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Follow-up to the Fourth World Conference on Women and  
to the twenty-third special session of the General Assembly,  
entitled “Women 2000: gender equality, development and  
peace for the twenty-first century”: implementation of  
strategic objectives and action in critical areas of concern,  
and further actions and initiatives  

Financing for gender equality and the empowerment  
of women  

Report of the Secretary-General  

Summary  

The present report has been prepared in accordance with the programme of  
work of the Commission on the Status of Women for 2007-2009, which identified  
“Financing for gender equality and the empowerment of women” as the priority  
theme for the fifty-second session. It analyses the current situation of financing for  
gender equality and the empowerment of women and proposes recommendations for  
consideration by the Commission.
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I. Introduction

1. The Commission on the Status of Women will consider “Financing for gender equality and the empowerment of women” as the priority theme at its fifty-second session, within its agreed programme of work for 2007-2009 (Economic and Social Council resolution 2006/9, para. 23 (b)).

2. To assist the Commission in its deliberations, the Division for the Advancement of Women organized an online discussion from 18 June to 15 July 20071 and an Expert Group Meeting, held in Oslo from 4 to 7 September 2007. 2

3. The present report provides an analysis of the current situation of progress made and remaining gaps and challenges in financing for gender equality and the empowerment of women, and proposes recommendations for consideration by the Commission.

4. The Commission also has before it a report on progress in mainstreaming a gender perspective in the development, implementation and evaluation of national policies and programmes, with a particular focus on the priority theme (E/CN.6/2008/5).

II. Background

5. At the Millennium Summit in 2000, Governments committed to promoting gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable (General Assembly resolution 55/2, para. 20). During the 2005 World Summit, Heads of State and Government reaffirmed their commitment to the full and effective implementation of the goals and objectives of the Beijing Declaration and Platform for Action and the outcome of the twenty-third special session of the General Assembly, as an essential contribution to achieving the internationally agreed development goals, including those contained in the Millennium Declaration (General Assembly resolution 60/1, para. 58).

Global commitments

6. Commitments on financing for gender equality and women’s empowerment have been made by Governments, including at the Fourth World Conference on Women, in 1995, the twenty-third special session of the General Assembly, in 2000, the Millennium Summit, in 2000, and the International Conference on Financing for Development, in 2002. In the Platform for Action, adopted at the Fourth World Conference on Women, it was emphasized that funding had to be identified and mobilized from all sources and across all sectors.3 Governments, holding the primary responsibility for implementing the strategic objectives of the Platform for

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Action, should 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.4

7. The Platform for Action noted that sufficient resources should 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.5 This was reiterated by the General Assembly at its twenty-third special session, which also urged Governments to explore innovative funding schemes, so that gender mainstreaming is integrated into all policies, programmes and projects (General Assembly resolution S-23/3, annex, para. 76 (c)).

8. Strengthening national capacities in developing countries to implement the Platform for Action would require striving for the fulfilment of the agreed target of 0.7 per cent of the gross national product (GNP) of developed countries for overall official development assistance (ODA) as soon as possible, as well as increasing the share of funding for activities designed to implement the Platform for Action.6 In the Millennium Declaration, concern was expressed about the obstacles developing countries face in mobilizing the resources needed to finance their sustained development, and called on industrialized countries to grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction (General Assembly resolution 55/2, paras. 14-15).

9. At its twenty-third special session, the General Assembly called upon Governments to incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes, as appropriate, in order to establish adequate budgetary allocations to support gender equality and development programmes that enhance women’s empowerment, and to develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation (General Assembly resolution S-23/3, annex, para. 73 (b)).

10. In addition to more general calls for resources for gender equality and women’s empowerment, including through a specific chapter on Financial arrangements, the Platform for Action outlined the need for resources to achieve the strategic objectives relating to each critical area of concern. In subsequent agreed conclusions of the Commission on the Status of Women and resolutions of other intergovernmental bodies, including the General Assembly, there have also been calls for allocation of resources for the promotion of gender equality in specific areas.

11. In the Monterrey Consensus, adopted at the International Conference on Financing for Development, the importance of a holistic approach to the interconnected national, international and systemic challenges of financing for development, that is, sustainable, gender-sensitive and people-centred development, was highlighted.7

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4 Ibid., para. 346.
5 Ibid., para. 347.
6 Para. 353.
Implementation of global commitments

12. There has been limited assessment of resource allocations to translate global commitments on gender equality and women’s empowerment into action at the national level. It has been estimated that the financing gap for achieving Goal 3 of the Millennium Development Goals — promote gender equality and empower women — in low-income countries, ranged from $8.6 billion in 2006 to $23.8 billion in 2015.8

13. The costs of persistent gender inequality also need to be explicitly highlighted and addressed. Missing the Millennium Development Goal 3 target could result in countries having 0.1-0.3 percentage points lower per capita growth rates.9 Estimates show that the Asia and Pacific region is losing $42 billion to $47 billion annually because of women’s limited access to employment opportunities, and another $16 billion to $30 billion annually as a result of gender gaps in education.10

