

Financing for gender equality and the empowerment of women

Report of the Expert Group Meeting*

Organized by
The Division for the Advancement of Women

Hosted by the Government of Norway

Oslo, Norway

4-7 September 2007

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*The views expressed in this document are those of the experts and
do not necessarily represent the views of the United Nations

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I. Introduction

1. In accordance with its multi-year programme of work for 2007-2009, the Commission on the Status of Women will consider “Financing for gender equality and the empowerment of women” as its priority theme during its fifty-second session, from 25 February to 7 March 2008. In order to contribute to a deeper understanding of the issue and to assist the Commission in its deliberations, the United Nations Division for the Advancement of Women organized an Expert Group Meeting (EGM) on the topic. The EGM was hosted by the Government of Norway at Lysebu, Oslo, from 4 to 7 September 2007.

2. The Expert Group Meeting explored the mechanisms of financing for gender equality and the empowerment of women, in particular in relation to follow-up to the Monterrey Consensus on financing for development, including macroeconomic policies; public finance, including gender-responsive budgeting; mobilization of international resources, including bilateral and multilateral assistance; and new and innovative sources of funding. The potentials and challenges of the different modalities and mechanisms, as well as the role of key actors involved, were discussed.

3. This report is the outcome of the meeting. It will provide inputs for the report of the Secretary-General to the Commission on the Status of Women. The report will be widely disseminated at the fifty-second session of the Commission on the Status of Women (CSW), including through presentation during a panel discussion.

II. Organization of work

A. Participation

4. The Expert Group Meeting on Financing for gender equality and the empowerment of women was attended by 14 experts from different regions of the world (11 individual experts and 3 institutional experts)¹, 19 observers (6 representatives of the United Nations, 1 representative of an intergovernmental organization, 2 government representatives, 3 representatives of non-governmental organizations, and 7 observers nominated by the Government of Norway), and one consultant. Three representatives from the host country and four staff members of the Division for the Advancement of Women also attended the meeting. (see Annex II).

B. Documentation

5. The documentation of the meeting consisted of:

- A background paper prepared by a consultant on behalf of the Division for the Advancement of Women;
- Fifteen papers prepared by experts;
- Four papers prepared by observers.

¹ Two experts submitted their papers, but were unable to attend the meeting.

6. This report and all documentation relating to the meeting (see Annex III) are available online at the website of the Division for the Advancement of Women:
http://www.un.org/womenwatch/daw/egm/financing_gender_equality/egm_financing_gender_equality.htm

C. Programme of work

7. At its opening session on 4 September 2007, the meeting adopted the following programme of work (see Annex IV):

- Opening of the meeting;
- Election of officers and adoption of the programme of work;
- Presentation and discussion of the background paper prepared by the Division for the Advancement of Women;
- Presentation of papers prepared by experts;
- Working groups on issues and recommendations;
- Introduction of the draft report;
- Adoption of the draft final report;
- Closing session

D. Election of officers

8. The experts elected the following officers:

Chairperson:	Ms. Lydia Alpízar Durán
Co-chairperson:	Ms. Bisi Adeleye-Fayemi
Rapporteurs:	Ms. Katrin Schneider and Mr. Edward Mhina

E. Opening statements

9. Ambassador Guro K.H. Vikør of the Ministry of Foreign Affairs welcomed all participants to Norway and to the Expert Group Meeting. Ms. Carolyn Hannan, Director of the Division for the Advancement of Women of the United Nations Department for Economic and Social Affairs, expressed appreciation to the Government of Norway for hosting the Expert Group Meeting and thanked Ambassador Guro K.H. Vikør of the Ministry of Foreign Affairs for her personal support.

10. Ms. Hannan gave an overview of the international commitments on financing for gender equality and empowerment of women. She noted that the Beijing Platform for Action called for funding to be identified and mobilized from all sources and across all sectors.

11. She noted that gender perspectives had been incorporated into the international agreements on financing for development adopted at the International Conference on Financing for Development held in Monterrey in 2002. Gender equality and the empowerment of women have received, however, limited attention in the follow-up processes to Monterrey. While the gap between policy commitments at international and national level and action on the ground is now well recognized, there has been limited assessment of the extent to which gaps in resource allocations in support of these commitments have contributed to the implementation gap. Ms. Hannan noted that some

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

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

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

14. Ms. Hannan called on the experts to consider how to systematically assess resource allocations for promoting gender equality and the empowerment of women, and where these fall short, how to increase resources. She encouraged the experts to consider possible recommendations on indicators on financing for gender equality and the empowerment of women.

III. Background

15. 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).

16. 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.² As Governments have the primary responsibility for implementing the strategic objectives of the Platform for Action, they were called upon to make efforts to systematically review how women benefit from public sector expenditures, adjust budgets to ensure equality of access to public sector expenditures, and achieve the gender-related commitments made in other United Nations summits and conferences.³

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, paragraph 345.

³ *Ibid.*, paragraph 346.

17. At the national level, 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.⁴ 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.⁵

18. At the international level, the Beijing Platform for Action called for adequate financial resources to be committed for its implementation in developing countries, particularly in Africa and least developed countries. It also called on countries involved in development cooperation to conduct a critical analysis of their assistance programmes so as to improve the quality and effectiveness of aid through the integration of a gender approach.⁶

19. At its twenty-third special session, the General Assembly stressed the need for continued international cooperation to increase the flow of resources for the Beijing Platform for Action's goals of gender equality, development and peace, in particular through reaffirmation and fulfilment of the internationally agreed target of 0.7 per cent of the gross national product of developed countries for overall official development assistance, and support for the Cologne initiative for the reduction of debt and the 20/20 initiative.⁷

20. The General Assembly also 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 and development programmes that enhance women's empowerment and develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation.⁸ Governments were also called upon to provide national machineries for the advancement of women 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.⁹

21. In 2000, the eight United Nations Millennium Development Goals (MDGs) to be achieved by 2015 were established. Quantifiable and time-bound targets have been developed to measure the progress of each country in reaching the MDGs. MDG3 is focused on gender equality and the empowerment of women.

