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FINANCING FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN: PARADOXES AND POSSIBILITIES

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∗ The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.
List of acronyms with links

AWID  Association of Women in Development  
B + 10  Beijing + 10 Global Review  
BPA  Beijing Platform of Action  
BRIDGE  A specialized gender and development research and information service within the Institute of Development Studies (IDS), Sussex University, United Kingdom (UK). It was created by the OECD/DAC Working Party on Gender Equality (now the GenderNet).  
C8  Meeting of 8 Commonwealth Women’s Affairs Ministers’ June 2007  
CBMS  Community Based Monitoring System  
CEDAW  The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, often described as an international bill of rights for women.  
CIDA  Canadian International Development Agency  
CRS  OECD Credit Reporting System on bilateral aid.  
http://www.oecd.org/dataoecd/25/10/31743730.htm  
CS  Commonwealth Secretariat  
DAC  OECD Development Assistance Committee  
DANIDA  Danish International Development Agency  
DFID  UK Department for International Development  
EU  European Union  
FDCF  UK Department for International Development’s Financial Deepening Challenge Fund  
FDI  Foreign Direct Investment  
GAVI  Global Alliance for Vaccines and Immunization  
GEM  OECD/DAC Gender Equality Marker  
GGICF  Proposal for a Global/Commonwealth Gender Innovation Challenge Fund  
GRB  Gender Responsive Budgeting  
IANWGE  UN Inter-Agency Network on Women and Gender Equality  
IDF  Gender and Financing for Development Taskforce  
IDA  International Development Association of the World Bank  
IFF  International Finance Facility proposed in 2003 by the United Kingdom and Northern Ireland
IFFGE  International Finance Facility for Gender Equality
IFFIm  International Finance Facility for Immunization
INSTRAW United Nations International Research and Training Institute for the Advancement of Women
MDG3  UN Millennium Development Goal number 3; to eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015. [http://www.un.org/millenniumgoals/]
MDGs The eight UN Millennium Development Goals (MDGs) which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015. [http://www.un.org/millenniumgoals/]
MTDF  Medium Term Development Framework Process
NORAD Norwegian Agency for Development Cooperation
NZAID New Zealand International Aid & Development Agency
ODA Overseas Development Assistance
OECD Organization for Economic Co-operation and Development
OECD-DAC Development Assistance Committee of the Organization for Economic Co-operation and Development
PD  Paris Declaration on Aid Effectiveness
PRSPs Poverty Reduction Strategy Papers, prepared by IMF and World Bank member countries with staff of the Bank and the Fund. [www.imf.org/external/np/prsp/prsp.asp]
RBB Results Based Budgeting
SDRs Special Drawing Rights in the IMF
SIDA Swedish International Development Cooperation Agency
SWAPs Sector Wide Approaches
Tobin Tax Excise taxes on cross-border currency transactions proposed by the Yale economist James Tobin. [http://www.ceedweb.org/iirp/]
UNDESA United Nations - Department of Economic and Social Affairs [www.un.org/esa/desa/]
UNIFEM The United Nations Development Fund for Women [http://www.unifem.org/]
UNRISD United Nations Research Institute for Social Development [www.unrisd.org/]
UNSIGI UN Statistical Division Inventory of Gender Indicators (2006)
WESS UN World Economic and Social Survey 2005 [www.un.org/esa/policy/wess/]
Introduction

This paper focuses on the central paradox which the promotion of gender equality and women’s empowerment current faces: universal commitments to gender equality versus the relatively limited progress that has been made over the past years in implementation at the national level. With this in mind, the paper addresses the following question: how can increased implementation of gender equality commitments be facilitated through financial and macroeconomic measures?

Commitments on financing for gender equality and the empowerment of women have been made by Governments at the international level, including at the Fourth World Conference on Women (1995), the twenty-third special session of the General Assembly (2000), and the Millennium Summit (2000) and the 2005 World Summit. In its discussion of the resources required for the promotion of gender equality and the empowerment of women, the Beijing Platform for Action emphasized that funding had to be identified and mobilized from all sources and across all sectors.\(^1\)

The Beijing Platform for Action called for sufficient resources to be allocated to national machineries for the advancement of women as well as to all institutions, as appropriate, that can contribute to the implementation and monitoring of the Platform for Action. Governments were also called upon to create a supportive environment for the mobilization of resources by non-governmental organizations, particularly women’s organizations and networks, feminist groups, the private sector and other actors of civil society, to enable them to contribute towards this end.\(^2\)

In addition, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW 1979), an international bill of rights for women, defines what constitutes discrimination against women and advances a national agenda for ending such discrimination. Currently over 90 percent of UN Member States, some 185 countries, are parties to the Convention.\(^3\)

At its twenty-third special session, the General Assembly called upon Governments to incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes, as appropriate, in order to promote equitable, effective and appropriate resource allocation and establish adequate budgetary allocations to support gender equality, development programmes that enhance women’s empowerment and develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation.\(^4\) Governments were also called upon to provide national machineries with the necessary human and financial resources, including through exploring innovative funding schemes, so that gender mainstreaming is integrated into all policies, programmes and projects.\(^5\)

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\(^1\) Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995 (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.

\(^2\) Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995 (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.


\(^4\) General Assembly resolution S-23/3, annex.

\(^5\) General Assembly resolution S-23/3, annex.
The Monterrey Consensus, adopted at the International Conference on Financing for Development in March 2002, highlighted the importance of a holistic approach to financing for development, including gender-sensitive development, and encouraged the mainstreaming of a gender perspective into development policies at all levels and in all sectors. The Paris Declaration on Aid Effectiveness (2005) acknowledged that harmonization efforts are also needed on cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.

There has been limited assessment of progress made in channeling and allocating resources to translate these commitments into action. Some research indicates limited progress. For example, it has been estimated that the financing gap, for implementing MDG3 specific goals and gender mainstreaming activities in low-income countries, ranges from $8.6 billion (2006) to $23.8 billion (2015). To realize MDG3 by 2015 would require external resources dedicated to financing gender equality-promoting interventions in the range of $25-28 billion annually in the low-income countries.

With this context in mind, the paper is organized as follows: Section 1 offers a discussion of macroeconomic policies, their links to financing for development initiatives and to gender equality commitments, in particular, those stemming from the Monterrey Consensus. It considers the references to gender equality and women’s empowerment in the document, assesses relevant gender equality issues omitted from the Consensus, and reviews the inter-governmental follow-up process. Section 2 introduces and discusses a set of measures that have been largely ignored in the dominant development paradigms, but have the potential to yield very significant and positive results: Gender Responsive Budgets and their actual and potential role in fostering development initiatives. The current shift to results-based public financial management systems, it is argued, may offer an important entry point for Gender Responsive Budgeting as it can contribute to more effective, efficient and equitable management of financial resources. Such measures are feasible and precise and they promise results that can help yield greater gender equality. Section 3 discusses how far and in what ways there has been and could be, greater mobilization of international economic resources, including aid flows that might promote gender equality. So far, relatively small proportions of aid flows have focused on gender equality. The paper considers the potential avenues for resources for gender equality offered through the new aid commitments of the Paris Declaration. Section 4 asks how far and in what ways these aid and other financial flows can be increased. It maps out some of the main proposals for new and innovative sources of financing at the international and multilateral levels, as well as in the private commercial and philanthropic sectors, and in the NGO realm.

Several other main messages are highlighted throughout this background paper. They include the following:

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In the follow-up process to the International Conference on Financing for Development, a complementary results-based consensus has emerged. On the one hand, it relates to more effective, efficient and equitable aid flows as outlined in the Paris Declaration principles. On the other, there has been a restructuring of public finances according to results-based budgeting and management. Both of these shifts create important entry points for Gender Responsive Budgeting initiatives and the successful linking of resources to gender equality objectives and strategies.

One of the limitations of the Monterrey Consensus concerns the lack of policy coherence between sound economic policies that emphasize low inflation and mobility of capital on the one hand, and, the social commitments to poverty reduction, human rights and gender equality on the other. The latter often require public spending to support social provisioning and to stabilize the social imbalances that result from deflationary policies. Better management of the interface between national regulatory and social regimes appears to be part of the newly emerging approach to development. So to improve matters, enhancing policy space and maneuverability for governments can help to balance the economic and social dimensions of policy that are necessary for meeting gender equality commitments. The potential multiplier effect of gender equality has been recognized by the Bretton Woods institutions as a key to realizing the MDG targets in 2015.

In relation to the follow-up process to the Monterrey Consensus, a number of alternative policy interventions that are likely to promote the empowerment of women and gender equality can be advanced within the broader financing for development agenda.

The goal of meeting the gender equality targets set out in the MDGs as well as the Beijing Platform of Action and CEDAW will cost money. This will require both an increase in overall external funding as well as enhancing the fiscal capacities of national governments through debt cancellation and relief, reformed tax systems and more effective targeting of resources. Effective monitoring should be established through gender-sensitive budgeting initiatives.

