



19.02.08

**Position paper of the European Women's Lobby on  
Financing for gender equality and the empowerment of women**

**EWL Contribution to the 52<sup>nd</sup> Session of the UN Commission on the Status of Women  
considering the priority theme "Financing for gender equality and the empowerment of  
women"**

**Introduction**

Access to resources, rights and power are still unequally distributed between women and men in all societies. This unequal distribution of wealth, power and quality of life is more favourable to men than to women in nearly all areas of life. Less than 2 percent of all land worldwide is owned by women,<sup>1</sup> the average percentage of women in parliaments across the world is 14.5% (23% within the EU),<sup>2</sup> and women on average earn 85% of men's hourly earnings for the same job with the same qualification in the EU.<sup>3</sup>

All public policies play a role in contributing to the important political, economic and social goal of achieving equality between women and men. In particular a government's decision about how money is raised, through a range of different taxation measures, and how money is spent, for example on public services like health and housing or investment in road building, can either widen or diminish the gap between the situation of women and men in society. Likewise, funders' decisions about which programmes and projects they are willing to finance, or about what percentage of funding they dedicate to gender issues and to women's organisations may determine whether women have the chance to put gender on the agenda.

**Financial decisions are not only about figures, they transform political priorities and commitments into practical measures and represent the vision, aim and principles of a state or institution. In working to achieve a more equal society it is therefore important to question if a commitment to gender equality is taken into account when decisions are made by governments, by intergovernmental institutions and by funders about how money is raised and spent. The commitments made to equality between women and men must be visible in the way resources are collected and spent.**

**1. Promoting equality between women and men through financial and economic measures**

It has long been acknowledged that gender budgeting, targeted funding for women's empowerment and the earmarking of budgets are all necessary tools to achieving equality between women and men. Gender equality, also a prerequisite for sustainable development,<sup>4</sup> has been on the agenda of international and national policies for over thirty years now. Governments, both at

<sup>1</sup> News Highlight of the Food and Agriculture Organisation of the United Nations, March 8<sup>th</sup> 2002

<sup>2</sup> As of 03.10.2002, figures from the Interparliamentary Union.

<sup>3</sup> European Commission Communication on the Gender Pay Gap, 2007

<sup>4</sup> See "A study on gender equality as a prerequisite for sustainable development, which shows that women globally leave a smaller environmental footprint than men – Report to the Swedish Environment Advisory Council: [http://www.genderandenvironment.org/admin/admin\\_biblioteca/documentos/rapport\\_engelska.pdf](http://www.genderandenvironment.org/admin/admin_biblioteca/documentos/rapport_engelska.pdf)

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the national level and acting in international bodies such as the UN, the EU, the IMF, the World Bank and the Council of Europe, have on several occasions committed themselves to promote gender equality and to advance women's rights. **One of the clearest indicators as to the extent to which governments wish to translate these commitments into action and actual results is the amount of funds they are willing to invest in the goal of gender equality.** Similarly, international funders, whether acting as representatives of individual states, a group of nations, foundations/charities or private individuals, can prove or disprove their commitments of advancing democracy, good governance, the transparency of society and equality for all by direct funding of projects and programmes aimed at women, by mainstreaming a gender perspective into all fields of their funding or budgetary activity and by strengthening and funding appropriately institutional mechanisms for gender equality.

Despite gender equality having been recognized as a policy goal for the democracies of the world for a lengthy period of time, gender-based evaluations of expenditures show that **targeted budgets that make a difference for women are still relatively small-scale, and are getting more and more difficult to find.**<sup>5</sup> At the same time mainstreaming gender into general budgets is still far from being satisfactory: though the number of countries introducing this tool is growing, the results are still hardly visible.<sup>6</sup>

Starting with the CEDAW Convention (1979) and the Beijing Platform for Action (1995), numerous **international and European documents call for equality between women and men, including the introduction of gender budgeting tools**, many of them setting forth the achievement of gender equality with legal force<sup>7</sup>.

