

Financing women's economic empowerment

OECD DAC NETWORK ON GENDER EQUALITY (GENDERNET) • 2021

In response to the COVID-19 pandemic, OECD Development Assistance Committee (DAC) members are reprogramming their agendas to find ways to step up their support to developing countries – efforts that may be challenging not least given the dire economic situation in their own countries. While there is no comprehensive overview of these funding efforts, DAC members issued a COVID-19 statement that they would strive to protect official development assistance (ODA).¹ The statement also highlighted the importance of taking into account the role of women and girls in crisis response.

The OECD policy brief on *'Response, recovery and prevention in the coronavirus (COVID-19) pandemic in developing countries: Women and girls on the frontlines'* outlines that women as economic actors have been strongly affected by the pandemic and that further efforts are needed to mainstream a gender equality perspective throughout COVID-19 response and recovery measures. It is therefore important that donors further increase funding in support of gender equality in the economic and productive sectors.

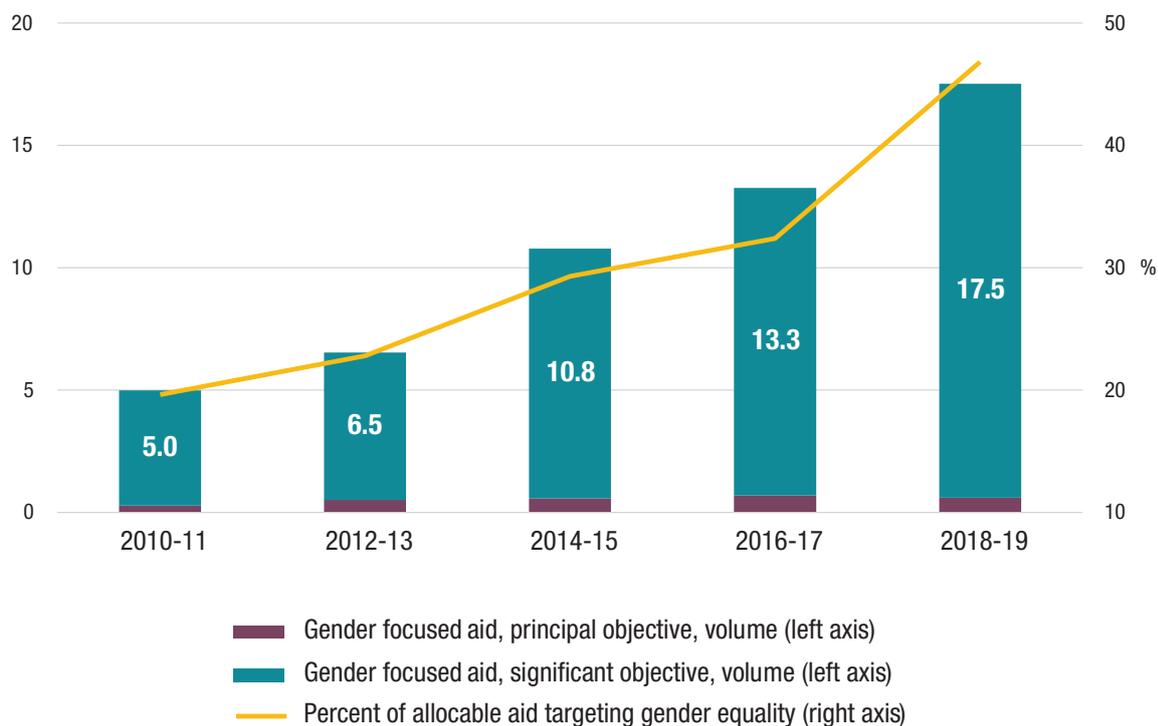
This policy brief provides an overview of how OECD DAC members are integrating gender equality and women's empowerment in their bilateral ODA in economic and productive sectors.² The economic and productive sectors have been selected for this analysis because they are essential for women's economic empowerment.³ The 11 economic and productive sectors, based on a number of purpose codes in the OECD Creditor Reporting System, used for this analysis are agriculture and rural development; banking and business; communication; employment policy; energy; industry; mining, construction and tourism; public finance management; trade; transportation and storage; and urban development. This approach was used in earlier reports⁴ and allows for analysing trends over time of aid to economic empowerment. The brief shares information about: the priority sectors; the main donors; and main recipients.