A number of potential financing for gender equality initiatives can be pursued, some of which build on existing mainstream proposals for increasing development flows such as the International Finance Facility and the Tobin Tax. Others include new ideas emerging from NGOs working on women’s empowerment and rights related to for instance, the growth of Women’s Funds.
Section 1: Macroeconomic policies, particularly in relation to follow-up to the International Conference on Financing for Development (The Monterrey Consensus):

The Monterrey Consensus represents an important recognition that financing for development has implications not just for financial markets but for all people in a society. The process draws attention to the value of bringing more representatives from a broad spectrum of interests into discussions about financing for development. The Monterrey Consensus encompasses the wider aspects of development such as democratic institutions responsive to the needs of all people, respect for human rights, and a commitment to just and democratic societies (para.11). Such a framework offers the potential for integrating initiatives for financing for gender equality as part of these broader processes of sustainable development. In the same paragraph, the Monterrey Consensus also ascribes to sound economic policies a specific combination of policy interventions in the areas of fiscal and monetary policy, which are aimed at the priority of stable low inflationary economic growth.

Box 1: Economic and Social Balance in the Monterrey Consensus

11. Good governance is essential for sustainable development. Sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation. Freedom, peace and security, domestic stability, respect for human rights, including the right to development, and the rule of law, gender equality, market-oriented policies, and an overall commitment to just and democratic societies are also essential and mutually reinforcing.


From a gender equality perspective, it is important to scrutinize the approach to economic policy in the prevailing development consensus, since recent studies conclude that too narrow of a focus on macroeconomic stability can have adverse effects on economic and human development. ‘Sound’ policy to defeat inflation for instance, has led to very high interest rates in a number of countries. Higher interest rates in turn have led to increased unemployment and this has contributed to continuing poverty. Economic growth does require measures such as employment creation, yet when viewed from a gender equality perspective, notions of ‘full’ employment also need to be scrutinized for not taking account of the unpaid work most women are engaged in. Lower income women in developing countries often suffer from ‘overfull employment’ based on the excessive demands on their time and energy to fetch fuel and water, produce meals, etc. Lower income women in the more developed countries still face many care responsibilities that compromise their ability

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to seek full employment in the formal labour market, a fact that is reflected in their higher concentration in part-time jobs in most countries.\textsuperscript{11}

Since most of the world’s poor are women, cutbacks in social infrastructure due to the ‘fiscal squeeze’ of macroeconomic stabilization programmes in the last three decades have significant implications for gender equality. With cuts in public spending to achieve fiscal balance (i.e., eliminating deficits) on the one hand, and the erosion of public revenues due to trade and financial liberalization as well as competition to attract foreign direct investment on the other, the resulting fiscal squeeze has affected women disproportionately partly because of the unpaid work they perform in caring for the sick and other unpaid work at home and in the informal sectors.\textsuperscript{12} So a gender perspective asks: does the financing for development agenda increase, decrease, or leave unchanged gender equality objectives?

The next section will assess the key policy areas of the Monterrey Consensus from the vantage point of these questions and outline how follow-up to the Consensus can support the empowerment of women and gender equality within the general context of financing for development.

**The Monterrey Consensus and Gender Equality:**

**References to Gender Equality and Women’s Empowerment in the Consensus**

A broad agenda for action in terms of financing for development was set out in the Monterrey Consensus. Leading actions considered are: the mobilization of domestic resources for development; trade as an instrument of development financing; private capital flows; official development financing; debt and development; and the international financial system.

Several references are made to women’s empowerment and gender in the Consensus. These refer to a holistic and interconnected approach to financing for development that is gender-sensitive (para. 8); good governance, sound economic policies and the importance of gender equality for realizing such goals (para. 11); empowering women in the context of appropriate national policy and regulatory frameworks (para. 12); investments in basic social and economic infrastructure that is gender-sensitive (para. 16); microfinance, particularly for women (para. 18); capacity building that includes gender budget policies (para. 19); business frameworks that are sensitive to the gender implications of their undertakings (para. 23); and, calls for governments to “Mainstream the gender perspective into development policies at all levels and in all sectors” (para. 64).

The references to gender equality and women’s empowerment in the Consensus recognize the cross-cutting nature of these issues. However, the references to gender and women were not directly integrated throughout the leading action areas – there is only a call to be gender-sensitive in applying policies and programmes without a clear time frame or a set of institutional arrangements for implementing gender mainstreaming objectives in the context of other development goals. Furthermore, the distributive and social consequence of market


\textsuperscript{12} Nilufer Cagatay, “Gender Budgets and Beyond,” *Gender and Development*, Vo.11., No.1 (2003).
liberalization and other sound economic policies referred to in para. 11 of the Consensus are not considered.13

Relevance of Gender Equality to Monterrey Consensus Implementation

What follows is a consideration of the leading action areas for financing for development specified in the Monterrey Consensus from a gender equality perspective as specified in the mandates of the international commitments outlined in the Introduction to this paper. One of the leading action areas – official development assistance (ODA) – will be discussed separately in Section 3 of the paper.

a. mobilizing domestic resources for development

Finance, gender and distribution are important topics of financing for development. The main focus in this area of research and policy has been on the effects of policies on economic growth and the impact of growth on income distribution. A weakness with the current financing for development consensus is the implicit assumption that economic growth is the main causal factor enhancing human capabilities.14 However, feminist economists argue that the welfare effects of policies are frequently shaped by the interaction of markets and non-market sectors, inequality in access to resources (land, property rights and inheritance, credit), and the gender division of labour within households, which often determine opportunities and constraints for market access and wider participation.

More recently, a reconsideration of the economic policy prescriptions of the last three decades has led to calls for a more balanced approach that is context-specific, not ‘one size fits all’, and aims to bring together economic and social stability. The United Nations World Economic and Social Survey 2005, for instance, notes that while economic growth appears to be a necessary condition for reducing poverty, the link varies depending on income distribution, that is, how the benefits of each country’s growth are distributed and the types of economic and social policies that are part of this process. The survey underscores that while ‘market-friendly’ government policies can play a role in creating an attractive investment climate, ‘…the most crucial are probably credible national development strategies and policies that reduce uncertainty by giving a clear sense of priorities and direction…and provide a strategy for improving a country’s physical infrastructure”15. The survey also concludes it is important to weigh macroeconomic stability (price stability and sound fiscal policies) against financial crises which may be more damaging to investment than moderate rates of inflation. Similar conclusions are presented in UNRISD’s Gender Equality: Striving for Justice in an Unequal World (2005).

14 Floro et.al, Gender Issues and Concerns in Financing for Development, p.7.
At the broader level of macroeconomic policy, a comprehensive study by Elson for UNIFEM (2006) examines the relationship between the macroeconomics of national budgets and women’s rights to equality as enshrined in CEDAW, the Convention on the Elimination of All Forms of Discrimination against Women. CEDAW is an important instrument as it requires that all government measures be non-discriminatory and that the achievement of substantive equality between women and men be a part of States’ mandates. A number of conclusions are worth highlighting here as they relate to the policy follow-up to the Monterrey Consensus. These are outlined in Box 2 below. Elson’s study suggests the importance of creating policy space for alternative approaches to public finance. Rodrik, in a recent paper on these questions sees policy space as recognizing that countries sometimes need manoeuvring room.16

**Box 2: Conclusions on the macroeconomics of the budget**

- Macroeconomic policy should support women’s right to equality in (paid) work, on equal terms with men (CEDAW Article 11); the work should conform to human rights standards concerning work and the ILO definition of ‘decent work’.
- Women should not suffer disproportionately if a budget deficit is reduced by cutting the level of public expenditure (CEDAW Article 2).
- Macroeconomic policy should ensure the ‘full development and advancement of women’, taking into account women’s unpaid work, as well as women’s paid work (CEDAW Article 2; CEDAW General Recommendation 17).
- There is emerging evidence that macroeconomic policies based on high levels of both tax revenue and public expenditure are more conducive to gender equality and advancement of women.
- Restrictive macroeconomic policy rules such as balanced budget requirements and specific limits on the debt to GDP ratio and the budget to GDP ratio make it difficult to consider alternatives; yet different strategies imply different distributions of costs and benefits. Hence, extensive and inclusive public dialogue about macroeconomic strategy is required.


Elson’s study also underscores the importance of ensuring that resource mobilization and allocation at domestic levels: (i) take a relevant gender perspective, (ii) provide equitable opportunities for women and men to voice their priorities and needs, and (iii) requires an institutionalized dialogue around national budget processes and national development plans.

**Summary - Key aspects of mobilizing domestic resources for gender equality and women’s empowerment include:**

- An ongoing analysis of market and non-market factors and how these influence the gender division of labour and income distribution.

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Balancing macroeconomic stability and social stability through gender-sensitive policies and Gender Responsive Budgeting.