These commitments testify to the fact that the international community is aware of the need to 1) increase institutional and dedicated financial support for the empowerment of women as a precondition of equality and democracy; 2) implement gender budgeting strategies and tools. Yet, up to now, the results show that gender-responsive budgeting remains more a theory than an effective practice and that targeted funding for women's rights decreases in many parts of the world and political-economic decisions fail on gender analyses.

#### **General recommendations:**

**EWL calls for an increase in the financing for gender equality at the international, European, national and local level, based on the double-track approach: 1) mainstreaming gender analysis into all budgetary processes and fields, and 2) provide funding for specific activities aiming at equality between women and men.**<sup>8</sup> EWL also calls for the **strengthening of institutional mechanisms for the advancement of women through funding in order to promote these goals.** Such an approach includes gender responsive budgeting, earmarking for women of a certain percentage of funding for general or other goals, and targeted funding for women's programmes and activities. The effectiveness of budgetary decisions and funding activities must be measured by indicators based on the results they yield. However, result expectations must be realistic. Taking into account the fact that most activities and fields targeting

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<sup>5</sup> See especially: Kerr, Joanna. *Second Fundher Report: Financial Sustainability for Women's Movements Worldwide*. AWID: 2007. p. 20. ([http://www.awid.org/publications/fundher\\_2/awid\\_eng\\_2007.pdf](http://www.awid.org/publications/fundher_2/awid_eng_2007.pdf))

<sup>6</sup> Ireen Dubel concludes, for example, that the European Commission contributes a particularly low amount, less than 0.05% of its total budget to women's equality organizations and institutions. Dubel, Ireen. *Money Matters: The Strategic Relevance of Donor Funding Targets and Conditionalities for Women's Empowerment and Gender Equality Results*. 2007. p. 5.

<sup>7</sup> See Annex 1

<sup>8</sup> This approach has been recognized e.g. by the Twenty-third Special Session of the UN General Assembly on "Women 2000: gender equality, development and peace for the twenty-first century" which reaffirmed the importance of gender mainstreaming in all areas and at all levels as well as the complementarity between mainstreaming and special activities targeting women.

the empowerment of women are vastly under funded (i.e. most of the work being done by women's organisations is based on volunteer work, and most policies targeting equality between women and men lack the necessary budgetary resources), it is imperative that it is first checked whether the desired result would be achievable from the resources allocated. Moreover, **the tendency that funding in this field, in fact, is decreasing, must be reversed.**

EWL also calls for support to the recommendations of the High-Level Panel report 'Delivering as One' on the United Nations system and in particular the recommendations for a **strengthened UN Gender Equality Architecture**, in the form of a stronger consolidated women's entity led by an Under Secretary General that combines normative and operational responsibilities, is well resourced and has a greatly expanded country presence.

## **2. Budgets and gender equality: gender budgeting as a tool for gender equality and good governance**

Gender budgeting is the process through which public budgets are **examined** in order to assess whether they do or not contribute to more equality between women and men, and **re-shaped** accordingly to make sure that they actively promote equality between women and men. Gender budgeting is based on the recognition of the following factors:

- **Budgets impact on women's and men's lives differently** because their initial situation is different;
- **Women have specific needs, and face specific obstacles**, mostly resulting from the historical and stereotypical distribution of power and labour;
- **Liberal macroeconomic policies** determining a range of issues affecting women, such as employment, national income and expenditure, inflation etc., run counter to social policies in as much as they usually **adversely affect the fields of services, which contribute to gender equality and to the empowerment of women** such as health, education, skills training for employers, care services, employment and enterprise development, and development of public infrastructure. The gender division of labour is still such that cuts in, or privatisation of, welfare and social services – which are often the results of debt management policies and anti-inflation measures – result in women taking up more unpaid work (home-educating their children, caring for sick family members, staying at home with their pre-school children, etc.), while those measures do not contribute in any way to the creation of sustainable decent employment. This represents an obstacle for women to engage in paid employment, work full time, or take on more responsibilities at work.
- **A narrow macroeconomic approach both on the national and global economic level** usually **has detrimental effects on women's access to resources** (labour, financial resources, social services, and social protection), thus the nature of macroeconomic policies determines whether gender gaps will widen or narrow;
- **Trade policies focused on "free market access"** (whereas the presumption is that it will generate employment and social cohesion) and leading to market liberalisation **cut back domestic production which has a specially detrimental effect** on home businesses, and small and medium size enterprises, many of which include women, thus **depriving women of their income.**<sup>9</sup>

