ACTION

ON GENDER EQUALITY, WOMEN'S EMPOWERMENT AND ENDING VIOLENCE AGAINST WOMEN IN AFRICA

Issues Paper 3

Financing for Gender Equality

The Sixth African Development Forum (ADF VI)

19-21 November 2008 - United Nations Conference Centre - Addis Ababa, Ethiopia

Economic Commission for Africa

African Union

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The Sixth African Development Forum
gender equality
empower women
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* The UNIFEM Liaison Office to the AU and ECA is greatly acknowledged for its input in preparing this paper.

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Acronyms and abbreviations

AU	African Union
AfDB	African Development Bank
BPFA	Beijing Platform for Action
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CSW	Commission on the Status of Women
DBS	Direct Budget Support
FDI	Foreign direct investment
FfD	Financing for Development
GNP	Gross national product
HIPC	Highly Indebted Poor Countries
IMF	International Monetary Fund
MDG	Millennium Development Goal
NEPAD	New Partnership for Africa's Development
ODA	Official development assistance
PPP	Private-public partnership
PRSP	Poverty reduction strategy papers
SSA	Sub-Saharan Africa
SWAp	Sector-Wide Approach
TICAD	Tokyo International Conference on African Development
UN	United Nations
UNDP	United Nations Development Programme
VAT	Value Added Tax
WTO	World Trade Organization

1.0 Background

1. The obligation for financing for gender equality is an integral part of all the commitments made by African countries and their international development partners towards gender equality and women's empowerment. In the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), ratified by almost all African countries, state parties commit to take all appropriate measures to eliminate discrimination against women and their enjoyment of human rights and fundamental freedoms in the political, social and economic fields. Financing such measures is central to the commitments. Subsequent General Recommendations and Concluding Remarks of the Committee on the Elimination of Discrimination against Women have clarified and made the obligation for financing gender equality more explicit[1].

2. The African Union (AU) has committed itself to assisting member countries to address gender equality, as reflected in Article 4 (1) of the Constitutive Act that provides that AU "shall function in accordance with the principle of promotion of gender equality." This is further elaborated in the Solemn Declaration on Gender Equality in Africa in which AU member States re-affirm their commitment "to continue, expand and accelerate efforts to promote gender equality at all levels".

3. The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa also guarantees women's rights in a range of other areas including gender equality, freedom from violence, inheritance and property rights, economic empowerment, widowhood, and in conflict and post-conflict situations. Through these various commitments, AU is acknowledging the important role that women play in Africa's development, and that achieving the Millennium Development Goals (MDGs) requires significant progress towards gender equality and women's empowerment.

4. At the Fourth World Conference on Women held in 1995 in Beijing, China, countries unanimously reaffirmed the primary responsibility of governments for implementing the strategic objectives of the Beijing Platform for Action (BPFA) that emerged from the conference. The BPFA calls for resources to be identified and mobilized from all possible sources across all sectors to finance actions towards gender equality and women's empowerment in twelve critical areas of concern and urges them to make efforts to systematically review how women benefit from public sector expenditures.

5. Countries agreed to incorporate a gender perspective into all budgetary processes in order to establish adequate resource allocation to support gender equality and development programmes that enhance women's empowerment.[2] The Platform calls for adequate financing for national machineries for the advancement of women as well as to all institutions that can contribute to the implementation and monitoring of the BPFA. International partners, including the United Nations System, were called upon to allocate adequate resources, including finances and technical expertise, to regional and national programmes to help ensure its implementation.[3]

6. The core responsibility for financing was reiterated during the 23rd Special Session of the General Assembly in 2000 (also known as "Beijing +5") when the United Nations General Assembly emphasized the need for continued international cooperation to increase the flow of resources necessary to meet BPFA goals on gender equality, development and peace. Governments were called upon to incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes, in order to establish adequate budgetary allocations to support gender equality and devel-

1 See for example, General Recommendation 24, para. 17
2 Para. 73 of the Outcomes Document of the Fourth World Conference on Women, 1995.
3 Ibid, para 84.

opment programmes that enhance women's empowerment, and to develop the necessary analytical and methodological tools and mechanisms for monitoring and evaluation (UN 2000).

7. In the same year, the General Assembly adopted the United Nations Millennium Declaration, which outlined the eight MDGs that encompass specific targets to be accomplished by 2015[4]. The MDGs have become a blueprint for action, agreed upon by the international community. Development Goal 3 is to promote gender equality and the empowerment of women. It is also widely acknowledged that progress on gender equality and women's empowerment is key to achieving all the other MDGs.

