

List of acronyms with links

AWID	Association of Women in Development
B + 10	Beijing + 10 Global Review
BPA	Beijing Platform of Action
BRIDGE	A specialized gender and development research and information service within the Institute of Development Studies (IDS) , Sussex University, United Kingdom (UK). It was created by the OECD/DAC Working Party on Gender Equality (now the GenderNet).
C8	Meeting of 8 Commonwealth Women's Affairs Ministers' June 2007
CBMS	Community Based Monitoring System
CEDAW	The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)

IFFGE	International Finance Facility for Gender Equality
IFFIm	International Finance Facility for Immunization
INSTRAW	United Nations International Research and Training Institute for the Advancement of Women
MDG3	UN Millennium Development Goal number 3; to eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015. http://www.un.org/millenniumgoals/
MDGs	The eight UN Millennium Development Goals (MDGs) which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015. http://www.un.org/millenniumgoals/
MTDF	Medium Term Development Framework Process
NORAD	Norwegian Agency for Development Cooperation
NZAID	New Zealand International Aid & Development Agency
ODA	Overseas Development Assistance
OECD	Organization for Economic Co-operation and Development
OECD-DAC	Development Assistance Committee of the Organization for Economic Co-operation and Development

Introduction

This paper focuses on the central *paradox* which the promotion of gender equality and women's empowerment current faces: universal commitments to gender equality versus the relatively limited progress that has been made over the past ye

The Monterrey Consensus, adopted at the International Conference on Financing for Development in March 2002, highlighted the importance of a holistic approach to financing for development, including gender-sensitive development, and encouraged the mainstreaming of a gender perspective into development policies at all levels and in all sectors.⁶ The Paris Declaration on Aid Effectiveness (2005) acknowledged that harmonization efforts are also needed on cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.⁷

There has been limited assessment of progress made in channeling and allocating resources to translate these commitments into action. Some research indicates limited progress. For example, it has been estimated that the financing gap, for implementing MDG3 specific goals and gender mainstreaming activities in low-income countries, ranges from \$8.6 billion (2006) to \$23.8 billion (2015).⁸ To realize MDG3 by 2015 would require external resources dedicated to financing gender equality-promoting interventions in the range of \$25-28 billion annually in the low-income countries.

With this context in mind, the paper is organized as follows: *Section 1* offers a discussion of macroeconomic policies, their links to financing for development initiatives and to gender equality commitments, in particular, those stemming from the Monterrey Consensus. It considers the references to gender equality and women's empowerment in the document, assesses relevant gender equality issues omitted from the Consensus, and reviews the inter-governmental follow-up process. *Section 2* introduces and discusses a set of measures that have been largely ignored in the dominant development paradigms, but have the potential to yield very significant and positive results: Gender Responsive Budgets and their actual and potential role in fostering development initiatives. The current shift to results-based public financial management systems, it is argued, may offer an important entry point for Gender Responsive Budgeting as it can contribute to more effective, efficient and equitable management

liberalization and other sound economic policies referred to in para. 11 of the Consensus are not considered.¹³

Relevance of Gender Equality to Monterrey Consensus Implementation

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

a. mobilizing domestic resources for development

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

More recently, a reconsideration of the economic policy prescriptions of the last three decades has led to calls for a more balanced approach that is context-specific, not ‘one size fits all’, and aims to bring together economic and social stability. The United Nations *World Economic and Social Survey 2005*, for instance, notes that while economic growth appears to be a necessary condition for reducing poverty, the link varies depending on income distribution, that is, how the benefits of each country’s growth are distributed and the types of economic and social policies that are part of this process. The survey underscores that while ‘market-friendly’ government policies can play a role in creating an attractive investment climate, ‘...the most crucial are probably credible national development strategies and policies that reduce uncertainty by gi

At the broader level of macroeconomic policy, a comprehensive study by Elson for UNIFEM (2006) examines the relationship between the macroeconomics of national budgets and women's rights to equality as enshrined in CEDAW, the Convention on the

- Ø Balancing macroeconomic stability and social stability through gender-sensitive policies and Gender Responsive Budgeting.
- Ø Encouraging the monitoring of national budgets according to the CEDAW articles and recommendations with relevant output and outcome indicators to capture whether domestic resource mobilization advances gender equality and human rights.

b. trade

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

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

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

¹⁷ Mariama Williams, *Gender and Trade: Impacts and Implications for Financial Resources for Gender Equality*, (Commonwealth Secretariat, Background Paper WAMM (07)10, 2007).