### **Examples of the effects of budgetary policies on women**

<sup>9</sup> "The growing literature on Gender Responsive Budgeting (GRB) shows clearly that women's resource needs will never be met unless policies on revenue-generation and allocation take the gender dimension specifically into account." Adaba, Gemma. *Financing Decent Work for Women*. 2007. p. 4.  
([www.un.org/womenwatch/daw/egm/financing\\_gender\\_equality/ExpertPapers/EP.1%20Gemma%20Adaba.pdf](http://www.un.org/womenwatch/daw/egm/financing_gender_equality/ExpertPapers/EP.1%20Gemma%20Adaba.pdf))

Policies that reduce the time burden, by for example improving the water supply in poor countries, can remove critical constraints on women's ability to escape poverty, because women and girls who usually are in charge of fetching water for the family will have more time on their hands. On the other hand, for example introducing universal school fees tends to result in girls disproportionately dropping out of education: in many countries if parents have to make a choice between which children will pursue their education, they will often choose boys. Likewise, decisions on budget allocations for urban planning and public transportation may directly and indirectly affect women's safety and ability of movement, and thus enable or hinder women's participation in the labour market (increase or decrease of the offer of public transportation, safe parking lots etc).

Budgets can not be gender-neutral: budgets lacking a gender analysis and thus not responding to the different situation of women and men perpetuate or widen the gender gaps in time use, education, employment, access to financial resources, health services etc. Gender responsive budgeting must involve ministries of finance and all ministries, and look at both

- **Public expenditure**, with special emphasis on “mainstream expenditure” (i.e. the part of the budget that is not aimed specifically at women and is considered “gender-neutral”) and
- **Public revenue/income**, since the political choice about which type of tax (in particular, direct or indirect) to increase is in fact a decision on more or less equality and gender equality.<sup>10</sup>

Gender responsive budgeting (GRB) cannot be carried out without the **participation of women in budgeting processes**. The exact effects of a budgetary decision, be it in fields ranging from public transportation to social security systems, from reforms in taxation to subsidising medicines needs to be **assessed by gender experts and women themselves**. Thus, while public participation in budgetary processes in general is important, special attention needs to be paid to women's participation in particular. Likewise, development programmes and projects funded by governments should be evaluated with a gender perspective and in dialogue with the populations concerned. Efficient development cooperation also requires a specific gender perspective. Many EU Member States have set gender equality and the education of women and girls as one of the top priorities of their development cooperation funding. Yet these priorities often stay invisible when deciding the programme and projects to be funded by states.

Studies prove that **gender responsive budgeting**, besides being a tool to enhance the accountability of governments through gender budgeting in parliaments or on other levels (communal, regional, in the private, public and non-profit sectors) **has both a gender mainstreaming (GM) effect, and a multiplying effect regarding efficiency**. A thorough examination of budgets from a gender perspective reinforces gender mainstreaming in fields considered gender-neutral by calling the reviewer's attention to previously unidentified gaps leading to gender inequalities. Likewise, scrutinising the efficiency of budgets through gender impact assessment fosters a more thorough and deep analysis of the given budget from other aspects regarding its efficiency as well. GRB also increases accountability and transparency both because the process is inclusive, and because gender impact assessments involve measurable indicators that can and must be checked. Thus it is **in line with the requirement of good governance** called for by international commitments.

Finally, though gender budgeting is an exercise that evaluates budgets in general, it may and often does lead to the recognition of the necessity to introduce specific budget lines targeted at women's empowerment and/or equal opportunities.