How much aid goes to gender equality in the economic and productive sectors?

ODA⁵ to developing countries reached USD 153 billion in 2019. USD 53 billion of bilateral allocable aid (on average per year) focused on gender equality in 2018-19. That corresponds to 45% and is higher than ever before. The bulk of this amount (USD 47.5 billion) was committed to programmes that integrate gender equality as a significant, or mainstreamed, policy objective. Only USD 5.7 billion was dedicated to gender equality as the principal objective of the programme, corresponding to 5 % of bilateral aid. The twin-track approach promoted in the Beijing Platform for Action requires greater effort and further articulation to also maximise efforts donors have made to 'mainstream' and effectively integrate gender equality into sectors.

Total aid integrating a gender equality perspective in economic and productive sectors reached USD 18 billion on average per year in 2018-19,⁶ representing 47% of DAC members' total bilateral aid in these sectors. This is an increase since 2016-17, when aid integrating gender equality represented 32% of the total aid in these sectors. However, as little as a 2% of this ODA was dedicated to gender equality as a primary objective, a significantly lower share than the 5% in all sectors. Figure 1 presents trends in aid to gender equality in economic and productive sectors over 2010-19.

Figure 1: Aid in support of gender equality in economic and productive sectors, 2010-2019, annual commitments (USD billion)



Note: Constant 2018 prices.

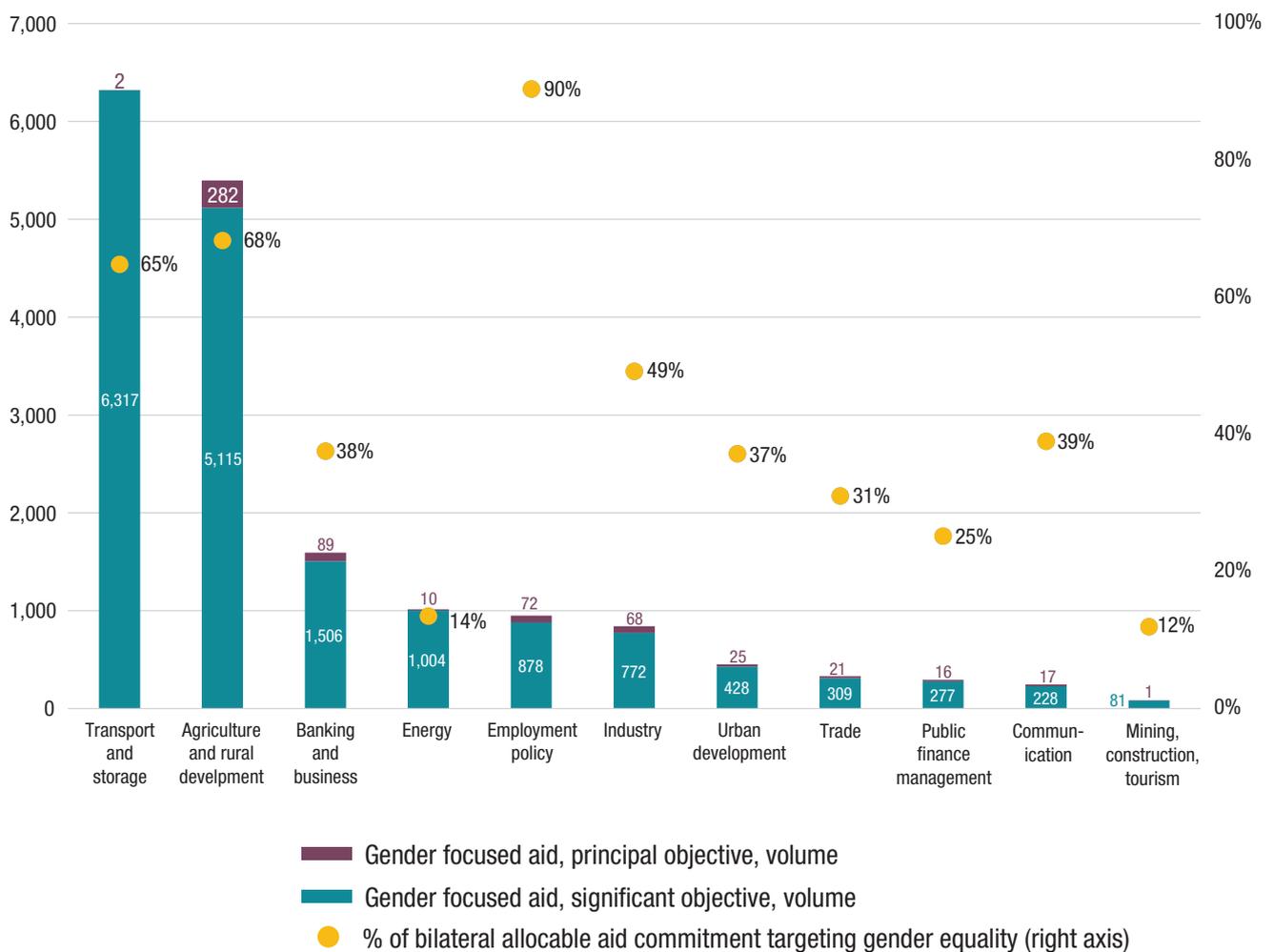
Source: OECD, Creditor Reporting System (database), <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>

