BACKGROUND NOTE

Theme 3: Development: Innovating for financing for gender equality

Achieving gender equality and empowering all women and girls is at the heart of development. This has been fully recognized in the new sustainable development agenda and at the 3rd International Conference on Financing for Development, held in Addis Ababa last month.

<table>
<thead>
<tr>
<th>Related Sustainable Development Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources in accordance with national laws</td>
</tr>
<tr>
<td>1.b Create sound policy frameworks at the national, regional and international levels based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions</td>
</tr>
<tr>
<td>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</td>
</tr>
<tr>
<td>17.18 By 2020, enhance capacity building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts</td>
</tr>
</tbody>
</table>

But to achieve such goals – to translate political commitments and legal frameworks into reality – resources must be mobilized, as emphasized in the 131st IPU Assembly outcome document:

“Putting laws into practice remains the key challenge. Appropriate mechanisms must be envisaged in domestic law and budgets must be scrutinized to ensure that adequate financial and human resources are allocated to the effective implementation of legislation.”

Moreover, investing in women and gender equality pays off. Women reinvest 90% of their income in their families and communities, compared to only 30% to 40% in the case of men; in some African countries, children of mothers who have spent five years in primary education are 40% more likely to live beyond the age of five.

And still, gender equality is largely under-resourced and under-financed.

To advance women’s rights and gender equality, priority-setting is as important in national budget allocation and taxation policies as it is in financial and development assistance. But for national as well as international financial policies and bodies to be gender-responsive they must be transparent. Their ability to promote women’s economic empowerment and gender equality must also be considered in analysing aid effectiveness and monitoring national spending.
It is of particular concern that economic crises have had a negative impact on the share of resources allocated to redress gender inequalities. Austerity policies cannot be considered gender-neutral; their gender impact needs to be scrutinized closely.

Areas for discussion

- **Accountability of national bodies.** What kinds of innovations are needed to ensure gender-responsiveness in national budgeting and resource allocations adequate to implement gender equality laws and policies?
  
  In Morocco, a new law on finance legally institutionalizes gender equality throughout the budget process and requires that a gender report be prepared as part of the annual Finance Bill.
  
  In Nepal, the introduction of gender-responsive budgeting has led to an increase in gender-responsive resource allocation, from 11% in 2007 to 22% in 2011. Much of the focus has been placed on improved public services for women and girls. This practice may have had an impact on official development assistance to Nepal, 67% of which focused on gender equality in 2012-13. In Iraq, by contrast, only 14% of aid targets gender equality.
  
  - What role could parliaments play to foster increased gender-responsiveness in domestic resource mobilization?
  
  - How can austerity policies avoid a disproportionately adverse impact on women?

- **Accountability of international finance and development bodies.** What innovations can ensure parliamentary oversight of how policies are shaped and implemented?

  Most OECD donor countries now report on the share of their development assistance dedicated to gender equality. In 2012-13 gender equality was included as a component of 30%, on average, of the aid provided by reporting countries but as a principal objective of only 9%.
  
  - What role can OECD country parliaments play to ensure that more aid is dedicated primarily to gender equality?

  In 2014 a Gender Equality Community of Practice for Finance Ministers was set up and now includes Jamaica, Mauritania, Morocco, Nigeria, Romania, Rwanda, Sierra Leone and Timor-Leste, working in close connection with the World Bank, UN Women and UK development assistance. Though not its main purpose, this community can serve as a platform for making international financial and development policies more accountable for gender-responsiveness.
  
  - What role could parliaments play in this framework?

The new Global Financing Facility (GFF) in support of Every Woman Every Child, which relies partly on private funding to promote maternal and child health, has created an additional institution to finance gender equality.
  
  - What implications may such a scheme have for parliamentary oversight?

- **Monitoring the impact of national budgets, development aid and financial policies from a gender perspective.** What innovative strategies can be tested?

  Should a specialized joint parliamentary committee be tasked with monitoring budgets and the implementation of laws from a gender perspective, per the South African model?
  
  Should all aid flow through national budgets to make oversight easier (see efforts in this respect in Rwanda and Timor Leste, as well as the 85% target established by the Busan Partnership for Effective Development Co-operation)?
  
  Should all recipient countries require that international loans be subject to parliamentary scrutiny and approval (see moves in this respect in Ghana and the Philippines)?