22. At its fiftieth session in 2006¹⁰, CSW encouraged the international community, the United Nations system, the relevant regional and international organizations and the private sector and civil society to provide the necessary financial resources to assist national Governments in their efforts to

⁴ Ibid., paragraph 347.

⁵ Ibid., paragraph 350.

⁶ Ibid., paragraph 353.

⁷ General Assembly resolution S-23/3, annex, paragraph 101(j)(l).

⁸ Ibid., paragraph 73(b).

⁹ Ibid., paragraph 76(c).

¹⁰ CSW Agreed Conclusions on "Enhanced participation of women in development: an enabling environment for achieving gender equality and the advancement of women, taking into account, inter alia, the fields of education, health and work" 2006/1.

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

23. The 2006 ECOSOC Ministerial Declaration affirmed the importance of decent work as a key development goal, and in that context reaffirmed the determination of United Nations Member States to promote gender equality, to provide adequate resources and adopt gender-responsive budget initiatives as well as accountability and monitoring mechanisms.¹¹

24. Gender perspectives were incorporated into the Monterrey Consensus¹², which 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. It stressed the critical need for reinforcing national efforts in building capacity for gender budget policies.

25. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW 1979), commonly referred to as an international bill of rights for women, defines what constitutes discrimination against women. By adhering to this Convention, States parties commit themselves to undertake a series of measures to end discrimination against women in all forms. Currently over 95 percent of the United Nations member states, some 185 countries, are parties to the Convention.¹³ The Committee on the Elimination of Discrimination against Women addressed the issue of financing in its general recommendations on “Effective national machinery and publicity” (No. 6), “Women and health” (No. 24) and “Political and public life” (No. 23) and recommended that the State parties provide adequate resources to the health sector and to national machineries for the advancement of women, and encourage political parties to provide financial resources to overcome obstacles to women's full participation and representation.

26. In a number of recommendations in its concluding comments, the Committee called on State parties to allocate necessary resources to undertake appropriate measures to improve women's health, to increase educational opportunities for girls, to combat all forms of violence against women and to improve the situation of rural women. The Committee called on some State parties to monitor the effects of macroeconomic policies, including trade agreements, on women, to ensure that all national development policies, plans and programmes explicitly promote women's equality and empowerment, and to seek innovative sources of funding and assistance for the promotion of gender equality, including in partnerships with the private sector. The Committee also encouraged State parties to provide the national machineries for the advancement of women with adequate financial resources to enable them to work effectively for the promotion of gender equality and enjoyment of women's rights.

¹¹ E/2006/L.8, paragraphs 7 and 9.

¹² *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chapter 1, resolution 1, annex).

¹³ See <http://www.un.org/womenwatch/daw/cedaw/states.htm>.

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

28. Regional commitments reinforcing and applying existing international commitments can be found, for example, in the Solemn Declaration on Gender Equality in Africa of the Heads of State and Government of Member *States* of the African Union (2004)¹⁷ and the Conclusions of the European Council and of the Representatives of the Governments of the Member States meeting within the European Council (DEVGEN 91 - SOC 205): Gender Equality and Women's Empowerment in Development Cooperation Europe (2007).¹⁸

29. The upcoming “Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus”, to be held in Qatar in 2008, provides a strategic opportunity for the international community to advance concrete action-oriented gender-sensitive policy recommendations and coherence between macroeconomic policies and internationally agreed development goals on gender equality. The “Third High Level Forum on Aid Effectiveness”, which will be held in Accra, Ghana in 2008 to assess the progress in the implementation of the Paris Declaration on Aid Effectiveness, provides another opportunity to advance gender-sensitive policy recommendations.

Many more resources are needed to improve women’s lives and eliminate gender gaps

30. 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.

- Violence against women is a major cause of death and disability for women of reproductive age, ranking alongside cancer, and a greater cause of ill-health than traffic accidents and malaria combined.¹⁹ It is estimated that worldwide, one in five women becomes a victim of rape or attempted rape in her lifetime.²⁰

¹⁴ Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability, High-level Forum, Paris, 28 February – 2 March 2005, paragraph 1.

¹⁵ Ibid., paragraph 42.

¹⁶ The Workshop on “Development effectiveness in practice” was organized by the OECD-DAC Networks on Environment and Development, Governance and Gender Equality and the Working Party on Aid Effectiveness, with the support of the Irish and Danish Governments, in Dublin, Ireland, 26-27 April 2007.

¹⁷ Solemn Declaration on Gender Equality in Africa, Assembly/AU/Decl.12(III) Rev.1, adopted during the Assembly of Heads of State and Government, Third Ordinary Session, in Addis Ababa, Ethiopia, 6-8 July 2004.

¹⁸ Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council, (DEVGEN 91 - SOC 205), No. 9561/07, Brussels, 15 May 2007.

¹⁹ Parliamentary Assembly of the Council of Europe 2002, Recommendation 1582 (2002) on Domestic Violence against Women.

²⁰ García-Moreno et al. (2005). WHO Multi-country Study on Women’s Health and Domestic Violence Against Women. Initial results on prevalence, health outcomes and women’s responses, Geneva: WHO. 74.

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

31. Research indicates only limited progress in allocating and channelling 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 empowerment and the elimination of gender-based discrimination. Exceptions are found in individual sectors such as education.

