

## FINANCING FOR GENDER EQUALITY AND WOMEN'S EMPOWERMENT IN ASIA AND THE PACIFIC

Background paper for the

*Asia-Pacific Regional Seminar in Preparation for the 60<sup>th</sup> Session of the  
Commission on the Status of Women: Transformative Financing for the  
Achievement of Gender Equality by 2030*

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### I. Introduction

The intrinsic value and the significance of gender equality and women's empowerment for human, and sustainable, development have been repeatedly recognized. As the United Nations was formed, governments globally acknowledged that “[a]ll human beings are born free and equal in dignity and rights”;<sup>1</sup> which, with the adoption of the Convention on the Elimination of All Forms of Discrimination against Women, was succeeded by explicit commitment “to pursue by all appropriate means and without delay a policy of eliminating discrimination against women”.<sup>2</sup> More recently, Heads of State and Government proclaimed “that achieving gender equality, empowering all women and girls and the full realization of their human rights are essential to achieving sustained, inclusive and equitable economic growth and sustainable development”, necessitating “transformative actions... at all levels”<sup>3</sup> in order for gender equality and the empowerment of all women and girls to be realized by the agreed date of 2030.<sup>4</sup>

Such a bold commitment arises from research that has repeatedly demonstrated the direct and catalytic value of gender equality and women's empowerment for all persons. For example, investment in the education of girls and the employment of women has been shown to have a positive impact on (reducing) poverty, (improving) family welfare and (increasing) per capita Gross Domestic Product (GDP).<sup>5</sup> By contrast, the reverse scenario does not apply; economic investment does not lead to greater equality.<sup>6</sup> Women's equal access to, and ownership of, agricultural assets, such as land and technology, has, in turn, been linked to greater agricultural yields, with the associated prospect of improvements in food security, nutrition and economic growth. In their study, the Food and Agriculture Organization estimated that closing the gender

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<sup>1</sup> A/RES/217A (1948). *Universal Declaration of Human Rights*, United Nations, Article 1; [www.un.org/en/universal-declaration-human-rights/](http://www.un.org/en/universal-declaration-human-rights/)

<sup>2</sup> A/RES/34/180 (1979). *Convention on the Elimination of All forms of Discrimination against Women*, United Nations, Article 2; [www.ohchr.org/Documents/ProfessionalInterest/cedaw.pdf](http://www.ohchr.org/Documents/ProfessionalInterest/cedaw.pdf)

<sup>3</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, paragraph 6; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>4</sup> A/RES/70/1 (2015). *Transforming Our World: the 2030 Agenda for Sustainable Development*, United Nations, paragraph 20; [www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/70/1](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1)

<sup>5</sup> For example, see Goodman, D.L. (2012). “Adolescent girls at the tipping point of sustainable development”, in *Powerful Synergies: Gender Equality, Economic Development and Environmental Sustainability*, UNDP: New York, pp. 157-169; [www.undp.org/content/dam/undp/library/gender/f\\_PowerfulSynergies2013\\_Web.pdf](http://www.undp.org/content/dam/undp/library/gender/f_PowerfulSynergies2013_Web.pdf); Kabeer, N. (2016). ‘Gender equality, economic growth, and women's agency: the “endless variety” and “monotonous similarity” of patriarchal constraints’, *Feminist Economics*, Vol. 22, No. 1, pp. 295-321; Seguino, S., G. Berik and Y. van der Meulen Rodgers (2010). *An Investment that Pays Off: Promoting Gender equality as a Means to Finance Development*, Friedrich Ebert Stiftung Foundation, p. 1; [www.uvm.edu/~sseguino/pdf/FES.pdf](http://www.uvm.edu/~sseguino/pdf/FES.pdf).

<sup>6</sup> Kabeer, N. and L. Natali (2013). ‘Gender equality and economic growth: is there a win-win?’, Institute of Development Studies Working Paper, Vol. 2013, No. 417.

gap in agriculture, with an associated 2.5 to 4 per cent increase in national production levels, could lead to “100-150 million fewer people living in hunger.”<sup>7</sup>

The link between gender equality and human development (Figure 1)<sup>8</sup> reflects the evidence-based conclusion that the “promotion of gender equality is not only constitute of development, but also is instrumental for setting in motion virtuous cycles of development”.<sup>9</sup>



**Figure 1:** The powerful link between gender equality and human development.

With the potential to contribute to the prosperity of all persons, individually and collectively, investment in gender equality and women's empowerment requires financial resources.

## II. Investing in Gender Equality and Women's Empowerment

In 1995, the Beijing Declaration and Platform for Action was adopted by the Fourth World Conference on Women; subsequently endorsed by the United Nations General Assembly.<sup>10</sup> In order to undertake the detailed actions, in pursuit of a set of explicit objectives across 12 critical areas of concern, it was recognized that “political commitment to make available human and financial resources for the empowerment of women” would be needed; requiring “the integration of a gender perspective in budgetary decisions on policies and programmes, as well as the adequate financing of specific programmes for securing equality between women and men. To implement the Platform for Action, funding will need to be identified and mobilized from all sources and across all sectors... Mobilization of additional resources, both public and private, including resources from innovative sources of funding, may also be necessary.”<sup>11</sup>

Over a decade later, the centrality of macroeconomic policies and of gender-responsive planning and budgeting to achieving gender equality and women's empowerment was reaffirmed in the

<sup>7</sup> Food and Agriculture Organization of the United Nations (2011). *The State of Food and Agriculture, Women in Agriculture: Closing the Gender Gap for Development*, FAO: Rome, p. 42; [www.fao.org/docrep/013/i2050e/i2050e.pdf](http://www.fao.org/docrep/013/i2050e/i2050e.pdf)

<sup>8</sup> Information regarding the computations that produced Figure 1 is provided in the appendix; along with a corresponding figure for countries of Asia and the Pacific.

<sup>9</sup> Seguino, S., G. Berik and Y. van der Meulen Rodgers (2010). *An Investment that Pays Off: Promoting Gender equality as a Means to Finance Development*, Friedrich Ebert Stiftung Foundation, p. 14; [www.uvm.edu/~sseguino/pdf/FES.pdf](http://www.uvm.edu/~sseguino/pdf/FES.pdf).

<sup>10</sup> A/RES/50/203 (1996). *Follow-up to the Fourth World Conference on Women and full implementation of the Beijing Declaration and the Platform for Action*, United Nations; [www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/50/203](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/50/203)

<sup>11</sup> Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*, paragraph 345; [www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

Agreed Conclusions of the 52<sup>nd</sup> session of the Commission on the Status of Women. The Commission on the Status of Women also “urged” governments and the United Nations entities to “[i]ncrease the investment in gender equality and the empowerment of women and girls, taking into account the diversity of needs and circumstances of women and girls, including through mainstreaming a gender perspective in resource allocation and ensuring the necessary human, financial and material resources for specific and targeted activities to ensure gender equality at the local, national, regional and international levels, as well as through enhanced and increased international cooperation”.<sup>12</sup>

Regionally, at the conclusion of 2014, Governments in the Asia-Pacific region committed to “enhance and diversify the sources of financing for the achievement of gender equality, women’s human rights and the empowerment of women and girls, including through domestic resource mobilization, official development assistance, taxation of financial transactions, private sector investment and the engagement of philanthropic foundations”.<sup>13</sup> This regional commitment was subsequently reflected in the *2030 Agenda for Sustainable Development*, wherein governments globally stated that they “will work for a significant increase in investments to close the gender gap”.<sup>14</sup>

Declarations of the inherent and synergic value of gender equality and women’s empowerment, alongside concrete commitments for action, have not, however, been backed by the quantity of resources needed to translate rhetoric into reality: “Too often, promising policy initiatives for gender equality and women’s empowerment founder because insufficient resources are allocated to implement them.”<sup>15</sup>

As defined by Sharp and Elson, “[g]ender responsive budget initiatives are strategies for assessing and changing budgetary processes and policies so that expenditures and revenues reflect the differences and inequalities between women and men in incomes assets, decision-making power, service needs and social responsibilities for care.”<sup>16</sup> Accordingly, in gender-responsive planning and budgeting, the emphasis is on equity and equality of outcome, wherein consideration is given to (a) the different needs, interests and priorities of women and men, girls and boys, and (b) the differential impacts of financial expenditure on the lives of women, men, girls and boys. Gender-responsive budgeting is government planning, programming and budgeting that contributes to the advancement of gender equality and the fulfillment of women’s rights. It entails identifying and reflecting needed interventions to address gender gaps in sector and local government policies, plans and budgets. GRB also aims to analyze the gender-differentiated impact of revenue-raising policies and the allocation of domestic resources and Official Development Assistance.<sup>17</sup>

A relatively well-known taxonomy is that proposed by Diane Elson which comprises gender-aware policy appraisal; sex-disaggregated beneficiary assessments; sex-disaggregated public expenditure incidence analysis; sex-disaggregated analysis of the budget on time use; sex-

<sup>12</sup> Commission on the Status of Women (2008). Agreed Conclusions, paragraph 21(a) ;

[www2.unwomen.org/-/media/headquarters/attachments/sections/csw/52/csw52\\_e\\_final.pdf?v=1&d=20141222T181036](http://www2.unwomen.org/-/media/headquarters/attachments/sections/csw/52/csw52_e_final.pdf?v=1&d=20141222T181036)

<sup>13</sup> E/ESCAP/GEWE/2 (2014). Asian and Pacific Ministerial Declaration on Advancing Gender Equality and Women’s Empowerment, United Nations Economic and Social Commission for Asia and the Pacific, paragraph 57(o); [www.unescapsdd.org/files/documents/E\\_ESCAP\\_GEWE\\_2.pdf](http://www.unescapsdd.org/files/documents/E_ESCAP_GEWE_2.pdf)

<sup>14</sup> A/RES/70/1 (2015). *Transforming Our World: the 2030 Agenda for Sustainable Development*, United Nations, paragraph 20; [www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/70/1](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1)

<sup>15</sup> Grown, C., C. Bahadur, J. Handbury and D. Elson (2006). ‘The financial requirements of achieving gender equality and women’s empowerment’, Working Paper No. 467, The Levy Economics Institute of Bard College, p. 1.

<sup>16</sup> Sharp, R. and D. Elson (2008). “Improving Budgets: A Framework for Assessing Gender-Responsive Budget Initiatives”, in Sri Mastuti and others, eds., *Audit Gender Terhadap Anggaran* (Jakarta, CiBA).

<sup>17</sup> UN Women ([www.gender-budgets.org](http://www.gender-budgets.org))

disaggregated tax incidence analysis; gender-aware medium-term economic policy frameworks; and gender responsive budget statements.<sup>18</sup> Other analytical frameworks are available to governments, such as Rhonda Sharp's three-way categorization of expenditure and the "South African approach" which is comprised of four elements, namely situation analysis, policy, budget and implementation.<sup>19</sup> While there are various modalities, the ideal scenario is for comprehensive gender-responsive planning and budgeting that encompasses revenue and expenditure, across government sectors; rather than the selection of one or two specific tools.

Certain conditions, such as enduring political support, transparency, accountability and participation and institutional structures and processes with effective participation of the women's machinery along with finance and planning could facilitate effective adoption and implementation of gender-responsive budgeting.

Reflecting this necessity, community of practice have been established not just at the global level<sup>20</sup> but also at regional level. Building the capacities of the national women's machinery with respect to financing and budgeting may, in turn, be required given that, from their review of gender-responsive budgeting initiatives in countries across the world, Sharp and Broomhill concluded that effective gender-responsive budgeting requires "strong institutional arrangements that assign power to women's policy coordinating offices".<sup>21</sup> This requirement was evidenced, for example, in Australia, wherein "both the existence and the longevity of the gender budget exercises owe much to the existence of highly developed women's policy machineries within the federal, state, and territory governments."<sup>22</sup>

Alongside engagement of various public sector entities, is the need to ensure the meaningful participation of women and organizations external to government in gender-responsive planning and budgeting.

As asserted by Birchall and Fontana: "If a gender perspective can be consistently and practically embedded into public finance systems and administration, and included as a key component in the reform of these systems, the likelihood of creating a strong and sustainable impact on gender equality will grow."<sup>23</sup>

Gender-responsive planning and budgeting can be used to analyse funding priorities for women across all sources of resource mobilisation (domestic, ODA, private sector financing etc.). It is used for both the expenditure side of the budget as well as revenue side.

The rationale of gender-responsive budgeting work is the chronic underinvestment in gender equality and women's empowerment. There is a "financing gap". For example, a 2006 calculation of the financial cost of achieving the third Millennium Development Goal – "promote gender equality and empower women" – and of mainstreaming gender across the 2000-2015 global development agenda was "estimated to increase to 83 billion USD by 2015, from 8.6 billion in

<sup>18</sup> Elson, Diane. 1998. "Integrating Gender Issues into National Budgetary Policies and Procedures: Some Policy Options." *Journal of International Development* 10 (7): 929-41.

<sup>19</sup> Esim, S. (1995). *Gender Equity Concerns in Public Expenditure: Methodologies and Country Summaries*, International Center for Research on Women: Washington DC.

<sup>20</sup> [www.worldbank.org/content/dam/Worldbank/document/Gender/Summary%20of%20Inaugural%20Gender%20Equality%20Community%20of%20Practice%20for%20Finance%20Ministers.pdf](http://www.worldbank.org/content/dam/Worldbank/document/Gender/Summary%20of%20Inaugural%20Gender%20Equality%20Community%20of%20Practice%20for%20Finance%20Ministers.pdf)

<sup>21</sup> Sharp, R. and R. Broomhill (2002). 'Budgeting for equality: the Australian experience', *Feminist Economics*, Vol. 8, No.1, p 31.