14. The economic gains from gender equality and women’s empowerment need to be highlighted. Global leaders at the 2005 World Summit acknowledged that “progress for women is progress for all” (General Assembly resolution 60/1, para. 58). Increasing resources for gender equality and women’s empowerment would contribute significantly to the achievement of all other development goals, including the Millennium Development Goals. Investing in women and girls has a multiplier effect on productivity, efficiency and sustained economic growth. As the World Bank’s new Gender Action Plan explains, “the business case for expanding women’s economic opportunities is becoming increasingly evident; this is nothing more than smart economics”.11

15. The 10-year review of the implementation of the Platform for Action indicated a significant gap between policy and practice in many countries. In the Declaration adopted by the Commission on the Status of Women at its forty-ninth session, Member States pledged to undertake further action to ensure full and accelerated implementation.12 Lack of resources is one key obstacle to effective implementation at national level.

III. Monterrey Consensus

16. In the Monterrey Consensus, Heads of State and Government resolved to address the challenges of financing for development, particularly in developing countries, and committed to mobilizing and increasing the effective use of financial

resources and achieving the national and economic conditions needed to fulfil
internationally agreed development goals.\textsuperscript{13}

17. The importance of gender equality for realization of good governance and
sound economic policies was noted, as was the need to empower women in the
context of appropriate national policy and regulatory frameworks.\textsuperscript{14} Gender-
sensitive investments in basic social and economic infrastructure, microcredit for
women, and business frameworks that are sensitive to the gender implications of
their undertakings were called for in the Monterrey Consensus.\textsuperscript{15}

18. 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 an opportunity to promote policy recommendations to achieve
coherence between macroeconomic policies and the internationally agreed goals on
gender equality.

19. The following section provides a brief overview of the gender perspectives on
the six core areas of action in the Monterrey Consensus.

A. \textbf{Mobilizing domestic financial resources for development}

20. In the Monterrey Consensus it was acknowledged that an enabling domestic
environment was vital for mobilizing domestic resources.\textsuperscript{16} Gender perspectives
need to be identified and addressed in a number of key areas, including employment
generation, microfinance and credit and pension schemes, to ensure that
macroeconomic policies are conducive to gender equality and women’s
empowerment and that sufficient domestic resources are mobilized. The critical
need for reinforcing national efforts in building capacity for gender budget policies
was reiterated in the Consensus.\textsuperscript{17} This is an area where there has been considerable
progress since 2002.

21. In the Monterrey Consensus Heads of State and Government recognized the
need to pursue sound macroeconomic policies aimed at sustaining high rates of
economic growth, full employment, poverty eradication, price stability and
sustainable fiscal and external balances to ensure that the benefits of growth reach
all people, especially the poor.\textsuperscript{18} Focusing on price stability through strict fiscal
policies, however, restrains public expenditures, and may lead to cutbacks in
essential public services, which may further disproportionately affect women and
girls.

22. Employment generation has received increasing attention as a crucial
mechanism for domestic resource mobilization (see General Assembly resolution
60/1, para. 24 (a)). Women make significant contributions to economic development
and poverty eradication through both remunerated and unremunerated work.
Appropriate policies and credit targeting, particularly to labour-intensive small and
medium-sized enterprises, are essential for facilitating women’s employment.

\textsuperscript{13} Paras. 1 and 3.
\textsuperscript{14} Paras. 11 and 12.
\textsuperscript{15} Paras. 16, 18 and 23.
\textsuperscript{16} Para. 10.
\textsuperscript{17} Para. 19.
\textsuperscript{18} Para. 14.
Increasing public investment in infrastructure, such as roads and the water supply, can reduce women’s time burdens and enable them to participate in the paid labour force.19

23. The important role of microfinance and credit for enterprises, including in rural areas, particularly for women, for enhancing the social and economic impact of the financial sector was recognized in the Monterrey Consensus.20 Reviews of the implementation of the Platform for Action, undertaken in 2000 and 2005 (see E/CN.6/2000/PC/2 and E/CN.6/2005/2, respectively), demonstrated the positive impact of credit, especially microcredit, on women’s empowerment, while acknowledging the limited coverage and amount of credit available to women. It is estimated that 3,164 microcredit institutions reached 92 million clients in 2004. Of the poorest clients, 83.5 per cent (55.6 million) were women.21 Credit programmes need to be carefully designed to benefit women. Programmes are not empowering for women if they reinforce gender stereotypes within households and communities22 or increase their work burdens.23 Situations where women have limited control over their income, or where their contribution to the household income substitutes those of male household members, can be disempowering.23

24. Proposals to reform social security systems, including through privatization, need to be assessed from a gender perspective to ensure that they do not adversely impact women who tend to have shorter work histories in the formal sector, because of interruptions for child care and early retirement as well as lower wages. As women contribute less to the pension system than men, they are likely to earn smaller pensions.24