8. The MDGs include a commitment on financing for gender equality by governments at an international level. MDG 8 further calls for development of a global partnership for development in which targets on increased and predictable development assistance, free and equitable trade, debt relief to the highly indebted, and private-public partnerships (PPPs) are to be met.

9. In March 2002, the International Conference on Financing for Development (FfD) was held in Monterrey, Mexico. The Monterrey Consensus on Financing for Development was adopted at the conference, encompassing an agreed global response to FfD with the goal of eradicating poverty, achieving sustained economic growth and promoting sustainable development (UN, 2003).

10. Developing and developed countries acknowledged that achieving internationally agreed development goals, including those contained in the Millennium Declaration on gender equality, demanded a new partnership between developed and developing countries. They committed themselves to put sound policies in place, practise good governance and rule of law at all levels, mobilize domestic resources, attract international flows, promote international trade as an engine for development, and increase international financial and technical cooperation for development, debt financing and external debt relief.

11. The important role of official development assistance (ODA) was also acknowledged and developed countries that had not yet met the target of 0.7 per cent of gross national product (GNP) as ODA to developing countries and 0.15 to 0.20 per cent of GNP to least developed countries were urged to make concrete efforts to do so. In turn, developing countries were encouraged to build on progress achieved to ensure effective use of ODA for meeting development goals and targets.

12. While acknowledging the inter-linkage and interdependence of national economies with the global economic system, the Monterrey Consensus reaffirmed the primary responsibility of each country for its own economic and social development, stating that the role of national policies and development strategies cannot be overemphasized.[5] Creating an enabling domestic environment for mobilization of both public and private domestic savings, sustaining adequate levels of productive investment and increasing human capacity were key commitments by developing countries, including those in Africa.

13. In this regard, African countries committed to ensuring good governance, fighting corruption and undertaking substantial institutional and policy reforms for transparency, and accountability in managing public finances and attracting domestic and foreign private investment. Countries also committed to the norms of peace and security, respect for human rights, including the right to development, gender equality, and the pursuit of just and democratic societies.

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4 A/RES/55/2

5 Para 6

14. The Paris Declaration on Aid Effectiveness, signed in March 2005, as a follow-up to the Monterrey agreements and the G-8 Summit, established global commitments for donor and partner countries to support more effective aid in a context of significant scaling up of aid. However, gender equality was not explicitly addressed in the Paris Declaration. The focus was on formulation of the Declaration and on technocratic and efficiency aspects of aid delivery. However, it is argued here that implementation of the Declaration will not be successful unless it promotes a wider development-effectiveness approach, where gender equality is essential.

15. During the 10-year review of BPFA implementation, the Commission on the Status of Women (CSW), during its 49th Session in 2005, indicated a significant gap between policy and practice in many countries. Lack of resources was defined as one key obstacle to effective implementation at national level.[6] Member States pledged to undertake further action to ensure full and accelerated implementation. In the same year, the United Nations hosted the Second High-Level Dialogue on Financing for Development. Participants emphasized that resource mobilization policies and strategies should incorporate achievement of the international commitment to gender equality.

16. A specific recommendation was made for using gender-responsive budgeting to ensure resourcing of the respective commitments. CSW made a similar call for increased financial resources to assist national governments in developing countries to meet their international obligations.[7]

17. During its fifty-second session in March 2008, the CSW again expressed its concern that insufficient political commitment and lack of budgetary resources continued to pose obstacles to achievement of the goals of gender equality and women's empowerment. This lack of commitment and resources was undermining the effectiveness and sustainability of national mechanisms and women's organizations in terms of their ability to advocate, implement, support and monitor effective implementation of the Beijing Declaration, the BPFA, and the outcome of the twenty-third Special Session of the General Assembly (United Nations, 2008a).

18. The Commission emphasized the need for political commitment in making the necessary human and financial resources available for the empowerment of women. It also underscored the need for funding to be identified and mobilized from all sources and across all sectors to achieve the goals of gender equality and the empowerment of women.[8]

19. More specifically, CSW urged governments to carry out gender-sensitive analysis of revenues and expenditures in all policy areas and to take review and evaluation results in budget planning, allocation and revenue-raising into account, in order to enhance the contribution of government expenditures to accelerate, full and effective implementation of the Beijing Declaration and BPFA. CSW also urged developed countries that had not yet done so in accordance with their commitments, to make concrete efforts towards meeting the target of 0.7 per cent of their GNP for ODA to developing countries and 0.15 to 0.20 to least developed countries.