<sup>22</sup> Sharp, R. and R. Broomhill (2002). 'Budgeting for equality: the Australian experience', *Feminist Economics*, Vol. 8, No.1, p 29.

<sup>23</sup> Birchall, J. and M. Fontana (2015). *The Gender Dimensions of Expenditure and Revenue Policy and Systems*, BRIDGE, Institute of Development Studies: United Kingdom, p. 13;

[www.eldis.org/vfile/upload/4/document/1505/Gender%20dimensions%20of%20expenditure%20and%20revenue%20policy%20and%20systems.pdf](http://www.eldis.org/vfile/upload/4/document/1505/Gender%20dimensions%20of%20expenditure%20and%20revenue%20policy%20and%20systems.pdf)

2006".<sup>24</sup> A 2010 survey of 740 women's organizations revealed a combined income of 106 million US dollars, which compared to 309 million USD for Greenpeace and 1.4 billion for Save the Children International.<sup>25</sup>

In relation to the specific area of women, peace and security, and across four case studies, researchers concluded that "[p]ost-conflict reconstruction initiatives did not allocate resources to promote gender equality or address women's needs to any significant degree."<sup>26</sup> This finding was mirrored in the United Nations Secretary-General's 2010 report on women in peacebuilding, wherein it was stated that an "indication of the gender-equality funding gap can be found in the results of a background study carried out for the present report that analysed 394 project budgets in multi-donor trust funds and joint programmes in six post-conflict countries. Just 5.7 per cent of total resources were allocated to activities directly related to advancing gender equality."<sup>27</sup>

At the regional level, insufficient financing for gender equality and women's empowerment is indicated by the annual budgets of the national women's machineries. A 2014 survey of governments in the Asia-Pacific region revealed that annual funding for the national women's machineries across 27 countries ranged from 17,000 to 67 million US dollars; a range partly attributable to variability in national economic wealth. For 13 of the countries that responded to the survey, their national women's machineries receive less than one million USD in annual funding. In proportional terms, across 17 national women's machineries in the Asia-Pacific region, annual funding ranged from 0.003 per cent to 3.12 per cent of their national budgets. For 15 of those national women's machineries, the national budget allocation was less than one per cent. Moreover, in some instances, government funding is sufficient to meet staffing and operations costs only, with additional resources needing to be mobilised for programme and service delivery.<sup>28</sup>

Encouragingly, there has been a significant increase in the funding by OECD DAC (Organisation for Economic Cooperation and Development, Development Assistance Committee) members for gender equality and women's empowerment; rising from 88 million USD in 2004 to 373 million USD in 2008.<sup>29</sup> Yet, between 2003 and 2013, the proportion of global aid for gender equality, as a "principal" target, only marginally increased from 1.8 to 5.9 per cent; while for the developing countries of Oceania, it declined from 11.0 to 4.2 per cent (Figure 2).<sup>30</sup>

<sup>24</sup> Grown, C., C. Bahadur, J. Handbury and D. Elson (2006). 'The financial requirements of achieving gender equality and women's empowerment', Working Paper No. 467, The Levy Economics Institute of Bard College, p. 23.

<sup>25</sup> Arutyunova A. and C. Clark (2013). *Watering the leaves, Starving the Roots: the Status of Financing for Women's Rights Organizing and Gender Equality*, Association for Women's Rights in Development: Toronto; [www.awid.org/sites/default/files/atoms/files/WTL\\_Starving\\_Roots.pdf](http://www.awid.org/sites/default/files/atoms/files/WTL_Starving_Roots.pdf)

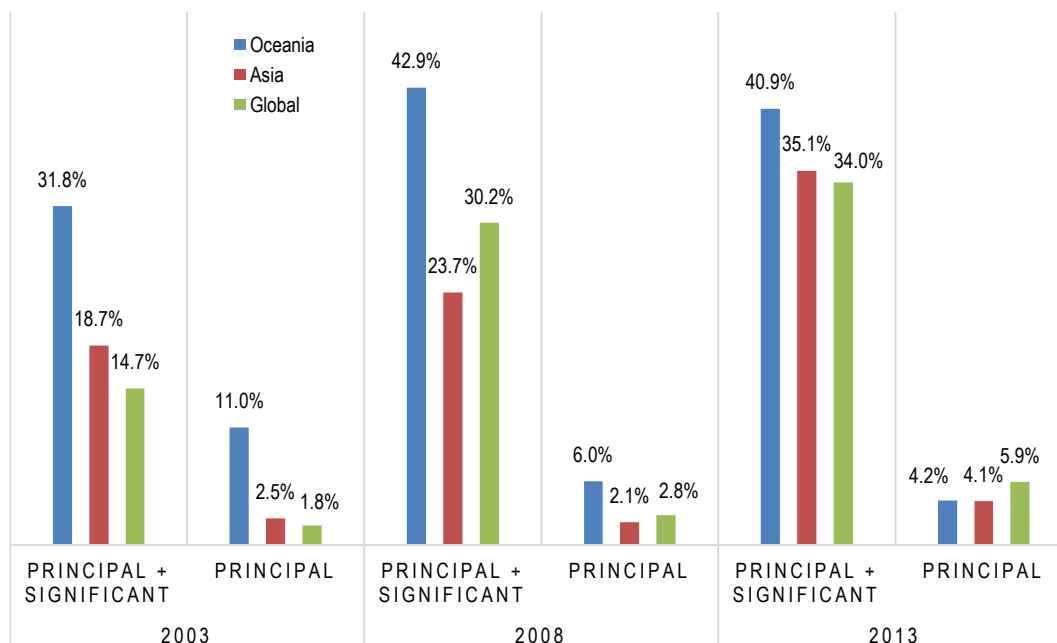
<sup>26</sup> United Nations Development Programme (2010). *Price of Peace: Financing for Gender Equality in Post-Conflict Reconstruction*, UNDP: New York, p. 35; [www.undp.org/content/undp/en/home/librarypage/womens-empowerment/price-of-peace-financing-for-gender-equality-in-post-conflict-reconstruction.html](http://www.undp.org/content/undp/en/home/librarypage/womens-empowerment/price-of-peace-financing-for-gender-equality-in-post-conflict-reconstruction.html)

<sup>27</sup> S/2010/466 (2010). Women's Participation in Peacebuilding: Report of the Secretary-General, United Nations, paragraph 34; [www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20466.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20466.pdf)

<sup>28</sup> United Nations Economic and Social Commission for Asia and the Pacific (2015). *Gender Equality and Women's Empowerment in Asia and the Pacific: Perspectives of Governments on 20 Years of Implementation of the Beijing Declaration and Platform for Action*, UN ESCAP: Bangkok; [www.unescap.org/resources/asia-pacific-report-beijing20-review](http://www.unescap.org/resources/asia-pacific-report-beijing20-review)

<sup>29</sup> OECD (2015). *Aid in Support of Gender Equality and Women's Empowerment – Donor Charts*, [www.oecd.org/dac/stats/documentupload/Aid%20in%20Support%20of%20Gender%20Equality%20and%20Women%E2%80%99s%20Empowerment%20-%20Donor%20Charts.pdf](http://www.oecd.org/dac/stats/documentupload/Aid%20in%20Support%20of%20Gender%20Equality%20and%20Women%E2%80%99s%20Empowerment%20-%20Donor%20Charts.pdf)

<sup>30</sup> <https://data.oecd.org/>; <http://stats.oecd.org/Index.aspx?DataSetCode=GENDER>



**Figure 2:** Proportion of OECD DAC members' ODA allocations for initiatives for which gender equality and women's empowerment was the (a) principal target or (b) principal and significant target.

Noting that “[w]ithout adequate resource allocation, gender equality commitments are unlikely to be realized and government budgets will reflect political and economic priorities other than gender equality”,<sup>31</sup> governments, and other development stakeholders, are increasingly cognisant of the necessity of financing gender equality and women's empowerment. In its 2015-2016 Development Assistance Budget, the Australian Government, for instance, allocated 50 million Australian dollars for its “Gender Equality Fund”; a substantial increase on the gender-related expenditure of 30.4 million AUD for 2014-2015.<sup>32</sup>

In support of the recognition that “any serious effort to promote gender equality and women's empowerment costs money” and the concomitant need to increase the scale and scope of financing for gender equality and women's empowerment, this paper provides an overview of selected options for governments, as well as both not-for-profit and for-profit actors, in maximising revenues, alongside articulating fundamental institutional and process requirements.

### III. National Governments Financing Gender Equality and Women's Empowerment

As stated in the *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, and in the context of “an enabling international economic environment”, chief responsibility for economic and social development lies with national governments.<sup>33</sup> Two decades earlier, the central role of governments was asserted with the avowal that the “primary

<sup>31</sup> Sharp, R. and R. Broomhill (2002). ‘Budgeting for equality: the Australian experience’, *Feminist Economics*, Vol. 8, No.1, p 26.

<sup>32</sup> Department of Foreign Affairs and Trade (2015). *2015-16 Development Assistance Budget*, Australian Government: Canberra; <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary.pdf>

<sup>33</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, paragraph 9; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAA_Outcome.pdf).



responsibility for implementing the strategic objectives of the Platform for Action rests with Governments.”<sup>34</sup> This attribution reflects the importance of national ownership, sustainability and transformational shifts in roles, responsibilities and relations to realizing universal human rights and development.<sup>35</sup>

To resource the responsibilities specified in many of the aforementioned declarations, conventions and plans of action, governments need to maximise their revenues in an equitable manner, which necessitates drawing from a range of sources through efficient and effective administration that is grounded in participatory and gender-responsive planning and budgeting. In this framework, this section of the paper focuses on taxation, official development assistance and budgeting.<sup>36</sup>

### **Taxation: Revenue Sources**

Being a predictable and sustainable source of revenue, taxation is critical to governments having the resources to tackle systemic challenges to equality and development, including discrimination and oppression on the basis of sex (and other ascribed markers).

There are multiple manifestations of taxation that governments can utilise to finance such national priorities as gender equality and women's empowerment: taxation of personal incomes, of corporate incomes, of consumption, of property, of inheritance, of trade, of natural resources, of interest earned on financial assets. Governments can also levy fees for public services, sell public assets or administer hypothecated (“ear-marked”) taxes.

Whatever combination of taxation modalities are selected, with the obligation to respect, protect and fulfil the human rights of all persons without distinction,<sup>37</sup> governments are obliged to ensure that their taxation systems contribute to, rather than detract from, gender equality. As recommended by the United Nations Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona, this necessitates examination of “tax structures, codes and instruments for explicit and implicit gender bias [to] ensure they do not reinforce existing gender inequalities, including through their impact on unpaid care work”.<sup>38</sup>

Examination of tax structures, codes and instruments reveals that, in terms of advancing equality, progressive (direct) taxation is preferable to the regressive forms. In her review of financing implementation of CEDAW,<sup>39</sup> Diane Elson concluded that the ideal “revenue mix” gives precedence to income tax; excludes basic commodities from taxation; does not apply user-fees to health and education services, and subsidises water, sanitation and electricity to poor

<sup>34</sup> Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*, paragraph 346; [www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

<sup>35</sup> Grown, C., C. Bahadur, J. Handbury and D. Elson (2006). ‘The financial requirements of achieving gender equality and women's empowerment’, Working Paper No. 467, The Levy Economics Institute of Bard College, p. 23.

<sup>36</sup> It is acknowledged that financing gender equality and women's empowerment specifically, and of sustainable development more broadly, is complex and that comprehensive analysis and articulation involves elucidation of issues not addressed in this paper, such as costing, trade, debt, social insurance schemes and resource allocation.

<sup>37</sup> For example, see Article 2 of the Universal Declaration of Human Rights ([www.un.org/en/universal-declaration-human-rights/](http://www.un.org/en/universal-declaration-human-rights/)) and Article 2 of the International Covenant on Economic, Social and Cultural Rights ([www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx](http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx)).

<sup>38</sup> A/HRC/26/28. (2014). *Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona*, Human Rights Council, 26<sup>th</sup> session, United Nations, paragraph 79(f).

<sup>39</sup> Convention on the Elimination of All Forms of Discrimination against Women

households.<sup>40</sup> Thus, in terms of equality, personal and property taxes, being progressive in nature, are to be favoured over such regressive forms as goods and services taxes.

For personal income taxation to be equitable and gender-responsive, tax rates, allowances and exemptions must apply equally to women and men, regardless of their marital status; filing must be individual-based, as distinct from joint, family or household-based filing of tax returns; and income derived from ownership of assets, such as property and shares, must be reported against the owner, and not attributed to a husband or head of household. Joint filing negates the existence of the secondary income earner (typically, and historically, women), and has involved, in some jurisdictions, the secondary income earner being taxed at a higher marginal rate (which can be a disincentive to engage in the labour market if there is little or no financial gain). It is important that exemptions for such matters as childcare and old-age pension / superannuation contributions are equally accessible to women and men, so as to avoid the compounding of discriminatory gender roles.

Alongside strengthening personal income taxation policies, systems and administration, is the importance of reviewing and reforming the taxation of consumption. While sales taxes offer the prospect of a reliable source of revenue because they are difficult to avoid, value-added taxes (VAT) are inequitable. As a VAT increases the price of goods and services, low income groups pay relatively larger proportions of taxes than higher income groups. Women and persons living in poverty<sup>41</sup> spend a greater portion of their income on basic goods and services (on consumption), than do men and wealthy individuals. For women, this phenomenon reflects, in part, women's predominance in the (unpaid) care economy, and that women, more than men, work in low paid, low skill and unprotected sectors of the economy. Thus, if a consumption tax is pursued, for equity and equality to prevail, the emphasis should be on taxing luxury goods and services, and not basic necessities, such as food, water, electricity, education, health care and childcare.