Which sectors are prioritised?

Figure 2 shows that in 2018-19, the **largest volumes** of aid integrating gender equality were allocated to transportation and storage sectors (USD 6.3 billion), and agriculture and rural development sectors (USD 5.4 billion).

- Among the largest programmes integrating gender equality in the **transport and storage** area are [Japan's loans to India \(USD 3 billion\)](#) and [the Philippines \(USD 1.9 billion\) for mass transportation improvement](#)
- The United Kingdom was the main contributor of aid integrating gender equality in the **agriculture and rural development** area, with a programme of over USD 638 million in Uganda to increase resilience to climate change and the incomes of poor farmers ([Specialised Debt Fund Programme – RDEL](#)). Other relevant aid included a loan by Japan to Myanmar to rehabilitate irrigation facilities and distribution infrastructure as well as to strengthen agriculture extension and mechanisation (USD 276 million). Another large programme integrating gender equality in the agriculture sector is Germany's contribution of USD 231 million to the Global Partnership for Sustainable and Resilient Landscapes ([PROGREEN](#)).⁷

Figure 2: Aid in support of gender equality in economic and productive sectors, 2018-19,
■ **annual commitments (USD million)**



Note: Constant 2018 prices.

Source: OECD, Creditor Reporting System (database), <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>

The **highest shares** of aid integrating gender equality are found in the employment policy (90%),⁸ agriculture and rural development (68%), and transport and storage (65%) areas. Over the past five years, the shares of aid integrating gender equality have increased significantly in almost all economic and productive sectors.

Much of the aid for gender equality in economic and productive sectors is allocated in the sectors of energy, and banking and business. However, these funds only make up a small share of total aid in energy, and banking and business (14% and 38% respectively). There is scope to increase the focus on gender equality in more programmes in these areas. Whereas the share of gender aid in the energy sector did not change since 2016-17, the share of gender aid in banking and business increased from 26% in 2016-17 to 38% in 2018-19.

- The two most relevant **energy** programmes in terms of funding are an EU initiative to support sustainable socio-economic development through clean and efficient energy solutions in developing countries (USD 76 million) and EU support to Ukraine for the Energy Efficiency Support Programme ([EE4U-II](#)) (USD 63 million).⁹
- Some of the largest programmes in terms of gender-focused aid in the **business and banking** sector include a USD 22 million grant from Belgium to Rwanda for urban development in emerging cities; a USD 15 million grant from the EU to Turkey for private sector development; and a USD 13 million grant from Belgium to Benin for strengthening all links of the agricultural value chain.