¹⁸ Cagatay, "Gender Budgets and Beyond," pp.16-18.

¹⁹ IANWGE, *Mainstreaming Gender Perspective in Issues Addressed in the Preparations for the International Conference on Financing for Development*, Annex I. Prepared by the Gender and Financing for Development Taskforce of the IANWGE, April 2001. P.40.

²⁰ UNRISD, *Gender Equality: Striving for Justice in an Unequal World*, (UNRISD 2005).

term, women's incomes improve but as industries expand and upgrade, women either lose their jobs to men or are pushed down the production chain into subcontracting work. (ii) FDI policies can and should be structured from a gender-aware perspective and can be categorized according to their various targets – attracting FDI, contributing to economic growth or promoting gender equity. She also notes that, “[i]n terms of equity itself, however, it is argued that the most important intervention open to governments is to enhance the productive capacities of women and girls, as well as to expand the social supports available to them and their families as they enter the labour market”.²³

A potential limitation to providing the social supports necessary for enhancing women and girls' productive capacities relates to

- Ø Facilitating the channeling of remittances toward social infrastructure that reduces the unpaid work of women and girls.

d. external debt

Debt cancellation and reduction may be an important contributor to the introduction of policies that promote mobilization of domestic resources to achieve the MDGs. The developing world currently spends \$13 on debt repayment for every \$1 it receives in grants.²⁶ Debt must remain at sustainable levels otherwise commitments on social spending may exceed savings on debt service, leading to more indebtedness. A considerable number of highly indebted poorer countries have received some relief on debt repayments so as to move towards this condition of sustainability.

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

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

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

e. systemic issues

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

So one way to pose this issue is in term

investments are threatened. So, whereas capital is relatively mobile, labour mobility is

The Fiftieth Session of the **Commission on the Status of Women** reaffirmed the international commitments on gender equality outlined at the outset of this paper and signaled the lack of time-bound targets for the implementation of gender equality policies and strategies (para. 8).³⁶

Similarly, 600 civil society representative

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

Fourth, budgets have also been tied to the new thinking about aid and development assistance. The ‘New Public Management’ has reshaped approaches to public policy and management in both developed and developing countries. New Public Management entails the restructuring of many public services in an attempt to enhance the efficiency of firms and government, the introduction of more competition and private market discipline in an attempt to promote a more accountable and results- and citizen-oriented government.⁴² One limitation of this shift is that it tends to eclipse other concepts of efficiency such as social and allocative efficiency. Similarly, in the area of budgeting, the emphasis is on performance and results rather than inputs. Referred to as performance oriented budgeting or results-based budgeting, the goals are twofold: (i) to allocate resources according to government priorities and objectives and, (ii) to relate the budget’s resource allocation or how the funds are planned to be used, to expected results or

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

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

1. By developing *gender-sensitive indicators of inputs, outputs and outcomes*. Gender and other disaggregated data enhance the clarification, evaluation and targeting of all budget outputs and outcomes, central aspects of results-based budgeting. At present, most examples relate to specifically targeted programmes for women and girls (e.g., health services and social policies).
2. By *extending the existing output and outcomes framework with equity as an explicit indicator of performance*. Equity is defined in terms of access for, or the representation of, different groups. This goes beyond the narrow focus of most RBB models with their economy, efficiency and effectiveness criteria of performance.
3. By *challenging the existing meanings of economy, efficiency and effectiveness to include unpaid care activities within budgeting frameworks*. For instance, economy-based measures of performance oriented budgeting only calculate monetary costs but if the non-money costs of inputs are considered, this results in a different measure of total economic activity. Efficiency measures do not take into account the care economy and the transfer of costs to the unpaid sector that often accompany efficiency measures of performance. A similar argument is made with respect to effectiveness measures that do not take into account all contributions to outcomes since none of the unpaid contribution of care activities to outcomes is counted.⁴³

Ultimately, budgeting is a political process involving power and performance oriented budgeting involves new governance arrangements that will close off some political spaces but potentially open new ones for Gender Responsive Budgeting. For example, both RBB and GRB recognize that budgets are both a document and a process. Hence, a gender sensitive framework needs to engage with the whole budget cycle not just the budget enactment stage. Sharp urges that GRBs need to bring together information on intended and actual budgets over the budget cycle something that would promote accountability of governments for their gender equality commitments. This is however, difficult since GRB initiatives may have restricted entry points to the different phases; intended outputs and outcomes are not adequately specified so the difference between what is realized and what was planned is difficult to assess; and there may be huge gaps in the expenditure and revenue plans as opposed to actual collection and spending.