6 Declaration of the Commission on the Status of Women on the occasion of the tenth anniversary of the Fourth World Conference on Women, E/2005/27-E/CN.6/2005/11.

7 E/2006/27 - E/CN.6/2006/15

8 Ibid, para 1.

2.0 Why financing for gender equality?

20. Financing for gender equality and women's empowerment is an obligation assumed by countries through the sovereign act of ratification of various international human rights instruments. In addition, financing for gender equality yields high social and economic returns. It is estimated that missing MDG 3 targets could result in countries having 0.1-0.3 percentage points lower per capita growth rates. In the 2007 Economic and Social Survey of Asia and the Pacific, estimates showed that the region was losing $42-47 billion annually because of women's limited access to employment opportunities, and another $16-$30 billion annually as a result of gender gaps in education (United Nations, ESCAP, 2007).

21. Furthermore, an interesting aspect of gender equality investment is its intergenerational spillover effects. Evidence shows that educated mothers have lower fertility rates and their children attend school and lead healthier lives. 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 MDGs.

22. 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".[9]

23. From Africa's perspective, delivery on the commitments made by African countries on gender equality and women's empowerment define the nature and extent of the resource envelope required. With this in mind, it is clear that financing for gender equality must be viewed within the broader ongoing dialogue on financing for development as outlined above. Two broad sources of financing are identified, domestic and foreign. Foreign sources can be classified into two sub-categories, namely foreign direct investment (FDI) and official development assistance (ODA).[10]

24. The impact of resources mobilized for gender equality and empowerment depends on the programmes and projects that are financed by such funds. These interventions can be classified under the three broad categories of political empowerment, social empowerment, and economic empowerment. Cutting across these broad areas is the creation of an enabling policy and institutional framework that legitimizes and institutionalizes women's empowerment.

25. Elements of this framework may include: the enactment of affirmative action laws to increase women's representation in executive positions and in the legislature; the enactment of laws criminalizing domestic violence against women; incentives for parents who allow their daughters to enrol in school; and sensitization programmes to change cultural norms and practices that discriminate against education of the girl-child.

9 Ibid, para 14.

10 See details in the Monterrey Consensus; see also UNDP, "International Cooperation at a Crossroads: aid, trade and security in an equal world", Human Development Report 2005.

3.0 Progress and challenges in achieving gender equality and women's empowerment

26. What progress has been made in financing for gender equality? In assessing the progress, it is important to evaluate performance in the context of the three broad areas of empowerment (i.e., political, economic and social). Even though data on resource flows are limited to women's empowerment interventions, clearly, analysis of outcomes and impacts in this area suggests that some advances have been made.

Political empowerment

27. With respect to political empowerment, national constitutions in many African countries guarantee human rights including equality and non-discrimination. Women are running for public office in growing numbers and have currently reached an average of 18.4 per cent of seats in national assemblies, exceeding 30 per cent of representatives in national assemblies in 22 countries.[11] Africa has performed reasonably well mainly due to the number of countries that have introduced affirmative action quota systems for women's representation in parliament and in local government. In the September 2008 elections in Rwanda, a landmark was reached when women won 44 of the 80 seats in parliament, the highest percentage of women elected to parliament in the world.

Social empowerment

28. In the area of social empowerment, there has been commendable progress towards gender parity in school enrolment for basic education (United Nations, 2008b). However, there is a problem with retention; girls are dropping out at a higher rate than boys.

29. Maternal mortality remains unacceptably high across much of the developing world. In 2005, more than 500,000 women died during pregnancy, childbirth or in the six weeks after delivery. Ninety-nine per cent of these deaths occurred in the developing world, with sub-Saharan Africa (SSA) and Southern Asia accounting for most of the deaths. In SSA, a woman's risk of dying from treatable or preventable complications of pregnancy and childbirth over the course of her lifetime is 1 in 22, compared to 1 in 7,300 in the developed world.[12] Women and girls remain more vulnerable to HIV infection, despite the progress made in availability of and access to prevention information. Prevalence rates have dropped in some countries while others have witnessed a rise in new infection rates.

Economic empowerment

30. There has also been modest progress in economic empowerment. The percentage of women in gainful employment outside the agricultural sector increased from 25 per cent in 1990 to 31 per cent in 2006.[13] However, most women still work in the informal sector, especially in the more vulnerable low-paying jobs of the informal sector.

31. Nevertheless, the progress being made should not mask its slow pace and at times overall reversal. In 2005, UNDP reported that 18 countries with a combined population of 461 million registered

11 IPU. 2008. "Women in National Parliaments: World Average Table, situation as of 31 May 2008." As quoted in UNIFEM 2008, Progress of the World's Women, 17.