Encouraging the monitoring of national budgets according to the CEDAW articles and recommendations with relevant output and outcome indicators to capture whether domestic resource mobilization advances gender equality and human rights.

b. trade

Trade and investment agreements are reshaping national and global governance toward more privatized and marketized forms and regulations. For example, trade liberalization involves the dismantling of government regulations, such as trade and tariff barriers, to permit more foreign competition and investment in the economy. The direct impacts of trade on financial resources for gender equality operate through the effect of trade on employment, income and prices in the economy.\(^{17}\) This means that a complex picture emerges across countries in terms of the impact of trade on gender equality and vice versa. However, trade liberalization is part of a policy approach that may contribute to the weakening of the capacity of governments to fund social infrastructure and services. It focuses on removing the responsibility for economic and social development from government placing it increasingly in the hands of individuals and markets, sharply reduces trade taxes due to trade liberalization, and shifts the tax burden away from businesses towards labour due to competition among governments to attract foreign capital. This raises important concerns about how to hold private interests accountable for actions that have public consequences.\(^{18}\)

As the Gender and Financing for Development Taskforce of the UN Inter-Agency Network on Women and Gender Equality (IANWGE) notes in its 2001 report: “…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”.\(^{19}\) Insofar as government revenues and expenditures become more constrained, this will not reduce the gender inequalities of poor women in particular who rely more heavily than the more affluent on public services and investment (UNRISD 2005).\(^{20}\) Hence, an important aspect of the Monterrey Consensus follow-up process is to incorporate a social development and gender perspective into the Trade Policy Review mechanism. At the moment, there is agreement that no effective monitoring system exists that can answer the questions of whether trade policies which are advocated to address inequalities between countries will be adequate for reducing gender inequality within countries.

Mariama Williams recommends the following in her recent publication on the subject:

\(^{18}\) Cagatay, “Gender Budgets and Beyond,” pp.16-18.
• Each country should develop a framework for engendering its trade-related capacity building and Aid for Trade programmes.
• Trade diagnostic studies focusing on promoting trade readiness and market entry should include gender analysis and pay specific attention to the needs of women-owned Small and Medium Enterprises.
• Trade negotiation mandates should proactively include a gender-sensitive framework for each of the sectoral areas under negotiation.
• Gender-sensitive flanking measures\textsuperscript{21} should be introduced to deal with the negative outcomes of trade reform underlying the implementation of trade agreements.

Summary - Key aspects of trade for gender equality and women’s empowerment include:

- Building efficient, fair and gender-sensitive tax systems to enhance the capacity of governments to meet their social and human rights obligations.
- Incorporating a social development and gender perspective into the Trade Policy Review mechanism.
- Engendering national and sectoral trade strategies, increasing women’s role in trade negotiations, and developing gender-sensitive flanking measures.

c. international private capital flows

Different forms of financial flows offer different implications for gender equality and development. For example, Foreign Direct Investment (FDI) is a less volatile form of financial flow than portfolio investment as it can support development through technology transfer and market access. Competing for increased financial flows can lead to heightened instability if this involves speculative capital inflows and volatile currency transactions (portfolio flows). The resulting financial crises impose significant social costs on especially the poor and women in the form of high inflation, depreciating currencies, bank failures and the collapse of public revenues.\textsuperscript{22} A newly emerging consensus that advocates more flexible macroeconomic policies and gives governments the ability to pursue counter-cyclical policies is an important advance for financing for gender equality as these policy interventions can buffer some of the harshest effects of economic crisis. The implications of this more flexible approach will be discussed in Section 2 on Gender Responsive Budgeting.

In addition, recent examinations of FDI in terms of its short- and long-term impacts on women’s employment and their conditions of work have been undertaken as a follow-up to the trade liberalization principles espoused in the Monterrey Consensus. Braunstein in a study for UNRISD (2005) concludes that: (i) FDI in labour-intensive, export-oriented industries has had a significant impact on women’s work and development. In the short-

\textsuperscript{21} Flanking measures seek to improve the outcomes attributed to a policy.
\textsuperscript{22} See UNDESA, \textit{World Economic and Social Survey 2005} and UNRISD, \textit{Gender Equality in an Unequal World} (2005).
term, women’s incomes improve but as industries expand and upgrade, women either lose their jobs to men or are pushed down the production chain into subcontracting work. (ii) FDI policies can and should be structured from a gender-aware perspective and can be categorized according to their various targets – attracting FDI, contributing to economic growth or promoting gender equity. She also notes that, “[i]n terms of equity itself, however, it is argued that the most important intervention open to governments is to enhance the productive capacities of women and girls, as well as to expand the social supports available to them and their families as they enter the labour market”.  

A potential limitation to providing the social supports necessary for enhancing women and girls’ productive capacities relates to the reserve system developing countries are forced to hold as a hedge against the volatility of currency and capital flows that come with increased financial integration. Capital outflows from the developing world and more recently, large foreign-reserve accumulations mainly held in the form of US Treasury bills – also known as negative transfers – remain a significant problem for financing development reaching an estimated $350 billion in 2004. Every year these reserves mean that countries must forego spending to buy goods and to support domestic social provisioning needs.

The increasing dominance of multinational corporations in food and agriculture is also raising serious questions about food security and sustainable livelihoods for women farmers and women in family farming entities.

Finally, a relatively new and increasing source of foreign exchange for many developing countries has been migrant remittances. Various proposal for channeling remittances beyond direct financial support for families toward projects in the local communities of origin and organizing remittance-backed housing purchases have been developed by the UN and various NGOs. These ideas will be more directly linked to new finance for development initiatives discussed in Section 4 of this paper.

Summary - Key aspects of international capital flows for gender equality and women’s empowerment include:

- Encouraging less volatile forms of FDI that support development through gender-sensitive technology transfers, training and market access.
- Ensuring that FDI is assessed from a gender-aware perspective and categorized according to its promotion of gender equality as growth alone may not enhance women’s empowerment and substantive gender equality.
- Re-examining the foreign reserves structure and initiating a global public goods fund for development and gender equality objectives.

24 UN DESA World Economic and Social Survey 2005: x.
Facilitating the channeling of remittances toward social infrastructure that reduces the unpaid work of women and girls.

d. **external debt**

Debt cancellation and reduction may be an important contributor to the introduction of policies that promote mobilization of domestic resources to achieve the MDGs. The developing world currently spends $13 on debt repayment for every $1 it receives in grants. Debt must remain at sustainable levels otherwise commitments on social spending may exceed savings on debt service, leading to more indebtedness. A considerable number of highly indebted poorer countries have received some relief on debt repayments so as to move towards this condition of sustainability.

Freeing up resources through reduced debt servicing can lead to greater resource allocation to the social investment sector (health, education, social infrastructure). However underlying loan conditionalities requiring sound macroeconomic fundamentals still prioritize price stability, low debt and capital mobility over social development priorities. Monitoring mechanisms need to be put in place that will assess which elements of the Monterrey Consensus are being followed through and whether gender equality is part of the framework of decision-making.

**Summary - Key aspects of external debt for gender equality and women’s empowerment include:**

- Facilitating debt reduction and introducing Gender Responsive Budgeting to ensure that the reallocation of resources and the distribution of the tax burden occurs in a gender-aware and equitable fashion.

e. **systemic issues**

A more comprehensive financing for development process informed from a gender perspective will need to address systemic issues. It will need to find a means of including gender perspectives in macroeconomic policies, international, multilateral and national institutions. This also means ensuring that civil society networks have not just voice but also the required resources to intervene and engage in the international financial system.

So one way to pose this issue is in terms of what political economists have called *voice and exit in matters of governance*. Put simply, poor women and men often have very little “voice” in matters of political representation and policy-making, in contrast to the well organized producers, like corporations and their business associations, or indeed, well organized trade unions. Corporations, under conditions of capital mobility and liberalization, not only have voice, they also have the right to exit the jurisdiction if the business for investment climate is perceived to have deteriorated to the point where their

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investments are threatened. So, whereas capital is relatively mobile, labour mobility is relatively regulated, often hemmed in by restrictive immigration measures that prevents the free movement of labour. This is even more the case for the poorest members of society, particularly poor women who are often bound to specific places by virtue of their roles in social reproduction including work in subsistence, which is by definition place-bound.

Addressing the asymmetry of voice and exit options from a gender-sensitive perspective is crucial to reforming global economic governance structures and financial relations. A key part of the success of any new development paradigm will be to engender economic governance regimes by making the non-financial count in financial decision-making at all levels. The reforms underway through the Paris Declaration may offer an opportunity to advance a new and integrative agenda that embeds gender equality in its monitoring, review and evaluation processes.

**Summary - Key systemic issues for gender equality and women’s empowerment include:**

- Bolstering resources and political representation for women in economic governance regimes.
- Incorporating the care economy and informal social provisioning in financing for development dialogues and planning.
- The Paris Declaration offers an opportunity to advance a new and integrative agenda that embeds gender equality in its monitoring, review and evaluation processes.

**Gender Equality in the Intergovernmental Follow-up Processes to the International Conference on Financing for Development**

Gender equality and the empowerment of women received limited attention in the follow-up processes – the High Level Dialogue on Financing for Development every two years and the annual consideration of various Financing for Development related issues by the Second Committee of the General Assembly, and the annual Special High-level Meetings of the Economic and Social Council with the Bretton Woods Institutions and the World Trade Organization on the follow-up to the Monterrey Consensus.