32. The narrow focus on the education target to measure progress in MDG3 has been strongly criticized by many women's activists as a step back from the commitments made in the Beijing Platform for Action. In its review report, the Millennium Development Taskforce on Education and Gender Equality therefore recommended a broadening of focus and proposed some additional indicators that cover areas such as violence against women, sexual and reproductive health, and access to infrastructure, property rights and employment.²⁶

33. 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).²⁷ 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. What these figures indicate is that achieving gender equality objectives requires a reallocation of existing resources and a huge injection of additional and predictable resources.

²¹ United Nations. In-Depth Study on All Forms of Violence against Women: Report of the Secretary General, 2006. A/61/122/Add.1. 6 July 2006.

²² *The Millennium Development Goals Report 2007*, (United Nations publication, Sales No. E.07.I.15), p.6.

²³ <http://www.unfpa.org/intercenter/beijing/poverty.htm>

²⁴ <http://www.unfpa.org/mothers/>

²⁵ *Maternal Mortality in 2000: Estimates developed by WHO, UNICEF, UNFPA, Department of Reproductive Health and Research, World Health Organization, Geneva 2004.*

²⁶ Caren Grown, Geeta Rao Gupta, Aslihan Kes (2005). *Taking action: achieving gender equality and empowering women*, UN Millennium Project, Task Force on Education and Gender Equality.

²⁷ Caren Grown, Chandrika Bahadur, Jessie Handbury and Diane Elson (2006). *The Financial requirements of achieving gender equality and women's empowerment*, Paper prepared for the World Bank, August.

34. A review undertaken in 2005 of the implementation of the Beijing Platform for Action²⁸ illustrated that budgetary allocations to national machineries for the advancement of women were insufficient or had decreased. In many countries, resources fell short in specific sectors, such as education, rural development, health, the prevention of HIV/AIDS and violence against women. Funding gaps reportedly resulted from political and macroeconomic changes. Even where funding had increased, shortfalls were experienced because of increased needs, as in the case of reproductive health programmes. Funding modalities were sometimes a cause for concern: reliance on short-term project funding could be an obstacle to sustainability of gender equality policies.

35. Gender equality and the empowerment of women have received limited attention in the Monterey Consensus follow-up processes. During the 2005 High-level Dialogue, it was emphasized that domestic resource mobilization policies should incorporate the international commitment to gender equality, and participants recommended the use of gender-responsive budgeting to ensure that the relevant commitments are resourced.²⁹ Likewise, 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. 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.³⁰ In 2004, the important contribution of women in support of, and as part of, private sector development was highlighted.³¹ 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.³²

Global trends

36. A number of global factors have had an impact on financing for gender equality and the empowerment of women, among them: trade liberalization, increasing migration, the international security agenda, rising religious fundamentalism, international private capital flows, foreign direct investment (FDI), speculative capital flows, economic growth patterns that increase inequalities between countries and in countries, the feminization of poverty, and the privatization of public services and enterprises.

37. The dominant approach to economic and social management is often preoccupied with matters that work against the promotion of gender equality and the empowerment of women. For example, the payment of external debt/debt services by low-income countries has been prioritized over the provision of essential services such as health care and access to safe water. There has also been a push towards the privatization of services delivery to for profit companies, to the detriment of universal access to basic social services and social protection. Trade liberalization has also been vigorously pursued, without sufficient attention to the fact that such liberalization can have a negative impact on government budgets, particularly those with high dependence on trade taxes, as well as on food security in some countries because local producers may be forced out of business.

²⁸ E/CN.6/2005/2, paragraph 75.

²⁹ A/60/219

³⁰ A/58/77-E/2003/62

³¹ A/59/92-E/2004/73

³² A/62/76-E/2007/55

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

39. The following sections of this report will explore in detail the implications of national and global trends on financing for gender equality and the empowerment of women. Issues are divided into four themes: macroeconomic policies and follow-up to the Monterrey Consensus; public finance and gender-responsive budgeting; bilateral and multilateral aid; and funding the women's movement. A proposed list of indicators to gauge progress in these areas is provided in Annex I.

IV. Theme 1: Macroeconomic policies and follow-up to the Monterrey Consensus

40. 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.³³ 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.

41. Nevertheless, one of the key shortfalls 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.

Gender equality and women's empowerment in the Monterrey Consensus

42. Several references are made to women's empowerment and gender equality in the Consensus, including the need for 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).

43. The importance of gender equality and women's empowerment to development is thus recognized in the Consensus. However, attention to gender equality and women were not directly

³³ Joseph Stiglitz, "Finance for Development," in Melvin Ayoen and Don Ross (eds.) *Development Dilemmas: The Methods and Political Ethics of Growth Policy*, (Routledge 2005).

integrated throughout the key areas for action – mobilization of domestic resources for development; trade; private capital flows; official development assistance; debt and systemic issues related to the international financial system. There is a call for gender-sensitivity 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 liberalization and other economic policies referred to in the Consensus are not considered from a gender equality perspective.³⁴

44. Macroeconomic policies have important implications for financing for gender equality. For example, the removal of tariffs and other trade barriers has an impact on prices of goods and services consumed by households. Decreases in government revenues can lead to cuts in social spending, with direct impact on household budgets, and a disproportionate impact on women.

45. There is 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 a year. The region loses up to \$47 billion a year because of restrictions on women's access to employment, and up to \$30 billion because of gender gaps in education.³⁵ Gender inequality also limits pro-poor growth, as pointed out in a recent edition of *Poverty in Focus*, which highlights that addressing gender inequality in education and employment, women's unequal access to productive assets and increased time burdens due to women's unpaid work, can help to accelerate both overall economic growth and pro-poor growth.³⁶

46. 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. Restrictive macroeconomic policy rules such as balanced budget amendments leave less room for manoeuvre 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.³⁷ A 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.