12 Ibid, 24

13 Ibid, 18

a lower human development index in 2003 than in 1990. Thirteen of these were in Africa.[14] The spread of HIV and AIDS and economic stagnation was thought to have contributed to this reversal. Substantial and systemic inequalities based on sex and gender were also rampant. A pregnant woman in Africa was 180 times more likely to die of pregnancy complications than in Western Europe.[15]

32. Violence against women remained rampant and very few African countries had taken the necessary measures towards prevention, or successful and systematic prosecution of perpetrators, or provision of adequate and timely justice and services to women surviving violence. Widespread rape, mass rape and other forms of sexual violence targeting women in conflict and post-conflict areas were common in all of Africa's armed conflicts. The intersection between gender and other specificities including HIV and AIDS status, marital status, class, rural/urban location, and physical or other disability makes the inequality significantly worse among women.

4.0 Progress in financing for gender equality

33. A study commissioned by the World Bank identified the minimum resource envelope needed to meet the goals of gender equality and women's empowerment. The study proposes that interventions directly aimed at promoting gender equality would cost on average $US7 to 13 per capita from 2006 to 2015. Presenting a number of scenarios and projections for costing, the study noted that the gender equality financing gap was between $12-30 billion in 2006 and was expected to rise to between $24 billion and $83 billion by 2015 (UNIFEM, 2008). In his report to the CSW in February 2008, the United Nations Secretary-General noted that there had been limited assessment of resource allocations to translate global commitments on gender equality and women's empowerment into action at the national level.[16]

34. Inadequate data on resource allocations to women's empowerment programmes and projects make a definitive analysis of progress in financing for gender equality under each of the financing pillars difficult if not impossible. The next section discusses the different channels through which resources can be mobilized to finance gender equality and women's empowerment initiatives.

4.1 Mobilizing domestic resources

35. Domestic resources can be mobilized and disbursed either through the budget (i.e., on-budget) or outside the budget (i.e., off-budget). Off-budget resources are not disbursed or captured in the budget. They can be mobilized through voluntary donations (e.g., fundraising, corporate donations) and through interventions financed by the private sector. On-budget domestic resources on the other hand, are mobilized largely through taxes and fees levied at the national and sub-national level. Furthermore, such resources are disbursed through the budget.

36. Mobilization and disbursement of resources through the budget is important because it avoids duplication of effort and is more likely to ensure that programmes are undertaken within the context of national priorities. The problem of duplication is less likely to arise if it is undertaken in the context of the nation's overall priorities. It is also important to note that, in some countries, Ministries of Finance are starting to introduce results-based budgeting to complement the process-based budgeting being

14 UNDP, Human Development Report 2005, 21

15 World Economic Forum, 2005, Women' Empowerment: Measuring the Global Gender Gap, 4

16 United Nations, ECOSOC,(2007), "Financing for Gender Equality and the Empowerment of Women", Report of the Secretary-General, E/CN.6/2008/2, para 12

used in recent years. This trend is crucial as it explains in many cases, such as in Morocco, the willingness to include gender impact assessment and indicators.

On-budget resource mobilization and spending

37. Despite recent improvements in domestic resource mobilization, foreign grants and loans constitute the majority of total budget revenue in most African countries because domestic tax systems are weak. This results in a high incidence of tax avoidance and evasion. The primary sources of domestic revenue are individual and corporate income taxes, Value Added Taxes (VAT) and trade taxes.

38. Domestic resource mobilization through trade taxes deserves special attention due to the peculiar issues involved. Trade taxes constitute a significant share of domestic revenue especially for commodity export-oriented countries. However, Africa's share of world trade is negligible compared to the rest of the world. African countries have made varying degrees of effort to diversify their economies in order to be competitive, and to cushion themselves from vulnerabilities associated with a single-product economy. Agriculture, however, remains the backbone of Africa's economy with exports of primary commodities dominant for most countries. Oil- and gold-exporting countries have benefited from rising oil and gold prices on the world market.