**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 to use 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.27

The informal hearings of civil society conducted in preparation for the High-level Dialogue on Financing for Development in 2003 and 2005 underscored the need for the Bretton Woods institutions and World Trade Organization (WTO) to incorporate gender equality concerns in their policies28 and the need to undertake analysis of the impact of agreements on women, and emphasized the urgent need to address the situation of women and proposed indicators, including those on the advancement of women, for monitoring progress and their impact.29

One of the reports of the Secretary-General on the follow-up to and implementation of the outcome of the International Conference on Financing for Development highlighted the gender gap in primary school enrolment and wages, and women’s limited access to credit, and included recommendations on providing non-discriminatory access to credit and strengthening financial services for women.30 Another report underlined the challenge in poverty reduction and social development, that is the design and implementation of structural policies, such as implementation of education and job-training programmes and measures that improve access for women and youth to these services to facilitate the match between the demand and the supply of workers, consistent with macroeconomic policies conducive to cyclical stabilization of employment.31 The most recent report indicated that recent innovative experiences of broad social participation and incorporation of gender-responsive approaches in the formulation and monitoring of national and local budgets led to increased social expenditures, including a better focus on gender equality and highlighted the importance of gender-responsive budgeting in improving the effectiveness and targeting of public expenditures.32

**Economic and Social Council (ECOSOC)**

The annual Special High-level Meetings of the Council with the Bretton Woods Institutions and the WTO 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.33 In 2004, the important contribution of women in support of, and as part of, private sector development was highlighted.34 In 2007, participants emphasized the importance of addressing the gender dimension in development finance; in particular, the effective participation of women in the implementation of aid programmes and the adoption of gender-sensitive budgeting.35

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27 A/60/219  
28 A/58/555/Add.1  
29 A/59/855  
30 A/58/216  
31 A/59/270  
32 A/62/ (Advance unedited version)  
33 A/58/77-E/2003/62  
34 A/59/92-E/2004/73  
The Fiftieth Session of the Commission on the Status of Women reaffirmed the international commitments on gender equality outlined at the outset of this paper and signaled the lack of time-bound targets for the implementation of gender equality policies and strategies (para. 8).36

Similarly, 600 civil society representatives met in Geneva in June 2007. The final statement of the Civil Society Development Forum notes a “new narrative – a new approach – is needed, that recognizes the emerging convergence of growth and development strategies with human rights norms, including gender equality…” (para.6). The Final Statement also concludes that “there has been an astonishing lack of monitoring of the recommendations of the Monterrey Consensus” (para. 23).37 To this end, participants recommend that ECOSOC hold annual ministerial-level review of progress towards agreed development goals (para.28). In addition, the appointment of rapporteurs at the local level to monitor progress is suggested.

**In sum, suggestions for follow-up include:**

- Integration of a gender perspective into all follow-up intergovernmental and multilateral processes.
- Annual ECOSOC ministerial-level review of progress toward development goals and gender equality targets.
- Having the Bretton Woods institutions and the WTO systematically undertake analysis of the impact of agreements on women, instituting indicators and time-bound targets, for monitoring progress and their impact on the advancement of women.
- Instituting Gender Responsive Budgeting to improve the effectiveness of targeting expenditures and revenues and facilitate the greater participation of women in economic policy making.

**Section 2: Gender Responsive Budgeting (GRB) as a Means to Track the Link Between Financing for Development and Commitments to Gender Equality:**

**Why Gender Responsive Budgets Matter**

Participatory budgeting and analysis - whether it is pro-poor, environment-sensitive or gender responsive - offers a new potentially innovative means for ensuring government accountability to international and national commitments as well as a more balanced distribution of public resources. Of course, it needs to be combined with other measures so as to produce policies that create sound outcomes in terms of social and gender equality. There are a number of compelling reasons why GRBs offer a link between the

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commitments to financing development (Monterrey Consensus, Paris Declaration) and the more specific goals of attaining resources to meet the goals of achieving substantive gender equality.

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’ that is articulated in the Paris Declaration. Furthermore, in the case of low-income countries, “between 35-52 percent of the total costs of the MDGs can be directly attributed to the achievement of gender equality objectives”. 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.

Second, similar conclusions about Gender Responsive Budgeting have been drawn in terms of fulfilling international gender and human rights commitments such as CEDAW and the Beijing Platform of Action. Two recent studies by Budlender (2004) and Elson (2006) focus on government budgets – that is, public expenditure and revenue – as indispensable tools for the realization of human rights. 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 as it applies in the South African context. This is an important contribution as most manuals provide questions on laws, policies and programmes but do not deal with budgets. She also provides a series of outcome indicators based on the Beijing Platform of Action.

Elson offers a comprehensive guide which analyses government expenditure, revenue, macroeconomic policy and budget decision-making processes from a CEDAW perspective. Elson’s 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”. Linking women’s human rights to government budgets affords both a legal force and a moral authority. CEDAW imposes binding legal standards on States. The discourse of human rights also introduces a moral and value-based assessment of finance, relating finance to human rights norms. Both of these reports offer detailed and actionable templates for linking budgeting processes and outcomes to gender equality commitments and as such, are important contributions to the financing for gender equality follow-up process.

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Third, the emerging aid architecture points to an increasing proportion of aid financing through direct budget and sector support. Such a trend has raised concerns about gender equality objectives ‘falling off the table’ as less opportunity exists for special donor-funded ‘gender projects’. On the other hand, there are concerns that special gender-targeted activities and financing may alleviate the need for serious gender mainstreaming in activities supported through the general budget. As the evidence from SWAPS and PRSPs seems to suggest, gender-sensitive approaches are more likely to be taken into consideration in the social sectors (education, health and even agriculture) as opposed to in the ‘harder’ economic sectors (transport, rural infrastructure, finance).41

Fourth, budgets have also been tied to the new thinking about aid and development assistance. The ‘New Public Management’ 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 in an attempt to promote a more accountable and results- and citizen-oriented government.42 One limitation of this shift is that it tends to eclipse other concepts of efficiency such as social and allocative efficiency. Similarly, 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: (i) to allocate resources according to government priorities and objectives and, (ii) 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 harmonization with Gender Responsive Budgeting initiatives.

**Results-based Budgeting (RBB)**

Results-based Budgeting (RBB) is one component of the New Public Management approach to economic governance. The shift to performance based or results-based budgeting, has led gender equality advocates to ask: does the adoption of budget reform along these lines offer opportunities for new monitoring and accountability mechanisms for linking budgets (resources) and gender equality commitments? One general study by Rhonda Sharp offers a technical consideration of the strengths and limitation of results-based budgeting (RBB) for gender responsive budgets based on country experiences and the availability of data and indicators. Sharp outlines a number of strategies for achieving more gender aware outputs and outcomes within the RBB framework. She notes that the RBB framework involves a particular approach to budgetary and policy performance that can be summarized in the following manner:

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a. What does the government want to achieve? **OUTCOMES**  
b. How does the government achieve this? **OUTPUTS**  
c. How does it know if it is succeeding? **PERFORMANCE REPORTING**

Sharp advocates *three* dimension or means by which gender responsive budget frameworks can engage with output and outcomes budgeting:

1. By developing *gender-sensitive indicators of inputs, outputs and outcomes*. Gender and other disaggregated data enhance the clarification, evaluation and targeting of all budget outputs and outcomes, central aspects of results-based budgeting. At present, most examples relate to specifically targeted programmes for women and girls (e.g., health services and social policies).

2. 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 RBB models with their economy, efficiency and effectiveness criteria of performance.

3. 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-money 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 accompany 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.43

Ultimately, budgeting is a political process involving power and 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 RBB and GRB recognize that budgets are both a document and a process. Hence, a gender sensitive framework needs to engage with the whole budget cycle not just the budget enactment stage. Sharp urges that GRBs need 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 however, difficult since GRB initiatives may have restricted entry points to the different phases; intended outputs and outcomes are not adequately specified so the difference between what is realized and what was planned is difficult to assess; and there may be huge gaps in the expenditure and revenue plans as opposed to actual collection and spending.

New rules of the game or institutional arrangements also accompany RBB. These can be informal such as a history of community decision making in policy decisions (eg., Samoa

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and Port Alegre, Brazil) or formal, such as cabinet rules and parliamentary consultations. Sharp’s study notes that appropriate institutional arrangement are very important to contributing to the success of GRBs. For example, women’s budget desk officers in Australia and a strong coordinating role of Treasury/Finance Ministries in the Commonwealth GRB pilots in Barbados and St. Kitts and Nevis contributed to the accomplishments of these GRBs. Strong links to parliament in the case of the South African and Ugandan civil society initiatives are also cited. Funding national machineries for the advancement of women and incorporating those machineries in all stages of the budget process are important to successfully linking financing to gender equality commitments outlined in the Global Framework of the Beijing Platform of Action. The General Assembly reaffirmed its call for sufficient resources to be allocated to national machineries in its five-year review of the Beijing Platform of Action in 2000.44

Many of the issues raised by Sharp were also identified in a study of the transition to RBB within the United Nations system. The study by Beck and Bakker for The Inter-agency Taskforce on Gender Mainstreaming in Programme Budgets focuses on 14 UN agencies and the extent to which gender equality objectives have been mainstreamed through the agencies’ respective programme and budget processes from 2000-2002. The various stages of budget planning and programme design were assessed from the vantage point of gender mainstreaming. These include:

- The Budget Instructions and their inclusion of gender equality examples and objectives
- The process of the Medium Term Plan and the extent of involvement by gender focal points
- The content of Medium Term Plans and their references to gender equality and gender mainstreaming
- Attention paid to gender equality in the preambles to programmes of work
- Adequate reflections of gender perspectives in expected accomplishments/objectives, outputs and outcomes
- Appropriate gender-sensitive indicators
- Attention to gender equality in budget headings
- Gender-sensitive mechanisms for monitoring and reporting

In particular, the authors note that the process of dialogue and planning as well as enhancing the capacities for monitoring and oversight, are key to meeting gender mainstreaming commitments within budget and programme planning processes.