Alongside personal income and consumption, taxation of natural resources, such as oil, gas and minerals, needs to be maximised and managed in a gender-responsive manner, and with a long-term vision (given the political, social, economic, institutional and cultural embeddedness of patriarchy). A key consideration in relation to taxation of natural resources, as exists in such countries as Australia, Indonesia, Kazakhstan, Malaysia, Philippines, Papua New Guinea and Turkey, is equitable participation of women and men, individually or through their collective bodies, at all levels of decision-making and administration. Gender-based inequalities that discriminate against women – such as in the management of natural resources, the employment opportunities (or reinforcement of traditional gender roles) and the receipt of profits – need to be avoided or eradicated. With the information disclosure obligation, the Extractive Industries Transparency Initiative<sup>42</sup> offers a concrete means of ensuring that “[e]xtraction of these resources can lead to economic growth and social development” for all.<sup>43</sup> According to Magdalena Sepulveda Carmona: “A State allowing or directly undertaking exploitation of natural resources without ensuring that a fair share of the proceeds are taxed and/or allocated towards fulfilling human rights could be an indication of a failure to mobilize adequate resources.”<sup>44</sup>

<sup>40</sup> Elson, D. (2006). *Budgeting for Women's Rights: Monitoring Government Budgets for Compliance with CEDAW*, UN Women: New York, p. 101; [www.unrol.org/files/MonitoringGovernmentBudgetsComplianceCEDAW\\_eng.pdf](http://www.unrol.org/files/MonitoringGovernmentBudgetsComplianceCEDAW_eng.pdf).

<sup>41</sup> It is noted that the category “women” is diverse and characterized by women who experience multiple forms of discrimination. Similarly, poverty manifests in multiple forms.

<sup>42</sup> <https://eiti.org/>

<sup>43</sup> <https://eiti.org/eiti>.

<sup>44</sup> A/HRC/26/28. (2014). *Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona*, Human Rights Council, 26<sup>th</sup> session, United Nations, paragraph 72.



In the Asia-Pacific region, taxes on trade are further important sources of revenue for financing national “development”, inclusive of gender equality and women’s empowerment. Some countries administer import tariffs, such as on agricultural imports so as to protect domestic agriculture.<sup>45</sup> Given that trade taxes can be advantageous and disadvantageous for different sections of a population, the potential impacts need to be considered when formulating such taxes so that the principles of equality and equity are upheld and measures are instituted to avoid “tariff engineering”. For example, where the consumption pattern of women<sup>46</sup> favours household goods and services, a reduction in import tariffs may make it easier for them to meet the basic needs of themselves and their families, with cheaper food, clothing and medicines. Yet, a reduction in import tariffs may also result in the loss of manufacturing jobs (for women and men), which may negatively impact on state revenue and, in turn, lead to a reduction in the provision of public services like health care, childcare, education and paid parental leave; placing further pressure on women to assume unpaid care functions.

Other taxes, from which governments may garner substantial revenue, require cooperation. In 1972, James Tobin proposed charging foreign-exchange transactions, wherein “at each exchange of a currency into another a small tax would be levied - let's say, 0.5% of the volume of the transaction.”<sup>47</sup> In the Asia-Pacific region, India and the Republic of Korea are two examples of countries that administer financial transaction taxes. Another option, implemented by nine countries<sup>48</sup> globally, is the air ticket levy. The revenue raised – approximately 1.2 billion USD between 2006 and 2012 – from the administration of a tax on the sale of air tickets financed the provision of health services through the Global Fund to Fight AIDS, Tuberculosis and Malaria.<sup>49</sup> It is conceivable that a similar initiative could be undertaken to finance realization of the targets associated with the fifth goal of the 2030 Agenda for Sustainable Development: Achieve gender equality and empower all women and girls.<sup>50</sup>

### ***Taxation: Efficient and Effective Administration***

In addition to raising revenue through taxation, across Asia and the Pacific, opportunities exist to strengthen taxation systems and administrations, thereby increasing total revenues. For example, through instituting reforms to close their “tax gaps”, combined with gender-responsive planning and budgeting, such “low tax performers” as Afghanistan, Bhutan, Cambodia, China, Indonesia, Iran, Japan, Malaysia, Nepal, Pakistan, Philippines, Singapore and Thailand<sup>51</sup> could strengthen their capacity to finance equality and development for women and men, girls and boys.

Australia provides an example of the need for strengthening tax administration. For the 2013-2014 financial year, 579 of approximately 1,500 public and foreign private entities did not pay tax. The 579 companies included Qantas, Amcor Ltd, BNP Paribas, Citic Resources, Exxon Mobil Australia, GHP, Hewlett Packard South Pacific, Lend Lease Corporation, Lloyds International,

<sup>45</sup> UN ESCAP (2014). *Economic and Social Survey of Asia and the Pacific*. ESCAP: Bangkok.

<sup>46</sup> It is noted that “women” is not a homogenous category; hence, such variables as wealth and employment have implications as to how “women” experience taxation.

<sup>47</sup> Tobin, J. (1978). *A Proposal for International Monetary Reform*, Yale University; [http://college.holycross.edu/RePEC/eej/Archive/Volume4/V4N3\\_4P153\\_159.pdf](http://college.holycross.edu/RePEC/eej/Archive/Volume4/V4N3_4P153_159.pdf)

<sup>48</sup> Cameroon, Chile, Congo, France, Madagascar, Mali, Mauritius, Niger and the Republic of Korea

<sup>49</sup> [www.leadinggroup.org/rubrique177.html](http://www.leadinggroup.org/rubrique177.html)

<sup>50</sup> A/RES/70/1 (2015). *Transforming Our World: the 2030 Agenda for Sustainable Development*, United Nations;

[www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/70/1](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1)

<sup>51</sup> UN ESCAP (2014). *Economic and Social Survey of Asia and the Pacific 2015*, ESCAP: Bangkok;

[www.unescap.org/resources/economic-and-social-survey-asia-and-pacific-2015](http://www.unescap.org/resources/economic-and-social-survey-asia-and-pacific-2015).

[www.unescap.org/sites/default/files/Economic%20and%20Social%20Survey%20of%20Asia%20and%20the%20Pacific%202014.pdf](http://www.unescap.org/sites/default/files/Economic%20and%20Social%20Survey%20of%20Asia%20and%20the%20Pacific%202014.pdf)

Virgin Australia and Vodafone, whose combined income totalled 68 billion AUD.<sup>52</sup> Moreover, the effective taxation rate of almost one-third (29%) of Australia's 200 largest listed companies is 10 per cent, dropping to zero for a further 14 per cent of the Australian Stock Exchange (ASX) 200 companies.<sup>53</sup> The loss of potential revenue is not unique to Australia or the "low tax performers". The OECD/G20 Base Erosion and Profit Shifting project<sup>54</sup> conservatively estimated an annual corporate income tax loss of between four and ten per cent; equivalent to 100-240 billion USD.<sup>55</sup> Beyond Australia, Global Financial Integrity estimated that, between 2004 and 2013, 7.8 trillion USD left the "developing world" as illicit financial flows, 38.8 per cent of which departed from Asia.<sup>56</sup>

Given that "[t]ax evasion and avoidance not only affect horizontal equity as individuals and companies with the same capacity to pay are not contributing in the same way, but also reduces the redistributive impact of tax policy",<sup>57</sup> preventing tax evasion and avoidance is a key strategy for increasing the financial revenue for gender-responsive expenditure. The tangible consequence – for poverty and human rights – of curbing illicit financial flows was recognised in the Addis Ababa Action Agenda, wherein governments stated that they "will redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation. We will also reduce opportunities for tax avoidance".<sup>58</sup>

Governments may thus increase their revenues by, for example, strengthening legislation; minimising tax exemptions and deductions; enforcing substantial penalties for non-compliance; closing tax havens; implementing the Financial Action Task Force standards to combat money laundering;<sup>59</sup> becoming party (if not already) to the Convention on Mutual Administrative Assistance in Tax Matters.<sup>60</sup>

Re-allocation of existing revenues is a further means of financing commitments to sustainable development broadly and gender equality and women's empowerment more specifically. For example, finances may be directed away from military expenditure, as outlined in the Platform for Action<sup>61</sup> and reiterated by the Commission on the Status of Women in 2008: "Reduce excessive military expenditures, including global military expenditures, trade in arms and investment for arms production and acquisition, taking into consideration national security requirements, in order to permit the possible allocation of additional funds for social and economic development, including for gender equality and the advancement of women."<sup>62</sup> In taking such action,

<sup>52</sup> Respectively: Qantas, 14.9 billion AUD; Amcor Ltd, 2 billion AUD; BNP Paribas, 2.4 billion AUD; Citic Resources, 5 billion AUD; Exxon Mobil Australia, 9.6 billion AUD; GHP, 11.7 billion AUD; Hewlett Packard South Pacific, 3.1 billion AUD; Lend Lease Corporation, 7.6 billion AUD; Lloyds International, 3.9 billion AUD; Virgin Australia, 4.3 billion AUD; Vodafone 3.5 billion AUD.

<sup>53</sup> <http://data.gov.au/dataset/corporate-transparency>

<sup>54</sup> United Voice and the Tax Justice Network (2014). *Who Pays for Our Common Wealth? Tax Practices of the ASX 200*, Tax Justice Network: Melbourne; <http://taxjustice.org.au/reports>

<sup>54</sup> <http://www.oecd.org/tax/beps.htm>

<sup>55</sup> <http://www.oecd.org/ctp/beps-about.htm>

<sup>56</sup> Kar D., and J. Spanjers (2015). *Illicit Financial Flows From Developing Countries: 2004-2013*, Global Financial Integrity; [www.gfintegrity.org/wp-content/uploads/2015/12/IFF-Update\\_2015-Final.pdf](http://www.gfintegrity.org/wp-content/uploads/2015/12/IFF-Update_2015-Final.pdf)

<sup>57</sup> *Why tackle the links between illicit capital flows, tax policies and gender justice?*, Statement prepared by feminists and allies at the Financial Transparency Coalition and Latindadd Conference, "Hidden Money, Hidden Resources: Financing Development with Transparency", Lima, 14-15 October 2014.

<sup>58</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, paragraph 23; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>59</sup> [www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html)

<sup>60</sup> [www.keepeek.com/Digital-Asset-Management/oecd/taxation/the-multilateral-convention-on-mutual-administrative-assistance-in-tax-matters\\_9789264115606-en#page1](http://www.keepeek.com/Digital-Asset-Management/oecd/taxation/the-multilateral-convention-on-mutual-administrative-assistance-in-tax-matters_9789264115606-en#page1)

<sup>61</sup> Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*, paragraph 143(b); [www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

<sup>62</sup> Commission on the Status of Women (2008). *Agreed Conclusions*, paragraph 21(hh); [www2.unwomen.org/~media/headquarters/attachments/sections/csw/52/csw52\\_e\\_final.pdf?v=1&d=20141222T181036](http://www2.unwomen.org/~media/headquarters/attachments/sections/csw/52/csw52_e_final.pdf?v=1&d=20141222T181036)

governments may wish to institute an arms trade tax, wherein the value of the goods of the arms-exporting countries is taxed.

Any initiatives to increase the tax base, in a progressive manner, such as the introduction of a tax on carbon emissions, should be monitored to ensure that the direct and indirect impacts promote gender equality, rather than reinforce inequalities.