A note on microfinance

47. Governments and other stakeholders, including donors, have specified that working with women to deliver financial services and credit through microfinance schemes offers immediate resources for meeting women's livelihood needs. After three decades of experience with microfinance, however, a number of critical questions have been raised around the potential for empowerment of women and sustained poverty alleviation. A number of specific challenges have been identified:

³⁴ For a detailed discussion, see Maria Floro, Nilufer Cagatay, John Willoughby, and Korkut Erturk, (2004). *Gender Issues and Concerns in Financing for Development* Santo Domingo: INSTRAW Papers. <http://www.un-instraw.org/en/index.php?option=content&task=view&id=838&Itemid=0>

³⁵ 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.

³⁶ Stephen Klasen (2007). Pro-poor growth and gender inequality: Insights from new research, published in *Poverty in focus: analysing and achieving pro-poor growth*, Pro-poor growth: summaries of recent research, UNDP International Poverty Centre (2007).

³⁷ Diane Elson (2006). *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, UNIFEM, New York, pp.149-151.

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

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

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

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

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

51. 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 WTO to incorporate gender equality concerns in their policies⁴⁰ and the need to undertake analysis of the impact of agreements on women, and emphasized the urgent need to

³⁸ Ramesh Arunachalam (2007). "Microfinance and Innovative Financing for Gender Equality: Approaches, Challenges and Strategies," (Commonwealth Secretariat 2007), Background Paper WAMM (07)11.

³⁹ A/60/219

⁴⁰ A/58/555/Add.1

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

RECOMMENDATIONS

- a. Governments should incorporate social development and gender perspectives into the WTO Trade Policy Review Mechanism. The WTO review process of national trade policies should include monitoring for social impacts, which incorporate gender equality objectives, within trade commitments.
- b. The WTO should systematically undertake analysis of trade agreements, instituting indicators and time bound targets for monitoring progress and the impact on empowerment of women in a diversity of countries.
- c. Governments should ensure that all trade negotiators have regular training in the gender perspectives on trade.
- d. Governments should integrate a gender perspective into all follow-up intergovernmental and multilateral processes relating to financing for development, with particular attention to establishing coherence between economic and social policies, including gender equality policies. This would include gender sensitive impact assessments of trade liberalization, employment and fiscal policy.
- e. 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.
- f. Given the importance of financing to meet internationally agreed development goals including gender equality and the empowerment of women, United Nations Member States should engage proactively with gender equality stakeholders, including national mechanisms for the advancement of women, social and labour ministries, women's organizations, and trade unions in the preparatory processes leading up to the 2008 Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha. These include: the General Assembly High-Level Dialogue (New York, October 2007), the 52nd session of the Commission on the Status of Women (New York, March 2008), the Spring Meeting of ECOSOC with the BWIs, WTO and UNCTAD (New York, April 2008), UNCTAD XII, (Ghana, April 2008), and the ECOSOC Development Forum (New York, July 2008).
- g. It is further recommended that United Nations Member States participate at the highest possible level in the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus and that the conference be preceded by a Preparatory Committee (PrepComs). This modality offers the best opportunity to engage

⁴¹ A/59/855

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

61. Elson offers a comprehensive guide which analyzes government expenditure, revenue, macroeconomic policy and budget decision-making processes from a CEDAW perspective. Her report clarifies "that government budgets (like any other activity carried out by the State) should be constructed and implemented in ways that respect, protect and fulfill human rights".⁴⁸ Linking women's human rights to government budgets affords both a legal force and a moral authority. CEDAW imposes binding legal standards on States parties. The discourse of human rights also introduces a moral and value-based assessment of finance, relating finance to human rights norms.⁴⁹

62. 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 equality projects'. On the other hand, there are concerns that targeted interventions and financing may reduce the focus on serious gender mainstreaming in activities supported through the general budget. As the evidence from Sector-Wide Approaches (SWAPS) and Poverty Reduction Strategy Papers (PRSPs)

⁴³ Grown, et.al., (2006) op. cit.

⁴⁴ <http://www.un.org/womenwatch/daw/documents/ga60.htm#resolutions>.

⁴⁵ Debbie Budlender (2004). *Budgeting to Fulfill International Gender and Human Rights Commitments*. UNIFEM, Zimbabwe.

⁴⁶ Diane Elson (2006). *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*. UNIFEM, New York.

⁴⁷ Budlender (2004) op. cit.

⁴⁸ Elson (2006) op. cit., p.141.

⁴⁹ Ibid., p.142.

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

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

Achievements and challenges

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

Achievements

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

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

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

⁵¹ Paolo DeRenzo (2004). “Why Budgets Matter: the New Agenda of Public Expenditure Management”, ODI, Briefing Paper, May.

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

Challenges

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

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

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

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

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

Public finance reforms

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

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

70. Also underpinning the budgetary changes are the objectives of public expenditure management (PEM). These are advocated by multilateral institutions and adopted by many governments as the basic objectives of resource management systems. These objectives, as expressed by the World Bank, are to: maintain aggregate fiscal discipline to achieve effective control over budget totals; promote allocative efficiency whereby resources are allocated (and re-allocated) in accord with government priorities; and promote operational efficiency or the cost efficient delivery of services.⁵⁴ The PEM has given added emphasis to matching spending with what is affordable over the medium term, aligning spending with policy priorities and spending for results at the lowest cost. It also has given a new role to the ministries of finance or central budget offices, particularly in the area of results-based or performance oriented monitoring and budgeting.

Results-based Budgeting

71. 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?

⁵³ Debbie Budlender (2005). *Expectations versus Realities in Gender-responsive Budget Initiatives*, (United Nations Research Institute for Social Development, 2005), March.

