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INTERACTIVE EXPERT PANEL

**Key policy initiatives on financing for gender equality
and the empowerment of women**

Written statement*

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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.

Highlights from the meeting of the Expert Group on Financing for Gender Equality¹ with an emphasis on the situation of funding for women's organizations and movements²

I was given the challenging task of sharing with you some of the highlights of the report produced by the Expert Group Meeting (EGM) on Financing for Gender Equality and the Empowerment of Women, as well as presenting information about the funding situation of women's organizations and movements worldwide in ten minutes! I will do my best to keep to the time and fulfill my task and I will be happy to share further information during the questions and answers.

Therefore, in the first part of my presentation I will mention some of the highlights of analyses and recommendations included in the report of the EGM, and on the second part I will address the funding situation of women's organizations and movements.

Highlights from the Expert Group Meeting Report

The EGM report synthesizes very rich and diverse discussions we had in Oslo, last fall. You have all received copies of the report, so I will just try to mention a few key pieces of analyses and mostly, the recommendations included in the document.

The report acknowledges that the last decades have witnessed important progress in the development of global commitments on gender equality and women's empowerment. 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). The CSW itself has called different actors to contribute to resource mobilization to advance women's rights and gender equality, as well as agreed on recommendations to advance gender responsive budgeting, to name a few.

But the report also highlights the fact that despite the commitments of Governments to achieve gender equality and the empowerment of women, and the progress in some areas such as education, the situation of women in many countries remains bleak, and mentions a few examples of areas where lots remain to be done.

Research indicates only limited progress in allocating and channelling resources to translate the commitments to women's empowerment and gender equality into actions. While the twin-track approach to achieving gender equality through: (i) gender mainstreaming; and (ii) targeted elimination of gender based discrimination and women's empowerment, was adopted in the Platform for Action, a disproportionate emphasis on gender mainstreaming in some contexts is considered by some to have resulted in a substantial reduction in resource allocations to women's

¹ Information on the first part of this document is based on the report produced for the UN Expert Group on Financing for Gender Equality and Women's Empowerment out of its meeting held in Oslo, in September 2008, as background work and paper for this 52nd Session of the CSW. The author would like to thank Fernanda Hopenhaym from AWID for her support in putting together this presentation.

² The information presented in this paper related to the funding situation of women's organizations and movements is based on the Fundher research reports 2006 and 2007 produced by AWID, as part of our Strategic Initiative 'Where is the Money for Women's Rights', which can be accessed in different languages at www.awid.org Important recognition of work done as part of the research goes to Joanna Kerr, Ellen Sprenger, Lisa VeneKlasen and Cindy Clark, as well as to Martin Redfern and Fernanda Hopenhaym.

empowerment and the elimination of gender-based discrimination. Exceptions are found in individual sectors such as education.

On the other hand, a number of global factors have had an impact on financing for gender equality and the empowerment of women, such as: trade liberalization, increasing migration, the international security agenda, rising of religious fundamentalisms, international private capital flows, foreign direct investment, speculative capital flows, economic growth patterns that increase inequalities between and inside countries, the feminization of poverty and the privatization of public services and enterprises.

In addition the report highlights the fact that the dominant approach to economic and social management is often preoccupied with matters that work against gender equality and women's empowerment (e.g.: payment of external debt as a priority over providing essential services, particularly in low-income countries); and the pursuit of fiscal austerity requirements in programmes of IFIs, as well as the focus on low inflation, have had detrimental consequences on the capacity of poor countries to finance public services, seriously affecting the rights of women.

On Macroeconomic policies and follow up to the Monterrey Consensus

The report recognizes that 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. 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 the empowerment of women.

The framework of the Monterrey Consensus offers the potential for integrating initiatives for financing for gender equality as part of the broader processes of sustainable development. But one of the shortfalls of the Consensus in this sense is the lack of coherence between economic policies (low inflation, mobility of capital, etc) and social commitments (poverty reduction, human rights, gender equality, etc). Overall, gender equality and the empowerment of women have received limited attention in the follow-up process to Monterrey to date.

Restrictive macroeconomic policy rules such as balanced budget amendments leave less room for maneuver for governments to pursue a wide range of policies, including counter-cyclical policies that may alleviate some of the harsh social effects of economic downturns. In this sense, the report recommends more balanced approach that is context-specific, rather than 'one size fits all', and that aims to bring together economic and social stability, would free up resources for financing gender equality objectives.

On this section, the report also includes a note on microfinance, stating that it is not a panacea for realizing the full range of women's entitlements and rights. Broader macroeconomic measures addressed at creating more pro-poor economic conditions need to work in tandem with a critical assessment of the access, delivery and evaluation of microfinance systems.

Some key recommendations:

- Governments should incorporate social development and gender perspectives into the WTO trade policy review mechanisms.