25. Public finance reforms to improve efficiency, transparency and accountability in budget processes, through more efficient collection of revenues and targeting of expenditures, has led to a shift away from line-item budgeting focused on inputs to performance-based budgeting oriented towards outputs and outcomes.25 That trend offers opportunities to make budget processes more gender-responsive through the introduction of gender equality output and outcome indicators. The emphasis on monitoring and accountability provides an enabling environment for increasing resource allocation to gender equality.26

26. Over the past decade, gender-responsive budgeting initiatives have been launched in more than 50 countries to promote change in budget policies,

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20 Para. 18.
allocations and outcomes. Many initiatives have involved the analysis of budgets but there has been less emphasis on implementation. An increasing number of initiatives utilize tools, such as budget speeches, budget call circulars and budget guidelines, to assist in the formulation and implementation of gender-responsive budgets.\textsuperscript{27}

27. Gender-responsive budget initiatives have mainly focused on expenditure, with limited attention to the revenue side of budgets. Tax systems can perpetuate gender inequalities. As taxes affect wages and disposable income, they can influence how women and men allocate their time to formal, informal and unpaid work.\textsuperscript{28} For example, joint filing in income tax systems — with higher tax rates on higher incomes — is found to discourage women’s participation in the labour market.\textsuperscript{29} Indirect taxes, such as value-added tax or excise taxes, can put a greater burden on poor women because women tend to consume goods and services that benefit family health, education and nutrition.\textsuperscript{30}

28. The success of budget initiatives is dependent on the active involvement and collaboration of a range of stakeholders, including ministries of finance and planning, national mechanisms for the advancement of women, parliamentarians, bilateral and multilateral donors, research bodies and women’s organizations.\textsuperscript{31}

29. Challenges in implementing gender-responsive budgets include limited dialogue between ministries of finance, national machineries for the advancement of women and other critical stakeholders; lack of methodologies, tools and expertise; and the limited availability of sex-disaggregated data in many areas. Development of indicators and collection of data disaggregated by sex are crucial for measurement of progress in allocating domestic resources.

B. Mobilizing international resources for development

30. Private international capital flows, particularly foreign investment, are vital complements to national and international development efforts.\textsuperscript{32} The challenge in creating the necessary domestic and international conditions to facilitate direct investment flows conducive to achieving national development priorities in developing countries was acknowledged in the Monterrey Consensus.\textsuperscript{32} Capital inflows and foreign direct investment have the potential to increase financing for gender equality and women’s empowerment if the implications for gender equality are taken into account in policies and regulations.


\textsuperscript{30} Barnett, Grown and others, op. cit., p. 40.


\textsuperscript{32} Para. 20.
31. Foreign direct investment can increase employment for women in the formal sector, including in export processing zones, as well as in the informal sectors, through sub-contracting or home-based work.\(^{33}\) Competition to attract foreign direct investment may lead to a weakening of labour standards, particularly in export processing zones, which can be disempowering for women.\(^{34}\) Female workers generally have lower bargaining power over their wages and working conditions.

32. Diaspora associations have emerged as a mechanism for financing for gender equality and women’s empowerment. The economic, political and social connections that diasporas maintain with their countries of origin make them a potential source of financing gender-responsive poverty reduction and economic development in countries of origin.\(^{35}\)

33. Diaspora engagement takes many forms, including “home town associations”, where residents of the same town or village provide social and economic support to their places of origin.\(^{36}\) Some associations also pool remittances in support of a particular community or intervention in the country of origin.

C. **International trade as an engine for development**

34. At its twenty-third special session, the General Assembly called upon Governments and other relevant actors to take measures to alleviate the negative effects on women associated with structural adjustment programmes and trade liberalization and the disproportionate burden borne by women living in poverty (General Assembly resolution S-23/3, annex, para. 101 (h)). In the Monterrey Consensus, Governments reaffirmed their commitment to trade liberalization and to ensuring that trade played its full part in promoting economic growth, employment and development for all.\(^{37}\) The Consensus did not give attention to the differential impact of trade on women and men.

35. The consequences for gender equality of the focus on market access and lack of attention to the impact of import liberalization on livelihoods have been raised.\(^{38}\) Trade policies can have diverse effects on financial resources for gender equality creating both opportunities and constraints through its impact on employment, income and prices. Such policies can create employment opportunities for women in countries that export labour-intensive manufactured goods, but may also lead to unemployment of women if falls in import prices force local industries to shut down or lay off workers.\(^{39}\)


\(^{34}\) Floro and others (2004), op. cit., p. 19.