⁵⁴ World Bank (1998). *Public Expenditure Management Handbook*, Washington DC.

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

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

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

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

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

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

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

⁵⁵ Rhonda Sharp (2003). *Budgeting for Equity: Gender budget initiatives within a framework of performance oriented budgeting*. UNIFEM, New York.

RECOMMENDATIONS

- a. Governments should integrate a gender perspective into their public finance system through:
 - Developing a strategic plan with short, medium and long term targets;
 - Incorporating into budget guidelines provisions requiring gender impact assessments and resource allocations that promote 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 quantitative and qualitative sex- and age-disaggregated and gender-specific data collection and analysis to monitor changes in gender relations over the lifecycle;
 - Assessing the gender impacts of revenue raising measures, including user fees, as well as the taxation structure and composition, and developing gender sensitive policies and mechanisms in all revenue raising;
 - Developing methodologies for systematically incorporating a gender perspective into the results-based public financial management systems, including costing women and men's unpaid work, and investing in time-saving infrastructure (such as water provision, transport, child care facilities, etc);
 - Improving cooperation between finance ministries and the national machineries for the advancement of women 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;
 - Allocating resources for implementation of gender-responsive budgeting, including building national capacity and ownership of government, civil society and parliamentarians with regard to effective planning, implementation, and monitoring/tracking; and
 - Developing performance indicators, to measure progress in introducing and implementing gender-responsive approaches to public finance.
- b. Governments should enhance women's participation as actors, inside and outside of government, in macroeconomic policy formulation and implementation in all phases of the budget cycle. Annual assessments, based on review of both the process and policy outcomes should be conducted, and these should feed into the Commission on the Status of Women and ECOSOC. Specifically, governments should:
 - Strengthen the mandates of mechanisms for the advancement of women at national and sub-national levels, and provide sufficient resources to enable them to take the lead in capacity-building and monitoring of gender mainstreaming in budgets;

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

VI. Theme 3: Bilateral and multilateral aid

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

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

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

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

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

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

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

Gender equality-focused aid

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

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

Examples of linkages of regional commitments

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

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

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

⁵⁹ OECD-DAC Secretariat (2007). Aid to support gender equality, 2001-2005. January 2007, Paris.

⁶⁰ Solemn Declaration on Gender Equality in Africa, Assembly/AU/Decl.12(III) Rev.1, adopted during the Assembly of Heads of State and Government, Third Ordinary Session, in Addis Ababa, Ethiopia, 6-8 July 2004.

⁶¹ Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council, (DEVGEN 91 - SOC 205), No, 9561/07, Brussels, 15 May 2007.

85. The European Commission has committed itself to support the development of indicators plus the collection of relevant data that can track changes in gender equality and which can be linked to the disbursement of variable tranches. The European Council also calls for systematic application of the gender equality policy marker established by the OECD-DAC as a strategic tool for effective targeting and monitoring of aid allocations for gender equality and women's empowerment.⁶²

86. In addition, the European Commission committed itself to external evaluations of implementation of its communication on gender equality and women's empowerment in development cooperation. These evaluations will include a gender budget analysis of EC funded projects and programmes, including general budget support in at least 12 selected pilot countries.⁶³

The Paris Declaration as a delivery mechanism for Monterrey and gender equality commitments

87. The Paris Declaration on Aid Effectiveness (2005) endorses the Monterrey commitments (2002) to increase volumes of aid and other development resources to achieve the MDGs; and establishes principles and time-bound targets for formulation of effective delivery mechanisms to improve development performance.

88. The Paris Declaration is clear that the objective of these reforms is "*reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs*". The principles established towards achieving this correlate well with those espoused in gender equality and women's empowerment objectives and strategies. However, apart from one significant commitment to gender analysis and gender impact assessment (para. 42), the Declaration itself is not explicit on gender dimensions and much of the initial reform agenda was developed without input from gender equality experts.

89. Thus far, the Paris Declaration reforms have primarily focused on improving the efficiency of financial and administrative arrangements necessary to improve aid delivery. There is growing awareness, however, that to have the desired development impact, these essential changes need to be accompanied by adequate analysis to capture the role and functional necessity of gender equality and women's empowerment (and other key elements) in achieving development effectiveness. Without this, there is significant risk that the opportunities provided by the Declaration will not be realized and the proposed reforms will not have the desired development impact.

90. Gender equality advocates have highlighted the opportunities and raised concerns about the risks and challenges posed in a number of fora, through analysis, research, debate and workshops. Such analyses and workshops have concluded that gender equality and women's empowerment: (i) is a fundamental cornerstone for achieving good development results; (ii) can be advanced through implementing the principles and partnership commitments of the Paris Declaration; and (iii) must be harnessed to advance the implementation of the Paris Declaration.

91. The five overarching principles of the Paris Declaration are interrelated and interdependent. Strong country ownership and mutual accountability underpin alignment and harmonization efforts,

⁶² Ibid.

⁶³ *Communication from the Commission to the European Parliament and the Council [SEC(2007) 332]: Gender Equality and Women Empowerment in Development Cooperation.*

while managing for results focuses on development impacts and outcomes. Aid recipient and donor countries, along with multilateral agencies and civil society organizations have committed to applying these principles in the fundamental reform of how they operate and relate to one another. Translating these commitments into new relationships and practices provides an opportunity to embed gender equality and women's empowerment; to revitalize the practice of gender equality and women's empowerment by all stakeholders; and to increase the share of financing towards these objectives.