- Governments should integrate a gender perspective into all follow-up intergovernmental and multilateral processes relating to financing for development.
- Decision makers should adopt a gender perspective in implementing the development goals of full and productive employment, using the ILO's decent work policy interventions on employment planning, social protection, fundamental principles and rights at work, access to credit for entrepreneurial activities, market support, skills training, and the full participation of women in social dialogue in labour market planning.
- Finally, on this area the report calls for the integration of gender equality and women's empowerment as a central theme in some key processes such as the follow-up to the Monterrey Summit with its Conference in Doha, including the participation of key civil society actors and particularly women's organizations.

Public finance and gender-responsive budgeting

Government budgets are one of the largest source of financing for gender equality and women's empowerment for most countries. Nonetheless, public sector expenditure has not systematically addressed gender equality concerns.

Restrictive fiscal policy measures, such as the imposition of value added taxes or a rise in sales taxes on consumer items, can have a pronouncedly negative effect on social equity because these instruments impact directly on household budgets. The report highlights the fact that women in households will seek to produce these goods themselves in order to protect their family's consumption patterns.

Gender-responsive budgeting has been identified as a public finance strategy in a range of international commitments on gender equality and financing for development (including Beijing, the 23rd special session of the UN General Assembly and Monterrey). It has also been identified as a crucial element for the full implementation of CEDAW and the achievement of the MDGs, specifically MDG3.

The Expert Group recognized that gender-responsive budgeting initiatives (GRBs) although limited in scope in many countries, have made important contributions to advance gender equality at the local and national levels. Nevertheless, there are challenges including: (i) limited impact on macroeconomic policy which is often shaped by international financial institutions and globalization; (ii) little practical linking of budgets to rights to date; (iii) the contradictions between gender equality as a development goal that cuts across sectors and ministries and the bureaucratic reality of line functions, departments and agents which mitigate against a broad approach; (iv) the difficulty in assessing the impact of gender-responsive budgeting given that policy change is often due to a range of forces and not one single initiative; and (v) those involved often do not have the power themselves to change budgets.

Also report makes recommendations on three dimensions or means by which gender-responsive budget frameworks can engage with performance based or results-based budgeting.

Some key recommendations:

- Governments should integrate a gender perspective into their public finance system through:
 - o including in the budget guidelines the requirement of gender impact assessments and resource allocation for gender equality

- developing a methodology to systematically track expenditures (funded from all sources), building on, for example, the experience of the OECD-DAC gender equality policy markers; improving sex disaggregated data collection to monitor changes in gender relations.
 - Improving quantitative and qualitative sex- and age-disaggregated and gender-specific data collection and analysis to monitor changes in gender relations over the life-cycle;
 - developing a methodology to systematically incorporate a gender perspective into the results-based public financial management systems, including costing women and men's unpaid work
 - improving cooperation between finance ministries and national women machineries
 - developing performance indicators to measure progress in gender-responsive approaches
- Governments should enhance women's participation as actors in all phases of the budget cycle. Specifically:
- strengthen mandates of mechanisms for the advancement of women and provide them with sufficient resources
 - fully resource national action plans for gender equality and the empowerment of women
 - make gender-responsive budgets mandatory in all sector areas

Bilateral and Multilateral Aid

The report highlights that the OECD-DAC Secretariat estimated that if commitments are met, ODA could reach almost \$130 billion per year, including doubling aid to Africa by 2010 (to \$50 billion). Although aid has been rising steadily since 1997, recently by as much as 5 per cent a year, it would need to rise by 11 per cent a year from 2008 to 2010. This would be an unprecedented increase with funding for aid programs having to increase faster than any other public expenditure in donor countries.

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

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

The changes proposed by the PD need to be accompanied by analysis to capture the role and need for gender equality and women's empowerment in achieving development effectiveness.

The report provides some interpretation of the PD principles in relation to gender equality and women's empowerment.

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

As for the role of the UN the report addresses questions related to the reform of the gender equality architecture. It is important to highlight here that strong and well-resourced institutional mechanisms for gender equality and women's rights are needed at all levels, and the UN is not exception. It is disappointing to see how stacked the UN reform process related to the gender equality architecture. As women's organizations and movements we want to see a UN that really works for all women, and we want to see it soon. The EGM paper calls for a UN with:

- a stronger operational mandate and strengthened country presence
- clear mechanisms to ensure the involvement of CSOs, particularly women's organizations
- leadership and increased human resources to improve capacity to deliver

The extent to which women's empowerment and gender equality are made priorities for the "delivering as one" (UN reform) needs to be evaluated. Gender equality must be more effectively addressed in every part of the UN system and fully integrated into the Aid Effectiveness agenda.

Some key recommendations

- Monterrey and PD commitments for scaling-up ODA should include increases for financing gender equality and women's empowerment (10% of all ODA by 2010 and 20% by 2015)
- The tracking of ODA directed to gender equality should be improved
- Gender equality strategies at the country level should be an essential element of SWAPs
- Capacities need to be built for all stakeholders in relation to the new aid architecture
- Bi and multilateral donors should support evidence-gathering and strategic alliances with gender equality and women's empowerment stakeholders to influence the Third High Level Forum on Aid Effectiveness (HLF3) in Accra, Ghana
- Diverse funding mechanisms are needed to enable all gender equality actors to fulfill their role, particularly CSOs, which require support via mechanisms that may not necessarily be channeled through national governments.