The general findings include:

- That a concerted effort has been made throughout the United Nations to develop the capacity to identify and address relevant gender perspectives in all areas of work, at both normative/policy and operational/programme levels.
- Much however, remains to be done before gender mainstreaming is consistently

implemented throughout the United Nations programme budget systems. Budget instructions need to clarify that gender mainstreaming in programme budget processes is not concerned with the number of women and/or men in budget departments or elsewhere, but relates to integrating relevant gender perspectives into work programmes through their incorporation in objectives, expected accomplishments, indicators and activities.

- Stronger linkages are required between rationales for gender mainstreaming in programme budget processes as a means to increase gender equality, and the achievement of effective development in other sector areas.
- Good practice examples of gender mainstreaming in programme budget processes should continue to be developed and documented. In particular, decision-making processes need to be made visible and scrutinized for their effectiveness in bringing gender perspectives to the fore in good practice examples.
- Related to the last point, case studies of entities have shown the value of the process involved, that is, assessing progress in gender mainstreaming through a consultative process involving all actors (programme budget staff, programme staff and gender focal points). The encouragement of dialogue between these decision-makers was deemed to be as important as the findings within the various entity reports.
- Measuring results, monitoring and oversight are important accountability mechanisms but largely underdeveloped. Quantitative and qualitative assessments of the extent to which gender perspectives have been incorporated into preambles, statements of expected accomplishments/objectives and indicators could be an important example to the United Nations system of how to move ahead with monitoring.45

Gender Responsive Budgeting and PRSPs (National Plans)

Generally, gender mainstreaming in Poverty Reduction Strategy Papers (PRSPs) is virtually absent and most are without budget allocations to support gender equality although as Gaynor notes, there is some recent evidence that a strong effort by partners, donors and gender equality constituents can lead to more effective mainstreaming of gender in PRSPs over time (e.g., Uganda).46

The imbalance of the economic and the social sectors in PRSPs suggests the importance of GRB initiatives to help align budgets with national plans of poverty reduction whilst integrating gender equality concerns throughout the process and analysis. Budlender, assessing Pakistan’s PRSP document of 2003, suggests four steps for integrating gender into the poverty diagnosis and the actions and monitoring and evaluation systems of PRSPs.


a. *Identify gender issues in the poverty diagnosis* (similar to step 1 of GRB; situation or needs analysis of women and girls, men and boys)
b. *Translate the gender dimensions of poverty into the selection and design of priority public actions* (GRB step 2: policy analysis to check whether policy is gender-responsive)
c. *Design indicators to evaluate the effectiveness of the PRS programme in reaching and benefiting both women and men* (GRB step 4: examination of monetary and physical outputs and whether they promote gender equality).
d. *Ensure the participatory consultations give voice to both women and men* (no equivalent GRB step).

In her view, GRB, like the medium term budget framework, “provides a way of building these steps into annual government procedures rather than doing the steps only every few years as part of a PRSP or MTDF process”.47

**Gender Responsive Budgeting and Community Based Monitoring (Decentralization)**

One aspect of performance oriented, results-based budgeting has been an emphasis on decentralized responsibility. The rationales for decentralization rest on several arguments: that local-level decision makers tend to have better knowledge of the local situation; and, that it provides better opportunities for local people to participate in decision-making around government policies and programmes. Hence, making local government officials more gender-responsive in formulating their budgets has become an increasing focus of aid since aid can constitute the source of financing for more than half the national budget for developing countries.48

In an effort to facilitate GRBs at the local level, the Canadian International Development Agency (CIDA) has developed and implemented the Community Based Monitoring System (CBMS) in 14 countries over the last ten years. The CBMS focuses explicitly on poverty and incorporates basic needs such as health, education, shelter, peace and order in its definition of poverty. The CBMS is implemented at the lowest administrative level (the village, for example) and is intended, through a series of basic needs indicators to inform local decision-makers to help them fashion policies that will improve the well-being of residents. The CBMS tool fills the gaps in data on poverty that are found in national surveys and censuses by offering a more disaggregated understanding of these key components of well-being. Gender budgeting advocates argue that a gender-disaggregated set of indicators of well-being around poverty reduction can enhance the CBMS process and allow for more effective and equal targeting of local resources. Additionally, GRBs ideally look at how gender intersects with other factors that influence needs such as location, age, ethnicity and class and thus offer a broader assessment of the factors contributing to poverty and its alleviation.

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For this reason, CBMS is increasingly seen as a potential instrument for helping to monitor PRSPs, the MDGs and other development initiatives at the local level. However, it should be noted that while GRB and CBMS at the local level can be very useful assessment tools, much of their impact will be shaped by the degree of fiscal autonomy of the local jurisdiction as well as the resources available to make meaningful changes in people’s lives.

Budlender et al. suggest that there may be ways to link local level GRBs with CBMS. They argue that CBMS can assist with GRBs at the local level in four of the five key steps of analysis. These include assisting GRBs in: (i) Situation or needs analysis – the situation of men and women, boys and girls in the sector; (ii) Policy review – are activities gender-sensitive?; (iii) Monitoring of outputs – is expenditure spent as planned?; and (iv) Evaluation of outcomes or impact – has the policy or expenditure promoted gender equity as intended?

At the moment, the marrying of local level GRB and CBMS is at the pilot stage in the Philippines, Bangladesh, and Pakistan among some examples, but there is interest among local level GRB practitioners to develop joint efforts to allocate local resources toward poverty reduction with gender equality objectives in mind.49

Assessing GRBs: Accountability is an aspect of governance that involves power and authority relationships (of governors to governed), transparency (the ability to inspect and establish the truthfulness of claims) and the credibility of policies over time (a government's intentions and action 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 in their policy impact since men and women occupy different social and economic positions. To date, there has been limited focus on the revenue side despite findings that indicate more regressive tax regimes are worse for meeting gender equality objectives.50 This then represents an important area of focus along with the establishment of a fair and more effective system of taxation.51

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 advancement of women. As Budlender warns, GRBs are not a panacea. They

49 Debbie Budlender, Celia Reyes, and Martha Melesse (2005) Gender Responsive Budgeting though the CBMS Lens.
have in some cases helped to channel development resources in a more equitable manner yet there are also limitations that must be underscored. These limitations include:

- Limited impact on macroeconomic policy which is often shaped by international financial institutions and forces of globalization;
- Little practical linking of budgets to rights to date;
- The contradictions between gender equality as an issue that cuts across sectors and ministries and the bureaucratic reality of line functions, departments and agents which mitigate against a broad approach;
- Difficulty in assessing the impact of GRBs given limited power to effect change and the fact that policy change is often due to a range of forces not one single initiative.\(^{52}\)

A Note on Data and Indicators

There is a clear recognition that gender disaggregated data and indicators enhance RBB yet only a limited number of examples of gender-sensitive performance measures of budgetary programmes exist. Sharp identifies several reasons for this: the lack of commitment to gender issues and the challenges of the task. Despite these roadblocks, she concludes, “the development of gender-sensitive output and outcomes performance measures should be regarded an essential step in gaining performance information hidden by aggregation”.\(^{53}\)

An example of such an attempt is offered by Beck (2007) who provides clear benchmarks, guidelines and indicators for the development of a monitoring and evaluation framework for the implementation of the Commonwealth Plan of Action for Gender Equality 2005-2015. The framework also supports the Commonwealth’s international commitments to 10 year review and appraisal of implementation of the Beijing Platform of Action, the MDGs, CEDAW, etc. He suggests that 2007 be used to establish a baseline of data against which progress can be measured and discusses a series of quantitative and qualitative indicators; largely based on *The World’s Women 2005* (DESA 2006) and the *UN Statistical Division Inventory of Gender Indicators* (UNSD 2006). Both of these sources offer an extensive discussion of gender equality related data availability in relation to the monitoring and evaluation framework Beck develops for the Commonwealth Plan of Action.\(^{54}\)

BRIDGE, in collaboration with UNDP, has also just developed a *Cutting Edge Pack on Gender and Indicators* (July 2007) which provides an overview of existing conceptual and methodological approaches to gender and measuring change and material on international commitments made to gender equality and current measures, tools and training materials. *Hence, there is now a good set of readily-available material to help*


meet the challenges of the task of developing gender-sensitive data and indicators that would feed into RBB processes as well as more general measurement of the resources needed to achieve gender equality commitments.\(^{55}\)

**Section 3: Mobilization of International Resources Including Bilateral and Multilateral Assistance and New Aid Modalities**

Several issues related to financing for gender equality are important for the broader aid effectiveness agenda. First, in many low-income countries, there is a financing gap for interventions to promote gender equality and women’s empowerment that needs to be met through external resources.\(^{56}\) Actually increasing the flow of external resources to those countries experiencing a financing gap for gender equality is a significant goal. As the OECD DAC study on gender equality and aid delivery for 1999-2003 points out, only $3.1 billion out of a total of $17.2 billion in sector-allocable bilateral aid has focused on gender equality, with two-thirds of this funding directed to the social sectors, mainly health and education.\(^{57}\) Fewer funds are allocated in the agriculture, infrastructure and finance sectors, despite their importance for the achievement of gender equality and the empowerment of women. This finding is significant given that in recent years, there has been a shift in the way that development assistance is delivered, with increased focus placed on sector-wide approaches or large programmes. Hence, the implications of new aid modalities for financing gender equality need to be explored to ensure that sufficient resources are allocated to the promotion of gender equality and the empowerment of women.\(^{58}\) Thus, being able to monitor bilateral and multilateral aid focused on gender equality objectives and strategies is one important factor.

