

Investing in gender equality to achieve sustainable development

Gender equality and women's rights are both a goal and a means of achieving sustainable development. Governments from all regions of the world have made the achievement of gender equality and the empowerment of women and girls a high priority of the Sustainable Development Goals (SDGs), but ambitious financing will be needed to turn these political aspirations into a reality.

The OECD Development Assistance Committee (DAC) has been tracking and analysing aid in support of gender equality and women's rights for over 20 years. This data helps to ensure that global and national commitments on gender equality are underpinned by adequate resources for effective implementation.¹

Key messages

- An ambitious agenda for achieving gender equality and women's rights must be matched by ambitious resources. All countries, including OECD countries, should establish robust systems to track allocations for gender equality and take action to address areas of underinvestment.
- Gender equality in the economic and productive sectors is a prerequisite for building prosperous societies. The underinvestment in women's economic empowerment must be turned around.
- Countries' domestic resources, such as taxes, are the most important source of finance for achieving gender equality. Public spending must be responsive to women's needs and priorities and should be monitored for its impact on achieving gender equality and women's rights.
- Women's organisations play a unique role in advancing women's rights. Governments and donors should invest in women's organisations at all levels and support women's effective participation in national planning and budgetary processes.

Despite an upward trend, funding is vastly insufficient to achieve gender equality

The third Millennium Development Goal (MDG 3) – *Promote gender equality and empower women* – galvanised new resources for gender equality and women's rights. Yet financing for standalone projects on gender equality (marked "principal" according to the gender equality policy marker) is far below that of programmes in which gender equality is mainstreamed (marked "significant"). In 2012-13, just USD 4 billion on average per year targeted gender equality as a principal objective, representing 5% of the aid screened against the DAC gender marker. By comparison, USD 22 billion (25%) targeted gender equality as a secondary objective. Taken together, this means that only a small proportion of aid (30%) is responsive to women's needs and interests (see Figure 1).

1. <http://www.oecd.org/dac/gender-development/>

The OECD DAC gender equality policy marker

The OECD tracks aid in support of gender equality and women's rights using the Development Assistance Committee (DAC) gender equality policy marker – a statistical tool to measure aid activities that target gender equality as a policy objective. The gender equality policy marker is used by members as part of the annual reporting of their aid activities to the DAC to indicate for each aid activity whether it targets gender equality as a policy objective according to the following categories:

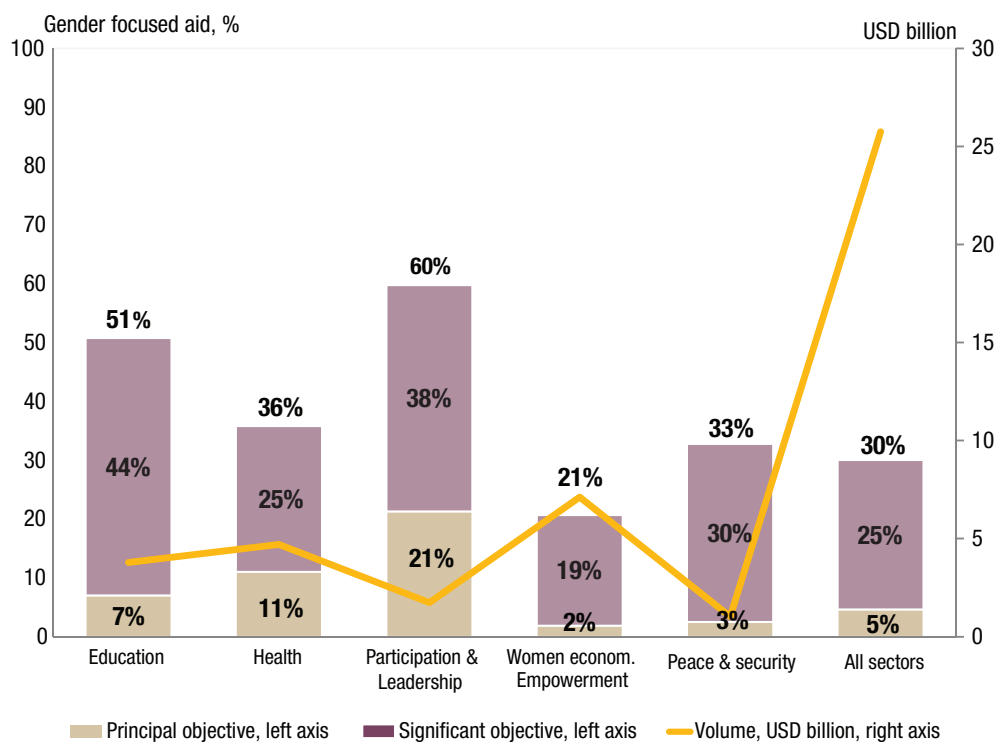
- **Principal** means that gender equality is the main objective and fundamental in the design of the activity.
- **Significant** means that gender equality is an important but secondary objective.
- **Not targeted** means that the activity does not target gender equality.