39. Overall international trade regimes including the economic partnership agreements (EPAs) favour developed countries. The Doha Round of trade talks launched in 2001 failed to establish a fair international trade regime. Protectionist policies and practices by developed countries, particularly in favour of their farmers, mean that agricultural commodities from African countries are subjected to export restrictions and tariffs, and cannot compete favourably with highly subsidized products in developed countries. It is estimated that developing countries exporting to developed countries face tariffs three or four times higher than those paid by high-income countries exporting to other high-income countries.[17]

40. In some countries, agricultural subsidies have increased and, within the WTO framework, many developed countries have pursued rules on investment, services and intellectual properties that are likely to worsen global inequalities.[18] In 2005, the share of global trade for SSA (excluding South Africa) was estimated at 0.3 per cent - less than one-half of the share of Belgium![19]

Trade revenues

41. Apart from the tax revenues generated through trade, targeted trade expansion initiatives may promote gender equality and women's empowerment by providing employment and self-employment opportunities and increased income. However, fair terms and conditions of trade, particularly between developed and developing countries are a precondition. Trade agreements such as the Agreement on Agriculture, the General Agreement on Trade and Services and the Trade Related Intellectual Property agreement also impact on the availability of food, health care and access to education to individuals and households.

42. Thus, these agreements have serious implications for enabling women's and girls' capability, functioning, and overall sense of personal security. These agreements also have the potential to gen-

17 UNDP, Human Development Report 2005, 127
18 Ibid, 113.
19 Ibid, 117.

erate changes in the economy that may either increase or decrease women's access to economic and social resources such as land, technology and credit.[20] However, even within the context of the current share of international trade, there is little or no evidence that trade policies and practices have been developed to contribute to gender equality.

How are the resources used?

43. National budgets reflect resource mobilization choices as well as spending priorities made by national and sub-national governments (national, local, and sector). Invariably, budget expenditures are informed by national priorities articulated in development plans or growth and poverty reduction strategies. Depending on the level of detail specified in the budget, it is possible to track the quantum of domestic resources allocated to women's empowerment programmes. Based on this information, one can track implementation of a nation's Poverty Reduction Strategy (PRS) or national development plan.

44. However, gender empowerment interventions are often not explicitly identified in either the budget or national development strategies. As a result, there are no systematic data on the proportion of national or sector budgets that go towards gender equality and women's empowerment. However, if broad allocations to national machineries for the advancement of women can serve as a proxy for gender empowerment, then the evidence suggests that resource allocations for gender equality and women's empowerment are negligible. Given the economic rate return on gender equality investment and its intergenerational spill over, the prioritization of investing in providing women with assets to participate in a level playing field is critical to economic development.

45. In response to this challenge, several African countries are implementing gender-responsive budget initiatives focusing largely on analysis of public expenditure, in an attempt to highlight the extent to which public resources are channelled to gender equality and women's empowerment programmes. Many so-called gender budget audits have been spearheaded by women's advocacy organizations, though in some countries, Ministries of Finance and Standing Committees of Parliament are playing an increasing leadership role.

46. However, such initiatives are still the exception not the rule and are yet to be institutionalized. There is as yet little focus on analysis of public revenues to create better understanding of the extent to which tax systems promote gender equality and the empowerment of women. The imperative is that both expenditure and revenues of government at the different levels must be managed in ways that create adequate fiscal resources for the elimination of discrimination against women and the advancement of women (Elson, 2006).

Off-budget resource mobilization and spending

47. Similarly, African governments have not been active in mobilizing resources in the private sector towards achieving gender equality and women's empowerment. The informal sector, which is dominated by women, remains without government support in terms of infrastructure development and services, in spite of its contribution to the economy including through job creation.

48. There has been an increase in private-public partnerships (PPPs) in which government has encouraged private businesses to partner with government in developing communities and sectors in

20 Mariama Williams, 2007. "Gender and Trade: Impacts and Implications for Financing for Gender Equality". Paper prepared for the 8th Women's Affairs Ministers' Meeting (June 2007), Kampala, Uganda, 3.

which they carry on business. In addition to grants made to projects as part of corporate responsibility, local businesses have invested heavily in the education sector accounting for the large increase in the number of private schools and universities established in the past few years. Some PPPs in which government has invited corporations to invest in services (e.g. water, electricity and health care) have generated controversy in terms of their impact on prices and on local actors. There is, however, little evidence of planned effort to channel the resources generated through PPPs towards achieving gender equality or women's empowerment.

4.2 Mobilizing foreign resources

49. With few exceptions, most African nations depend on foreign governments and multinational institutions such as the IMF and World Bank to finance their development programmes. Foreign assistance can be sourced as grants, loans or direct investments in the beneficiary country. Unlike loans and grants, FDI tends to generate immediate income and employment opportunities as investors build factories and carry out other economic activities. The impact of loans and grants on gender equality and women's empowerment depends on the conditionalities attached to such funds or how such funds are utilized. For instance, if loans and grants are used to repay old loans then no direct income generating effects will take place. In an effort to minimize conditionalities and promote policy ownership, governments are advocating for direct budget support from donors.