92. There are a number of critical aspects related to the five Paris Declaration principles and gender equality⁶⁴:

- **Ownership** is about genuine collective ownership by society as a whole. It requires meaningful participation of a range of key stakeholders, which in turn will require development of inclusive processes and fora and development of capacities, including women's advocates and groups, to influence national development policies and strategies;
- **Alignment** works best when gender equality and women's empowerment are institutionalized in legal frameworks, national strategies and robust policies;
- **Harmonization** can bring gender equality and women's empowerment to the centre of Paris Declaration implementation, and this perspective is essential in developing new mechanisms involving division of labour and specialization;
- **Managing for development results** provides entry points for integrating gender equality and women's empowerment, and such results cannot be attained without including such dimensions;
- **Mutual accountability** can benefit from experience gained in advancing gender equality and women's empowerment objectives and through utilization of tools and approaches developed to demonstrate accountability.

93. Reform provides opportunities, challenges and constraints. Gender equality specialists from all stakeholder groups need to engage in deconstructing and translating the five principles into implementation mechanisms and modalities and supporting and tracking their application. In particular, the added-value this can bring to the essential reforms being developed by the designers of aid reform needs to be highlighted, and the evidence presented.

94. Capacity to engage strategically requires familiarity with language, skills and approaches of the new aid architecture. Gender advisors and advocates in donor agencies, in central and line ministries and in civil society, need support to develop this capacity. Likewise, macroeconomists and technical advisors need to build awareness and capacity to recognize the centrality of gender equality and women's empowerment to achieving the reform objectives. Thus far, joint Paris Declaration-related capacity building initiatives do not adequately address these needs.

⁶⁴ OECD-DAC Network on Gender Equality (2007). *Understanding the connections between the Paris Declaration and work on gender equality and women's empowerment*, Draft Issues Paper 1.

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

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

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

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

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

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

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

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

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

Funding to multilateral organizations

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

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

- Developing strategies to increase multilateral investments focused on gender equality and women's empowerment;
- Identifying the respective comparative advantages of multilateral and bilateral donors; and
- Rethinking and reshaping the ways in which bilateral and multilateral donors work together to support partner country efforts.

The role of the United Nations

103. The United Nations continues to have a critical role in supporting countries to fully realize their commitments to gender equality and women's empowerment. In order to more effectively carry out this role, there have been calls for a strengthening of the United Nations gender equality architecture. Stakeholders have identified the following factors as necessary to reinforce the United Nation's efforts in promoting gender equality:

- A stronger 'operational mandate' and strengthened country presence;
- Clear mechanisms to ensure the meaningful involvement of non-governmental organizations, particularly women's organizations;
- Substantial and predictable resources to be mobilized through assessed as well as voluntary contributions, including to core budgets; and
- Strengthened leadership and increased human resources to enhance capacity to deliver.

104. In the context of United Nations reforms at the country level to achieve 'delivering as one', there are now eight countries 'piloting' this approach (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay, and Vietnam). The extent to which gender equality and women's rights are made significant priorities for the 'delivering as one' pilots should be studied and evaluated. Gender equality and women's rights must also be more effectively addressed in every part of the United Nations system and be fully integrated into the aid effectiveness agenda.

⁶⁶ OECD Development Co-operation Directorate, (DCD-DAC). Statistical Annex of the 2007 Development Co-operation Report, http://www.oecd.org/document/9/0,3343,en_2649_34485_1893129_1_1_1_1.00.html (accessed on 18 December 2007).

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

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

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

RECOMMENDATIONS

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

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

- e. Accountability for gender equality and women's empowerment requires capacity building of all stakeholders in relation to the new aid architecture including: (i) gender equality stakeholders in recipient countries (national machineries for the advancement of women, finance and planning agencies, sector agencies, women's organizations, parliamentarians) and (ii) development agency staff and other key stakeholders in donor countries (parliamentarians, civil society) to build and strengthen institutional capacity and accountability mechanisms for delivering on women's empowerment and gender equality.
- f. There should be increased attention to gender equality and women's empowerment in the design of reforms and in implementation, monitoring and evaluation of the Paris Declaration. In this regard donors should promote country-specific harmonized approaches to support and sustain inclusive processes and capacity for multi-stakeholder influencing of national development plans and strategies. This should include line ministries, parliamentarians, civil society organizations and women's groups and encompass information dissemination, access to and timely sharing of information and support for analysis, research and debate and for adequate representation of women's concerns in decision-making fora. In addition, all parties engaged in the design of harmonization and alignment reforms and modalities should include adequate measures and safeguards to ensure fulfilment of gender equality and women's empowerment commitments.
- g. There should be improved collaboration with colleagues working on related social policy and other essential cornerstones of development such as environmental sustainability, human rights and HIV/AIDS. In addition, existing 'silos' within and between bilateral and multilateral agencies in pursuit of common objectives should be broken down.
- h. Bilateral and multilateral donors should support evidence-gathering and strategic alliances by and between gender equality and women's empowerment stakeholders to influence the Third High Level Forum in Accra in September 2008 and maintain a focus on on-going processes and the build up to achievement of Paris Declaration commitments and targets for 2010.
- i. Financing mechanisms, including Multi-Donor Trust Funds for fragile and humanitarian situations, should include gender equality, women's empowerment and security/rights as cornerstones and core principles through:
 - Establishment of resource envelopes for gender equality and women's empowerment, and protection as part of the key financing instruments (with set gender equality targets and performance indicators);
 - Gender expertise for critical technical support on women's rights, empowerment and security; and
 - Study and analysis on approaches and methodologies on financing for gender equality, women's empowerment and rights in fragile and humanitarian situations.
- j. A diversity of funding mechanisms is needed to enable gender equality actors working at different levels, and with differing mandates, to fulfil their role, and to ensure that larger, well established gender equality stakeholders do not crowd out funding for smaller or more recent initiatives. Civil society organizations require support via mechanisms that may not necessarily be channelled through national governments. Mechanisms could include direct bilateral and multilateral support, international NGOs or independent women's funds.