Second, the potential benefits of the new aid effectiveness agenda may not be realized unless a gender perspective is adopted. For instance, women may not benefit equitably from expanded budgets, and new institutions, systems and mechanisms being developed may not recognize the gender dimensions. Evidence from reviews of PRSPs, of the MDG progress reports and of Sector Wide Approaches does suggest that these have been mainly gender-blind or at best, take a narrow perspective and fail to incorporate gender analysis into the budget and planning processes.\(^{59}\)

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\(^{58}\) AWID, in a recent report on financing for women’s rights identifies a number of factors to account for this poor allocation of funds: decreasing support for women’s rights organizations by almost all sectors of funders; gender mainstreaming which has led, in some cases, to a cutting back of gender equality specialists and women-specific programmes; the shift in bilateral aid funds toward national governments away from NGOs; a shift in some of the large independent foundations away from a women’s rights agenda; and, a set of political forces, agendas and ideologies such as neoliberalism, religious fundamentalisms, and militarism that have constrained and changed resources for gender equality efforts. *Where is the Money for Women’s Rights?* (AWID 2006).

\(^{59}\) Cathy Gaynor, *Paris Declaration Commitments and Implications for Gender Equality…*, p.3.
New Aid Modalities: The Paris Declaration (PD)

As part of the efforts to focus resources on achieving the Millennium Development Goals by 2015, over 100 donors and developing countries adopted the Paris Declaration on Aid Effectiveness in March 2005. The Paris Declaration called on increased donor funding and concrete actions that will monitor aid delivery and management of aid resources. A series of effectiveness targets and progress indicators were endorsed by the member states at the September 2005 World Summit at the United Nations.

The guiding principles for the new approach to aid outlined in the Declaration are: ownership of development policies; alignment of donor support to partner countries’ national development strategies, institutions and procedures; harmonization of donor actions; results from aid; and mutual accountability through monitoring.

Gender Equality Dimensions of the Paris Declaration

The Paris Declaration refers to gender equality once in paragraph 42: “Similar harmonization efforts [as those in the environment] are also needed on other cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.” Despite the lack of direct references to gender equality and women’s empowerment in the Declaration, Gaynor suggests there can be considerable congruence between the Declaration commitments and gender equality objectives and strategies. For example:

- **Ownership** implies that women’s as well as men’s voices and concerns must be central to national development plans and processes (PRSPs, SWAPs, etc.). National machineries on gender and women’s civil society organizations should be fully involved in development planning with access to resources and active in implementation, monitoring and evaluation. Line ministries such as education, health, labour and enterprise, as well as women’s ministries play key roles in advancing gender equality and women’s empowerment but are often not involved in national development strategies. Donors need to provide incentives to ensure integration and adequate resources within national development strategies and their translation into budgets and programmes.

- **Alignment** requires that donors who have gender equality policies and who have made international commitments such as the MDGs and CEDAW align with the gender equality policies, systems and commitments of partner governments and strengthen the capacity for coordinated action. With the current focus of alignment on public financial management, it is important to integrate gender responsive tools into the broader PFM reforms to create gender responsive public financial management systems.

- **Harmonisation** is likely to lead to new programme mechanisms and rationalization of donor support. Safeguards will be necessary to retain a gender perspective in jointly undertaken processes and for increased joint gender assessment work in new arrangements such as Joint Assistance Strategies and General Budget Support.
Managing for Results cannot be comprehensive unless gender equality is captured in all performance assessment frameworks. Capacity to collect, analyse and utilize sex-disaggregated information will need to be strengthened. Frameworks should include specific development outcomes related to national and international commitments to gender equality objectives (MDGs, CEDAW, BPA) and not just as part of sectoral outcomes.

Mutual accountability mechanisms must include women and accountability must be monitored with gender responsive indicators and in results-frameworks. Reporting to women on the status of women’s rights and providing information on mechanisms for accessing and enforcing rights. Gender equality goals need to be included in central and line ministry plans and results-based frameworks. The accountability roles of national stakeholders and donor agencies in relation to gender equality need to be clarified and monitored.60

Box 3: Trends in Aid

Overall ODA

- ODA disbursement in 2005 was: 64 percent for core development programmes; 24 percent for debt relief; 8 percent of emergency assistance; 4 percent donors’ administrative costs.

- Much of the increase of ODA has been due to debt relief and to a lesser extent, emergency assistance and administrative costs of donors.

Bilateral vs. Multilateral ODA

- About 70 percent of ODA flows have been privatized through bilateral organizations and 30 percent through multilateral organizations.

- The share of the social sectors in total sector allocable ODA to low-income countries has grown from 29 percent in the 1990s to 52 percent in 2000-2004. This reflects a shift away from infrastructure and production.

The Global Aid Architecture

- Has become increasingly complex with a proliferation of donor aid channels and fragmentation of aid (i.e., more activities funded but average financial size of aid interventions/activities is small.

60 Cathy Gaynor, Paris Declaration Commitments …, p.5. Also, Cathy Gaynor, What Does the Paris Declaration Mean for Women on Gender Equality and Women’s Empowerment? Paper prepared for the DAC Network on Gender Equality, Draft August 2007. UNIFEM brought together government representatives from developed and developing countries, women’s organizations, bilateral and multilateral donor agencies including the OECD, EC an UN to take a closer look at the key pillars of aid effectiveness outlined in the Paris Declaration and to identify areas of concern as well as opportunities for women’s engagement and the advancement of gender equality. The conclusions of this meeting mirror Gaynor’s and are outlined in Promoting Gender Equality in New Aid Modalities and Partnerships, (UNIFEM 2006) March. See also Debbie Budlender, Financing for Development…(2007).
The International Development Finance system is comprised of Public Actors (Bilateral Donors, Multilateral Donors, Global Programmes and NGOs) and increasingly Private Actors (Private Philanthropy, the Private Commercial Sector and Remittances).


From a civil society perspective, there are a number of other concerns raised by AWID in *Where is the Money for Women’s Rights?* In interviews with women around the globe involved in women’s rights and gender equality advocacy, a series of concerns were raised:

- New aid modalities may lessen the ability of NGOs to access funding as aid goes to governments and specific sectors. The government decides on allocation of funds and work NGOs do in opposition to government (for example, on reproductive rights) cannot access this money.

- Questions about whose ownership arise and “when it comes to gender equality the concept of ‘ownership’ presents government leaders with an excuse to abandon the promotion of gender equality altogether if they want to consider it a foreign-imposed agenda”.

- Middle-income countries have less or no access to these funds as their gender equality indicators suggest gender inequalities not as large as in other parts of the world, making them less attractive for donors sporting gender equality.

- According to Eurostep’s and Social Watch’s report on gender equality and international aid: “The new aid architecture has few, if any, mechanisms for accountability and even less mechanisms for implementation of national obligations to gender equality. This is creating gender apartheid in the aid architecture. Without adequate authority for ensuring institutional accountability inside donor agencies, commitment to gender equality will not be realized”.  

**Multilateral Support and Regional Development Banks**

The World Bank’s *Global Monitoring Report 2007* assesses the contributions of developing countries, developed countries, and international financial institutions toward meeting universally agreed development commitments. Subtitled "Confronting the Challenges of Gender Equality and Fragile States", the report highlights two key thematic areas —gender equality and empowerment of women and the special problems of fragile states, where extreme poverty is increasingly concentrated. The World Bank notes that gender inequality leads to lost opportunities for all people in terms of realizing gains from economic growth and affirms as one of its five key messages that “Investing in gender equality and empowerment of women is smart economics.” The Bank advocates better monitoring and mainstreaming of women’s empowerment and equality into policy formulation and programmes of international assistance. With respect to the latter, donors and multilateral development banks are urged to improve the support and coordination for gender equality to

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accelerate progress toward MDG3. Effective implementation is key and this involves "high-level leadership, technical expertise, and financial resources." The progress of MDBs is cited including the recent adoption of Gender Action Plans to make gender mainstreaming more effective. The Bank calls on the comparative advantage of MDBs in analysis, coordination and high-level dialogue to take up a visible leadership role in investing “dedicated resources to include gender equality and women’s empowerment in the results agenda.” Given that in 2006 the five MDBs disbursed $43 billion (up 20 percent from 2005), this suggests an important future role for them in partnerships in financing gender equality policies and strategies. The 2008 and 2010 targets for measuring progress are strategic sites for monitoring results in terms of gender equality and women’s empowerment objectives.