\(^{36}\) Migration Policy Institute, “Beyond Remittances: The Role of Diaspora in Poverty Reduction in their Countries of Origin” (July 2004), p. 14

\(^{37}\) Para. 26


36. At the same time, the removal of tariffs and other trade barriers can reduce Government revenues, leading to cuts in social spending or increases in excise taxes, with adverse consequences for household budgets, and disproportionate impact on women.40

D. Increasing international financial and technical cooperation for development

Bilateral assistance

37. In the Monterrey Consensus it was recognized that a substantial increase in development assistance and other resources was required, if developing countries were to achieve internationally agreed development goals and objectives.41 Developed countries that had not done so were urged to make concrete efforts towards the target of 0.7 per cent of GNP and developing countries were encouraged to use ODA effectively to help achieve development goals and targets.42

38. Development cooperation is a critical mechanism for financing gender equality and women’s empowerment. From 2001 to 2005, only $5 billion of a total $20 billion in bilateral aid allocated to specific sectors focused on activities that had gender equality as a principal or significant objective. Two thirds of that funding was directed to the social sectors, mainly health and education, and limited funds were allocated to promoting gender equality in areas such as agriculture, infrastructure or finance.43 Among the countries that reported on the Organization for Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) gender equality policy marker for the period 2004-2005, the percentage of aid focused on gender equality in 2005 ranged from 1 per cent to 82 per cent.44

39. A survey of OECD-DAC members indicated that, while most of OECD-DAC members have gender equality policies, not all allocate sufficient staff and financial resources for implementation. Most donor agencies have less than 10 staff in their central gender units and few have gender advisers in other sectoral units.45 Only three agencies included gender-related actions in most of their country strategies and programmes.46

40. In recent years, there has been a shift in aid modalities. Sector budget support and general budget support are increasingly preferred mechanisms for aid delivery. Most agencies reported, however, spending less than half of their bilateral aid expenditures on programme-based approaches.47

40 Mariama Williams, loc. cit., p. 6.
41 Para. 41.
42 Para. 42.
46 Ibid., p. 28.
47 Ibid., p. 15.
41. Challenges related to new aid modalities include lack of expertise and tools for incorporating gender perspectives into programme-based approaches among donor agency staff; failure to establish effective collaboration between national machineries and ministries of finance; and lack of sex-disaggregated data.

42. Successful strategies by donors to overcome these challenges have included partnering with local civil society organizations to strengthen demand for gender equality actions; promoting the development of gender action plans; working with other donors to make poverty reduction strategies and sector-wide plans more gender-responsive; using policy dialogue as a mechanism for addressing gender equality issues; and supporting gender-responsive budget initiatives.

43. The biennial Development Cooperation Forum (see General Assembly resolutions 60/1 and 61/16), to be convened by the Economic and Social Council, will review trends in international development cooperation, including strategies, policies and financing; promote greater coherence among the development activities of different development partners; and strengthen the links between the normative and operational work of the United Nations. This provides an opportunity to promote gender equality and women’s empowerment in development cooperation.

44. Reform of the way aid is delivered and managed is also under way. 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. Aid reforms to date have, however, focused more on delivery of aid — the efficiency aspects, rather than on goal-focused substantive issues, such as gender equality. The implementation of the five principles of ownership, mutual accountability, alignment, harmonization and managing for results in the Declaration provides an opportunity for donors and partner countries to systematically undertake gender analysis and gender impact assessments in policy development and implementation at national, sector and project levels. For example, the principle of ownership, which requires that partner countries exercise effective leadership over development policies and strategies and coordinate development actions, provides an opening for gender equality advocates to influence development policies and outcomes.

**Multilateral assistance**

45. In the Beijing Platform for Action specialized agencies and other organizations of the United Nations system were urged to set out the specific actions they would undertake, including goals and targets to realign priorities and redirect resources to meet the global priorities identified in the Platform for Action. International financial institutions were invited to examine their grants and lending, and to allocate loans and grants to programmes for implementing the Platform for Action.

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48 Ibid., p. 16
49 Ibid., pp. 7-8
52 Ibid., p. 2.
53 Para. 336.
in developing countries.\textsuperscript{54} At its twenty-third special session, the General Assembly called upon the United Nations system and international and regional organizations to allocate sufficient resources to regional and national programmes to implement the Platform for Action in its 12 critical areas of concern (General Assembly resolution S-28/3, annex, para. 84 (c)).

46. The Platform for Action also noted the need for sufficient resources for the promotion of the empowerment of women to be provided to the United Nations funds, programmes and specialized agencies by the international community and noted further that these resources needed to be maintained at an adequate level.\textsuperscript{55}

47. Entities of the United Nations system have provided technical and financial support to the promotion of gender equality and empowerment of women across all sectors at national level. Both targeted activities and gender mainstreaming efforts of Member States were supported. For example, United Nations entities have provided significant support to gender-responsive budget initiatives at the national level.