Funding of women's organizations and movements

There are countless examples of how the struggle to advance social justice, human rights, sustainable development and peace, have been strongly supported by women's organizing. Achievements on the areas of gender equality and women's rights are somehow unthinkable, without the strong and effective presence and push of active feminist and women's movements and organizations working at all levels, on diverse issues and with diverse women.

In order for women's movements to be as strong and as sustainable as they can be, to continue contributing to all these struggles they require bold leadership, innovative spirit, and- just as importantly- "serious" money. However, research on the trends of the past decades show that the funding available for gender equality is not serious money, and even more alarming, that it is very limited and diminishing. Today, lack of financial resources is serious business and a critical hurdle for women's rights and gender equality in the world.

In July and August 2006 AWID carried out a detailed survey of organizations working for women's rights around the world. Over 1400 individuals accessed the survey (in either French, Spanish or English). One of the most striking findings of the research is that the majority of women's organizations are very small: fully two-thirds of this survey sample have annual budgets of less than USD 50,000, and one-third of them have actual annual budgets of under USD 10,000.

In 2005, 729 women's rights organizations worldwide had the collective income of only USD 79 million (including most of the women's organizations with largest annual budgets), a clear indicator of the how under-resourced women's organizations are in different regions of the world.

Of all these diverse organizations in the AWID survey, 46% report increasing incomes since 2000. More than half of the survey respondents report receiving less funding since 2000. This explains too why 67 percent of the survey respondents expressed they find it more difficult to raise funds than five years ago.

We were further surprised to discover that when the survey was completed in August 2006, only 13% of organizations had secured all the funding they needed for that year. In fact, 61% had raised only half or less of their budget for the year, suggesting how vulnerable organizations are in terms of meeting their budget goals on an annual basis. Most organizations are depending on small project-based funding because that is largely what is available, and rarely on time when groups really need it.

Where has the money come from?

The majority of organizations have been getting their biggest funding since 1995 from bilateral/multilateral agencies, large private foundations, international NGOs, individuals and local governments. That said, in 2005, we found that the most common sources of funding (though not necessarily the largest) were women's funds, bilateral/multilateral assistance, membership fees and income generation activities. In other words, these latter sources provide resources for the most number of organizations though they didn't constitute the largest monetary values. The primary change in the frequency of income sources since 1995 is an overall increase in the number of organizations receiving money from women's funds.

In financial terms, the most important overall donors globally for the survey respondents in 1995, 2000 and 2005 were individual donors, the Dutch Government, the Ford Foundation, and the Oxfam International members. By making some comparisons by region and organizational size we find the following:

- Organizations in the Middle East and North Africa, Latin America and the Caribbean and Central and Eastern Europe/CIS are inclined to have had more difficulty in raising funds in the past five years.

- Organizations in Africa South of Sahara, Asia and the Pacific and North America and Europe have been more likely to improve their funding situation than the other regions.
- At least one-third of organizations in all regions have had to substantially increase their fundraising efforts, and even more so amongst organizations in Africa, Asia and the Pacific and Central and Eastern Europe/CIS.
- Furthermore, the majority of organizations with budgets over USD 50,000 have had to increase their fundraising efforts.

How can resources be more effectively channeled towards women's organizations and movements?

Mobilizing resources for stronger women's rights movements and organizations implies a significant shift from traditional approaches and thinking. Financial sustainability requires us to mobilize more resources for the long-term agenda of promoting, protecting and guaranteeing women's rights, for our own work and for the movement as a whole. These are some recommendations that could be considered to support the financial sustainability of women's organizations and movements worldwide.

Contribute to accountability: ensure that direct funding goes to support women's organizations in different regions, which does not go through national government channels, to advance the autonomy and independence of women's organizations and contributes to strengthen civil society at all levels.

Improve all donors' systems for tracking the money invested in women's rights and gender equality, so that better systems of accountability can be put in place.

Create large women's specific budget lines and programs within bilateral agencies, as well as in other donor agencies such as INGOs, foundations, etc.

Channel resources through women's funds at different levels and intermediary granting-making institutions truly committed to advance women's rights and gender equality, to reach out and support smaller-sized and middle-sized women's organizations working at the grassroots and other levels. Resources for all women's organizations of diverse sizes, sectors and working on different issues need to be allocated.

Ensure that a set percentage of funds available for CSOs are available in the Embassies or in offices at the national level (in the case of Large Independent Foundations or INGOs for example), and are allocated to women's organizations.

At the national level, support the inclusion and full engagement of women's organizations and movements in the definition of national development plans which will guide the aid effectiveness agenda and the prioritization of gender equality and women's rights and empowerment as part of the national development plans.

Renew the commitments of donors to strengthening movements, by investing more in alliance building, networking, linking and learning as well as supporting endowments for national women's organizations to build a strong institutional base for the movement.