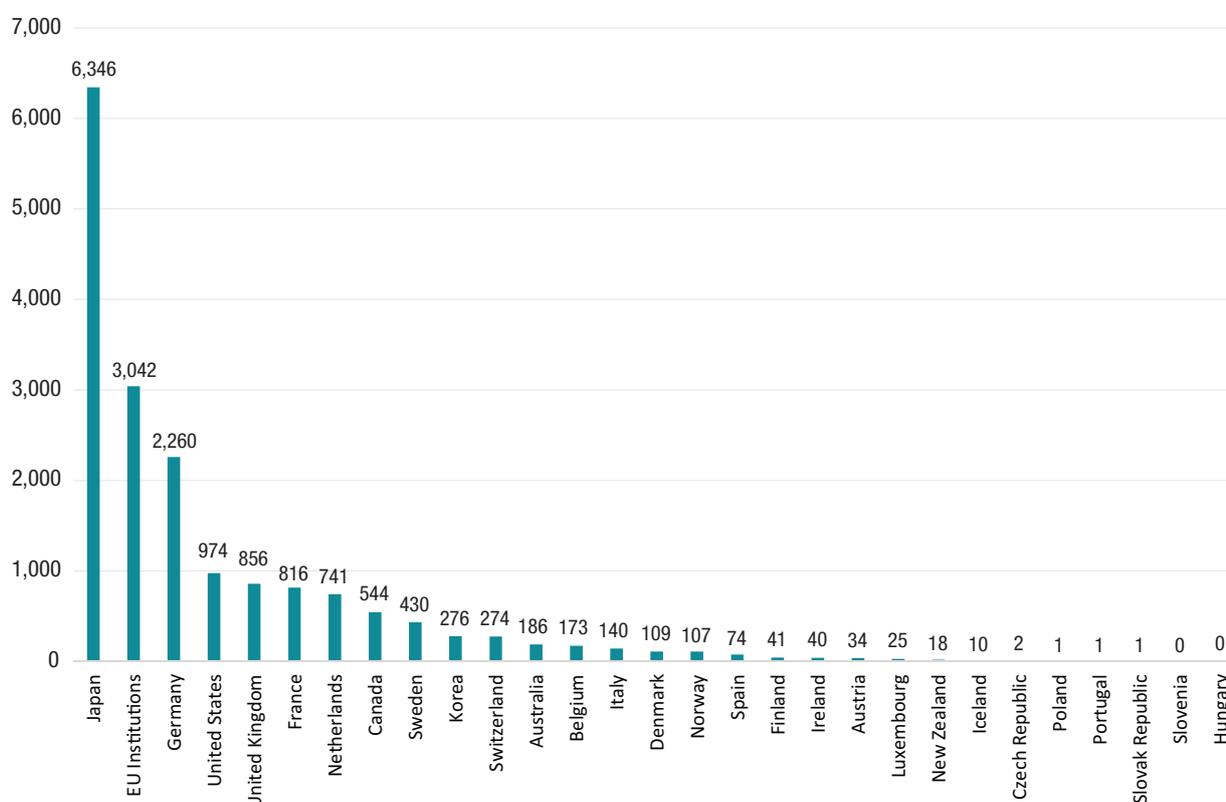
Who are the main donors?

Three DAC members together accounted for **more than half of the total volume of aid for gender equality** in economic and productive sectors in 2018-19 (on average per year):

- **Japan** (USD 6.3 billion) allocated mainly in the transportation and storage sector and the agriculture and rural development sector.
- **EU Institutions** (USD 3 billion) allocated mainly in the agriculture and rural development sector.
- **Germany** (USD 2.3 billion) allocated mainly in the banking and business sector and in the agriculture and rural development sector.

The top six DAC members **in terms of the share of gender-sensitive ODA** in economic and productive sectors are Canada, with 97% of their aid in these sectors addressing gender equality objectives, followed by Iceland (84%), Sweden (78%), Belgium (78%), the Netherlands (77%) and Ireland (75%).

Figure 3: Aid from DAC members focused on gender equality in economic and productive sectors, 2018-19, annual commitments (USD million)



Note: Constant 2018 prices.