48. With the adoption of its gender equality policy in 1998, the Asian Development Bank (ADB) has increased the number of loans that directly address gender disparities, and incorporated gender perspectives in its lending operations.\textsuperscript{56} Some of the innovative approaches used by ADB to make its loan portfolio more gender-responsive included development of a gender action plan as part of project design and inclusion of gender-related policy changes and legal reforms in sector development and project loans. Around 40 per cent of ADB loans are assessed to be gender-responsive.\textsuperscript{57} A recent review of international financial institutions\textsuperscript{58} illustrated that weak policies and lack of resources and staff made it difficult to integrate gender perspectives into their work.\textsuperscript{59}

49. Multilateral institutions have taken steps to improve their funding for gender equality in a variety of ways. Recognizing the limited progress in achieving women’s economic empowerment, the World Bank, for example, launched its Gender Action Plan “Gender equality as smart economics” to promote implementation of Millennium Development Goal 3. The launch of the Plan recognized that there is an economic return to investment in women. In addition to grants, the Bank also provides lending for investment in women’s empowerment, using both investment loans and development policy loans. The Action Plan was designed to increase the World Bank utilization of credits and loans in the economic sectors such as agriculture, infrastructure, finance and private sector development.

\textsuperscript{54} Para. 354.
\textsuperscript{55} Ibid., para. 360
\textsuperscript{57} Ibid., p. 6.
\textsuperscript{58} Gender justice: A citizen’s guide to gender accountability at international financial institutions, prepared by the Center for International Environmental Law (CIEL) and Gender Action, sponsored by the Heinrich Böll Foundation (Washington, D.C., 2007), p. 1.
The Plan will provide $30.2 million over four years, with half the funds coming from the World Bank and half from donor countries.\textsuperscript{60}

50. Bilateral agencies have provided significant financial support to the gender equality work of the United Nations, through funding for both the gender-specific entities, the Office of the Special Adviser on Gender Issues and Advancement of Women, the Division for the Advancement of Women, the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women (INSTRAW), as well as the work of other entities throughout the system. This support has strengthened the implementation of the gender mainstreaming strategy and ensured continued targeted support for gender equality.

E. External debt

51. In the Monterrey Consensus it was acknowledged that external debt relief can play a key role in liberating resources for redirection towards activities consistent with attaining sustainable growth and development, and it was noted that debt relief measures should, where appropriate, be pursued vigorously and expeditiously.\textsuperscript{61}

52. The debt burden of countries can have a disproportionate impact on women and girls, especially if debt servicing leads to cuts in public spending in the areas of health and education. This reduces women and girls’ access to health services and education, and increases their caregiving burden. Debt cancellation can be beneficial to women if resources can be diverted to financing for gender equality and women’s empowerment. For example, some countries used debt relief to help fund education programmes on nutrition and family planning.\textsuperscript{62} Conditionalities on debt relief should not undermine national efforts to promote gender equality and women’s empowerment.

F. Addressing systemic issues

53. In addressing systemic issues — or the need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems in support of development — the Monterrey Consensus encouraged the mainstreaming of gender perspectives into development policies at all levels and in all sectors to strengthen the effectiveness of the global economic system support for development.\textsuperscript{63}

54. The lack of coherence between macroeconomic policies, which promote low inflation and high mobility of capital, and the internationally agreed development goals which require public investment, has been highlighted.\textsuperscript{64} Multilateral financial institutions and regional and international bodies need to incorporate gender

\textsuperscript{60} http://go.worldbank.org/G6CDFUOT80 (accessed on 3/12/2007).
\textsuperscript{61} Para. 48.
\textsuperscript{63} Para. 64.
perspectives into all economic policymaking and increase participation of women in economic governance structures and processes to ensure policy coherence and adequate resources for gender equality and women’s empowerment.

IV. Innovative sources

55. Acknowledging that financial and human resources had generally been insufficient for the advancement of women, the Platform for Action noted that mobilization of additional resources, both public and private, including resources from innovative sources of funding, might also be necessary. A number of more innovative, unimplemented proposals for financing gender equality have included the Tobin Tax, a proposed tax on trade of currency across borders that is, in effect, a penalty on speculation in currencies, and the Reproductive Labour Tax that recognizes women’s invisible work in the care economy and proposes a tax credit to finance gender equality initiatives.

56. While funds and foundations established by corporations and individuals can serve as an important source of financing, trends indicate that funding provided to women’s organizations by foundations declined from 20 per cent in 2000 to 13 per cent in 2005. The Association for Women’s Rights in Development estimated that only 7.3 per cent of foundation funding was spent on “women and girls’ programmes and initiatives”, as opposed to 18 per cent on “children and youth” and 15.1 per cent on “economically disadvantaged populations”.

57. An emerging source of financing for gender equality and empowerment of women are women’s funds — funds organized by women for women — at national, regional and global levels. In 2005, women’s organizations received a total of $15 million from women’s funds. Women’s funds are a major source of funding for women’s organizations with budgets less than $50,000 and for those that work with marginalized groups of women, as they generally provide smaller amounts of grants, between $4,000 and $15,000. These funds also provide women’s organizations with institutional support and capacity-building in fund-raising and evaluation. Challenges faced include the huge demand for funds, limited fund-raising capacity, sustainability issues and the constraints of weak infrastructure.