Data based on the marker provides a good indication of the aid that DAC members allocate in support of gender equality. By identifying gaps between policy commitments and financial commitments, the marker strengthens transparency and accountability in donor financing for gender equality and women's rights. At present, 92% of total bilateral "sector-allocable" aid is screened against the gender equality marker.

Delivering on the SDGs will require closing financing gaps in key sectors for women and girls

While the MDGs directed welcome attention to improving women's health and education, some "hard sectors" were omitted from the MDGs, in particular security and the economy. This has resulted in significant underinvestment in gender equality in these areas. Achieving gender equality will require adequate and effective resources across *all* sectors.

Figure 1: Gender equality focused aid by sector
2012-13, annual average commitments, USD billion, constant 2012 prices



ECONOMIC AND PRODUCTIVE SECTORS

While the case for investing in women's economic empowerment is well-established, investments in gender equality in the economic and productive sectors have remained low. Despite a rise in 2013, only 2% of aid to the economic and productive sectors targeted gender equality as a principal objective in 2012-2013 (Figure 1). The gender equality focus of aid to banking and financial services is particularly low.

As a result of this underinvestment, progress toward women's economic empowerment is falling short. Improvements in girls' education have not translated into reduced gender gaps in the labour market or in women's equal ownership and control over economic resources, and the gender gap in earnings remains pervasive across the globe.

The strong focus of the SDGs on economic development provides the ideal opportunity to accelerate efforts to empower women economically and shape an economy that works for women. This will require going beyond microcredit and enterprise development to support comprehensive strategies that improve labour standards and working conditions, and that support women's equal access to the full range of credit, banking and financial services essential for business development. This would allow countries not only to strengthen the realisation of gender equality and women's rights, but also to reap the economic benefits of women's human capital, with significant positive impact on domestic public finance, in particular through taxes and investment.

SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS

Investment in sexual and reproductive health and rights is also falling short of what is needed. Aid to family planning as a proportion of total aid to population policies, programmes and reproductive health plummeted from 71% in 1995 to around 20% in 2007, stagnating at that level until 2011. Encouragingly, the past few years have seen a rise in aid to family planning, reaching 36% in 2012 and 31% in 2013. Continuing this new upward trend will be critical to reverse the global unmet need for family planning. In 2015, the demand for family planning amongst married women is estimated to have reached more than 900 million women.²

WOMEN, PEACE AND SECURITY

The landmark United Nations Security Council Resolution (UNSCR) 1325 affirms the distinct experiences and roles of women in conflict and the importance of women's equal participation in peace and security efforts. Yet fifteen years since its adoption, there is still a pronounced gap between policy and financial commitments to gender equality in the area of peace and security. Despite stronger political support at the international level – which has led to some improvements in financial commitments³ – aid to gender equality in the peace and security sector has remained low at around USD 500 million on average per year since 2002. In 2012-13, only 2% of aid to peace and security in fragile states targeted gender equality as a principal objective. The fifteenth anniversary and High-Level Review of UNSCR 1325 in October 2015 will offer a critical opportunity to ensure that hard-won international commitments on women, peace and security are matched by adequate investment.