### **Official Development Assistance**

For many developing countries in the Asia-Pacific region, Official Development Assistance (ODA) is a relatively secure and long-term source of financing for sustainable development. Additionally, the pool of ODA finances available for investment in gender equality and women's empowerment would expand if "each economically advanced country" fulfils its 1970 commitment to "progressively increase its official development assistance to the developing countries... to reach a minimum net amount of 0.7 per cent of its gross national product at market prices";<sup>63</sup> as reaffirmed in the Addis Ababa Action Agenda.<sup>64</sup>

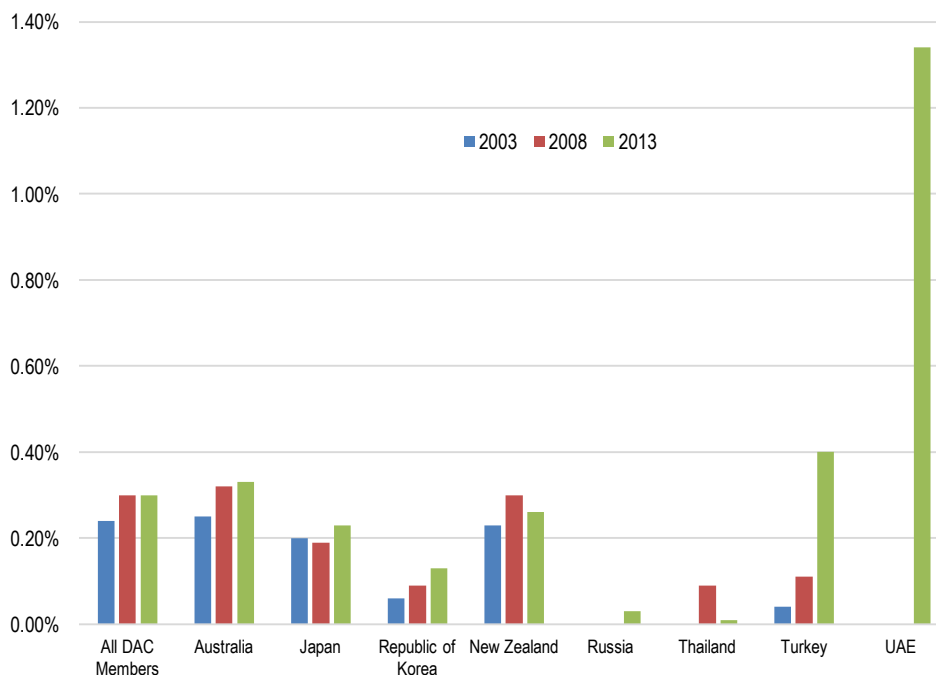
The potential for substantially more ODA that could be utilised to support sustainable development, either directly or through the mobilization of additional resources, is evident in Figure 3,<sup>65</sup> where – with the exception of the UAE in 2013, all OECD-DAC members and bilateral donors in the Asia-Pacific region have yet to realize the 0.7 per cent of GNI (Gross National Income) target. Advocacy is needed to encourage countries to increase their ODA, rather than replicate such regressive actions as that of the Australian Government which, in its 2015-2016 federal budget, reduced the ODA allocation by 20 per cent (from 5 billion AUD expenditure in 2014-2015, to a 4 billion AUD allocation).<sup>66</sup>

<sup>63</sup> A/RES/25/2626 (1970). International Development Strategy for the Second United Nations Decade, United Nations: New York, paragraph. 43; [www.un-documents.net/a25r2626.htm](http://www.un-documents.net/a25r2626.htm)

<sup>64</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, paragraph 51; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>65</sup> Source: OECD (2005). *Geographical Distribution of Financial Flows to Aid Recipients 1999-2003*, OECD: Paris; [www.oecd-ilibrary.org/fr/development/geographical-distribution-of-financial-flows-to-aid-recipients-2005\\_fin\\_flows\\_aid-2005-en-fr](http://www.oecd-ilibrary.org/fr/development/geographical-distribution-of-financial-flows-to-aid-recipients-2005_fin_flows_aid-2005-en-fr); OECD (2015), *Geographical Distribution of Financial Flows to Developing Countries 2015: Disbursements, Commitments, Country Indicators*, OECD Publishing, Paris; [www.oecd.org/dac/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm](http://www.oecd.org/dac/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm)

<sup>66</sup> Department of Foreign Affairs and Trade (2015). *2015-16 Development Assistance Budget*, Australian Government: Canberra; <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary.pdf>



**Figure 3:** ODA, as a percentage of GNI, for selected OECD-DAC members and non-members,<sup>67</sup> in the Asia-Pacific region.

Accompanying the overall political commitment to ODA, has been an increasing, yet still under-resourced (Figure 2), focus on gender equality and women's empowerment. For instance, ODA funding of projects for which gender equality and women's empowerment was a significant<sup>68</sup> or principal<sup>69</sup> target increased four-fold between 2003 and 2013; rising from 7.3 to 31.8 billion USD. In Asia, the respective increase was from 2.5 to 9.5 billion USD; and in Oceania, from 236 to 696 million USD.<sup>70</sup>

It may be that donor countries are increasingly cognizant of what was stated 20 years earlier in the Platform for Action; that "the integration of a gender approach" improves "the equality and effectiveness of aid".<sup>71</sup> For example, while the Australian Government has reduced its overall ODA commitment, it has specified "gender equality and empowering women and girls" as one of its six "investment priorities"; deemed critical for critical for private sector and human development.<sup>72</sup> Accompanying the political commitment is "Strategic Performance Target #4, whereby "More than 80 per cent of investments, regardless of their objectives, will effectively

<sup>67</sup> OECD-DAC members – Australia, Japan, Republic of Korea, New Zealand; OECD-DAC non-members – Russian Federation, Thailand, Turkey, United Arab Emirates

<sup>68</sup> A "significant" score is assigned if gender equality was an important, but secondary, objective of the activity - i.e. it was not the principal reason for undertaking the activity.

<sup>69</sup> A "principal" score is assigned if gender equality was an explicit objective of the activity and fundamental to its design - i.e. the activity would not have been undertaken without this objective.

<sup>70</sup> <https://data.oecd.org/>; <http://stats.oecd.org/Index.aspx?DataSetCode=GENDER>

<sup>71</sup> Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*, paragraph 353; [www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

<sup>72</sup> Department of Foreign Affairs and Trade (2014). *Australian Aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability*, Australian Government: Canberra; <https://dfat.gov.au/about-us/publications/Documents/australian-aid-development-policy.pdf>

address gender issues in their implementation.”<sup>73</sup> Australia is not alone. The Government of Japan has similarly explicitly acknowledged the importance of gender equality as a development cooperation policy priority.<sup>74</sup>

Opportunities for greater ODA investment in gender equality and women's empowerment (in the form of grants, not loans) may also lie with a preference evident among some traditional and emerging donors,<sup>75</sup> for ear-marked contributions; which have been estimated at approximately 40 per cent of total ODA.<sup>76</sup> Continuing demonstration of the value of gender equality and women's empowerment, intrinsically and for the realization of other development goals, will be critical to generating greater revenues for financing gender equality and women's empowerment. It is essential that in any initiatives related to ODA, from advocating for fulfilment of commitments to strengthening the focus on gender equality in funded projects, women and their organizations occupy central roles, from conception to evaluation of initiatives.

A particular area for the participation of (diverse) women, alongside a valuable use of ODA for financing gender equality and women's empowerment, is in supporting countries to develop and implement comprehensive and participatory gender-responsive planning and budgeting.

#### **IV. Key Sources of Revenue for Not-for-Profit Development Actors: the United Nations and Non-Governmental Organizations**

In 1995, the Fourth World Conference on Women advised that “[d]evelopment funds and programmes of the United Nations system should undertake an immediate analysis of the extent to which their programmes and projects are directed to implementing the Platform for Action and, for the next programming cycle, should ensure the adequacy of resources targeted towards eliminating disparities between women and men in their technical assistance and funding activities.”<sup>77</sup> More recently, with the adoption of the *United Nations System-Wide Action Plan for the Implementation of the CEB Policy on Gender Equality and the Empowerment of Women* in 2012, United Nations entities are accountable for integrating and financing gender equality and women's empowerment in their processes and outcomes.<sup>78</sup>

Similarly, governments have called for support to non-governmental organizations in funding gender equality and women's empowerment as, for example, expressed by the Commission on the Status of Women in its 2008 Agreed Conclusions: “Create and enhance a supportive environment for the mobilization of resources by non-governmental organizations, in particular women's organizations and networks, to enable them to increase their effectiveness and to contribute to gender equality and the empowerment of women, including through assisting in the

<sup>73</sup> Department of Foreign Affairs and Trade (2014). *Making Performance Count: Enhancing the Accountability and Effectiveness of Australian Aid*, Australian Government: Canberra, p. 8; <https://dfat.gov.au/about-us/publications/Documents/framework-making-performance-count.pdf>

<sup>74</sup> International Cooperation Bureau, Ministry of Foreign Affairs (2015). *Priority Policy for Development Cooperation FY2015*, Government of Japan: Tokyo; [www.mofa.go.jp/files/000082915.pdf](http://www.mofa.go.jp/files/000082915.pdf)

<sup>75</sup> The BRICS countries – Brazil, Russian Federation, India, China and South Africa, as well as Colombia, Mexico, Saudi Arabia, United Arab Emirates, Venezuela

<sup>76</sup> The World Bank Group (2013). *Financing for Development Post 2015*, World Bank, p. 2.

<sup>77</sup> Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*, paragraph 359;

[www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

<sup>78</sup> [www.unwomen.org/en/how-we-work/un-system-coordination/promoting-un-accountability](http://www.unwomen.org/en/how-we-work/un-system-coordination/promoting-un-accountability)

implementation of the Platform for Action and participating in policy processes and programme delivery".<sup>79</sup>

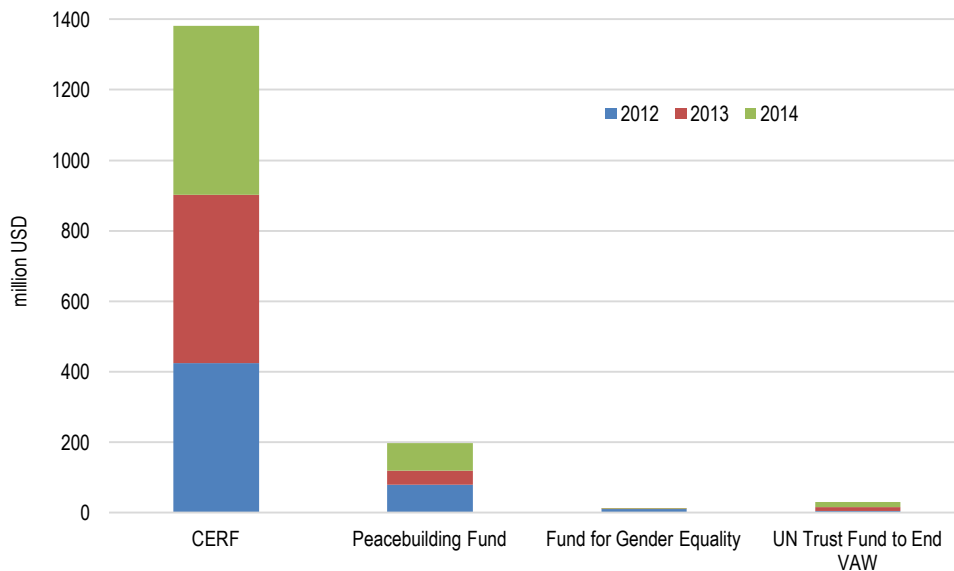
For United Nations entities and non-governmental organizations, pooled financing through designated funds and crowd sourcing offer two sources of revenue for financing gender equality and women's empowerment.

**Pooled Financing for Gender Equality and Women's Empowerment**

For both United Nations entities and non-governmental organizations, multi-partner trust funds (MPTFs) are a common form of revenue for implementation of their activities and realization of their mandates.

MPTFs are "pass through" mechanisms through which partners (donors) collectively finance a common goal, such as gender equality and women's empowerment at the national, regional or global level. The perceived strengths of MPTFs include the relative flexible and long-term nature of the funding, which supports planning and sustainability of initiatives; the fostering of alignment between fund recipients, thereby minimising duplication and waste of resources; and the comparatively lower transaction costs for donors, governments and implementing partners.

There are numerous MPTFs supporting the work of the United Nations. The MPTFs are not, however, equally financed. The Central Emergency Response Fund (CERF)<sup>80</sup> and the Peacebuilding Fund<sup>81</sup>, both established in 2006, received significantly more contributions than did the two United Nations funds that address gender equality and women's empowerment: 1.5 billion USD, compared to 44.7 million USD (Figure 4).



**Figure 4:** Contributions (million USD) to United Nations humanitarian and gender equality funds, from 2012 to 2014.

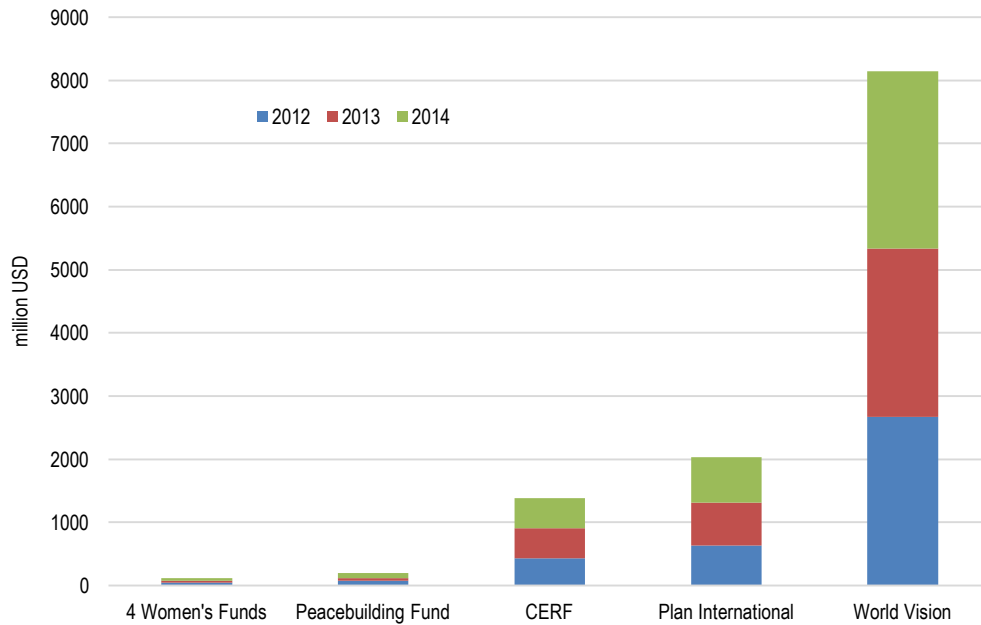
<sup>79</sup> Commission on the Status of Women (2008). Agreed Conclusions, paragraph 21(II) ; [www2.unwomen.org/~media/headquarters/attachments/sections/csw/52/csw52\\_e\\_final.pdf?v=1&d=20141222T181036](http://www2.unwomen.org/~media/headquarters/attachments/sections/csw/52/csw52_e_final.pdf?v=1&d=20141222T181036)

<sup>80</sup> [www.unocha.org/cerf/](http://www.unocha.org/cerf/)

<sup>81</sup> [www.unpbf.org/](http://www.unpbf.org/); <http://mptf.undp.org/factsheet/fund/PB000>



A further comparison, reveals how poorly financed are funds dedicated to gender equality and women's empowerment, relative to humanitarian pooled financing mechanisms and to two leading non-governmental organizations that work for the realization of the rights of the child (Figure 5).