Measures of Gender-Sensitive Aid Effectiveness

The OECD/DAC Gender Equality Marker provides an important indicator on aid in support of gender equality as part of donors’ Credit Reporting System (CRS) on bilateral aid. As part of this reporting system, Development Assistance Committee members are asked to indicate whether or not gender equality is one of the principal objectives of each individual aid activity. The activity has to comply with the DAC definition of ‘gender equality focused’ and has to meet a number of eligibility criteria that emphasize gender analysis in the design of activities. In assessing aid in support of gender equality over the period 1999-2003, for instance, the OECD concludes that activities in certain sectors are more focused on gender equality, mirroring the findings of the studies on SWAPs and PRSPs. In particular, gender equality is less of a focus in aid to economic infrastructure and services and the production sectors. The Gender Equality Marker therefore represents another tool, by which shifts in bilateral aid modalities can be linked to financing for gender equality needs and objectives. However, the Gender Equality Market does not provide information on the actual impact of programmes on gender equality.

For this reason, Social Watch has developed a Gender Equity Index (GEI) as a specific tool that measures progress or regression in gender equality through a set of indicators. This index makes it possible to position and classify countries according to a selection of indicators relevant to gender inequity and based on internationally available and comparable information. The three dimensions included in GEI are: economic activity, empowerment and education. The index’s range of values is from 0 to 100, with lower values indicating greater inequity and higher values greater equity. GEI classifies 154 countries and conclusively verifies that in no country do women enjoy the same opportunities as men, that high income levels are not necessary for the elimination of gender disparities and that although over the years some aspects of women’s situation have improved their opportunities in economic and political areas are still clearly limited. Sweden, Finland, Rwanda and Norway occupy the highest positions in the 2007 GEI.

63 OECD, Gender equality and aid delivery: What has changed in development cooperation agencies since 1999? (OECD DAC 2007), pp.11-12.
64 Description from the Social Watch website
Section 4: New and Innovative Sources of Funding for Gender Equality

A recent paper prepared for the World Bank specifies the costs of present and future interventions aimed at promoting gender equality and women’s empowerment. The goals are twofold: to identify the minimum resource envelope necessary for meeting these objectives in low-income countries and, to estimate the share of all MDG investments that have the potential to improve outcomes for all people in these societies. The authors find that the cost of interventions directly aimed at promoting gender equality is $7-$13 per capita, on average, from 2006-2015. Developing various scenarios for costing, gender equality investment needs come to about 12 percent of total MDG needs in 2006 and 15 percent in 2015. According to such projections, the gender equality financing gap is between $12-$30 billion in 2006 and rises to $24-$83 billion in 2015 (depending on the extent to which resources are raised domestically or externally). What these figures indicate is that achieving gender equality objectives and the MDGs requires money and a reallocation of existing resources.65

A major issue that frames financing for development and gender equality involves a global dialogue on how to achieve a more effective tax system that is broadly based and transparent in order to enable governments to raise the necessary resources to finance key development goals including gender equality and women’s empowerment. Developing countries lose billions of dollars of potential income each year due to: (i) ineffective tax systems that do not reach landowners, foreign corporations and wealthy individuals; (ii) tax cuts and tax exemptions for foreign investors (for example, there are currently more than 3000 export processing zones); (iii) various accounting techniques used by transnational corporations that allow for profits to be accounted in countries with lower rates of taxation (transfer pricing); (iv) capital flight to tax havens; and, (v) declining tariffs due to trade liberalization.66 Building a more broadly based tax system where capital and resource consumption are taxed more than labour, devolving reliance on value added taxes which are regressive and a burden on the poor (especially on basic needs such as fuel and food), and strengthening tax administration and public financial management, are some cornerstones of a more equitable and gender-sensitive global tax regime. The latter requires support for expanding existing efforts to improve the collection of sex-disaggregated data and researching gender bias in indirect taxes such as VAT, consumption and trade taxes.67

There are currently a large number of proposals to raise funds to address development and gender equality issues, some involving domestic resource allocation, multilateral cooperation, others private philanthropy and donation. The international development finance system consists of a multitude of public and private actors and a number of promising entry points for financing gender equality and women’s empowerment are suggested.

66 Jens Martens, What if Developing Countries... (2006).
Proposals for International and Multilateral Sources of Financing for Gender Equality

- Proposals for a global currency tax -- the so-called Tobin tax -- are designed to prevent speculative manipulation of currency transactions for short-term profit, and to help to sustain consistent flows of capital to less developed countries. Revenue from such a tax could be used as a source for universal public provisioning of basic social services and to create a fund to realize gender equality goals. It has been suggested that a portion of the revenues could be awarded to governments for the design of gender-equitable social protection systems.\(^{68}\) Raising income for development and gender equality purposes in this way needs to be based upon progressive taxation principles that allow for the redistribution of income.

- The economist Ingrid Palmer has developed the concept of a reproductive labour tax that mostly women have to 'pay' through their time and labour expended in the care economy. This labour is performed without monetary compensation and largely unrecognized within public policy discussions. A group of countries might consider a pilot project initiating a type of care tax credit where a percentage of the tax credit accrues to a fund that will finance gender equality initiatives at home and abroad. Such a care tax credit is challenging to think about in terms of for example determining who gets one and how to track the care labour.

- The International Finance Facility (IFF) was proposed in 2003 by the United Kingdom and Northern Ireland to provide a stable financing vehicle for meeting the resource gaps to achieve the MDG targets by 2015.\(^{69}\) It enables front-loading aid flows through a bond mechanism guaranteed by participating Governments, allowing aid commitments to be spent before they are budgeted. The British proposal shows that with an initial $16 billion payment and regular increases through triennial pledging rounds over a 15-year period, donors can reach a $50 billion financing objective” (135).\(^{70}\) The British proposal seems to be a very promising one. It is now in its pilot stage and joins a smaller facility, the International Finance Facility for Immunisation (IFFIm) to accelerate funds available through GAVI, the Global Alliance for Vaccines and Immunisation. Given the gender equality multiplier in terms of realizing all of the MDG goals described by Grown et.al., a compelling case might be made for earmarking a percentage of IFF funds or working in partnership with the UN’s gender equality and empowerment bodies to channel greater resources for gender equality to countries. Hence, proposals for an International Finance Facility for Gender Equality (IFFGE) could be developed in conjunction with IFF commitments.

- With respect to Special Drawing Rights in the IMF, one way in which gender equality could be enhanced would be by not only expanding the allocations and access to special drawing rights of poorer countries, but also to redefine the terms of

\(^{68}\) Nilufer Cagatay, “Gender Budgets and Beyond…” (2003), p.22.

\(^{69}\) See http://www.hm-treasury.gov.uk/documents/international_issues/int_gnd_intfinance.cfm.

\(^{70}\) UNDESA, *World Economic and Social Survey 2007*, p.135.
borrowing -- whilst at the same time abolishing excessive debts. The reality of the relationship between the IMF and borrowing countries is well-documented, and there is a significant need to have new governance principles attached to this relationship, involving a democratization of participation, by poorer women and their representatives, so that these Drawing Rights are connected to the purposes of gender equality and sustainable development. **Linking Special Drawing Rights to Gender Responsive Budget initiatives** would provide a means of mobilizing additional domestic budgetary resources in a gender-sensitive manner.

- Suggestions to raise money through the development of **ethical funds** is a good idea, since investments of ethical funds can be linked to fair trade and other initiatives which seek to provide decent jobs and incomes for people from poorer countries. Specific gender-sensitive criteria could be part of ethical funds governance and monitoring structures.

- There have also been a number of proposals since the early 1970s to establish a **global lottery** to fund UN development activities. Based on standard lottery accounting, about 30 percent of lottery sales could be used to fund the MDGs. A related proposal developed by UNU-WIDER suggests a global premium savings bond modeled on existing schemes in the United Kingdom, Ireland and Bangladesh. The premium bond is similar to a lottery ticket where a random prize is the draw but otherwise it is a bond. Developing a **Global Women’s Fund** perhaps with seed monies from some of these above proposals is another idea for financing gender equality that can be explored.

- An idea discussed at the Eight Commonwealth Women’s Affairs Ministers Meeting in June 2007 relates to deepening the financial services available to low income women in rural areas and ‘banking the unbanked.’ DFID’s Financial Deepening Challenge Fund (FDCF) provides incentives to the private financial sector to experiment with new methods of financial service provision to the poor. Arunachalam summarizes that: “Of the 29 projects funded, 9 achieved high social impact combined with high financial returns whilst the majority achieved a combination of reasonable social and financial returns. The 15 million pounds spent leveraged 72 million pounds in private sector finance”. Arunachalam proposes the creation of a **Global/Commonwealth Gender Innovation Challenge Fund** tailored to the needs of low-income women through innovative means of financial intermediation. The Fund would be established through contributions from governments, multilateral and bilateral donors and other stakeholders.  