VIOLENCE AGAINST WOMEN

Ending violence against women and girls has emerged as a priority for the post-2015 development agenda. While estimates suggest that aid in support of ending violence against women remains low, it is encouraging that DAC members are attaching increasing importance to their work in this area. In May 2015, the DAC introduced a new code in its statistical system to track aid in support of ending violence against women and girls. This new tool will help to hold governments accountable for delivering on SDG commitments in this area.

Investing in women's organisations is critical to achieving SDG commitments on gender equality and women's rights

Women's organisations play an essential role in driving change in support of gender equality.⁴ Despite this, funding for women's civil society organisations and institutions constitutes a very small percentage of total aid to gender equality. While aid in support of gender equality reached USD 28 billion in 2013, funding for women's civil society organisations and institutions was less than USD 400 million on average per year in 2012-13. Effective funding for women's rights organisations requires multi-year, core funding that is accessible and flexible, as well as sizeable grants.

2. United Nations (2013), The Millennium Development Goals Report 2013.

3. OECD (2015), Financing UN Security Council Resolution 1325: Aid in support of gender equality and women's rights in fragile contexts, OECD: Paris, France.

4. See for example: Battiwala, S. et al. (2013) Women Moving Mountains: The Collective Impact of the Dutch MDG3 Fund. AWID and Htun, M. and Weldon, L. (2012) 'The Civic Origins of Progressive Policy Change: Combating Violence against Women in Global Perspective, 1975–2005', American Political Science Review, Cambridge University Press and the American Political Science Association.

Countries' domestic resources are the most important source of finance for achieving gender equality

The financing needs for achieving gender equality cannot be met through aid alone. Ensuring that the mobilisation and allocation of domestic resources is responsive to women's needs will be critical. Progressive public budgets and tax policies have enormous scope to reduce gender inequalities. This requires effective institutional frameworks for gender equality and systematic integration of a gender perspective at all phases of the policy and budgetary cycle.⁵ The increasing focus on “smart ODA” – including using ODA to support developing countries in mobilising their own domestic revenue – should include support for the establishment of national gender equality priorities, institutional frameworks for good governance of gender equality and mainstreaming initiatives, and gender-responsive policy and public financial management systems. Donors, the United Nations (UN) and other partners can play an important role in helping countries to monitor the impact of public spending on gender equality and women's rights.⁶

The Global Partnership gender equality indicator

One entry point for ensuring that domestic resource mobilisation and allocation is gender-responsive is the gender equality indicator of the Global Partnership for Effective Development Co-operation, developed by UN Women and the OECD. This is one of just 10 indicators to monitor progress in the implementation of the Busan Partnership for Effective Development Co-operation (2011). The indicator provides data on the “proportion of developing countries with systems to track and make public allocations for gender equality and women's empowerment”.

There has been strong take-up of this global indicator – even from countries without a system in place to track resource allocations and make this information public. The first progress report of the Global Partnership on the implementation of the Busan commitments (2014) found that out of 35 countries that reported on the indicator, 12 have systems to track and make public allocations in support of gender equality. Many countries without such a system reported dedicated efforts to develop one. Continuing to expand the number of countries reporting on the Global Partnership gender equality indicator will strengthen accountability in domestic financing for gender equality and encourage national systems to make improvements in tracking gender equality allocations in the post-2015 period.

Time for implementation

The Third International Conference on Financing for Development in Addis Ababa provides a historic opportunity to endorse a comprehensive financing framework to implement global commitments on gender equality and women's rights. Strong and effective partnerships will be critical to mobilise the political support, resources and expertise required to deliver on the SDGs for women and girls.

5. OECD (2014), *Women, Government and Policy Making in OECD Countries: Fostering Diversity for Inclusive Growth*, OECD Publishing. <http://dx.doi.org/10.1787/9789264210745-en>

6. See for example UN Women's leading efforts to support gender responsive planning and budgeting: <http://gender-financing.unwomen.org>