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<sup>10</sup> See more on this in *Gender Budgeting: an Overview by the European Women's Lobby*. 2004. ([http://www.womenlobby.org/SiteResources/data/MediaArchive/policies/gender%20equality/Gender\\_en.pdf](http://www.womenlobby.org/SiteResources/data/MediaArchive/policies/gender%20equality/Gender_en.pdf))

Since first introduced in Australia in the mid 1980s, gender responsive budgeting was undertaken in about 70 countries worldwide. Yet, results are far from being satisfactory. **EWL** therefore wishes to address the following **recommendations<sup>11</sup>** to both to the **United Nations Commission on the Status of Women, and to the European Union:**

**a) EWL recommendations within the wider global context**

- **Implement gender budgeting as a standard tool in budgetary policies** at all levels;
- Integrate **gender budgeting in the work on transparency, good governance quality of public finance** and introduce gender equality as core criteria in assessing the effectiveness of financial policies.
- Gather, analyse and disseminate **gender-disaggregated statistics**
- Enhance the **involvement of civil society** in the budget and gender budgeting processes and provide sufficient **funding for initiatives at all levels** aiming at increasing the experience on how to carry out gender budgeting.
- **Publish information on gender equality and the budget** in consultation with gender budgeting and women's non-governmental groups well before the parliamentary decision on the annual budget in order to promote broad debates on budgetary and macroeconomic policies.
- **Promote research** on how to assess equality impacts of budgets and macroeconomic policies.
- **Eliminate "false economy"**: in almost all countries, women spend more time than men in work – paid and unpaid. In the EU on average, women still do 80% of domestic work. This contribution to the economy remains unrecognised in financial terms. Only by including the value of unpaid work can total costs, rather than only financial costs, be acknowledged and false economies are avoided. A satellite account incorporating time-use data<sup>12</sup> or gender-disaggregated data on the impact of the budget on time use should be introduced to ensure that the time spent by women in unpaid work is accounted for in policy analysis.

**b) Specific recommendations for the European Union**

- Set up a **Gender budgeting Working Group** within the European Commission Budget Directorate General.
- Set up a permanent gender impact assessment procedure for all European **Structural Funds** expenditure and in relation to the **European Neighbourhood Policy programmes**.
- Carry out a separate **gender impact assessment of the EU budget each year**, which should be presented as an annexed document. This annex to the budget will serve as a gender mainstreaming monitoring document aiming at reshaping budgets in the future, on which the EP Women's Rights Committee should adopt an Opinion
- Put gender equality at the core of all its work in relation to the current **EU budget review**.
- Take action with the aim to implement **gender budgeting in European budgetary and macroeconomic policies** by 2010 and to publish annual reports on the impacts of macroeconomic and financial policies on gender equality.
- Include **Gender budgeting in the priorities of the Gender Institute**, especially promoting the exchange of experience, mapping and linking existing activities; and further developing concepts and instruments to implement Gender budgeting.

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<sup>11</sup> Some recommendations are inspired by the Resolution by the European Gender Budgeting Network: <http://www.infopolis.es/web/GenderBudgets/egbn.html>

<sup>12</sup> Rake, 2002

- Ensure that the **voluntary work carried out in NGOs is financially recognized as co-funding** in relation to EU-funded projects in line with the need for recognition of the large quantity of unpaid work carried out by women in general.

### 3. Targeted funding for women's rights and women's organisations

Though gender budgeting is a very important tool to advance equality between men and women, **targeted funding of programmes, projects and services catering to women's specific needs** are still vital to overcome traditional disadvantages and discrimination faced by women.<sup>13</sup> Thus, specific funding to combat the growing feminisation of poverty, especially the poverty of households headed by women, to eliminate male violence against women, to overcome the gender inequalities in the sharing of care-work and housework, to enable women to take up and maintain paid employment through education, skills training, and the creation of jobs, are examples of fields where targeted and/or earmarked funding is indispensable.