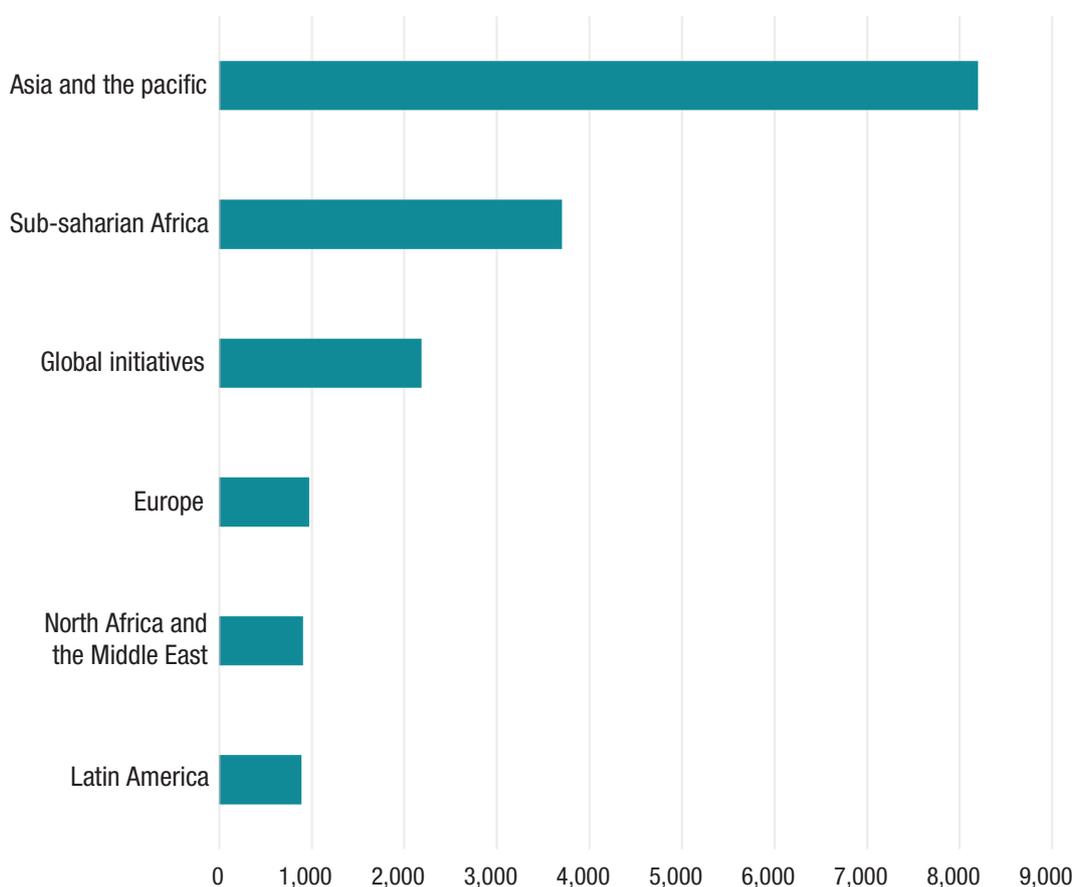
Source: OECD, Creditor Reporting System (database), <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>

Who are the main recipients?

Asia and the Pacific received the largest share of ODA for gender on average per year (USD 8.1 billion) in 2018-19 (Figure 4). This amount has increased significantly over the past five years, from USD 2.9 billion in 2013-14 to USD 8.1 billion in 2018-19. Major initiatives targeting gender equality in Asia and the Pacific are funded by Japan and focus on infrastructure development in India, Bangladesh and the Philippines.

Sub-Saharan Africa received the second largest share of ODA for gender equality (USD 3.7 billion). The largest programmes include a UK programme of over USD 638 million in Uganda to increase resilience to climate change and the incomes of poor farmers ([Specialised Debt Fund Programme – RDEL](#)); an EU contribution of USD 177 million to the EU Emergency Trust Fund for Africa ([EUTF](#)); and a programme funded by France to improve youth economic inclusion in Morocco (USD 174 million).

Figure 4: Largest recipients of gender equality focused aid, in volume (2013-14 vs. 2018-19), annual commitments (USD million)



Note: Constant 2018 prices.