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

⁴³ Rhonda Sharp, *Budgeting for Equity: Gender Budgeting Initiatives Within a Framework of Performance Oriented Budgeting*, (2003 UNIFEM), pp. 56-69.

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

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

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

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

The general findings include:

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

⁴⁴ <http://www.un.org/womenwatch/daw/followup/beijing%2B5.htm>

- implemented throughout the United Nations programme budget systems. Budget instructions need to clarify that gender mainstreaming in programme budget processes is not concerned with the number of women and/or men in budget departments or elsewhere, but relates to integrating relevant gender perspectives into work programmes through their incorporation in objectives, expected accomplishments, indicators and activities.
- Ø Stronger linkages are required between rationales for gender mainstreaming in programme budget processes as a means to increase gender equality, and the achievement of effective development in other sector areas.
 - Ø Good practice examples of gender mainstreaming in programme budget processes should continue to be developed and documented. In particular, decision-making processes need to be made visible and scrutinized for their effectiveness in bringing gender perspectives to the fore in good practice examples.
 - Ø Related to the last point, case studies of entities have shown the value of the process involved, that is, assessing progress in gender mainstreaming through a consultative process involving all actors (programme budget staff, programme staff and gender focal points). The encouragement of dialogue between these decision-makers was deemed to be as important as the findings within the various entity reports.
 - Ø Measuring results, monitoring and oversight are important accountability mechanisms but largely underdeveloped. Quantitative and qualitative assessments of the extent to which gender perspectives have been incorporated into preambles, statements of expected accomplishments/objectives and indicators could be an important example to the United Nations system of how to move ahead with monitoring.⁴⁵

Gender Responsive Budgeting and PRSPs (National Plans)

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

The imbalance of the economic and the social sectors in PRSPs suggests the importance

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

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

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

Assessing GRBs: Accountability is an aspect of governance that involves power and authority relationships (of governors to governed), transparency (the ability to inspect and establish the truthfulness of claims) and the credibility of policies over time (a government's intentions and action with regard to policy must be believed by its constituents or the market players). Women, particularly the poorest women in a society, are often at the margins of economic governance and decision-making about fiscal policy. Gender responsive budgets were developed as a tool for inserting women's voices into discussions of taxation, spending and debt to underscore that budgets are not gender neutral in their policy impact since men and women occupy different social and economic positions. To date, there has been limited focus on the revenue side despite findings that indicate more regressive tax regimes are worse for meeting gender equality objectives.⁵⁰ This then represents an important area of focus along with the establishment of a fair and more effective system of taxation.⁵¹

Although a number of Governments have integrated gender perspectives into their national budgets in order to reflect the differentiated needs and priorities of women and men, resources remain insufficient to adequately support policies and programmes that promote the advancement of women. As Budlender warns, GRBs are not a panacea. They

⁴⁹ Debbie Budlender, Celia Reyes, and Martha Melesse (2005) *Gender Responsive Budgeting through the CBMS Lens*.

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have in some cases helped to channel development resources in a more equitable manner yet there are also limitations that must be underscored. These *limitations* include:

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

A Note on Data and Indicators

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

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

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

⁵² Debbie Budlender, *Expectations versus Realities in Gender-responsive Budget Initiatives*, (United

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

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

Several issues related to financing for gender equality are important for the broader aid effectiveness agenda. First, in many low-income countries, there is a financing gap for interventions to promote gender equality and women's empowerment that needs to be met through *external* resources.⁵⁶ Actually increasing the flow of external resources to those countries experiencing a financing gap for gender equality is a significant goal. As the OECD DAC study on gender equality and aid delivery for 1999-2003 points out, only \$3.1 billion out of a total of \$17.2 billion in sector-allocable bilateral aid has focused on gender m

Managing for Results cannot be comprehensive unless gender equality is captured in all performance assessment frameworks. Capacity to collect, analyse and utilize sex-disaggregated information will need to be strengthened. Frameworks should include specific development outcomes related to national and international commitments to gender equality objectives (MDGs, CEDAW, BPA) and not just as part of sectoral outcomes.