VII. Theme 4: Funding the women's movement

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

Funding situation of women's organizations⁶⁷

109. Research carried out by the Association for Women's Rights in Development (AWID) clearly shows that the majority of women's organizations' budgets are very small: two-thirds of the women's organizations surveyed by AWID in 2006 have annual budgets of less than \$50,000, and one-third of them have annual budgets of under \$10,000. In 2005, 729 women's rights organizations worldwide had a collective income of only \$79 million (including most of the women's organizations with the largest annual budgets), a clear indicator of how under-resourced women's organizations are in different regions of the world. Of all the diverse organizations in the AWID survey, more than half reported decreasing incomes since 2000.

110. When the AWID survey was completed in August 2006, only 13 per cent of organizations had secured all the funding they needed for that year. In fact, 61 per cent had raised only half or less of their budget for the year, suggesting how vulnerable women's organizations are in terms of meeting their budget goals on an annual basis. In addition, most organizations depend on small project-based funding because that is largely what is available. Most organizations are unable to secure predictable and multi-year funding for their programmes, and support for institutional costs are extremely difficult to negotiate.

111. In the early years following the Beijing Conference, a large number of women's organizations continued to get most of their funding from bilateral/multilateral agencies, large private foundations and international NGOs. However, by 2005, the most common sources of funding (though not necessarily the largest) mentioned by respondents to the AWID survey were Women's Funds. Women's Funds are autonomous, social change grant-making organizations, set up by and for women, with a mission to support women's rights initiatives. They play a very important role in providing flexible resources for the needs of women's organizations, especially in contexts where larger donors are unable to reach women in local, grassroots communities. If Women's Funds

⁶⁷ Data on the funding situation of women's organizations has been taken from the Fundher research reports 2006 and 2007 produced by the Association for Women's Rights in Development (AWID), which can be accessed in different languages at www.awid.org

have more resources, they will be able to develop more proactive and strategic grant making programmes.

New trends and innovations in sources of funding for women's rights

Emerging trends

112. As the political and economic context of financing for gender equality and women's empowerment has changed, the landscape of funding sources has altered dramatically. Several large, independent foundations, particularly in the United States, have been consistent supporters of women's organizations and movements. However, in recent years, some of these foundations have either withdrawn or reduced their support for these organizations.

113. At the same time, there has been an upward trend with other actors in private philanthropy, which includes smaller private foundations, family foundations, individual philanthropists and corporate funding. This is true in developing countries as well as in middle-income and highly developed countries. Private philanthropy, in particular, has become a new and diverse source of funding. Although more research is needed on these trends, it seems that the transfer of wealth between generations has been accompanied by a shift in values favouring the women's rights movement and international philanthropy. Working women also increasingly contribute to charitable funds and target specific causes such as health and alleviation of poverty.

114. Financial and legal environments in countries like the US have often favoured private philanthropy. Tax credits and terms of inheritance and trusts have encouraged private donors' support for non-profit organizations as part of personal financial planning. Universities and faith-based charities have traditionally tapped this pool of donors, while women's groups are relative novices at approaching private donors for large contributions.

115. Faith-based organizations are an increasingly important set of actors in financing for development and women's programmes, although there is noticeable diversity in the political goals of these organizations. For example, some groups mobilize resources to erode gains made in international frameworks and commitments for gender equality, including CEDAW, the International Conference on Population and Development (ICPD), and the Beijing Platform for Action.

116. NGOs and national machineries for the advancement of women at various United Nations fora have called for a reversal in the trend towards privatization of social and economic development. They have also noted that public funds allow for more democratic access and implementation of policies in line with international accords such as the Beijing Platform for Action – something which is not required of private donors and family foundations or corporations. At the same time, the handful of NGOs from developing countries with access to private donors and family foundations report that they offer flexibility and diversity compared with public and foundation sources. New modalities which combine foundations with private donor funds are emerging.

Opportunities

117. The following are opportunities to explore in financing for women's organizations:

- **Diaspora funding:** Women's groups in Diaspora communities across the world have organized to help support women's human rights projects in their home countries. These efforts include community development programmes, scholarship funds, shelters for victims of domestic violence, promotion of women's political rights, and legal defence.
- **Social enterprises:** NGOs are experimenting with for-profit ventures to finance their work. These range from bakeries and real estate to hotels and entertainment. For example, the All-China Women's Federation runs a hotel in Beijing as part of its fund-raising. Women's groups in Jordan purchased a house and use rents to finance their activities. Other examples of social enterprises are found in Nepal, where TEWA, a Women's Fund, built a centre which it rents out to other organizations, and in South Africa, where a women's crisis centre owns a bakery.
- **Corporate partnerships:** Partnerships that mutually benefit corporations and NGOs have been used as innovative new sources of funding for women's rights. For example, the US-based Women's Funding Network is partnering with 'Good Deeds' brands, so that a percentage of sales go to poverty alleviation for women.
- **Endowments, planned-giving and financial investments:** Private donors and philanthropists can help to build endowments (permanent restricted funds) which can be invested. Women's groups are also exploring investments in financial institutions/bonds and stocks. There is also an opportunity to explore planned-giving programmes which can ensure long-term sustainability.
- **Constituency building using popular culture:** The public has been drawn to large-scale awareness raising and constituency building around issues such as poverty, debt-relief and HIV/AIDS. These causes use popular culture events such as pop concerts, videos, popular magazines, documentaries and films to raise awareness and funds. For example, the RED Campaign raises money for the Global AIDS Fund.