Source: OECD, Creditor Reporting System (database), <https://stats.oecd.org/Index.aspx?DataSetCode=crs1>

Conclusion

Aid in support of gender equality in economic and productive sectors has been increasing over the past ten years and represents 47% of DAC members' total bilateral aid in these sectors. However, there is not much room for optimism since only 2% of the aid to these sectors target gender equality as a principal objective.

There is potential to do better, especially in light of the ongoing pandemic, which has significantly impacted women's livelihoods and their engagement as economic actors. Going forward, donors should consider the crucial role of women in crisis response and recovery and make sure that development co-operation programmes and financial stimulus packages fully take into account a gender equality perspective.

Note on methodology

The figures in this paper are based on the amounts of DAC members' aid that have been screened using the gender equality policy marker – a statistical tool to measure whether aid activities target gender equality as a policy objective.¹⁰ Aid activities can be classified as targeting gender equality as a “principal” or “significant” objective, or as “not targeted”:

- “Principal” means that gender equality was the primary objective of the activity.
- “Significant” means that gender equality was an important but secondary objective.
- “Not targeted” means that the activity was screened using the gender equality policy marker but was found to have no focus on gender equality.

The latest available data are from 2019, bearing in mind DAC members' reporting cycles and the time needed to process this information. In 2018-19, 90% of all bilateral “sector-allocable” aid was screened against the gender equality marker. This brief examines how much bilateral aid was marked as integrating or dedicated to gender equality using the OECD-DAC gender equality policy marker in a selected number of economic and productive sectors and sub-sectors that are particularly relevant for women's economic empowerment. They have been grouped into 11 categories, which form the basis of the analysis presented in this brief: agriculture and rural development; industry; mining, construction and tourism; transport; energy; communication; banking and business services; trade; public finance management; employment policy; urban development.

1 Development Assistance Committee DAC of the OECD, *COVID-19 global pandemic joint statement*, 9 April 2020, <http://www.oecd.org/development/joint-statement-by-the-oecd-development-assistance-committee-on-the-covid-19-crisis.htm>.

2 See note on methodology at the end of this brief.

3 OECD DAC Network on Gender Equality, *Tracking the money for women's economic empowerment: still a drop in the ocean*, June 2016, <https://www.oecd.org/fr/cad/femmes-developpement/tracking-money-for-womens-economic-empowerment.htm>

4 For example OECD DAC Network on Gender Equality, *Tracking the money for women's economic empowerment: still a drop in the ocean*, June 2016, <https://www.oecd.org/fr/cad/femmes-developpement/tracking-money-for-womens-economic-empowerment.htm>

5 Official development assistance (ODA) is defined by the OECD Development Assistance Committee as government aid that promotes and specifically targets the economic development and welfare of developing countries. Check the on-line database on ODA-eligibility: <http://oe.cd/oda-eligibility-database>

6 These shares refer to total screened aid. In the 2018-19 period, this amounted to USD 36.9 billion on average per year.

7 PROGREEN is a World Bank Multi-Donor Trust Fund that supports countries' efforts to improve livelihoods while tackling declining biodiversity, loss of forests, deteriorating land fertility and increasing risks such as uncontrolled forest fires, which are exacerbated by a changing climate.

8 In terms of employment policy, two grants from Germany and EU institutions, amounting to more than USD 25 million, contributed to the higher share of aid with gender as a primary objective within the employment policy area. Germany also allocated USD 59 million to the women entrepreneurs finance initiative (WeFi) to be managed by the World Bank as a financing mechanism to help women start and grow their businesses. EU institutions provided the Republic of North Macedonia a grant of USD 26 million (EUSEESP) to reduce the high rate of unemployment and increase labour market participation, particularly of young people and women.

9 The EE4U-II will provide support to the activities of the Energy Efficiency Fund aimed at implementing energy efficiency measures in the residential sector in Ukraine.

10 For a complete definition of the DAC gender equality policy marker, see <http://www.oecd.org/development/stats/aidinsupportofgenderequalityandwomensempowerment.htm>

The use of the GENDERNET minimum recommended criteria for the marker by some members in recent years can result in stagnant or lower levels of aid reported as focused on gender equality.