ODA financing for gender equality

50. Have donor countries increased ODA for gender equality to Africa? In July 2005, at the G-8 Summit at Gleneagles that focused specifically on Africa, it was agreed to increase aid by $US50 billion per year by 2010. In December 2007, Africa and EU, its biggest donor in terms of ODA, signed the Lisbon Declaration in which they "resolved to build a new strategic political partnership for the future, overcoming the traditional donor-recipient relationship and building on common values and goals in our pursuit of peace and stability, democracy and rule of law, progress and development".

51. The partnership aims to achieve significant results in fundamental commitments, namely: attainment of the MDGs; establishment of a robust peace and security architecture in Africa; strengthening of investment, growth and prosperity through regional integration and closer economic ties; promotion of good governance and human rights; and creation of opportunities for shaping global governance in an open and multilateral framework. Unfortunately, donors are yet to translate their commitments into cash. The EU-Africa strategy provides an opportunity for prioritizing the achievement of gender equality through allocating the necessary resources and expertise.

52. Japan, through its Tokyo International Conference on African Development (TICAD) process, has pledged to double development aid to Africa over a five-year period.[21] Priority areas include revitalization of the economy, ensuring human security including meeting the MDGs, and addressing environmental issues and climate change. Gender equality is only highlighted in the context of the MDGs in which the importance of advancing and protecting the human rights of women, promoting and supporting gender equality and women's empowerment is acknowledged. However, the implementation framework does not focus on any women's human rights or empowerment-specific targets, except for education of the girl- child.

53. It remains to be seen how these two partnership frameworks with Africa, referred to here by way of example, will contribute to financing for gender equality. A key challenge is the extent to

21 TICAD IV Yokohama Declaration, May 2008.

which Africa and its partners democratize negotiation processes and allow the participation of gender equality experts, including national machineries for women and women's rights advocacy. For example, while most OECD-DAC members have gender equality policies, not all allocate sufficient staff and financial resources for implementation.

54. Most donor agencies have less than 10 staff in their central gender units and few have gender advisers in other sectoral units, including country missions. Only three agencies included gender-related actions in most of their country strategies and programmes.[22] A recent study found that the 2006 EU Budget includes no quantitative targets for aid allocation to gender equality.[23] AU and its member States fare even lower in terms of utilizing the gender expertise available on the continent.

55. The World Bank has launched its Gender Action Plan, through which it aims to promote implementation of MDG 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 World Bank utilization of credits and loans in economic sectors such as agriculture, infrastructure, finance and private sector development. The Plan will provide $30.2 million over four years, with half the funds coming from the World Bank and half from donor countries.[24]

56. There has also been progress in putting a framework in place for management of ODA. Given the concerns about progress being made in increasing ODA to meet the MDGs, and following the Second High-Level Dialogue on Financing for Development, 2005 as a culmination of international dialogue on how to make aid effective without donor conditionalities, the Paris Declaration on Aid Effectiveness was adopted. The Paris Declaration calls for donors to increase aid and to adopt concrete actions that can be monitored while aid delivery and management is reformed. The Paris Declaration established aid effectiveness targets and progress indicators that were endorsed by member States at the September 2005 World Summit at the United Nations.

57. The Declaration embodies the consensus amongst the international community on the direction for reform on aid delivery and management and for improved effectiveness and results. More than 40 African countries adhere to the Declaration. Unfortunately the Declaration makes no explicit reference to gender equality.

58. This may explain why the operationalization of the Declaration in Africa has raised concern among advocates for women's rights. Gender equality and women's empowerment are rarely part of national priorities articulated in the PRSP or other development framework. Where ODA is to be channelled to national priorities without a conscious effort to ensure that these reflect gender equality commitments may have negative impacts. Implementation of the principles of harmonization and alignment has given rise to new modalities for aid delivery, including direct budget support, earmarked sector-wide approaches, and basket funding.

59. It has been noted that the significance of the Paris Declaration and its attendant new aid modalities is its power to direct aid. The Declaration and new aid modalities call for new technical approaches to aid management and delivery that demand new knowledge, capacities and institutional

22 OECD 2007. Gender equality and aid delivery: what has changed in development co-operation agencies since 1999? Paris, pp. 20-21.

23 Mirjam van Reisen (ed), 2008. The EU Contribution to the Millennium Development Goals Poverty Eradication: From Rhetoric to Results? European External Policy Advisors (EEPA), Alliance 2015, c/o Ibis, Nøerrebrogade 68B, 2200 Copenhagen N, Denmark.

