Debt management should also consider relevant gender perspectives as part of consideration of social development and equity/equality issues. The social costs of debt servicing in relation to reduced access to basic services such as health, education, water and energy supplies, the increased burden on women's unpaid work must be included in calculations (Twenty-third special session of the General Assembly (June 2000, paras 101 (i)).

Action required:

- **Ensure that international financial institutions take social consequences, including gender perspectives, into account in loan approvals, debt servicing and debt relief, in compliance with international goals on social development and gender equality;**

- **Give consideration in debt restructuring and debt relief to how the resources released could be utilized for meeting basic needs, alleviating poverty and achieving the goals of social development, including gender equality, in accordance with the recommendation from the twenty-third special session of the General Assembly (June 2000, para 101 (j)).**

VI. Addressing systemic issues

Strengthening the role of the United Nations

The Secretary-General's report (A/AC.257/12, para 144) recognizes that a major challenge in financing for development is to construct an international financial system that will best serve development in a globalized and interdependent environment - a system that is open, efficient, stable, innovative and just and which spreads opportunities to all. The importance of the international financial institutions enhancing the broader development focus initiated in recent years, with particular emphasis on poverty reduction and gender equality, is increasingly recognized. The United Nations has contributed to global consensus on development goals, particularly in relation to social issues, including gender equality, during the 1990s. The United Nations can play a key role in ensuring that the goals of the Millennium Declaration, including on poverty reduction and gender equality, are kept in focus even at the macro-level. The United Nations is particularly well placed to foster dialogue between different groups on global policy issues.

Action required:

- **Encourage the United Nations to provide leadership on incorporating gender perspectives into macroeconomic policies and institutions;**
- **Ensure that the General Assembly and ECOSOC, within their mandates and through their respective mechanisms (the committees of the General Assembly and the functional commission of the ECOSOC), bring adequate attention to gender perspectives in relation of all areas of financing for development;**
- **Ensure that the broader development agenda of the IMF and World Bank gives adequate attention to gender perspectives;**
- **Increase the representation and participation of women's groups and networks in economic fora at international level;**
- **Ensure that efforts to raise the standards of effectiveness, equity, transparency, accountability, participation and voice take account of gender perspectives;**
- **Include attention to gender perspectives in reviews of the compliance of international mechanisms with global policy goals;**
- **Include civil society, including women's groups and networks, in efforts to reach out and engage underrepresented groups, as part of policy coordination;**
- **Ensure that monitoring of global economic conditions, policies and institutions is undertaken from the perspective of overall development goals, including poverty reduction and gender equality;**
- **Include assessment of social costs, including the high costs for women, in the review of financial market failures.**