**Private Commercial Sector and Private Philanthropy**

- Corporate philanthropy is usually motivated by a combination of wanting greater market share, improving public image and a corporate commitment to certain social issues such as environmental protection and gender equality. According to the AWID study, most international corporate giving consists of non-cash contributions such as goods or services (56% among US corporations). There are some funding

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opportunities related to companies with social justice values and a commitment to women’s empowerment. The report cites the example of the Levi Strauss Foundation whose USD 10 million annual budget goes to women and youth targeted initiatives. Other examples include the Nike Foundation which allocates 3% of its previous year pre-tax income to its corporate giving programme. In 2005, Nike re-launched its foundation with a focus on young women and girls making a commitment to invest in women. Cisco Systems has developed 141 Network Learning academies to supplement learning activities and a curriculum in schools related to IT. Recognizing the women do worse in terms of access and training of technology, a social gender initiative was created to increase access and learning in a more gender-balanced fashion. Calvert Group, a set of socially responsible mutual funds, provides another example of explicitly fashioning a global code of corporate conduct to empower, advance and invest in women. The Principles are in concert with the Millennium Development Goals, The Beijing Platform of Action and CEDAW and form the foundation for the Calvert Group’s support of socially responsible investing. These principles are used to hold companies accountable to a set of criteria regarding corporate conduct and its impact on women.72 Aberdeen Ethical World Fund is another example of a socially responsible investment fund that takes into account socially responsible criteria including human rights and gender equality. AWID suggests working with such ‘champions’ to foster support for new potential ‘champions in the area of financing for gender equality.’

Remittances have become a significant resource in many countries. For instance, official statistics indicate USD 80 billion in 2002 but underreporting and informal flows estimate the value between USD 100-200 billion. ODA by contrast, constitutes between 35-70% of these estimations. Remittances constitute the fastest growing and most stable capital flow from the global north to Latin America, Central and Eastern Europe and South Asia.73 Women migrants play a key role in both the generation of remittances and the sending of remittances back to communities and families of their country of origin. Female migrants constitute approximately half of today’s 185 million migrants. There are few studies that analyze the dispatching of remittances from a gender perspective; one such study reached the conclusion that Dominican women migrants send more remittances to their families than Dominican male migrants.74 In sum, 55.1% of remittances received by the people surveyed in the study were sent by women, while 44.9% had been sent by male migrants. A large proportion of female migrants are working in other countries as care workers (domestics, nannies, service sector employees). Protection of female migrant rights—need immigration policies that recognize the need for immigrant care workers to have work permits in order to be effectively protected by labour laws such as minimum wages and protection regarding number of hours worked. The need for this caring labour is often not reflected in immigration and employment policies leaving such workers vulnerable to abuse and reliant on the protection of their

employers.75 Greater monitoring and enforcement of minimum wage laws in the care sector would also enhance the remittances of female migrant workers and multiply the benefits to receiving communities.

**NGOs**

A significant number of important suggestions have been made by the Association of Women in Development (AWID) in a recent detailed report about current and potential new sources of funding for NGOs dedicated to women’s rights and gender equality.

- **Expand Mechanisms for Donor Support to NGOs:** Some DAC countries recognize the need for direct support to NGOs that work on women’s rights. For instance, the Netherlands is the major contributor (USD 697 million) in absolute terms and Ireland allocates the largest percentage of its ODA to NGOs (20%). NZAID, NORAD, DANIDA and SIDA were donors that continued their funding to individual women organizations. AWID see this as a hopeful development as it can contribute to the strong and independent civil society that is a condition for overall aid effectiveness. Such direct support could also play an important role in contributing to the results-based financial management articulated in the Paris Declaration.

- **Strategies for the Bilateral and Multilateral Funding Agencies:** AWID suggests a two-track approach. In the short term, exploring the possibility for mandating a target amount of 1% of ODA (USD 690 million) for women’s rights organizations. This would include setting up a watchdog mechanism "…that will track and make transparent funding for women’s rights and women’s organizations.” A more long-term strategy involves changing the political logic of aid effectiveness and clarifying the importance of women’s rights organizations in development. Focusing on a few key countries to leverage more resources for gender equality is proposed so for example, Spain, Switzerland and Ireland are seen as effective targets along with the first generation advocates like the Netherlands, Denmark, Norway, Sweden and Canada. International and national women’s organizations would be part of this political process encouraging such increased support.

- **Leveraging Resources from Women’s Funds:** Women’s funds represent a relatively new development in women’s movements globally and are committed to mobilizing financial, human and technical resources to support women and girls in marginalized communities. They are publicly supported institutions, that rely on donations from agencies, corporations and the public. They are also focused on asset building such as investments in endowments and real estate with the goal of building a substantial and sustainable resource base to support women’s initiatives. In 2004, women’s funds held approximately USD 24 million in net assets, earned USD 28 million in revenue and disbursed 15 million in grants. Women’s funds usually focus on small donations to groups with budgets under USD 100,000, which raises some questions about their long-term ability to strengthen feminist movements as a whole.

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AWID recommends a deeper process of negotiation with women’s funds around questions of grant size and issue focus. A dialogue around how to strategically invest their USD 15 million is a critical component of **leverage more resources through women’s funds**. One idea highlighted by the AWID study, based on the fund-raising success of the Global Women’s Fund in the US, is to apply a large share of that amount to a **global fundraising campaign**.

- Proposals to **redirect Diaspora Giving for Women’s Rights**: AWID suggests that redirecting Diaspora Giving for gender equality may be more successful when donors are second or third generation immigrants with no deep personal ties to a specific community of origin. They cite the success of the Ukrainian Women’s Fund in raising around USD 90,000 from the United States and Canada for their campaign against breast cancer.

**Conclusions: Opportunities to Influence the Financing for Development Agenda**

This Background paper has highlighted a number of potential entry points and innovative sources for enhancing financing for gender equality and women’s empowerment.

- **Utilize the Results-based Agenda of Aid and Public Financial Management**: In the follow-up process to the International Conference for Financing Development, a complementary results-based consensus has emerged. On the one hand, it relates to more effective, efficient and equitable aid flows as outlined in the Paris Declaration principles. On the other, there has been a restructuring of public finances to results-based budgeting and management. Both of these shifts create important entry points for Gender Responsive Budgeting initiatives and the successful linking of resources to gender equality objectives and strategies. New governance arrangements around budgeting and aid will close off some political spaces but can open new ones for Gender Responsive Budgeting throughout the planning, implementation and monitoring cycles. Gender responsive budgets can also assist poverty reduction plans such as PRSPs and CBMS through the gender-sensitive tools they provide for needs analysis, policy reviews, monitoring and evaluation of outcomes.

- **Development Policies and Policy Space**: One of the limitations of the Monterrey Consensus concerns the lack of policy coherence between sound economic policies that emphasize low inflation and mobility of capital on the one hand, and, the social commitments to poverty reduction, human rights and gender equality on the other which often require public spending to support social provisioning and to stabilize the social imbalances that result form deflationary policies. Better management of the interface between national regulatory and social regimes appears to be part of the newly emerging approach to development. Enhancing policy space and maneuverability for governments can help to balance the economic and social dimensions of policy that are necessary for meeting gender equality commitments. The potential multiplier effect of gender equality has been recognized by the Bretton woods institutions as a key to realizing the MDG targets in 2015.
Gender Equality Costing and Monitoring Progress: The goal of meeting the gender equality targets set out in the MDGs as well as the Beijing Platform of Action and CEDAW will cost money. This will require both an increase in overall external funding as well as enhancing the fiscal capacities of national governments through debt relief, reformed tax systems and more effective targeting of resources. A monitoring process should be established through gender-sensitive budgeting to align human rights and gender equality commitments to the allocation of domestic resources.

New Sources of Funding: A number of potential financing for gender equality initiatives were suggested, some of which build on existing mainstream proposals for increasing development flows, others which are new ideas emerging from NGOs working on women’s empowerment and rights. These include:

- A dialogue on how to achieve a new global tax regime that would strengthen public revenues through a more broad based tax system that is progressive (those that have higher incomes pay more), that is inclusive (tax compliance for all), and that is gender-sensitive. The latter requires support for expanding existing efforts to improve the collection of sex-disaggregated data and gender bias in indirect taxes such as VAT, consumption and trade taxes;
- A global currency tax of which a proportion would be awarded to governments for the design of gender-equitable social protections systems;
- A care tax credit pilot project that would be based on the unpaid reproductive work women perform;
- An International Finance Facility for Gender Equality that would be in alliance with the International Finance Facility to accelerate funds available for gender equality commitments;
- Linking a percentage of a country’s Special Drawing Rights to facilitating Gender Responsive Budgeting;
- Working with private and philanthropic champions to foster support for new sources of financing for gender equality;
- Recognition of the role of female migrants in remittances and enforcing protection of female migrant rights (e.g., minimum wages);
- Encourage donor support specifically targeted to meeting gender equality objectives and strategies, in particular, resources flows to civil society organizations specifically dedicated to women’s empowerment;
- Work with key countries to leverage more resources for gender equality;
- Leverage more resources through Women’s Funds and consider a global fundraising campaign.