58. Women’s funds raise revenue from donor Governments, international NGOs, foundations and individuals. They use innovative strategies to increase funding for gender equality, including through investments in real estate, diaspora fund-raising, endowments, social enterprises, special events and campaigns. A recent
innovation, “supermarket philanthropy”, involves marketing a percentage of leading brand name products under a “women’s brand” with royalties from each purchase supporting women’s funds. 

V. Financing critical stakeholders

National mechanisms for the advancement of women

59. Over the past decade, a diverse range of mechanisms for promoting gender equality at national level have been established. In addition to national machineries for the advancement of women, countries have established gender equality committees and commissions, ombudsperson’s offices and focal points in line ministries. Parliamentary networks and caucuses have also been created (see E/CN.6/2005/2, paras. 289 and 390). There has been little documented research on the mandates, roles, status and resources allocated to these mechanisms, as well as on their relationships with the existing national machineries.

60. Over the last decade, national machineries have continued to play a critical role in advocating for and monitoring the implementation of the Platform for Action. The 5- and 10-year reviews of the Platform for Action indicated that, despite the strengthening of national machineries in many countries, serious constraints in financial and human resources remained (E/CN.6/2000/PC/2 and E/CN.6/2005/2).

61. Among Member States reporting on levels of resources in 2000, the percentage of the national budget allocated to the national machinery was under 1 per cent in every case except one, where it was 1.61 per cent (E/CN.6/2000/PC/2). A recent review of Commonwealth countries also revealed that 14 out of 16 countries that provided information on funding for the national machinery had allocated less than 1 per cent in their most recent budget cycles.

62. National mechanisms with regular funding from Government may also need to seek funding from other sources. In many developing countries, the reliance of national machineries on funding from external donors raises questions of sustainability and independence. Reliance on short-term project funding also poses a risk to sustainability of gender equality policies. There are concerns that new aid modalities, with increasing emphasis on direct budget support and sector-wide approaches, may decrease direct donor funding to national mechanisms.

Women’s organizations

63. The Beijing Platform for Action emphasized that Governments should create a supportive environment for the mobilization of resources by NGOs, particularly

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72 “The second Fundher report: financial sustainability for women’s movements worldwide”, pp. 81-82.
73 Budlender, loc. cit., para. 27.
women’s organizations and networks, feminist groups, the private sector and other actors of civil society.\(^{76}\)

64. Women’s organizations have played a key role in bringing critical issues for gender equality and women’s empowerment to the global agenda, promoting and monitoring implementation at national level, through influencing research, policy and strategy development and programme delivery, and holding Governments accountable.

65. Compared to other social movements and sectors, women’s organizations have very small budgets — more than 700 leading women’s organizations worldwide had a collective income of $76 million in 2005.\(^{77}\) According to the Association for Women’s Rights in Development survey of organizations working for the rights of women, two thirds of the 845 organizations that provided information had annual budgets less than $50,000, with Latin America and the Caribbean having the majority of small-income organizations.\(^{78}\)

66. Most of the organizations received the majority of their funding from bilateral/multilateral agencies, large private foundations, international NGOs, individuals and local governments.\(^{79}\) While for women’s organizations in North America and Western Europe the major source of income was individual giving, bilateral/multilateral development assistance was the major source of income in the remaining regions.

67. Women’s organizations face many challenges in mobilizing resources. Only 13 per cent of organizations had secured all the funding they needed for 2006 by August of 2006, while 61 per cent reached half or less of their budget goals for 2006.\(^{80}\) Donors are increasingly channelling their assistance via government agencies for distribution to NGOs,\(^{81}\) or are choosing to give to international NGOs located in donor countries.\(^{82}\) In addition, some donors prefer to fund large NGOs or projects,\(^{83}\) making access to funding difficult for smaller women’s organizations. Limited funding and resources for women’s organizations has created competition within the women’s movement.\(^{84}\)

VI. Measurement challenges

68. Both the economic costs of persistent gender inequality and the resource requirements for promotion of gender equality and women’s empowerment need to be calculated by Governments and multilateral and bilateral agencies. There are challenges and constraints in measurement of these costs and resource needs.

69. Attempts to estimate the cost of implementing policies to promote gender equality and women’s empowerment, to date, have been limited to the Millennium

\(^{76}\) Para. 350.
\(^{78}\) Ibid., p. 17.
\(^{79}\) Ibid., p. 22.
\(^{80}\) Ibid., p. 20.
\(^{81}\) Ibid., p. 26.
\(^{82}\) Ibid., p. 50.
\(^{83}\) Ibid., p. 36.
\(^{84}\) Ibid., p. 38.
Development Goals. Estimates at the national level show that financing Millennium Development Goal 3 would cost $7-$13 per capita, on average, from 2006-2015. Gender-sensitive achievement of all other Millennium Development Goals will also contribute to the promotion of gender equality and women’s empowerment. Of the total estimated cost of achieving all Millennium Development Goals, between 35-52 per cent (equivalent to $37-$57 per capita per year) can be directly attributed to the achievement of gender equality objectives. 85