**Figure 5:** Revenue (million USD) received by selected development entities, for 2012 to 2014.

Collectively, between 2012 and 2014, the combined revenue of the United Nations Fund for Gender Equality,<sup>82</sup> the United Nations Trust Fund to End Violence Against Women,<sup>83</sup> the Global Fund for Women<sup>84</sup> and Mama Cash<sup>85</sup> was 114.7 million USD.<sup>86</sup> From 2012 to 2014, the total income for Plan International was slightly more than 2 billion USD,<sup>87</sup> while World Vision International's income for the same period exceeded 8.1 billion USD.<sup>88</sup>

With such contributions as 9.5 billion USD to the Global Fund to Fight AIDS, Tuberculosis and Malaria<sup>89</sup> between 2011 and 2013 and the global pledge in the Paris Agreement of 100 billion USD per year for combatting climate change,<sup>90</sup> the relatively low donations to funds dedicated to

<sup>82</sup> [www.unwomen.org/en/trust-funds/fund-for-gender-equality](http://www.unwomen.org/en/trust-funds/fund-for-gender-equality)

<sup>83</sup> [www.unwomen.org/en/trust-funds/un-trust-fund-to-end-violence-against-women](http://www.unwomen.org/en/trust-funds/un-trust-fund-to-end-violence-against-women)

<sup>84</sup> [www.globalfundforwomen.org/](http://www.globalfundforwomen.org/); [www.globalfundforwomen.org/financial-information/](http://www.globalfundforwomen.org/financial-information/)

<sup>85</sup> [www.mamacash.org/](http://www.mamacash.org/); [www.mamacash.org/publications/annual-report-2014/](http://www.mamacash.org/publications/annual-report-2014/)

<sup>86</sup> Separately, the 2012-2014 revenue for the Fund for Gender Equality was 13.3 million USD; for the United Nations Trust Fund to End Violence Against Women, 31.4 million USD; for the Global Fund for Women, 47.8 million USD; and for Mama Cash, 22.2 million USD.

<sup>87</sup> <https://plan-international.org/>

<sup>88</sup> [www.wvi.org/](http://www.wvi.org/)

<sup>89</sup> [www.theglobalfund.org/en/](http://www.theglobalfund.org/en/)

<sup>90</sup> FCCC/CP/2015/L.9, *Adoption of the Paris Agreement*, United Nations; <http://unfccc.int/resource/docs/2015/cop21/eng/l09.pdf>

gender equality and women's empowerment<sup>91</sup> implicates prevailing political priorities and power relations; not the lack of financial resources per se.

Encouragingly, political support for MPTFs to finance gender equality and women's empowerment exists in the Asia-Pacific region, as Governments have committed to “develop dedicated funding mechanisms and/or programmes to support the work and to enhance the capacities of organizations that support the leadership development and full participation of women in all levels of decision-making and across all sectors.”<sup>92</sup> This is of significance because pooled financing mechanisms can be a means through which issues deemed to be “sensitive”, and thus high-risk, may be funded; as well as offering non-governmental organizations sustained funding and reaching comparatively small women's organizations.

With the support of governments and other donors, if United Nations entities and non-governmental organizations choose to (continue to) pursue this option – as the launch of the Global Financing Facility in support of Every Woman, Every Child,<sup>93</sup> in July 2015 suggests – attention will need to be given to the design and administration of funds, with implementation grounded in a results-based management system, that is derived from cogent theories of change. Beyond operational aspects, pooled financing mechanisms in support of gender equality and women's empowerment must be of benefit to women's rights organizations, thereby necessitating long-term commitments, participatory decision-making in terms of how funds are used, and clear accountabilities between all parties. The engagement of such entities as the International Network of Women's Funds<sup>94</sup> may be advantageous in terms of achieving desired transformative changes. Moreover, alongside dedicated funds, gender equality must be integrated throughout all other pooled financing mechanisms.

Consideration may be given to duplicating the example of the Government of the Netherlands which, in 2012 in follow-up to its MDG3 Fund, established Funding Leadership and Opportunities for Women (FLOW).<sup>95</sup> For the period 2016 to 2010, through FLOW, the Dutch Government, has allocated 93 million euros to organizations working on women's security, economic self-reliance and political participation; involving nine countries in the Asia-Pacific region.<sup>96</sup> Recalling that the combined revenue of the Fund for Gender Equality and the UN Trust Fund to End Violence Against Women, for 2012-2014, was 44.7 million USD, FLOW constitutes a significant source of financing for women's organisations. Yet, given that nine of 106 eligible organizations have been awarded grants for the 2016-2020 period, and noting the fund being inaccessible to relatively small women's organizations, substantially more resources are required to meet demand.

Thus, as well as global and regional funds, consideration may be given to national-level, or country-based, pooled financing mechanisms. The Office for the Coordination of Humanitarian Affairs (OCHA) successfully implements country-based pooled funds (CBPF).<sup>97</sup> Operating in 18 countries, governments and private donors contribute to a CBPF, which is aligned to national

<sup>91</sup> A further example of the relatively low financing of gender equality and women's empowerment is the 2010 survey of 42 women's funds which, collectively, had a combined income of 54.5 million USD. See Arutyunova A. and C. Clark (2013). *Watering the leaves, Starving the Roots: the Status of Financing for Women's Rights Organizing and Gender Equality*, Association for Women's Rights in Development: Toronto; [www.awid.org/sites/default/files/atoms/files/WTL\\_Starving\\_Roots.pdf](http://www.awid.org/sites/default/files/atoms/files/WTL_Starving_Roots.pdf)

<sup>92</sup> E/ESCAP/GEWE/2 (2014). *Asian and Pacific Ministerial Declaration on Advancing Gender Equality and Women's Empowerment*, United Nations Economic and Social Commission for Asia and the Pacific, paragraph 57(q); [www.unescapsdd.org/files/documents/E\\_ESCAP\\_GEWE\\_2.pdf](http://www.unescapsdd.org/files/documents/E_ESCAP_GEWE_2.pdf)

<sup>93</sup> <http://globalfinancingfacility.org/>

<sup>94</sup> [www.inwf.org/](http://www.inwf.org/)

<sup>95</sup> [www.flowprogramme.nl/Public/HomePage.aspx](http://www.flowprogramme.nl/Public/HomePage.aspx); [www.government.nl/topics/grant-programmes/contents/funding-leadership-and-opportunities-for-women-flow](http://www.government.nl/topics/grant-programmes/contents/funding-leadership-and-opportunities-for-women-flow)

<sup>96</sup> Afghanistan, Bangladesh, Cambodia, Indonesia, Myanmar, Pakistan, Papua New Guinea, Solomon Islands, Thailand, Timor Leste, Viet Nam

<sup>97</sup> [www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds](http://www.unocha.org/what-we-do/humanitarian-financing/country-based-pooled-funds)

humanitarian priorities and action plans. As of 2015, in the Asia-Pacific region, CBPFs existed in Afghanistan, Myanmar, Pakistan and Turkey, with contributions made from Australia, India, Malaysia and the Republic of Korea. With a global total of 561 million USD for 2015, gender equality would ideally be an issue considered at all stages of administration of the CBPFs.<sup>98</sup> Another example of a seemingly successful national-level pooled financing mechanism is the Women's Fund in Georgia.<sup>99</sup> Established in 2005, this fund mobilises resources which finance, through grants, the work of women's organizations operating in Georgia. Donors for the Women's Fund in Georgia encompass individuals, governments (such as the United States and Estonia), foundations (like the Oak Foundation) and international trust funds (including Sigrid Rausing Trust and the Urgent Action Fund for Women's Human Rights).

### **Crowdfunding**

Crowdfunding is a particular form of pooled financing that has become an increasingly popular means of raising money from large groups of people, often through the internet, but also through such means as mail-order subscriptions and benefit events.<sup>100</sup>

Given the outreach capacity, crowdfunding provides a means of expanding awareness of, and engagement with, issues of gender equality and women's empowerment; from individuals and families, to community-based organisations and private sector companies. Catapult is a crowdfunding platform that was established in 2012 – with the support of such corporate partners as P&G prestige, Gucci and Johnson and Johnson – for the specific purpose of funding initiatives for women and girls, in the areas of education, violence, reproductive rights and economic empowerment. At the conclusion of 2015, 432 projects, across 86 countries, had received funding through catapult.<sup>101</sup>

In December 2015, Kiva was listed in the global top 10 most popular crowdfunding internet sites.<sup>102</sup> Kiva is a non-profit organization through which “lenders” – individually or as groups – can finance entrepreneurs.<sup>103</sup> In selecting borrowers, lenders can filter by sex and choose to finance individual women or women cooperatives. Conceivably, there are opportunities with existing, or in the creation of new, crowdfunding platforms for financing gender equality and women's empowerment.

What crowdfunding also demonstrates is the power of the collective. Given the comparatively low funds allocated for gender equality and women's empowerment purposes, alongside the competition between development actors for funding, collective action offers women's rights organizations, the opportunity to, for example, strengthen their capacities, strategize for maximum impact and strengthen their negotiating power. A successful example of collective action is Girls not Brides.<sup>104</sup> With funding from governments, philanthropic foundations and the private sector, Girls Not Brides brings together approximately 550 civil society organizations who work for the eradication of child marriage.

<sup>98</sup> <https://docs.unocha.org/sites/dms/Documents/OCHA%20CBPF%20Allocation%20Contribution%20Dec%202015.pdf>

<sup>99</sup> [www.womenfundgeorgia.org/?lan=en](http://www.womenfundgeorgia.org/?lan=en)

<sup>100</sup> Information for Development Program (2013). Crowdfunding's Potential for the Developing World, The World Bank: Washington D.C.; [http://infodev.org/infodev-files/wb\\_crowdfundingreport-v12.pdf](http://infodev.org/infodev-files/wb_crowdfundingreport-v12.pdf)

<sup>101</sup> <http://catapult.org/>

<sup>102</sup> [www.crowdfunding.com/](http://www.crowdfunding.com/)

<sup>103</sup> [www.kiva.org/](http://www.kiva.org/)

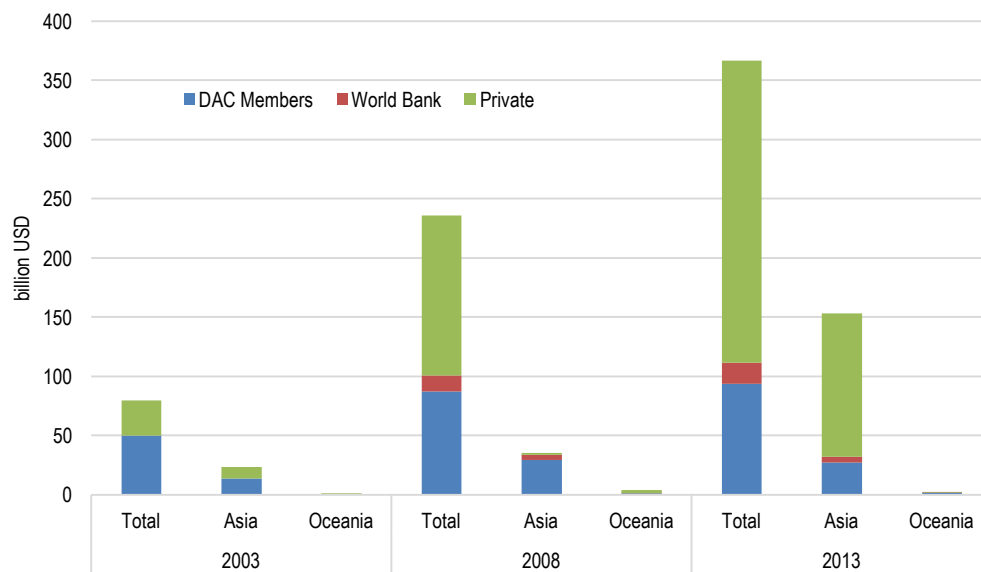
<sup>104</sup> [www.girlsnotbrides.org/](http://www.girlsnotbrides.org/)

## V. Private Sector Financing of Gender Equality and Women's Empowerment

As evident in the Addis Ababa Action Agenda,<sup>105</sup> the private sector – corporations, business, companies which exist for-profit, and their foundations – occupies an influential role in financing sustainable development.

Through, for example, individual acts of corporate social responsibility, the United Nations Global Compact,<sup>106</sup> the Guiding Principles on Business and Human Rights,<sup>107</sup> the OECD Guidelines for Multinational Enterprises,<sup>108</sup> and the World Business Council for Sustainable Development,<sup>109</sup> (elements of) the private sector have committed to upholding the fundamental human rights, promoting equality and non-discrimination, and protecting the natural environment.<sup>110</sup> As of December 2015, 1,109 companies had committed to advancing gender equality specifically by signing onto the United Nations Global Compact Women's Empowerment Principles.<sup>111</sup>

Alongside pledges, the significance of private sector engagement in sustainable development is evident in the progressive rise in financial aid to developing countries (Figure 6). OECD records reveal an increase in aid disbursements by the private sector from 2003 to 2013, particularly in Asia.<sup>112</sup>



**Figure 6:** ODA disbursements, by “donor” category, from 2003 to 2013.

<sup>105</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>106</sup> [www.unglobalcompact.org/](http://www.unglobalcompact.org/)

<sup>107</sup> [www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf);

[http://ap.ohchr.org/documents/dpage\\_e.aspx?si=A/HRC/RES/17/4](http://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/RES/17/4)

<sup>108</sup> <http://mneguidelines.oecd.org/text/>

<sup>109</sup> [www.wbcsd.org/home.aspx](http://www.wbcsd.org/home.aspx)

<sup>110</sup> It is noted that the “private sector” is a heterogeneous category – from micro- to macro-enterprises, from national to transnational corporations; wherein “members” of this category behave in diverse manners with varied motivations.