Yet, according to experts<sup>14</sup> **funding for women's needs is increasingly difficult to raise**. While some regions of the world enjoy a relative (and hopefully not short-time) focus of attention, others have lost many funding opportunities in recent years. Over the past years, trends showed that the amount of funding for supporting women's rights organisations at national, regional and global level is decreasing, even though women's NGOs are the main actors in the implementation of programmes advancing women's rights even if the programmes themselves are declared by governments. Because of the decrease in funding women's NGOs often have to cut back on activities, or narrowing their projects. Others are forced by funding policies to be active in fields they originally did not plan to be active in, while abandoning burning issues. **Women's NGOs worldwide suffer from a lack of predictable and sustainable financial resources**, which jeopardizes the very possibility of their participation in lobbying and advocacy in the field of financing for gender equality.

Furthermore, the **complex and complicated bureaucracy involved** in many of the funding mechanisms makes it inaccessible to women's organisations, especially to small NGOs. Besides, these **funding opportunities are often irresponsive to the needs of women**: priorities set by NGOs based on their experiences of what women really need often do not fit in the guidelines, thus leaving them with the choice of either not applying at all, or revise their activities according to guidelines set by officials who do not work on the field. Women's unpaid work in non-profit organisations also often goes unrecognised as a contribution to the funding of the activities.

#### **EWL Recommendations:**

- Each country should allocate at least **1% of GDP for direct support of women's programmes, organisations, networks and projects**.
- Ensure that **gender mainstreaming is not used to justify the disappearance of specific funding for women's rights** and monitor the situation and resources directed at gender equality in programmes that are allegedly *gender mainstreamed*.

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<sup>13</sup> Ireen Dubel of the major funding organization HIVOS states, for example, that in the undesired event of having to make a choice between providing specific resources for women's empowerment or mainstreaming gender into general policies and general funding, the former should receive priority. She also emphasises that it should be "predictable, multi-year, core funding". Dubel, Ireen. *Money Matters: The Strategic Relevance of Donor Funding Targets and Conditionalities for Women's Empowerment and Gender Equality Results*. 2007. p. 10.

<sup>14</sup> See especially Kerr, Joanna. *Second Fundher Report: Financial Sustainability for Women's Movements Worldwide*. AWID: 2007, and Dubel, Ireen. *Money Matters: The Strategic Relevance of Donor Funding Targets and Conditionalities for Women's Empowerment and Gender Equality Results*. 2007.

- Introduce a **budget heading for activities on gender equality** in the budget of each European Commission unit.
- **Facilitate the access of EU, UN and other international funds for women's NGOs** and make them gender sensitive
- International funders (EU, UN and others) should undertake a process whereby all **funding mechanisms and related procedures are evaluated, reviewed and simplified** to ensure an active partnership with women's NGOs and to make funds more effectively accessible including to smaller NGOs, including women's NGOs, and including the recognition of women's voluntary work as co-funding.

Targeted funding may also be needed to facilitate women's participation in the **preparatory work and in monitoring the results of the major international economic and financial meetings** such as the Davos meetings of political and business leaders, World Trade Organization meetings, and other major events determining world economy. These conferences are crucial decision-making fora influencing macroeconomic policies and they have direct repercussions on women. Funding of women's participation in these processes would ensure that women's interests from a variety of perspectives are taken into consideration.

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## Annex: European and international commitments made toward gender equality and gender budgeting