70. The challenge is to identify the financing needs in each country, advocate for budgetary allocations and monitor allocations, implementation and impact. Efforts continue to further develop a methodology that is usable at the country level by Governments, donors and gender equality advocates, based on two categories — interventions where the main objective is to promote gender equality and interventions where the main objective is to promote other development goals, such as poverty eradication. 86

71. Sex-disaggregated data and indicators are critical for assessment of resource allocations for gender equality and empowerment of women in all areas. At the Expert Group Meeting on Financing for Gender Equality and Empowerment of Women, participants called for development of indicators in all areas of financing for gender equality and empowerment of women. 87

Bilateral donors

72. Measuring progress and the accountability of bilateral donors and partners continues to be a challenge because of limited data on resource allocations to promote gender equality. For the past decade, OECD-DAC members have used a “gender equality policy marker” to report on aid focused on gender equality and women’s empowerment. An activity is defined as gender equality focused if “it is intended to advance gender equality and women’s empowerment or reduce discrimination and inequalities based on sex”. The marker aims to measure both targeted activities and gender mainstreaming efforts by identifying activities that have gender equality as a principal or significant objective. 88 Activities that specifically target women are considered to have gender equality as a principal objective, while activities which target communities as a whole but explicitly incorporate gender perspectives to ensure that women benefit equally with men are considered to have gender equality as a significant objective.

73. Even though reporting on the gender equality policy marker improved in recent years, OECD-DAC members face challenges in applying the methodology. As of 2004, only 15 members regularly provided data to the Credit Reporting System. Not all members use the marker in the same way and not all activities are screened against the gender equality policy marker. Further challenges in reporting

85 Grown, and others, loc. cit., p. 18.
86 Ibid., p. 11.
87 See the examples of potential indicators identified at the meeting on macroeconomic policies and public finance management, in EGM/FFGE/2007/REPORT.
88 See note 44 above, p. 2.
include the large number of agencies and Government departments involved in aid delivery, and the increasing decentralization of aid administration.89

United Nations system

74. Efforts have been made within the United Nations system to track resource allocation. The findings of the Task Force on Gender Mainstreaming in Programme Budget Processes (1999-2003) indicated that medium-term plans, programme budgets and other strategic planning documents inadequately incorporated the goals and activities on gender equality and women’s empowerment and, as a result, tracking of resource allocation was difficult.90

75. Some success has been achieved in tracking allocation of resources to targeted activities for gender equality. Limitations in this area include difficulties in tracking the actual use of resources at country and regional level, in part owing to inadequate reporting.

76. Many serious constraints and challenges have been identified in relation to tracking resources for implementation of the gender mainstreaming strategy. A variety of mechanisms are in place within the United Nations system to track resource allocation and utilization across sectors. A number of entities, for example, utilize the Atlas-based system to track core and non-core investments in gender equality and women’s empowerment. Limitations identified in this system include incomplete data, inadequate coding and lack of systematic reporting from regional and country offices.91

77. A major problem common to all reporting systems is the lack of criteria on what constitutes gender mainstreaming and mechanisms for assessing the percentage of resources to be attributed to gender mainstreaming efforts. This results in a significant underreporting of gender equality work. The resource information systems of some entities are being further developed to facilitate improved tracking and more reliable data for reporting.

78. It is difficult to assess the proportion of regular budget funding for the gender equality work in the United Nations, compared with the funding received from extrabudgetary sources. Bilateral donors have provided funding for both implementation of gender mainstreaming and for activities targeting gender equality. Capacity-building and development of methodologies and tools for gender mainstreaming have received significant external funding.

79. Most overall evaluations and audits of implementation of gender equality policies carried out by United Nations entities have not assessed resource allocations. Some projects funded by bilateral donors require evaluation of efforts undertaken, using specific indicators. A number of entities have developed training programmes and guidelines to support staff in tracking progress in implementation. A stronger focus is required on tracking resource allocations.


91 See, for example, United Nations Development Programme, Evaluation of Gender Mainstreaming in UNDP (New York, 2006), pp. 62-64.
80. The recent discussions of reform of the institutional arrangements for gender equality in the United Nations has revealed serious under-resourcing of the gender-specific bodies, the Office of the Special Adviser on Gender Issues and Advancement of Women, the Division for the Advancement of Women, UNIFEM and INSTRAW.

81. Challenges exist in tracking human resources dedicated to gender equality throughout the system. Many entities have established networks of gender focal points at both Headquarters and in country offices. Since many focal points work part-time, there is no accurate assessment of the time allocated to gender equality work. Similarly, technical staff in different sectors may have significant gender equality expertise but accurate assessment of the time devoted to work in this area is difficult.

82. Although inter-agency collaboration is critical to ensure coherence and coordination of United Nations work on gender equality, few resources are allocated to this work. The innovative and widely utilized inter-agency portal, WomenWatch, for example, receives no regular budget funds but is resourced by extrabudgetary funds. Similarly, the critical inter-agency work on violence against women is funded by extrabudgetary resources.