<sup>111</sup> [www.weprinciples.org/](http://www.weprinciples.org/); [www.weprinciples.org/Site/Companies/1](http://www.weprinciples.org/Site/Companies/1)

<sup>112</sup> OECD (2005). *Geographical Distribution of Financial Flows to Aid Recipients 1999-2003*, OECD: Paris; [www.oecd-ilibrary.org/fr/development/geographical-distribution-of-financial-flows-to-aid-recipients-2005\\_fin\\_flows\\_aid-2005-en-fr](http://www.oecd-ilibrary.org/fr/development/geographical-distribution-of-financial-flows-to-aid-recipients-2005_fin_flows_aid-2005-en-fr); OECD (2015), *Geographical Distribution of Financial Flows to Developing Countries 2015: Disbursements, Commitments, Country Indicators*, OECD Publishing, Paris; [www.oecd.org/dac/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm](http://www.oecd.org/dac/geographical-distribution-of-financial-flows-to-developing-countries-20743149.htm)

Before discussing the sources of revenue for gender equality and women's empowerment that may be procured from the private sector generally, the derived philanthropic foundations and international migrant remittances, it is important to reiterate that ultimate responsibility for sustainable development and for the fulfilment of all human rights for all persons rests with governments. Hence, the operations and investments of the private sector must be regulated. This obligation on the part of governments was articulated in the Platform for Action<sup>113</sup> and recently reiterated in the Addis Ababa Action Agenda.<sup>114</sup> As stressed by Magdalena Sepulveda Carmona: "States should take measures to ensure that business enterprises that the State is in a position to regulate, including legal, accounting and other specialized firms that assist in tax abuse, do not participate in or facilitate tax abuse or illicit financial flows, given that they have a detrimental impact on the realization of economic, social and cultural rights."<sup>115</sup>

In accordance with the aforementioned importance of such issues as eliminating tax avoidance and promoting participatory gender-responsive budgeting, regulations should mandate public disclosure of financial matters, including revenues, profits, losses and taxes paid; alongside adherence to (or violation of) human rights. For multi-national corporations, such reporting should be disaggregated by location of business.

### **Private Sector Financing:<sup>116</sup> Impact Investment and Public-Private Partnerships**

Impact investing involves private sector entities putting (granting or loaning) money into an organization, fund or initiative "with the intention to generate measurable social and environmental impact alongside a financial return."<sup>117</sup>

As a source of financing for development, inclusive of gender equality outcomes, impact investing is receiving increasing attention. Responding to this interest, the Group of Eight (G8), for example, established the Global Social Impact Investment Steering Group in 2014 for the purpose of "promoting a unified view of impact investment, facilitating knowledge exchange and encouraging policy change in national markets".<sup>118</sup>

A mapping of 170 corporate sector initiatives suggests that the potential revenue available through impact investing has yet to be directed towards gender equality and women's empowerment, and particularly to women's rights organizations, in any substantial manner. The AWID study found that 14.6 billion USD was invested by corporate entities in initiatives focusing

<sup>113</sup> Paragraph 165(I): "Ensure that all corporations, including transnational corporations, comply with national laws and codes, social security regulations, applicable international agreements, instruments and conventions, including those related to the environment, and other relevant laws". Fourth World Conference on Women (1995). *Beijing Declaration and Platform for Action*; [www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf](http://www.un.org/womenwatch/daw/beijing/pdf/BDPfA%20E.pdf)

<sup>114</sup> Paragraph 36: "We will develop policies and, where appropriate, strengthen regulatory frameworks to better align private sector incentives with public goals, including incentivizing the private sector to adopt sustainable practices, and foster long-term quality investment." A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

<sup>115</sup> A/HRC/26/28. (2014). *Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona*, Human Rights Council, 26<sup>th</sup> session, United Nations, paragraph 6.

<sup>116</sup> It is acknowledged that foreign direct investment (FDI) is, at 15 per cent of GDP, a significant source of revenue for many developing countries. (See OECD (2002). *Foreign Direct Investment for Development: Maximising Benefits, Minimising Costs*, OECD: Paris.) FDI is, however, a particular expression of private sector activity in, and a general pool of revenue for, a country; which could (should?) be utilized within implementation of gender-responsive planning and budgeting. As with all private sector activity, FDI must be regulated in support of poverty reduction, human rights, gender equality and environmental sustainability.

<sup>117</sup> Global Impact Investing Network, <https://thegiin.org/about>

<sup>118</sup> [www.socialimpactinvestment.org/](http://www.socialimpactinvestment.org/)

on women and girls, but that “only 27% of the 170 initiatives supporting women and girls engaged women’s organizations as partners, and only 9% directly funded them”.<sup>119</sup>

Encouragingly, examples exist of private sector entities investing in gender equality and women’s empowerment. In the area of women’s economic empowerment, through entrepreneurship, there is the Goldman Sachs 10,000 Women Initiative<sup>120</sup> and Walmart’s Women’s Economic Empowerment Project Partnership.<sup>121</sup> The Body Shop partnered with ECPAT International to campaign against sex trafficking; presenting over seven million petition signatures to the United Nations Human Rights Council in 2011.<sup>122</sup> Any replication of such initiatives should, however, involve critical review and selective application given that, in some instances, the parent company has been accused and/or found guilty of rights violations and/or corrupt practices.<sup>123</sup>

With a cautionary approach, mobilisation of the private sector in financing gender equality and women’s empowerment seems possible given evidence of private sector interest in sustainable development goals. For instance, in the environmental domain, elements of the private sector have expressed support for a carbon tax; a tax on carbon dioxide emissions that come from burning fossil fuels. This broad support – from governments, businesses, investors and non-governmental organizations – has been expressed in the World Bank Statement “We Support Putting a Price on Carbon”<sup>124</sup> and by the CEO of the World Business Council for Sustainable Development,<sup>125</sup> as well as enacted through the formation of the Carbon Pricing Panel.<sup>126</sup> If momentum can be generated around the specific issue of climate change, it is conceivable that private sector stakeholders, including the World Bank and the International Monetary Fund, could similarly support gender equality and women’s empowerment as a public good.

One modality through which private sector entities are financing sustainable development, and could finance gender equality and women’s empowerment, is through “public-private partnerships”. As with all engagement with the private sector, such partnerships need to embody principles pertaining to human rights, non-discrimination, equity, equality, accountability and transparency, while also ensuring that any investment risks are not shouldered solely by the public partner. Such considerations are particularly relevant given assessments of public-private partnerships that have concluded that “there is very little empirical evidence available on mainstreaming gender considerations into project design, especially in the case of PPP projects. Evidence is similarly scarce on actual demonstrable impacts on women and girls” and that “there seem to be few significant differences between PPP gender impacts and traditionally financed projects.”<sup>127</sup> Moreover, the focus of public-private partnerships, to date, needs to broaden beyond the favoured infrastructure, telecommunications and energy sectors if they are to be of benefit to women and girls, in accordance with their self-stated needs, interests and circumstances. Successful investments through this modality are suggested by the United Nations Trust Fund to End Violence Against Women’s partnership with, for example, Yuwei Designs, Music for Life International, Soko, FASH UNITED.<sup>128</sup>

<sup>119</sup> Miller, J., A. Arutyunova and C. Clark (2013). *New Actors, New Money, New Conversations: a Mapping of Recent Initiatives for Women and Girls*, Association for Women’s Rights in Development: Toronto, Canada, p. 45; [www.awid.org/publications/new-actors-new-money-new-conversations](http://www.awid.org/publications/new-actors-new-money-new-conversations)

<sup>120</sup> [www.goldmansachs.com/citizenship/10000women/](http://www.goldmansachs.com/citizenship/10000women/)

<sup>121</sup> [www.walmartempowerswomen.org/](http://www.walmartempowerswomen.org/)

<sup>122</sup> [www.thebodyshop.ca/en/values/trafficking.aspx](http://www.thebodyshop.ca/en/values/trafficking.aspx)

<sup>123</sup> For example see [www.workplacefairness.org/reports/good-bad-wal-mart/wal-mart.php](http://www.workplacefairness.org/reports/good-bad-wal-mart/wal-mart.php)

<sup>124</sup> <http://siteresources.worldbank.org/EXTSDNET/Resources/carbon-pricing-supporters-list-092114.pdf>

<sup>125</sup> [www.huffingtonpost.com/peter-bakker/put-a-price-on-carbon-now\\_b\\_5882236.html](http://www.huffingtonpost.com/peter-bakker/put-a-price-on-carbon-now_b_5882236.html)

<sup>126</sup> [www.carbonpricingleadership.org/carbon-pricing-panel](http://www.carbonpricingleadership.org/carbon-pricing-panel)

<sup>127</sup> International Finance Corporation (2012). *Gender Impact of Public Private Partnerships: Literature Review Synthesis Report*, Mott MacDonald: United Kingdom, pp. i and v.

<sup>128</sup> [www.unwomen.org/en/trust-funds/un-trust-fund-to-end-violence-against-women](http://www.unwomen.org/en/trust-funds/un-trust-fund-to-end-violence-against-women)



## Philanthropy

One product of financially successful businesses is a philanthropic enterprise, which may take the form of a foundation or trust fund. Whether they are categorised as independent, operating, corporation or community foundations, philanthropic foundations are characterised by being non-governmental, non-profit, managed by trustees and directors, and invest in “public goods”.<sup>129</sup> Gender equality and women's empowerment constitutes one such public good.

The financing available through philanthropic venture is seemingly sizeable, suggesting that efforts to direct philanthropic funds to gender equality and women's empowerment organizations and initiatives may be well spent. The OECD estimated the “philanthropy value of all DAC donors”, for 2011, at 31.5 billion USD. In the Asia-Pacific region, Japan is a key source of such value, with philanthropic contributions to international development totalling approximately 5.51 billion USD in 2010.<sup>130</sup>

Other indications of philanthropic financing possibilities – for development generally and gender equality and women's empowerment specifically – include the recently launched Chan Zuckerberg Initiative which will grant 45 billion USD to entities and activities that focus on “advancing human potential and promoting equality”.<sup>131</sup> One “issue area” in the Bill, Hillary and Chelsea Clinton Foundation is “girls and women”.<sup>132</sup> In 2013, the total revenue of the Clinton Foundation was 294 million USD, rising to 338 million USD in 2014.<sup>133</sup> Since 2007, “Women Moving Millions”, which is self-defined as “a global philanthropic community committed to large scale investment in women and girls”, has dispensed funds of approximately 600 million USD.<sup>134</sup> “The Girl Effect” is the product of initial investments by the Nike Foundation, NoVo Foundation and UN Foundation to promote the education, health, economic security, safety and voice and rights of girls; operating in 15 countries, including Bangladesh, India, Indonesia and the Philippines from the Asia-Pacific region.<sup>135</sup> The Avon Foundation for Women funds the “Speak Out Against Domestic Violence” project.<sup>136</sup> Philanthropic revenue possibilities also exist at the national level. In India, for example, the monetary value of the “philanthropy sector” tripled from 2006 to 2011, increasing from an estimated 2 to 5-6 billion USD.<sup>137</sup>

If this source of revenue is to be maximised, there is thus a need to address the reasons for the apparent stagnation in the level of private (US and European) foundation funding of women's organizations,<sup>138</sup> such that gender equality and women's empowerment can compete with, for example, education, health, child rights, humanitarian relief and environmental conservation

<sup>129</sup> Martens, J. and K. Seitz (2015). *Philanthropic Power and Development: Who Shapes the Agenda?*, Bischöfliches Hilfswerk MISEREOR, Brot für die Welt, Global Policy Forum: Aachen/Berlin/Bonn/New York, p. 8; [www.globalpolicy.org/images/pdfs/GPFEurope/Philanthropic\\_Power\\_online.pdf](http://www.globalpolicy.org/images/pdfs/GPFEurope/Philanthropic_Power_online.pdf)

<sup>130</sup> The Center for Global Prosperity (2013). *The Index of Global Philanthropy and Remittances 2013, with a Special Report on Emerging Economies*, Hudson Institute: Washington; [www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies](http://www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies)

<sup>131</sup> [www.facebook.com/notes/mark-zuckerberg/a-letter-to-our-daughter/10153375081581634?pnref=story](https://www.facebook.com/notes/mark-zuckerberg/a-letter-to-our-daughter/10153375081581634?pnref=story)

<sup>132</sup> [www.clintonfoundation.org/clinton-global-initiative](http://www.clintonfoundation.org/clinton-global-initiative)

<sup>133</sup> [www.clintonfoundation.org/about/annual-financial-reports](http://www.clintonfoundation.org/about/annual-financial-reports)

<sup>134</sup> [www.womenmovingmillions.org/](http://www.womenmovingmillions.org/)

<sup>135</sup> [www.girleffect.org/](http://www.girleffect.org/)

<sup>136</sup> [www.avonfoundation.org/](http://www.avonfoundation.org/); [www.avonfoundation.org/assets/2015/affw-2014-approved-grants-1-30-15.pdf](http://www.avonfoundation.org/assets/2015/affw-2014-approved-grants-1-30-15.pdf)

<sup>137</sup> Sheth, A., D. Ayilavarapu and A. Bhagwati (2015). *India Philanthropy Report 2015: Accelerating the Next Philanthropic Wave*, Bain & Company; [www.bain.com/Images/BAIN\\_REPORT\\_India\\_Philanthropy\\_Report\\_2015.pdf](http://www.bain.com/Images/BAIN_REPORT_India_Philanthropy_Report_2015.pdf)

<sup>138</sup> Arutyunova A. and C. Clark (2013). *Watering the leaves, Starving the Roots: the Status of Financing for Women's Rights Organizing and Gender Equality*, Association for Women's Rights in Development: Toronto, p. 19; [www.awid.org/sites/default/files/atoms/files/WTL\\_Starving\\_Roots.pdf](http://www.awid.org/sites/default/files/atoms/files/WTL_Starving_Roots.pdf)

“causes”. As reported by Martens and Seitz: “In 2012, the largest 1,000 US foundations spent 37 percent of their international grants on projects in the health sector, 11 percent on environment projects, and only 4 percent on projects in the field of human rights.”<sup>139</sup>

As well as targeted investment in gender equality and women's empowerment, it is critical that efforts are made to ensure the integration – or “mainstreaming” – of gender in all philanthropic ventures. This would apply, for example, to the recently launched SDG Philanthropy Platform; given that the SDG Philanthropy Platform was established “to nurture a more active and coordinated engagement by philanthropic organizations in the implementation and localization of the Sustainable Development Goals”,<sup>140</sup> of which “achieve gender equality and empower all women and girls” is Goal 5.