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

The International Development Finance system is comprised of Public Actors (Bilateral Donors, Multilateral Donors, Global Programmes and NGOs) and increasingly Private Actors (Private Philanthropy, the Private Commercial Sector and Remittances).

Sources: International Development Association (2007), *Aid Architecture: An Overview of the Main Trends in Official Development Assistance Flows*, Washington D.C. World Bank/IDA; OECD (2007), *Financing for Development: Aid and Beyond*. Paris: OECD DAC.

From a civil society perspective, there are a number of other concerns raised by AWID in

accelerate progress toward MDG3. Effective implementation is key and this involves “high-level leadership, technical expertise, and financial resources.” The progress of MDBs is cited including the recent adoption of Gender Action Plans to make gender mainstreaming more effective. The Bank calls on the comparative advantage of MDBs in analysis, coordination and high-level dialogue to take up a visible leadership role in investing “dedicated resources to include gender equality and women’s empowerment in the results agenda.” Given that in 2006 the five MDBs disbursed \$43 billion (up 20 percent from 2005), this suggests an important future role for them in partnerships in financing gender equality policies and strategies.⁶² *The 2008 and 2010 targets for measuring progress are strategic sites for monitoring results in terms of gender equality and women’s empowerment objectives.*

Measures of Gender-Sensitive Aid Effectiveness

The **OECD/DAC Gender Equality Marker** provides an important indicator on aid in support of gender equality as part of donors’ Credit Reporting System (CRS) on bilateral aid. As part of this reporting system, Development Assistance Committee members are asked to indicate whether or not gender equality is one of the principal objectives of each individual aid activity. The activity has to comply with the DAC definition of ‘gender equality focused’ and has to meet a number of eligibility criteria that emphasize gender analysis in the design of activities. In assessing aid in support of gender equality over the period 1999-2003, for instance, the OECD concludes that activities in certain sectors are more focused on gender equality, mirroring the findings of the studies on SWAPs and PRSPs. In particular, gender equality is less of a focus in aid to economic infrastructure and services and the production sectors.⁶³ The Gender Equality Marker therefore represents another tool, by which shifts in bilateral aid modalities can be linked to financing for gender equality needs and objectives. However, the Gender Equality Market does not provide information on the actual impact of programmes on gender equality.

For this reason, Social Watch has developed a **Gender Equity Index (GEI)** as a specific tool that measures progress or regression in gender equality through a set of indicators. This index makes it possible to position and classify countries according to a selection of indicators relevant to gender inequity and based on internationally available and comparable information. The three dimensions included in GEI are: economic activity, empowerment and education. The index’s range of values is from 0 to 100, with lower values indicating greater inequity and higher values greater equity. GEI classifies 154 countries and conclusively verifies that in no country do women enjoy the same opportunities as men, that high income levels are not necessary for the elimination of gender disparities and that although over the years some aspects of women’s situation have improved their opportunities in economic and political areas are still clearly limited. Sweden, Finland, Rwanda and Norway occupy the highest positions in the 2007 GEI.⁶⁴

⁶² The World Bank, *The Global Monitoring Report 2007: Confronting the Challenges of Gender Equality and Fragile States*, (World Bank 2007), accessed August 28, 2007 <http://web.worldbank.org>.

⁶³ OECD, *Gender equality and aid delivery: What has changed in development cooperation agencies since 1999?* (OECD DAC 2007), pp.11-12.