VII. Conclusions and recommendations

83. The global commitments on gender equality and empowerment of women since the Fourth World Conference on Women, including through the Monterrey Consensus, have yet to be implemented. Despite a growing body of evidence demonstrating that gender equality makes good economic sense, and the calls for gender mainstreaming in economic policies and public finance management, adequate resources have not been systematically allocated.

84. The preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus provide an opportunity to further explore the gender implications of financing for development and strengthen coherence between macroeconomic policies, plans and programmes and the internationally agreed goals. Increased attention must be given to addressing the gender perspectives in all six action areas of the Monterrey Consensus to ensure that the outcome of the follow-up process will enhance financing for gender equality and the empowerment of women.

85. In follow-up to the Monterrey Consensus, the most significant achievements have been made in the area of gender-responsive budgets. Further efforts are needed to ensure a shift from analysis to implementation, to broaden the focus to include both revenue and expenditures and to ensure the full involvement of all stakeholders.

86. Insufficient budgetary resources continue to undermine the effectiveness and sustainability of both national mechanisms for the advancement of women and women’s organizations in advocating for, supporting and monitoring the implementation of the Beijing Platform for Action. Women’s funds, foundations and diaspora associations have emerged as innovative sources of financing.

87. Although some progress has been made in reporting on resource allocations for gender equality and women’s empowerment, monitoring and
reporting remain insufficient. Further development of sex-disaggregated data and indicators is required to more systematically and effectively measure progress.

88. The Commission on the Status of Women may wish to call upon Governments, the United Nations system, the Bretton Woods institutions, international and regional organizations, non-governmental organizations, civil society, the private sector and other relevant actors, as appropriate, to:

(a) Ensure that the preparations for and outcome of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus fully incorporate gender perspectives;

(b) Undertake and disseminate gender analysis of macroeconomic policies, including taxation, public expenditure, investment and finances;

(c) Develop methodologies and tools to systematically incorporate a gender perspective into results-based public finance management, including through analysis of both revenues and expenditures, as well as into tools to monitor and evaluate public financial management systems;

(d) Assess the gender impacts of revenue-raising measures, including user fees as well as the taxation structure and composition, and develop mechanisms to ensure gender-sensitive revenue raising;

(e) Initiate transparent expenditure reviews, with the participation of civil society, which link the allocation of resources to overall development goals, including gender equality, and evaluate impacts on the poor, in particular women;

(f) Strengthen the dialogue between ministries of finance and planning and national mechanisms for the advancement of women, gender focal points in line ministries and women’s organizations, to ensure the incorporation of gender perspectives into all economic policies, plans and budgets;

(g) Allocate resources for capacity-building in gender mainstreaming within finance and relevant line ministries, to ensure that domestic resource mobilization and allocation is carried out in a gender-sensitive manner;

(h) Identify and address the differential impacts of trade policies on women and men and develop strategies to ensure that women are protected against trade-related job losses and benefit from job-creation, and to expand access to trade opportunities for women producers;

(i) Ensure that gender perspectives are addressed in the formulation, implementation and evaluation of trade policies, and facilitate the active participation of women’s organizations in national, regional and international trade decision-making structures and processes;

(j) Carry out gender-sensitive assessments of labour laws and standards, with particular attention to export processing zones, and establish policies and guidelines for the employment practices of foreign investors, including global corporations, building on existing agreed multilateral instruments, including the International Labour Organization conventions;
(k) Eliminate conditionalities in debt relief initiatives and debt financing measures that lead to the perpetuation or exacerbation of gender inequalities, and earmark resources released by debt relief to address specific gender equality targets and benchmarks agreed upon in the Beijing Platform for Action and the Millennium Development Goals;

(l) Increase the share of development assistance specifically targeting gender equality and women’s empowerment, through both gender mainstreaming and targeted activities, and strengthen mechanisms to effectively measure resources allocated to incorporating gender perspectives in all areas of development assistance;

(m) Ensure that new aid modalities and efforts to enhance delivery mechanisms through the Development Cooperation Forum incorporate gender perspectives;

(n) Ensure that international financial institutions take gender perspectives into account in loan approvals, debt servicing and debt relief, in compliance with commitments to gender equality;

(o) Ensure that resource allocation is incorporated in all evaluations and audits of United Nations entities’ implementation of gender equality policies and programmes;

(p) Ensure the development of a more coherent and transparent system for tracking financial resources across the United Nations system, including on gender mainstreaming, and institute systematic reporting on resources invested;

(q) Increase resources for gender equality work, including gender mainstreaming, throughout the United Nations system;

(r) Increase resources for the inter-agency work on gender equality to enhance coherence and coordination;

(s) Ensure that direct funding goes to women’s organizations to advance their autonomy and sustainability, and increase support for women’s funds that provide small grants to women’s initiatives.