

**Commission on the Status of Women
Fifty-second session
New York, 25 February – 7 March 2008**

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.

KEY POLICY INITIATIVES ON FINANCING FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN

Overview

There have been a number of international commitments on financing for gender equality and empowerment of women. The most comprehensive set of initiatives, The Beijing Platform for Action, emphasized that funding had to be identified and mobilized from all sources and across all sectors. Sufficient resources it was agreed, need to be allocated to national machineries for the advancement of women and all institutions that contribute to the implementation and monitoring of commitments to gender equality. Adequate financial resources for the implementation of the Platform in developing countries were also called for, and countries involved in development cooperation were requested to conduct analysis of their assistance programmes from a gender perspective to enable improvements in the quality and effectiveness of aid.

In Beijing, governments also committed to systematically reviewing how women benefit from public sector expenditures; adjusting budgets to ensure women's equal access and achieving the gender-related commitments made in United Nations summits and conferences. They also committed to creating 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 work towards the full implementation of the Platform for Action.

It's clear from statistics that there remains a crucial need for resources in order to improve women's lives and eliminate gender gaps in quality of life and life chances. For example, a majority of the world's absolute poor are female and women on average earn slightly more than 50 % of what men are earning. Violence against women remains a major cause of death and disability for women 16-44 years of age, as does maternal mortality.

Gender Aspects of the Monterrey Consensus

As Joseph Stiglitz has pointed out, 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.¹ The Consensus invites the participation of a broad spectrum of interests in discussions about financing for development and as such offers the potential for integrating initiatives for financing for gender equality as part of these broader processes of sustainable development.

Whilst the importance of gender equality and women's empowerment to development is recognized in the Consensus, these were not however directly integrated throughout key areas for action identified including the mobilization of domestic resources for development, trade, private capital flows, official development assistance, debt and systemic issues related to the international financial system. Furthermore, the distributive and social consequence of market

¹ Joseph Stiglitz, "Finance for Development," in Melvin Ayoen and Don Ross (eds.) *Development Dilemmas: The Methods and Political Ethics of Growth Policy*, (Routledge 2005).

liberalization and other economic policies referred to in paragraph 11 of the Consensus are not considered from a gender equality perspective.

This has led to a number of gender-sensitive experts and advocates to conclude that a key shortfall of the Monterrey Consensus in terms of financing for gender equality concerns the *lack of coherence* between *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 commitments often require public spending to support social provisioning and to stabilize the social imbalances that result from deflationary policies, the very spending that may be downgraded as external debt and debt servicing payments get prioritized.

There is no doubt that macroeconomic policies have important implications for financing for gender equality. There is indeed a growing body of evidence demonstrating that gender inequality is bad economics. According to the 2007 Economic and Social Survey of Asia and the Pacific, for example, gender inequality costs the region 80 billion USD a year. The region loses up to 47 billion USD a year because of restrictions on women's access to employment, and up to 30 billion USD because of gender gaps in education.²

What has happened in the Follow-up to the Monterrey Consensus?

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

Similarly, the annual Special High-level Meetings of the Economic and Social Council with the Bretton Woods Institutions and the World Trade Organization have paid limited attention to gender perspectives.

The Paris Declaration on Aid Effectiveness acknowledges that harmonization efforts are needed on cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds. Some have identified the Declaration as a potential further opportunity to embed gender equality and women's empowerment into the reform of aid delivery and effectiveness if the design of reforms and the implementation, monitoring and evaluation of the Declaration incorporate gender equality and women's empowerment as cornerstones.

It is clear if that integrating a gender perspective into the follow up process to financing for development commitments is crucial to the effectiveness of the entire process. In addition, the

² Economic and Social Survey of Asia and the Pacific: Surging ahead in uncertain times, New York, NY (Sales No. E.07.II.F.4), p. 103.

development of effective tracking, monitoring and evaluation tools to establish what is being done and its impact on gender equality goals, are key mechanisms for discussion and elaboration at the preparatory processes leading up to the 2008 review in Doha.

Here the Expert Group Meeting (EGM) on “Financing for gender equality and the empowerment of women” held in Oslo in early September identified both issues of process and content. I will only highlight some of the creative ideas and follow up issues that were identified by the range of participants at the meeting. Member States are invited to take up the report’s diverse recommendations along with the substantial set of ideas presented in the Background Papers prepared for the EGM.

Process

Integrating a gender perspective into all follow-up intergovernmental and multilateral processes relating to financing for development will require particular attention to establishing coherence between economic and social policies, including meeting gender equality objectives. This would include gender-sensitive impact assessments of trade liberalization, employment and fiscal policy. Specifically, given the importance of financing to meet internationally agreed development goals, United Nations Member States should engage proactively and systematically with gender equality stakeholders including those within national women’s machineries, social and labour ministries, women’s organizations, and trade unions in the preparatory processes leading up to the 2008 International Review Conference on Financing for Development in Doha.