⁶⁴ Description from the Social Watch website

Section 4: New and Innovative Sources of Funding for Gender Equality

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

Proposals for International and Multilateral Sources of Financing for Gender Equality

Ø Proposals for a **global currency tax**

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

- Ø Suggestions to raise money through the development of **ethical funds** is a good idea, since investments of ethical funds can be linked to fair trade and other initiatives which seek to provide decent jobs and incomes for people from poorer countries. Specific gender-sensitive criteria could be part of ethical funds governance and monitoring structures.
- Ø There have also been a number of proposals since the early 1970s to establish a **global lottery** to fund UN development activities. Based on standard lottery accounting, about 30 percent of lottery sales could be used to fund the MDGs. A related proposal developed by UNU-WIDER suggests a global premium savings bond modeled on existing schemes in the United Kingdom, Ireland and Bangladesh. The premium bond is similar to a lottery ticket where a random prize is the draw but otherwise it is a bond. Developing a **Global Women's Fund** perhaps with seed monies from some of these above proposals is another idea for financing gender equality that can be explored.
- Ø An idea discussed at the Eight Commonwealth Women's Affairs Ministers Meeting in June 2007 relates to deepening the financial services available to low income women in rural areas and 'banking the unbanked.' DFID's Financial Deepening Challenge Fund (FDCF) provides incentives to the private financial sector to experiment with new methods of financial service provision to the poor. Arunachalam summarizes that: "Of the 29 projects funded, 9 achieved high social impact combined with high financial returns whilst the majority achieved a combination of reasonable social and financial returns. The 15 million pounds spent leveraged 72 million pounds in private sector finance". Arunachalam proposes the creation of a **Global/Commonwealth Gender Innovation Challenge Fund** tailored to the needs of low-income women through innovative means of financial intermediation. The Fund would be established through contributions from governments, multilateral and bilateral donors and other stakeholders.⁷¹

Private Commercial Sector and Private Philanthropy

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

⁷¹ R. Arunachalam, *Microfinance and Innovative Financing for Gender Equality: Approaches, Challenges and Strategies*. (Commonwealth Secretariat, 2007) Background Paper WAMM (07)11. Pp.23-24.

opportunities related to companies with social justice values and a commitment to women's empowerment. The report cites the example of the **Levi Strauss Foundation** whose USD 10 million annual budget goes to women and youth targeted initiatives. Other examples include the **Nike Foundation** which allocates 3% of its previous year pre-tax income to its corporate giving programme. In 2005, Nike re-launched its foundation with a focus on young women and girls making a commitment to invest in women. **Cisco Systems** has developed 141 Network Learning academies to supplement learning activities and a curriculum in schools related to IT. Recognizing the women do worse in terms of access and training of technology, a social gender initiative was created to increase access and learning in a more gender-balanced fashion. **Calvert Group**, a set of socially responsible mutual funds, provides another example of explicitly fashioning a global code of corporate conduct to empower, advance and invest in women. The Principles are in concert with the Millennium Development Goals, The Beijing Platform of Action and CEDAW and form the foundation for the following initiatives:

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

Ø **Gender Equality Costing and Monitoring Progress:** The goal of meeting the gender equality targets set out in the MDGs as well as the Beijing Platform of Action and CEDAW will cost money. This will require both an increase in overall external funding as well as enhancing the fiscal capacities of national governments through debt relief, reformed tax systems and more effective targeting of resources. A monitoring process should be established through gender-sensitive budgeting to align human rights and gender equality commitments to the allocation of domestic resources.

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

A dialogue on how to achieve a new global tax regime that would strengthen public revenues through a more broad based tax system that is progressive (those that have higher incomes pay more), that is inclusive (tax compliance for all), and that is gender-sensitive. The latter requires support for expanding existing efforts to improve the collection of sex-disaggregated data and gender bias in indirect taxes such as VAT, consumption and trade taxes;

A global currency tax of which a proportion would be awarded to governments for the design of gender-equitable social protections systems;
A care tax credit pilot project that would be based on the unpaid reproductive work women perform;

An International Finance Facility for Gender Equality that would be in alliance with the International Finance Facility to accelerate funds available for gender equality commitments;

Linking a percentage of a country's Special Drawing Rights to facilitating Gender Responsive Budgeting;

Working with private and philanthropic champions to foster support for new sources of financing for gender equality;

Recognition of the role of female migrants in remittances and enforcing protection of female migrant rights (e.g., minimum wages);

Encourage donor support specifically targeted to meeting gender equality objectives and strategies, in particular, resources flows to civil society organizations specifically dedicated to women's empowerment;

Work with key countries to leverage more resources for gender equality;

Leverage more resources through Women's Funds and consider a global fundraising campaign.