- The **Treaty on the European Community** establishes gender mainstreaming in its Article 2.3 in order „to eliminate inequalities and to promote equality between women and men.”
- The UN **Convention on the Elimination of All Forms of Discrimination against Women** (CEDAW Convention) have established in 1979 that equality must be substantive. As General Recommendation 25 to the CEDAW Convention makes it clear, substantive equality is *de facto* equality, or equality of results. It includes *equal opportunity, equal access and equal results and outcomes* for women and men. The Convention recognises that women do not share equal status with men, thus allows, and indeed in some areas, calls for, women have to be treated differently from men to benefit equally as a result.
- The UN **Beijing Platform for Action**, 1995 identifies twelve critical areas as major obstacles to gender equality, among them the inequality between women and men in economic structures and policies, in all forms of productive activities and in access to financial resources, education, services, power and decision-making, and the insufficient mechanisms at all levels to promote the empowerment of women. The Beijing Platform calls for strategic action by governments, non-government organisations and businesses around the world in all twelve critical areas of concern. BPFA specifically reaffirms the need for women’s equal economic rights and calls on governments and the international community to allocate financial means to achieve the goals set out by the BPFA “from all available funding mechanisms” (§. 36.)
- The **Millennium Development Goals** (MDGs, 2000) also places a special emphasis on women’s empowerment, and sets a strategic goal in the field of education to eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.
- The **twenty-third special session of the UN General Assembly** on "Women 2000: gender equality, development and peace for the twenty-first century" adopted a Political Declaration and outcome document entitled "Further actions and initiatives to implement the Beijing Declaration and Platform for Action". The outcome document recognized that the efforts towards ensuring women's advancement needed to combine a focus on women's conditions and basic needs with an holistic approach based on equal rights and partnerships, promotion and protection of all human rights and fundamental freedoms. It further recognized that policies, programmes and budgetary processes should adopt a gender perspective, should be based on knowledge obtained from research on the situation of women and girls, and data should always be sex disaggregated. It also concluded that policies, budgets and programmes should be defined in terms of short and long term time-bound targets and measurable goals and follow up mechanisms to assess progress.<sup>15</sup>
- In the **Monterrey Consensus**, adopted at the International Conference on Financing for Development (UN International Conference on Financing for Development, Mexico, 2002), UN Member States committed themselves to an “holistic approach” to addressing “the interconnected national, international and systemic challenges of financing for development” as well as to achieving “sustainable, gender-sensitive, people-centred development.” [§ 8], and to mainstreaming “the gender perspective into development policies at all levels and in all sectors”. [§ 64]. In § 11, the Monterrey Consensus states that, among other basic democratic values, gender equality is essential to achieve sustainable development, poverty eradication and employment creation. “Multi-stakeholder Dialogues” called for by the Monterrey Consensus include sound macroeconomic policies, good governance, taxation policies and fiscal incentives at the domestic level; increased ODA (Official Development Assistance), substantial debt

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<sup>15</sup> Source: <http://www.un.org/womenwatch/daw/followup/beijing+5.htm>

relief, Foreign Direct Investment (FDI); and innovative sources of financing at the international level. However, in none of these is gender an integral part.

- In the **Paris Declaration on Aid Effectiveness** (2005) over one hundred signatories (governments, and international institutions, aid and non-governmental organizations) committed themselves “to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators.” Results-based financing acknowledges that harmonization is necessary on “cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.”<sup>16</sup>
- **Conclusions by the German EU Presidency**, European Symposium “Let’s share the benefit – with gender budgeting towards social justice and equal opportunities”, June 2007: 1. The manner in which men and women – in various life situations and contexts – are affected by political reforms and measures depends to a decisive extent on the way in which expenditure is planned or how public funds are spent. The perusal of budgetary information gives clear insights into the prioritisation and the achievement of objectives. 2. Gender budgeting is to be examined on **all levels of public budgets** so as to probe the opportunities and limits it presents as precisely as possible. In this context, other possibilities exist at municipal level than are available at the level of national budgets or in the drawing up and financial controlling of the budgets of the European Union. 3. (...) Gender budgeting is neither the task of the ministers of finance, nor of equality policy alone; it is the task of all agencies. (...) 4. **Taking account of equality aspects is a strategy which characterises successful administrative action**; gender budgeting guarantees added value for the budgetary process. This is the message that needs to be conveyed to public administrations and parliaments alike. It goes without saying that equality is, and continues to be, a goal in itself – and it must remain thus, in the light of the limited choices open to women and men. (...)

**Further useful resources:**

UNIFEM: <http://www.gender-budgets.org>

The European Gender Budgeting Network, formed in 2006 by experts, issued a comprehensive manifesto at the Frankfurt conference. See at: <http://www.infopolis.es/web/GenderBudgets/manifiesto.html>.

The UK based Women’s Budget Group: <http://www.wbg.org.uk>

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<sup>16</sup> See at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>. The Paris Declaration, § 42.