Participants urged that the outcome of the 2008 Conference be a negotiated Declaration with new commitments to mobilizing resources for achieving internationally agreed development goals, including gender equality and the empowerment of women.

The implementation of such renewed commitments can involve a range of actors and means including governments, bilateral and multilateral funders, women’s machineries, organizations and Women’s Funds. I’d like to close with 7 brief examples drawn from the EGM final report:

- i. For instance, Governments will need to integrate a gender perspective into their public finance system, through a strategic plan with short, medium and long term targets.
- ii. The cooperation of Finance Ministries and well-funded women’s policy machineries to develop and implement mechanisms to coordinate and monitor the implementation of gender perspectives into planning and budgetary decision-making, such as annual gender budget statements and gender impact assessments for new policies, is a cornerstone of such a gender-sensitive public finance system.
- iii. And, the development of performance indicators, to measure progress in introducing and implementing gender responsive approaches to public finance, will also facilitate the broader shift to results-based budgeting that emphasizes outcomes and outputs.
- iv. In terms of Official Development Assistance (ODA), commitments under the Monterrey Consensus and the Paris Declaration for significant scaling-up of such funding should include corresponding increases for financing women’s empowerment and gender equality. It was recommended by the EGM that the share of ODA for

- women's empowerment and gender equality be scaled up to reach 10% by 2010 and 20% by 2015 of all ODA. The tracking of ODA directed to gender equality and women's empowerment can be improved by having bilateral donors build on existing efforts to improve tracking and reporting on programme focused on gender equality and women's empowerment through for example, using the OECD-DAC gender equality policy marker when reporting aid statistics.
- v. Ensuring that direct funding goes to support women's organizations in different regions, and not only through national government channels, to advance the autonomy and independence of women's organization was another suggested strategy. The EGM recommended that donors to the women's movement should develop a *Sustainability Compact*. This compact would work towards the goal of making women's organizations sustainable, in holistic terms, beyond donor funding
 - vi. Women's Funds—autonomous social change grant making organizations set up by women—, were identified as important new vehicles for funding and these should receive significant investments to build on their potential to deliver financial support to women's rights organizations and movements.
 - vii. Finally, in terms of content, the EGM reinforced the importance of weighting macroeconomic goals and targets equally with social policy; indeed, the participants underscored that *all* macroeconomic policies are in fact social policies with their resulting distributive implications of benefits and burdens. Participants also reaffirmed the importance of national policy space for pursuing a more pluralist approach to macroeconomic management that recognizes and respects the varying political economies and cultures of UN member states.

Gaps and Challenges

The Follow-up Process in the last year has yielded some results in terms of changes in the discourse around gender, employment, gender-sensitive public expenditure and microfinance. The challenge now will be to make conceptual advances in the other action areas of the Monterrey Consensus (MC), particularly those not usually linked in mainstream analysis to gender equality goals. In other words, so far gender equality is written out of the commanding heights of economic policy (for example, trade, debt and foreign direct investment) in strategic United Nations documents – gender equality may be viewed as no more than a tactical or supplementary set of goals and problems. Gender equality and women's empowerment are only key factors in specific reports on gender equality such as the Report of the Secretary-General on Progress in Mainstreaming a Gender Perspective in Development, Implementation and Evaluation of National Policies and Programme. The key will be to make progress on integrating gender equality into other strategic documents since these will likely be taken more seriously by governments and ministries of finance.

Hence different types of measures of progress need to be developed based on the goals of measurement and the sites of policy intervention. For instance, at the international high-level forums set to unfold this year, a combination of content and discourse analysis can be used to affect the final wording of strategic documents and resolutions. A discourse analysis for instance, considers how gender equality and women's empowerment are (or not) articulated and understood in official Financing for Development documents.

So we can ask: how is gender equality and women's empowerment understood? In the Monterrey Consensus, are links made between non-traditional areas of gender-based analysis such as trade and debt and gender equality outcomes? Are women clustered together with other 'vulnerable groups' in a 'basket case' approach?

We can supplement the above with a quantitative application and analysis of indicators to be applied nationally to help us understand whether resources are supporting gender equality commitments. These would build on the expanded understanding of financing for gender equality advanced in the Follow-up texts. A series of gender-sensitive indicators need to be generated for each of the 6 action areas to measure progress in financing for gender equality. For example, in the area of Trade we can ask: "What is the Percentage of trade negotiation mandates that proactively include gender sensitive frameworks for each sectoral area negotiated?"

Or in the area of International Capital Flows, it's been suggested that reductions in required foreign exchange reserves would free up domestic resources. Here we can ask: "What percentage of resources freed up from foreign exchange reserves support commitments to gender equality?"