Philanthropy is not, however, a panacea to the challenge of financing gender equality and women's empowerment. Care is required in order to avoid (a) displacement of (democratic) governments by (non-democratic) foundations; (b) selective investment in development issues, such as avoidance of “sensitive” matters like reproductive rights; and (c) unpredictability in revenue, which is not conducive to long-term planning and sustained change. Thus, engagement with philanthropy needs to be participatory and representative (particularly for women's rights organizations) and transparent in operations which could, for example, be demonstrated through participation in the International Aid Transparency Initiative,<sup>141</sup> and grounded in results-based frameworks to promote accountability beyond that to boards and trustees.

### ***International Migrant Remittances***

Remittances can be a crucial source of income for both families and the state; income that can be spent on improving quality of life and opportunities. Remittances from OECD DAC members to developing countries in 2011 were calculated at 196 billion USD, with Asia being the recipient of 47 per cent of that amount.<sup>142</sup> In 2012, global remittances to developing countries were estimated at 401 billion USD, with a predicted annual increase of 8.8 per cent in 2013 and 2014;<sup>143</sup> reaching 516 billion USD in 2016.<sup>144</sup> A substantial quantity of money is, however, lost in transaction costs. In recognition of this loss of revenue for development purposes, governments globally have committed to “work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred.”<sup>145</sup>

While remittances are, typically, person-to-person financial transactions, initiatives are being undertaken whereby the finances available through the sizeable, and increasing, diaspora resources are used to fund development initiatives. Online market places have, for example,

<sup>139</sup> Martens, J. and K. Seitz (2015). *Philanthropic Power and Development: Who Shapes the Agenda?*, Bischöfliches Hilfswerk MISEREOR, Brot für die Welt, Global Policy Forum: Aachen/Berlin/Bonn/New York, p. 61; [www.globalpolicy.org/images/pdfs/GPFEurope/Philanthropic\\_Power\\_online.pdf](http://www.globalpolicy.org/images/pdfs/GPFEurope/Philanthropic_Power_online.pdf)

<sup>140</sup> [www.co.undp.org/content/colombia/es/home/operations/projects/poverty\\_reduction/plataforma-de-colaboracion-pos-2015-para-la-filantropia-y-la-inv/post-2015-partnership-platform-for-philanthropy-and-private-soci.html](http://www.co.undp.org/content/colombia/es/home/operations/projects/poverty_reduction/plataforma-de-colaboracion-pos-2015-para-la-filantropia-y-la-inv/post-2015-partnership-platform-for-philanthropy-and-private-soci.html)

<sup>141</sup> [www.aidtransparency.net/](http://www.aidtransparency.net/)

<sup>142</sup> The Center for Global Prosperity (2013). *The Index of Global Philanthropy and Remittances 2013, with a Special Report on Emerging Economies*, Hudson Institute: Washington; [www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies](http://www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies)

<sup>143</sup> The Center for Global Prosperity (2013). *The Index of Global Philanthropy and Remittances 2013, with a Special Report on Emerging Economies*, Hudson Institute: Washington; [www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies](http://www.hudson.org/research/9914-2013-index-of-global-philanthropy-and-remittances-with-a-special-report-on-emerging-economies)

<sup>144</sup> Ratha D., S. Ervin Dervisevic, C. Eigen-Zucchi, S. Plaza, H. Wyss, S. Yi and S. Yousefi (2014). 'Migration and Remittances: Recent Developments and Outlook', *Migration and Development Brief 22*, The World Bank.

<sup>145</sup> A/RES/69/313 (2015). *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, United Nations, paragraph 40; [www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA\\_Outcome.pdf](http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf).

been established to enable international migrants to financially contribute to development initiatives in their home countries. The African Diaspora Marketplace was established to “support sustainable economic growth and employment”, and collaborates with the African Women's Entrepreneurship Program.<sup>146</sup> Interest within the diaspora community to financially contribute to their communities “back home” has been documented in other parts of the world, such as the Caribbean.<sup>147</sup> It is conceivable that such interest also exists among migrants from Asian and Pacific countries, to whom diaspora bonds and crowdfunding platforms may appeal.

According to a World Bank “early findings indicate that crowdfunding may... serve as a mechanism for remittance capital to be deployed into high-growth potential companies to further economic expansion in a country.”<sup>148</sup> If remittances acquired through crowdfunding sources can be employed for economic growth, it is plausible that they could also be mobilized for financing other development priorities, to which gender equality and women's empowerment are integral. Efforts to attract international migrants to such crowdfunding platforms as <http://catapult.org/> could yield significant funds, given the calculation that “at a US\$93 billion market potential, crowdfund investing could deliver an additional 25 percent more capital to developing countries than that currently received through diaspora remittances.”<sup>149</sup>

Accompanying the financial potential of remittances, is the complex issue of labour migration, which entails costs and benefits for both sending and receiving countries, as well as for the women and men who migrate for employment (and the relatives who remain “behind”). While beyond the focus of this paper, consideration of remittances should also entail consideration of the significant human rights, equality, equity, discrimination, accountability and transparency matters related to labour migration, as currently regulated and experienced. Also, as fundamentally private sources of revenue, remittances do not constitute a substitute for State responsibility in the provision of basic social services, such as health care, education and the other elements of the social protection floor.

## VI. Financing for Gender Equality and Women's Empowerment: Conditioned Action

Money alone is not sufficient for financing gender equality and women's empowerment. What must also exist are political will; enabling normative frameworks; institutional structures and capacities; partnership and participation, and rigorous systems for tracking results.

Given that the acquisition and expenditure of money is embedded in power relations and political priorities, leadership and commitment from all elements of national and sub-national political establishments – governments, parliaments, parties, public service – is essential to equitable revenue raising and expenditure that results in equality of outcomes. Leadership on, and commitment to, gender equality and women's empowerment needs to be demonstrated in the development and/or revision of policies and legislation across all sectors of governance; with particular attention to macro and micro-economic frameworks, “development” planning processes and budget administration.

<sup>146</sup> [www.diasporamarketplace.org/](http://www.diasporamarketplace.org/)

<sup>147</sup> infoDev, Finance and Private Sector Development Department (2013). *Diaspora Investing: The Business and Investment Interests of the Caribbean Diaspora*, Washington, DC: World Bank; [www.infodev.org/infodev-files/diaspora\\_investing\\_december\\_2013.pdf](http://www.infodev.org/infodev-files/diaspora_investing_december_2013.pdf)

<sup>148</sup> Information for Development Program (2013). *Crowdfunding's Potential for the Developing World*, The World Bank: Washington D.C., p. 35; [http://infodev.org/infodev-files/wb\\_crowdfundingreport-v12.pdf](http://infodev.org/infodev-files/wb_crowdfundingreport-v12.pdf)

<sup>149</sup> Information for Development Program (2013). *Crowdfunding's Potential for the Developing World*, The World Bank: Washington D.C., p. 44; [http://infodev.org/infodev-files/wb\\_crowdfundingreport-v12.pdf](http://infodev.org/infodev-files/wb_crowdfundingreport-v12.pdf)

Institutional transformations may be required for there to be transformative changes in the lives of individual women and men, girls and boys, and in their communities – for equality, equity, rights, justice, choice, opportunity. In order for rules, regulations, responsibilities and resource allocations to be reviewed and revised accordingly, individuals – women and men – who have the knowledge, skills and commitment to progress action on gender equality and women's empowerment need to be appointed to, and empowered to act, in decision-making positions.

In addition to influential individuals, the capacity to mainstream gender in finance and budgeting processes, for concrete outcomes, must exist in key (if not all) government entities. This may, for example, necessitate investment in strengthening the technical knowledge and skills of public employees and contractors engaged in finance, economic, budget, taxation and related matters on gender.

Furthermore, and given the central role of gender-responsive planning and budgeting in financing for gender equality and women's empowerment, participation in these processes needs to go beyond public entities and engage the spectrum of non-governmental bodies; inclusive of civil society organizations generally and women's rights organizations in particular, trade unions, employers' organizations and academia.

With gender-responsive institutional structures and participatory processes in place, governments (and other development actors) may be well-positioned to raise revenue from diverse and sustained funding sources. Long-term financing of gender equality and women's empowerment is essential given that centuries of systemic discrimination and oppression of women and girls, globally, is unlikely to be eradicated within short-term funding cycles.

Predictable, flexible and enduring funds are needed to effectively plan and deliver programmes and services that equitably address, in a substantive manner, the circumstances and concerns of women and men, girls and boys, from all "elements" of society. As noted in relation to women's organizations: "Core funding is critical because it allows for flexibility to respond to changing circumstances and context, as well as investment in organizational strengthening and learning, which ultimately enhances impact. Flexible, multi-year commitments facilitate greater predictability of resources and financial sustainability allowing women's organizations to stay focused on programmatic priorities and plan more effectively."<sup>150</sup>

Notwithstanding the diversity of funding sources, governments, and other development actors, operate within demarcated fiscal spaces. Thus, resources need to be spent wisely in order to ensure "value for money", requiring results-based management, with sound financial tracking systems. Through the adoption of the "Asian and Pacific Ministerial Declaration on Advancing Gender Equality and Women's Empowerment", Governments in the region have committed to such action: "To develop and strengthen mechanisms and tools for results-based tracking of financial allocations and expenditure for the achievement of gender equality, women's rights and the empowerment of women and girls, inclusive of gender audits, gender reviews and the publishing of information on public sector expenditure and public-private investments".<sup>151</sup> The Office for the Coordination of Humanitarian Affairs offers an example of the feasibility of instituting an effective financial tracking system. FTS Beta is an online and publically accessible Financial

<sup>150</sup> Arutyunova A. and C. Clark (2013). *Watering the leaves, Starving the Roots: the Status of Financing for Women's Rights Organizing and Gender Equality*, Association for Women's Rights in Development: Toronto, p. 25; [www.awid.org/sites/default/files/atoms/files/WTL\\_Starving\\_Roots.pdf](http://www.awid.org/sites/default/files/atoms/files/WTL_Starving_Roots.pdf)

<sup>151</sup> E/ESCAP/GEWE/2 (2014). *Asian and Pacific Ministerial Declaration on Advancing Gender Equality and Women's Empowerment*, United Nations Economic and Social Commission for Asia and the Pacific, paragraph 57(u); [www.unescapsdd.org/files/documents/E\\_ESCAP\\_GEWE\\_2.pdf](http://www.unescapsdd.org/files/documents/E_ESCAP_GEWE_2.pdf)

Tracking Service through which data on humanitarian funding are validated, curated and continuously updated.<sup>152</sup>

In terms of gender equality and women's empowerment (and for all SDGs), financial tracking systems and performance-oriented budgeting – through which there is economical, efficient, effective and equitable expenditure – require gender-sensitive performance indicators and, in some instances, financial benchmarks. A financial benchmark applies to the United Nations system's peacebuilding efforts, with the Secretary-General having “committed to promoting a partnership between the United Nations system and Member States to ensure that at least 15 per cent of United Nations-managed funds in support of peacebuilding are dedicated to projects whose principal objective, consistent with organizational mandates, is to address women's specific needs, advance gender equality or empower women.”<sup>153</sup> Indicators have also been formulated to monitor financial flows in relation to implementation of the United Nations Security Council Resolutions 1325 (2000) and 1820 (2008); specifically indicators 23 and 24, which require reporting on the allocation and disbursement of (a) “funding to civil society organisations, including women's groups, that is spent on gender issues in conflict-affected countries” and (b) “funding in support of programmes that address gender sensitive relief, recovery, peace and security programmes in conflict-affected countries”, respectively.<sup>154</sup>

