FINANCING POLICY BRIEF SERIES
INTER-AGENCY TASK FORCE ON
FINANCING FOR DEVELOPMENT

FINANCING FOR GENDER EQUALITY BY UN WOMEN ON BEHALF OF THE IATF GENDER CLUSTER

Key messages

- Global crises and economic shocks have widened existing gender gaps, threatening the achievement of sustainable development, inclusive economic growth, and lasting peace.
- Despite the clear economic and social dividends of closing gender gaps, sustainable and adequate financing for gender equality remains profoundly lacking.
- Even when resources are available, their prioritization, effective and efficient allocation are often misaligned with national gender priorities.
- Reforms to the international financial system can advance gender equality by addressing systemic barriers and creating inclusive economies.
- Timely, effective and fair debt relief mechanisms are crucial to free up public finances in support of increased financing for women and girls.
- Progressive taxation and gender-responsive budgeting can increase fiscal space for investments to close gender gaps.
- A significant increase in the gender focus of official development assistance (ODA) is required, particularly in crisis contexts.
- Financing social protection and ensuring women's access to finance, credit and financial services is essential.
- Integrating gender equality into all development finance including private finance instruments, standards and taxonomies is crucial to scale private financing with a gender lens.
- Supporting gender lens investing with a focus on women-led or focused companies through the social and solidarity economy (SSE) and inclusive international trade is vital.
- Investing in sex-disaggregated data and statistics and enhanced women's leadership and decision making is imperative.

RELEVANT ACTION AREAS

Domestic Public Resources
Domestic and International Private Business and Finance
International Development Cooperation
International Trade Engine Development
Debt and Debt Sustainability
Addressing Systemic Issues
Science, technology, innovation and capacity-building
Cross-cutting Issues
Data, monitoring and follow-up

ABOUT THIS SERIES

The Financing Policy Brief Series has been prepared by the Inter-agency Task Force on Financing for Development to inform the substantive preparations for the Fourth International Conference on Financing for Development (FfD4), to be held in Sevilla, Spain, from 30 June to 3 July 2025.

The Inter-agency Task Force on Financing for Development is comprised of more than 60 United Nations Agencies and international organizations. The policy briefs in this series were not subject to review by Task Force Members, and represent the views of the authoring organizations.

The full series is available at: https://financing.desa.un.org/iatf/report/financing-policy-brief-series

MORE ABOUT THIS TOPIC

For further information on the topic of this brief, please see: https://www.unwomen.org

Problem statement

Global crises and economic shocks have widened existing gender gaps, threatening the achievement of sustainable development, inclusive economic growth, and lasting peace.

Women and girls bear the brunt of these disruptions with crises pushing them into extreme poverty, deepening food insecurity, and heightened vulnerability to violence. Under the most severe climate scenarios, up to 158 million women and girls could be driven into extreme poverty by 2050, while 236 million will face acute food insecurity.[1] Globally, 119.3 million girls remain out of school, and 39 per cent of young women fail to complete upper-secondary education.[2] The global cost of the basic skills deficit could surpass $10 trillion by 2030, more than the combined GDPs of France and Japan.[3] These stark figures underscore the high economic and social costs of gender inequality. In contrast, investing in gender equality can lead to more sustainable, inclusive and resilient societies. On average long run GDP per capita, across countries would be almost 20 per cent higher if all gender employment gaps were to be closed,[4] while addressing gaps in education and health can boost human capital growth in low-income and developing countries.[5]

Despite the clear economic and social dividends, sustainable and adequate financing for gender equality remains profoundly lacking.

An estimated $6.4 trillion per year is needed across 48 developing countries to end women's poverty and hunger and to support more equal participation of women in the economy and society by 2030. If government expenditure maintains its current trajectory, there will be a shortfall of $360 billion per year.[6] Declining revenue, regressive tax structures, and fiscal leakage from illicit financial flows further diminish the capacity of governments to invest in gender-responsive policies. Rising debt burdens crowd out fiscal space for investments in gender equality. Fifty countries, home to 3.3 billion people, face significant underinvestment in critical sectors such as health and education, due to increasing debt service payments.[7] For the first time in a decade, the share of ODA with gender equality objectives has declined, dropping from 45 per cent in 2019-20 to 42 per cent in 2021-22, while development finance often lacks a gender perspective limiting its effectiveness.[8]

Even when resources are available, their prioritization and effective, efficient allocation are often misaligned with national gender priorities.