118. There are constraints that inhibit full exploration of new financial opportunities. Among these are the feminization of 'volunteerism', ambiguous feelings about 'for-profit' enterprises, and women's limited experience in large-scale financial management and in the use of financial market tools such as bonds. Exchange of experiences, training, and building capacity are critical to helping NGOs, national machineries for the advancement of women, and the United Nations explore new opportunities.

RECOMMENDATIONS

- a. There should be a significant increase in investments in women's rights organizations and movements; these organizations should receive substantial, predictable, multi-year, core funding.
- b. Where structural, organizational, or political obstacles prevent the direct flow of resources to women's civil society organizations, agencies in the different funding sectors should identify alternative ways to provide financial support to women's organizations. This can be done

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

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

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

ANNEX I

List of proposed indicators

Indicators on trade, macroeconomic policy and gender equality

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

Indicators on public finances

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

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

There is a large body of work of sex-disaggregated and gender-sensitive indicators that can be utilized to measure the contribution of government expenditures and revenues to the financing of gender equality and women's empowerment. Examples of work specifically dealing with budgetary indicators include Budlender (2004)⁶⁹ and Sharp (2003)⁷⁰. Budlender (2004) provides examples of output indicators that link budgets to the implementation of CEDAW. Using the CEDAW article on employment as an example, the following budget questions and indicators illustrate public finance gender impacts.⁷¹

⁶⁸ Caren Grown, et.al., (2005) op. cit.

⁶⁹ Budlender (2004) op. cit.

⁷⁰ Sharp (2003) op. cit.

⁷¹ Budlender (2004) op. cit.

Some budget questions:

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

Some output indicators:

- How many women and men benefited from each of the different types of government-funded social security?
- How many women and men used government-subsidized childcare?
- Who has access to government-funded or subsidized childcare?
- How many women and men use the services of an ombudsperson or institution that deals with work-related disputes?
- How many women benefited from publicly funded maternity leave and similar forms of assistance?

Such examples highlight the scope for making stronger links between resourcing and the implementation of international and national commitments. They also illustrate that the development of indicators to measure and monitor the budgetary impacts on men and women and boys and girls and gender equality and women's empowerment will need to take into account particular country contexts.

ANNEX II

List of Participants

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ANNEX III

List of Documents

A. PAPERS BY EXPERTS

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

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

B. PAPERS BY OBSERVERS

- EGM/FFGE/2007/OP.1 *Notes on the gender perspective in financing for development and the Monterrey Consensus*
UN-INSTRAW
- EGM/FFGE/2007/OP.2 *Financing for gender equality- Recommendations from the Eight Commonwealth Women's Affairs Ministers Meeting*
Commonwealth Secretariat
- EGM/FFGE/2007/OP.3 *Discussion paper*
Working Group on Girls
- EGM/FFGE/2007/OP.4 *Discussion paper*
NGO Committee on the Status of Women/New York

C. BACKGROUND PAPER

- EGM/FFGE/2007/BP.1 *Financing for gender equality and the empowerment of women: Paradoxes and possibilities*
Ms. Isabella Bakker (Consultant)

D. INFORMATION PAPERS

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

ANNEX IV

Programme of Work

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

Tuesday, 4 September 2007

Plenary Session

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

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

Wednesday, 5 September 2007

Plenary Session and Working Groups

- 9:00 a.m. Summary of Day 1 by Rapporteur
- Introduction to work by Chair
- 9:30 a.m. Presentation by experts and open discussion
Theme 4: Funding the women's movement, including through women's funds
- Ireen Dubel** (Netherlands): *Money matters: the strategic relevance of donor funding targets and conditionalities for women's empowerment and gender equality results* [EGM/FFGE/2007/EP.9]
- Lydia Alpízar Duran** (Costa Rica): *Funding women's organizations and movements as key driving forces for gender equality and women's empowerment: challenges and opportunities* [EGM/FFGE/2007/EP.10]
- Anastasia Posadskaya-Vanderbeck** (Russian Federation): *The role of global women's funds in financing for development* [EGM/FFGE/2007/EP.11]
- 11:00 a.m. Break
- 11:15 a.m. Presentation by experts and open discussion
Theme 4 (cont'd): Funding the women's movement, including through women's funds
- Bisi Adeleye-Fayemi** (Nigeria/UK): *Financing for gender equality and the empowerment of women: the critical role of autonomous women's funds in strengthening women's movements* [EGM/FFGE/2007/EP.12]
- Kinga Lohmann** (Poland): *Financing for gender equality and the empowerment of women in Eastern Europe* [EGM/FFGE/2007/EP.13]
- 12:30 p.m. Lunch

2.00 p.m.	Introduction to Working groups by Chair Plenary session
	Working groups
4:00 p.m.	Break
4:30 p.m.	Working groups (cont'd)
6.00 p.m.	Closing of meeting – Day 2

Thursday, 6 September 2007

Working Groups

9:00 a.m.	Summary of Day 2 by Rapporteur
9.30 a.m.	Presentation by experts and open discussion
	Cathy Gaynor (Ireland): <i>The Paris Declaration on Aid Effectiveness and gender equality</i> [EGM/FFGE/2007/EP.14]
	Presentations by Norwegian Government Partners:
	Nyaradzai Gumbondzvanda (Kenya)
	Suraiya Kamaruzzaman (Indonesia)
10:00 a.m.	Plenary discussion of findings of working groups
11:00 a.m.	Break
11:15 a.m.	Working groups draft findings and recommendations
12:30 p.m.	Lunch
2:00 p.m.	Working groups draft findings and recommendations (cont'd)
4:00 p.m.	Break
4:30 p.m.	Plenary to discuss draft findings and recommendations from working groups
6.00 p.m.	Closing of meeting – Day 3
8:00 p.m.	[Report writing by small groups of experts]

Friday, 7 September 2007

Plenary Session

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