The utility of indicators and benchmarks is dependent upon the existence of valid, reliable and up-to-date data disaggregated by sex, age and other key factors, and of gender statistics. The collection, analysis and dissemination of sex-disaggregated data and gender statistics can facilitate accurate assessments and understandings of the needs, interests, circumstances and priorities of women and men, girls and boys; supporting the mobilisation and targeting of resources for known and needed purposes, and with an increased focus on gender equality and women's empowerment outcomes. As stated by the authors of *Trends in Bilateral and Multilateral Funding*, and applicable to entities beyond ‘donors’: “Strong systems for tracking and analysing statistical information on donor funding are no mere technical exercises – they are crucial political tools to monitor commitments to gender equality and strengthen their implementation.”<sup>155</sup>

Within the OECD and the United Nations system, gender markers are being employed as a means to monitor, and influence, the movement of money. As part of its Creditor Reporting System, the OECD employs the DAC Gender Equality Policy Marker to reveal the gender targeting, in terms of objective rather than disbursement (or not), of donor funding for developing countries.<sup>156</sup> In adherence with Elements 8 and 9 the *United Nations System-Wide Action Plan for Implementation of the CEB United Nations System-Wide Policy on Gender Equality and Women's Empowerment*<sup>157</sup> various United Nations entities are similarly employing gender equality markers,

<sup>152</sup> <http://ftsbeta.unocha.org/>

<sup>153</sup> S/2010/466 (2010). Women's Participation in Peacebuilding: Report of the Secretary-General, United Nations, paragraph 36; [www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20466.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20466.pdf)

<sup>154</sup> S/2010/173 (2010). *Women, Peace and Security: Report of the Secretary-General*, United Nations; [www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20173.pdf](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/WPS%20S%202010%20173.pdf)

<sup>155</sup> Alpizar, L., C. Clark, A. Pittman, S. Rosenhek and V. Vidal (2010). *Trends in Bilateral and Multilateral Funding*, Association for Women's Rights in Development: Toronto, Canada, p. 37; [www.awid.org/publications/trends-bilateral-and-multilateral-funding](http://www.awid.org/publications/trends-bilateral-and-multilateral-funding)

<sup>156</sup> [www.oecd.org/dac/stats/aidinsupportofgenderequalityandwomens empowerment.htm](http://www.oecd.org/dac/stats/aidinsupportofgenderequalityandwomens empowerment.htm); [www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm](http://www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm)

<sup>157</sup> In order to “meet requirements” of Element 8 of the UN-SWAP (“Financial resource tracking”), UN entities must have a “financial resource tracking mechanism in use to quantify disbursement of funds that promote gender equality and women's empowerment”. In order to “meet requirements” of Element 9 of the UN-SWAP (“Financial resource allocation”), UN entities must have “set and met their financial benchmark for resource allocation for GEWE mandate”. United Nations (2012). *United Nations System-Wide Action Plan for Implementation of the CEB United Nations System-Wide Policy on Gender Equality and Women's Empowerment*, United Nations: New York, p. 11;



including the International Labour Organization (ILO), the Peacebuilding Fund, the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA). In the humanitarian sector, the Inter-Agency Standing Committee Gender Marker "is required for all Consolidated Appeals Processes (CAPs) and other humanitarian appeals and funding mechanisms."<sup>158</sup> With leadership and institutionalisation, such markers are valued for promoting conscious attention to, and accountability for, gender equality and women's empowerment processes and outcomes.

Along with the emphasis on outcomes, it is equally critical to stress the need to invest in processes that facilitate raising of women's voices on crucial issues. There are ample examples from several countries, such as India, where initiatives such as Mahila Samakhya and Kudumbashree, with no specific agenda or specific outcomes, have had positive implications on women's lives.

Tools, knowledge, capacities and commitments exist to finance gender equality and women's empowerment: progressive taxation, ODA, gender-responsive planning and budgeting, multi-partner trust funds, crowdfunding, impact investment, philanthropy, remittances and the many other means not addressed in this paper. Substantial and systemic raising and redistribution of revenue requires, however, the alignment of political will, priorities and power relations across the public and private sectors for gender justice. In their adoption of the 2030 Agenda for Sustainable Development, Governments globally acknowledged that the "achievement of full human potential and of sustainable development is not possible if one half of humanity continues to be denied its full human rights and opportunities."<sup>159</sup> In order for the female half of humanity to exercise the human rights that are deemed universal, and to equitably benefit from the processes and results of development as proclaimed in the new global agenda, such proclamations need to be substantiated in the allocation and expenditure of commensurate financial resources.

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[www.unwomen.org/~media/Headquarters/Attachments/Sections/How%20We%20Work/UNSystemCoordination/UN-SWAP-Framework-Dec-2012.pdf](http://www.unwomen.org/~media/Headquarters/Attachments/Sections/How%20We%20Work/UNSystemCoordination/UN-SWAP-Framework-Dec-2012.pdf)

<sup>158</sup> [www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf](http://www.humanitarianresponse.info/system/files/documents/files/gm-overview-en.pdf)

<sup>159</sup> A/RES/70/1 (2015). *Transforming Our World: the 2030 Agenda for Sustainable Development*, United Nations, paragraph 20; [www.un.org/en/ga/search/view\\_doc.asp?symbol=A/RES/70/1](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1)



Appendix

**FIGURE 1 COMPUTATIONS**

Figure 1 (page 2) reveals the strong positive links between gender equality and human development.<sup>160</sup>

The data upon which Figure 1 are based are that of the Human Development Index (HDI)<sup>161</sup>, the Gender Inequality Index (GII)<sup>162</sup>, the Social Institution and Gender Index (SIGI)<sup>163</sup> and the Global Gender Gap Index (GGGI)<sup>164</sup> for 2014. To facilitate ease of comprehension, all indices were converted to a 0-100 scale.

A regression analysis was conducted to explore the relationship between gender equality and human development. Due to its high correlation with the HDI (see Table 3) and resulting potential problems of endogeneity, the GII was excluded from further examination. In addition to examining the impact of the SIGI and the GGI on human development, two more variables were added to account for gender dimensions. Drawing upon the World Bank's World Development Indicators database,<sup>165</sup> 2014 data pertaining to (a) maternal mortality ratio (per 1,000 live births) and (b) ratio of female-to-male salaried employment rate were added as control variables.

**Model**

The following two regression models were used to estimate the effect of gender inequality, institutional discrimination, maternal mortality and salaried employment rate on human development.

$$(1) HDI = \alpha + \beta_1 SIGI + \beta_2 Maternal\ Mortality + \beta_3 Salaried\ Employment\ Ratio + u$$

$$(2) HDI = \alpha + \beta_1 GGGI + \beta_2 Maternal\ Mortality + \beta_3 Salaried\ Employment\ Rate + u$$

where  $\alpha$  and  $\beta$  are coefficients to be estimated and where  $u$  represents the error term.

<sup>160</sup> The computations producing Figure 1 are the work of Lorenzo Motta and Arun Frey, of the Social Development Division, UN ESCAP.

<sup>161</sup> <http://hdr.undp.org/en/content/human-development-index-hdi>

<sup>162</sup> <http://hdr.undp.org/en/content/gender-inequality-index-gii>

<sup>163</sup> [www.genderindex.org/](http://www.genderindex.org/)

<sup>164</sup> [www.gaportal.org/global-indicators/global-gender-gap-index](http://www.gaportal.org/global-indicators/global-gender-gap-index)

<sup>165</sup> <http://data.worldbank.org/data-catalog/world-development-indicators>

## Descriptive Statistics

**Table 1: Summary Statistics**

Variable	Observations	Mean	Standard Deviation	Min	Max
HDI (0-100)	184	69.24	15.60	34.83	94.39
GII (0-100)	154	36.50	19.18	1.64	74.40
GGGI (0-100)	141	69.20	5.95	51.45	85.94
SIGI (0-100)	107	18.90	14.30	.16	56.34
Maternal Mortality Ratio (per 100,000)	177	172.85	237.79	3	1410
Female/Male Salaried Employment Rate	127	0.94	0.25	0.23	1.47

**Table 1: Regional variation in the HDI and GII on the 0-100 scale**

Region	HDI (0-100)	GII (0-100)	SIGI (0-100)	GGGI (0-100)
Asia and the Pacific	70.08	36.65	18.30	67.44
North America, Latin America and the Caribbean	73.50	40.99	6.95	70.95
sub-Saharan Africa	60.65	57.21	27.96	67.70
Europe	84.87	13.11	4.97	73.78
Middle East and North Africa	73.00	38.08	32.20	61.71

**Table 3: Correlation Matrix**

Variable	(1)	(2)	(3)	(4)	(5)	(6)
(1) HDI	1.00					
(2) GII	-0.87	1.00				
(3) GGGI	0.42	-0.55	1.00			
(4) SIGI	-0.66	0.70	-0.72	1.00		
(5) Maternal Mortality Rate	-0.82	0.71	-0.29	0.6	1.00	
(6) Salaried Employment Ratio	0.74	-0.58	0.26	-0.5	-0.78	1.00

**Figure A:** Relationship between human development and gender inequality (all countries).



**Figure B:** Relationship between human development and gender inequality (Asia and the Pacific)



**Data Analysis**

The data analysis in Table 4 was broken down into four models. The dependent variable in each specification is the HDI, scaled from 0 to 100. The first two models use the SIGI (0-100) as the main gender index specification, which is replaced with the GGGI (0-100) in the third and fourth models. The remaining independent variables are maternal mortality rate and female-to-male salaried employment rate.

Model 1 reveals the effects of (a) institutional gender discrimination, (b) maternal mortality and (c) gender differences in salaried employment rate on the HDI. The SIGI coefficient is negative and statistically significant, indicating that countries with higher levels of discriminatory social institutions tend to have lower levels of human development. A one point increase in SIGI is associated with about a 0.16 point decline in the HDI, highlighting its substantial effect on human development. Both maternal mortality rate and female-male salaried employment rate have a statistically significant effect on human development. While each additional maternal death decreases the HDI score by 0.038, an increase in the ratio of female-to-male workers is positively associated with the Human Development Index.

In Model 2, regional dummy variables were included in order to control for unobserved regional-level differences in human development. With the inclusion of regional control variables, the effect of the SIGI loses statistical significance at  $p < 0.05$ . Maternal mortality and the ratio of salaried

women to salaried men continue to have a statistically significant effect, although the effect and statistical power reduces slightly in magnitude. The low number of observations in the first two models may contribute to the SIGI's loss of statistical significance.

In the third model, the SIGI was replaced with the GGGI. The GGGI quantifies the magnitude of gender-based disparities in four dimensions: economic participation and opportunity, educational attainment, health and survival, and political empowerment. The index ranges from 0 (absolute inequality) to 1 (equality), and was extended to 100 for ease of interpretation. Due to greater data availability it was possible to include more countries in the evaluation (116, in comparison to 74 for the SIGI). In Model 3, the GGGI is positively and significantly correlated with the HDI. Higher levels of gender equality thus facilitate human development. Specifically, each one-point increase in the GGGI is associated with a 0.41 increase in the Human Development Index.

In the final model, regional dummy variables were added once again to control for unobserved regional-level differences. The effect of the GGGI remains statistically significant at  $p < 0.01$ , and only marginally reduces in magnitude. While maternal mortality rate remains highly statistically significant (with each additional maternal death reducing the HDI score by 0.06), the effect of female-to-male salaried employment rate loses statistical significance with the inclusion of the regional dummies.

It is important to note the limitations pertaining to the foregoing analysis. First, due to its cross-sectional design, the regression analysis cannot infer causality. Further exploration of the impact of gender equality on human development should be undertaken, envisaging the incorporation of data collected across multiple years. Secondly, although the high R-squared scores indicate the explanatory power of the independent variables included in Table 4, the high correlation between dependent and independent variables (Table 3) suggest that the model may suffer from endogeneity. This may be due to the composition of the HDI, wherein it is difficult to disentangle exogenous effects from endogenous ones. Part of the HDI is composed of life expectancy, which may be highly correlated with maternal mortality rate, therefore contributing to the unusually high R-squared coefficient. Nevertheless, employment and health are among the important factors influencing human development; excluding these two factors from an analysis would thus lead to an incomplete estimation, potentially exaggerating the effect of the gender inequality indices on human development.

**Table 4:** Analysis of the effect of gender variables on human development

Human Development Index	Model 1		Model 2		Model 3		Model 4	
	Coeff.	SE	Coeff.	SE	Coeff.	SE	Coeff.	SE
SIGI	-0.158*	0.065	-0.027	0.086				
GGGI					0.412***	0.112	0.385**	0.139
Maternal Mortality Rate	-0.038***	0.006	-0.034***	0.008	-0.061***	0.007	-0.055***	0.008
Salaried Emp. Ratio	11.316**	3.881	10.996*	4.181	8.629*	3.974	5.811	4.064
<i>Regions<sup>a</sup></i>								
North America, Latin America and the Caribbean			1.019	2.131			-0.517	1.870

Human Development Index	Model 1		Model 2		Model 3		Model 4	
	Coeff.	SE	Coeff.	SE	Coeff.	SE	Coeff.	SE
sub-Saharan Africa			-1.731	2.769			-1.934	2.957
Europe			7.017**	2.164			4.805*	1.860
Middle East and North Africa			-4.359	3.603			3.036	2.434
Constant	66.044***	4.271	62.675***	4.348	43.561***	8.952	46.158***	10.306
Observations	74		74		116		116	
R-squared	0.788		0.830		0.751		0.777	

Coeff.: Coefficients SE: Standard errors in second column

a – reference group: Asia and the Pacific, \* p<0.05, \*\* p<0.01, \*\*\* p<0.001"