24 http://siteresources.worldbank.org/INTGENDER/Resources/GAPNov2.pdf.

reforms in a context where such capacities are underdeveloped in African countries, and in civil society organizations. This gives donor countries even more opportunities to direct implementation of the Declaration.

60. Findings from a recent UNIFEM mapping study of aid effectiveness and gender equality in four African countries point to increased government-donor cooperation in developing countries and increased support to nationally-owned development plans. At the same time, the study indicates that these plans are not yet fully country-owned and donors have not yet fully aligned the support to national development priorities, including gender equality. Furthermore, most countries have not yet integrated gender equality in their national plans or begun to measure results in terms of their impact on these goals.

61. A review of ODA volumes and flows during the period covered by these mapping studies (2004 - 2006) indicates that a key challenge in assessing the extent to which gender equality goals are being supported is the lack of sex-disaggregated data and of gender-specific indicators across the different sectors. While the Paris Declaration principle of alignment calls for increasing use of Direct Budget Support (DBS) as a modality of aid delivery, the studies showed that donors use a mix of aid modalities; project funding has remained fully operational. With regards to funding for gender equality, project aid earmarked for specific initiatives has been utilized in all four countries. However, it was not possible to determine the extent to which aid had been earmarked for gender-specific goals within the DBS or Sector-Wide Approach (SWAp) modalities.[25]

62. In general, assessments of the implementation of the Paris Declaration principles in the four countries studied show that reforms are indeed occurring and there has been progress, primarily with mechanisms and tools for the delivery of aid, but these reforms have not necessarily led to improvements in the lives of poor women and men. With regards to the principle of ownership, the studies revealed some progress in opening up of policy spaces for civil society organizations, national women's machineries and parliamentarians to participate in national development planning. However, there is limited participation when it comes to discussions on managing aid, including the development of joint assessment strategies and negotiations on how aid is allocated within national budgeting frameworks. While the results demanded by the Paris Declaration create new opportunities for the 'democratization' of donor-government policy dialogue spaces, these should begin with the provision of technical and financial support to strengthen capacity among all partners on gender equality and women's empowerment.

63. As signatories to the Paris Declaration and participants in the debt relief initiative for Highly-Indebted Poor Countries (HIPC), all four countries are reforming their public financial management systems. Improvements to human and institutional capacities have begun to facilitate alignment to national development plans. However, challenges remain; it is donors who select priorities with which to align, and there is no mechanism to ensure that all policy priorities receive sufficient funding.

64. Given the limited degree to which gender equality priorities have been mainstreamed into the national development strategies and budgets in these countries, it becomes apparent that alignment to national development strategies does not necessarily translate into alignment with government commitments to achieve the MDGs, including Goal 3 on gender equality and women's empowerment,

25 Jacinta Muteshi (ed), 2008. Mapping Aid Effectiveness and Gender Equality in Africa: Regional Issues and Trends. Final Synthesis Report of the mapping studies in Cameroon, Democratic Republic of Congo, Ethiopia and Ghana, European Commission, UNIFEM and ILO/ITC, EC/UN Partnership on Gender equality for Development and Peace, 3.

or with the concerns of the BPFA. Nor does alignment necessarily translate into compliance with CEDAW.

Foreign direct investment (FDI)

65. The Monterrey Consensus notes that private international capital flows, particularly FDI, along with international financial stability, are vital complements to national and international development efforts. FDI contributes toward financing of sustained economic growth over the long-term. It is especially important for its potential to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship and, ultimately, eradicate poverty through economic growth and development.

66. In 2002, IMF reports indicated an upward trend in FDI flows to Africa throughout the 1990s rising from approximately $3 billion at the end of the 1980s to $9 billion in 2000[26] and to $19 billion in 2001 thereby increasing the region's share of global FDI to 2.3 per cent.[27] There are indications that FDI flows to Africa continue to rise, benefiting a relatively small number of countries, particularly those producing oil, gas and gold.[28] Obstacles to increased FDI include political instability and potential for armed conflict, poor infrastructure for investment, an uncertain policy environment, and corruption. This is the situation despite significant efforts by African countries to adopt investment policies, establish investment promotion authorities, offer easy/free access to land, tax holidays, guarantee repatriation of income, and lower labour and environmental standards.

67. Thus, the challenge identified in the Monterrey Consensus that African countries need to create conditions for FDI flows conducive to achieving national development priorities remains. Compared to Asia for instance, Africa is not yet a favoured destination for large scale FDI. As policies are formulated for attracting international capital inflows, it is important for the continent to learn from the experiences of Asian countries in which export-processing zones have created new situations of exploitation and abuse of women.