Between 2017 and 2022, governments spent $7 trillion annually subsidizing agriculture, fishing, and fossil fuels, yet gender policies remain consistently underfunded.[9] The misalignment of resource allocation with national gender priorities widens gender gaps. Despite the global uptake of gender-responsive budgeting (GRB), only one in four countries currently has comprehensive systems to track public spending on gender equality.[10] Without financial systems that are explicitly designed to track and prioritize gender equality, public funds are not being effectively directed toward closing gender gaps.

1. United Nations Statistics Division. (2024). The gender snapshot 2024. https://unstats.un.org/sdgs/gender-snapshot/2024/GenderSnapshot2024.pdf
2. Ibid.
3. UNESCO. (2024). The price of inaction: the global private, fiscal and social costs of children and youth not learning | UNESCO
4. Pennings S. (2022). *How much would GDP per capita increase if employment gaps were closed in developing countries:* https://blogs.worldbank.org/en/developmenttalk/how-much-would-gdp-per-capita-increase-if-gender-employment-gaps-were-closed-developing
5. Gu, J., Kolovich, L. L., Mondragon, J., Newiak, M., & Herrmann, M. (2024). Promoting gender equality and tackling demographic challenges. International Monetary Fund. https://www.imf.org/en/Publications/gender-notes/Issues/2024/06/10/Promoting-Gender-Equality-and-Tackling-Demographic-Challenges-549916
6. The costs of achieving the SDGs: Road to gender equality | UNCTAD
7. UNCTAD. (2024) https://unctad.org/system/files/official-document/osgttinf2024d1_en.pdf
8. OECD. (upcoming). Development Finance for Gender Equality 2024. OECD. https://one.oecd.org/document/DCD(2023)12/en/pdf
9. World Bank. (2023). *Detox development: Repurposing environmentally harmful subsidies.* World Bank Group.
10. UN Women. (2023). Strengthening public finance management systems for gender equality and women's empowerment.

Policy solutions to mobilize financing for gender equality

The international financial system must address systemic barriers that prevent resource mobilization and the creation of inclusive economies.

Reforms to the global financial safety net and strengthened international tax cooperation, with a focus on combatting illicit financial flows, tax evasion and avoidance, are urgently needed to expand fiscal space for gender equality. International financial institutions could mandate the integration of gender impact assessments in their economic programs, loans, and grants. By ensuring that macroeconomic policies consider gender disparities, these reforms can promote more equitable outcomes in employment, wages, and social protection for women. Fiscal policies should also prioritize investments that ensure equal opportunities for women across all fields while safeguarding against austerity measures that disproportionately impact social services on which many women rely.

Enhanced coordination in the international community is needed to address global debt challenges and create fiscal space for investments in gender equality.

Concrete steps are needed to establish a sovereign debt workout mechanism so governments can redirect resources to gender-responsive, pro-poor policies and essential public services. SDG5-linked debt instruments, such as bonds or debt swaps, can also address debt sustainability while promoting gender equality, especially in solvent developing countries.

Progressive taxation and spending are required to close persistent gender gaps.

Shifting the tax composition towards progressivity by increasing corporate tax, introducing wealth taxes, taxes on dividends, and capital gains taxes can increase fiscal space for public spending. Reducing regressive taxes, including consumption taxes, and introducing targeted tax credits and social programmes is an effective strategy for reducing income poverty for women. Integrating gender analysis into budgeting supports investments to close persistent gender gaps including women's labour force participation. Gender-responsive budgeting should encompass spending on all public services, infrastructure and social protection.

Gender equality focus of ODA must be significantly increased.

ODA needs to better integrate gender equality considerations so that all programs and projects have a positive impact on women and girls and contribute to closing persistent gender gaps. Gender aid should be increased, especially in crisis contexts. Including and fulfilling gender targets within climate, peace and humanitarian financing is equally critical. Other types of development finance, including multilateral development banks funding, climate financing, blended financing, foreign direct investment and blended finance should also better ingrate gender equality objectives. A common tracking system on all gender finance flows would increase transparency and accountability.

Addressing unpaid domestic work is essential for achieving gender equality.

Every day, more than 16 billion hours are devoted to unpaid domestic and care work around the world.[11] As global populations age, these figures are set to rise, with a disproportionate impact on women. To address the gender inequality caused by unpaid domestic work, it is crucial to redistribute caregiving responsibilities between men and women and invest in public care infrastructure, such as affordable childcare and eldercare services. Legal frameworks should recognize and value unpaid work, while policies like paid parental leave and flexible work arrangements help balance caregiving with economic participation.

Financing social protection and ensuring women's access to finance, credit and financial services.

Expanding social protection systems to include maternity benefits, unemployment insurance, and pensions, and strengthening social safety nets can help address gender inequality and enable more women to participate in the

11. ILOSTAT. Shedding light on the world of unpaid domestic and care work.

labour market. Inclusive banking policies and innovative financing mechanisms that target women entrepreneurs and small businesses can help to close the gender gap in economic participation and help women benefit from trade opportunities. Additionally, international development banks can increase funding for gender projects, especially in areas like infrastructure and digital finance, which are key to women's economic empowerment.

Financing for gender lens business and investing.

Specific fundings must be addressed to Gender Lens Business and Investing, highlighting companies created by women or that improve their living conditions, through the SSE and in international trade. SSE entities, such as cooperatives, mutuals, associations, foundations and social enterprises are characterized by democratic governance, workers ownership and high levels of equality. It can contribute to the long-term economic empowerment of the women in a sustainable and resilient manner. Women represent a larger share of the labour force of the social and solidarity economy (SSE) relative to the share of women in the total labour force in several countries.[12] In green and sustainable industries, policies and investments must integrate gender-sensitive frameworks that formalize women's leadership, and in particular, add value to female participation in circular economy sectors and supply chains.

Investments in gender equality can help mitigate demographic challenges.

Gains from gender equality can help offset the future demographic challenges.[13] In countries with aging populations, higher female labor force participation could compensate for potential GDP losses due to a shrinking labor force. In countries expecting a surge of young individuals, measures to enhance human capital and ensure entry into the labor force with appropriate skills are crucial to harnessing demographic dividends.

Investing in sex disaggregated data and statistics and women's leadership.

Without accurate data on gender disparities in employment, trade, income, or access to services, it is difficult to craft policies that effectively address gender gaps. Investing in capacity-strengthening to support countries to improve data collection and support gender mainstreaming in all financial policy. International financial institutions could set standards and promote policies that encourage gender parity in leadership positions within financial organizations, including central banks and multilateral development institutions. Women's leadership and participation in political and economic institutions is essential to combat bias and stereotypes and build public trust. A more gender-diverse leadership could shape more inclusive policies, ensuring women's needs are adequately represented in global financial decisions.

Specific recommendations for FfD4

Member States are encouraged to consider the following measures during the Fourth Conference on Financing for Development (FfD4):

1. Fully implement commitments made under the Addis Ababa Action Agenda and its follow-up processes related to financing for gender equality and the empowerment of women and girls.

2. Mobilize financial resources for gender equality from all sources, including public, private, domestic, and international, and scale up development finance through reforms of the international financial architecture.

3. Encourage the utilization by all actors of a common system that allows global tracking of development finance for gender equality.

12. OECD (2023). Women represent a larger share of the social economy than of the total labour force in most countries: Female share of the total labour force, percentage, 2022 or latest year available, *Joining Forces for Gender Equality: What is Holding us Back?*, OECD Edition, Paris, https://doi.org/10.1787/023199ce-en.
13. IMF and UNFPA. (2023) Promoting Gender Equality and Tackling Demographic Challenges.

4. Invest in resilient public finance management systems capable of mainstreaming gender equality considerations, including by strengthening gender analysis in national and local budgetary processes and fostering participation in budget processes.

5. Significantly scale up investment in policies to accelerate gender equality, protect women's and girls' rights and advance women's economic participation.

6. Strengthen gender mainstreaming in thematic financing, including in crisis contexts, and fulfil existing financial targets.

7. Ensure the progressivity of tax policies with a focus on taxing those with the highest ability to pay, including via wealth and corporate tax.

8. Support the adoption of the UN Framework Convention on International Tax Cooperation to strengthen international tax cooperation to be more inclusive and effective, with a focus on combating tax evasion and avoidance and curbing illicit financial flows, which would be crucial in mobilizing financing for gender equality, including for social protection, basic infrastructure, education and health.

9. Address the impact of the current debt crisis on the available fiscal space for gender equality, including by establishing a multilateral sovereign debt workout mechanism, adopting gender-responsive debt sustainability analysis, eliminating conditionalities in debt relief initiatives and debt restructuring packages, and scaling up concessional financing from multilateral and regional development banks.

10. Scale up SDG5-linked debt instruments, including gender debt swaps and gender bonds, by developing pipelines of bankable projects, mainstreaming gender equality in thematic bond taxonomies, providing greater credit enhancement and increasing the debt relief component of gender debt swaps.

11. Support the financing of gender lens businesses and investments in particular through the social and solidarity economy and in international trade.