68. As in other areas, there is little data on the contribution of FDI to gender equality and women's empowerment goals in Africa. There needs to be a more explicit link at policy level, and in the priority areas for investment. National machineries for the advancement of women and advocacy groups need to play a more active role in investment policy formulation and monitoring.

5.0 The potential impact of the global financial crisis on financing for gender equality

69. The recent turmoil in global financial markets could thwart the ability of many African countries to promote gender equality and empower women, particularly because of its negative impact on public finances, growth and employment across the continent.

70. Along with its potential negative effect on foreign capital inflows, the recent financial crisis, if persistent, could reverse the recent positive trends in ODA. Further, the crisis could spill over to the

26 Anupamu Basu & Mathew Fisher, (2002) "Foreign Direct Investment in Africa – Some Case Studies", International Monetary Fund, WP/02/61, 1.

27 Chantal Dupasquier and Patrick N. Osakwe, 2004. "Foreign Direct Investment in Africa: Performance, Challenges and Possibilities", United Nations Economic Commission, ATPC Work in Progress, No. 21, 7.

28 Ibid, 8.

economic sector of major developed countries and other emerging countries, including China and India, and would reduce the demand for African exports, thus leading to lower commodity prices and volumes and decreased export and government receipts. The combination of weaker government receipts and reduced ODA flows would force many countries to cut back on public spending. Such cutbacks are more likely to seriously affect those government activities that have consistently not received enough attention, gender inequality activities being some of such programmes.

71. Also, the financial crisis has the potential to dampen exports, a growth engine in many African countries, thus reducing growth and employment. Highly female-labour intensive sectors, including the nascent and vibrant textile industry, are likely to be disproportionately affected. In sum, gender inequalities may widen, as women may disproportionately bear the costs related to lacklustre economic activity and few employment opportunities. This would materialize through the shift of more work assignments to women, which will take a heavy toll on their health and the time available to engage in decision-making processes. Besides women, girls may equally be affected. They are likely to be disproportionately affected by the decisions of households to pull children out of schools, a way to cope with declining household incomes.

6.0 Conclusions

72. Financing for gender equality is an integral part of the obligation of African countries under the different international and regional instruments that guarantee human rights for women, including CEDAW, Security Council Resolution 1325, the African Charter on Human and Peoples' Rights, and its Protocol on the Rights of Women in Africa, as well as the BPFA. That obligation also arises from the international commitment to achieve the MDGs by 2015. The Monterrey Consensus embodies an agreement framework for financing for development, including gender equality and women's empowerment.

73. While there has been some progress in financing for development, there are fears that the progress may not be adequate for achievement of the MDGs by 2015. The funding gap and consequent calls for urgent and sustained action are traceable through major international meetings, including the Beijing+5 and Beijing+10 review meetings, the special sessions of the UN General Assembly on the MDGs in 2005 and 2008, and the 52nd Session of the Commission on the Status of Women that focused on financing for gender equality. The Commission has reaffirmed that BPFA implementation requires adequate financial resources committed at national, regional and international levels. Strengthening national capacities in developing countries in this regard requires striving for the fulfilment of the agreed ODA targets as soon as possible. The Commission has recognized the importance of the full utilization of all sources of development finance.

74. Increased and sustainable financing for gender equality requires the effective engagement of African countries, developed countries, civil society organizations, multilateral agencies, and the private sector. CSW made wide-ranging recommendations at its 52nd session.

7.0 Issues for discussion

75. For purposes of this paper and for ADF, the underlying question is, how can this ADF contribute to solutions?

1. National level budget guidelines should reflect sector and national obligations for financing gender equality. What progress has been made in gender budgeting in Africa? Where are the good practices and how can they be scaled up? What impacts have gender-responsive budget initiatives had in African countries?
2. What are the main facilitating factors and the main constraints to be addressed to ensure financing for gender equality to the magnitude that could facilitate achievement of MDG 3?
3. What can be done to further progress?
4. Does Africa need a strategic plan for financing gender equality and women's empowerment? If so what role should the member States of AU, RECs, ECA, and AfDB play in developing and implementing such a plan?
5. What must be done to ensure systematic and regular collection and dissemination of data on financing for gender equality in Africa? What are the most efficient strategies for doing this? How do we build on existing efforts?
6. What is the best mechanism for developing the capacities of gender equality and women's empowerment advocates and for broadening their understanding of the different aspects of financing for gender equality?
7. What are the impacts of the current financial crisis on financing for gender equality? What can be done to mitigate these impacts and ensure that financing for gender equality improves?

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