

Input Paper: The Role of Women in the Fourth International Conference on Financing for Development

Response to a call for inputs for an Elements Paper on Financing for Development in Preparation for the UN Financing for Development Conference (FfD4), which will take place

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Input Paper:

The Role of Women in the Fourth International Conference on Financing for Development

I. A Global Financing Framework (Including Cross-Cutting Issues)

The role of women in financing for development is critical, as they represent a significant portion of the global workforce and are key drivers of economic growth. To create an effective global financing framework, it is essential to prioritize gender equality across all dimensions of development finance.

This framework should incorporate cross-cutting issues that not only focus on women but also address the systemic barriers that hinder their economic participation.

A. Importance of Gender Equality in Financing

Gender equality is not just a social issue; it is a fundamental economic one. Studies show that increasing women's participation in the labor force can significantly boost GDP. For example, the McKinsey Global Institute estimates that achieving gender parity could add \$12 trillion to global GDP by 2025. Thus, integrating gender perspectives into financing strategies can lead to substantial economic benefits.

B. Cross-Cutting Issues

1. Discrimination and Social Norms: Persistent gender-based discrimination remains a barrier to women's access to finance. Cultural norms often dictate women's roles in society, limiting their economic opportunities. Addressing these norms requires concerted efforts from governments, civil society, and international organizations to promote gender-sensitive policies.

2. Legal Frameworks: Legal obstacles, such as property rights and inheritance laws, often disadvantage women. Reforming these laws is essential to provide women with the security needed to engage in economic activities.

3. Inclusive Economic Policies: Economic policies should be inclusive, considering the unique needs of women. This includes developing gender-responsive budgeting processes that allocate resources for programs aimed at women's empowerment.

4. Intersectionality: The global financing framework must acknowledge the intersectionality of gender with other identities such as race, ethnicity, and socioeconomic status. Policies should be designed to address the unique challenges faced by marginalized groups of women.

5. Health and Education: Access to health services and education is crucial for women's economic empowerment. Investments in these areas not only improve women's well-being but also enhance their productivity and contribution to the economy.

C. Global Commitments

International frameworks such as the Sustainable Development Goals (SDGs) and the Beijing Platform for Action emphasize the importance of gender equality. FFD4 must reinforce these commitments by establishing clear accountability mechanisms to track progress.

II. Action Areas

The following action areas are vital for enhancing women's role in financing for development. Each area outlines specific strategies and recommendations to facilitate women's access to finance and economic opportunities.

a. Domestic Public Resources

Domestic resource mobilization is critical for financing development initiatives that empower women. Governments must adopt strategies that enhance their revenue-generating capabilities while ensuring that the benefits of these resources are equitably distributed.

1. Gender-Responsive Budgeting: Implementing gender-responsive budgeting allows governments to allocate resources effectively to programs that benefit women. This involves analyzing the impact of budgets on gender equality and ensuring that financial commitments are directed toward women's empowerment initiatives.

2. Tax Policies: Tax systems should be designed to alleviate the financial burden on low-income women. This could involve reducing taxes on essential goods and services used predominantly by women or implementing tax credits for women-owned businesses.

3. Public Investment in Social Services: Governments should prioritize public investment in social services that benefit women, such as childcare, healthcare, and education. These investments create an enabling environment that allows women to participate fully in the economy.

4. Promotion of Cooperatives: Supporting women's cooperatives can enhance their access to resources and markets. Governments should provide financial and technical assistance to these cooperatives, enabling women to leverage collective bargaining power.

b. Domestic and International Private Business and Finance

The private sector is a key player in financing development. To unlock women's potential, both domestic and international businesses must prioritize gender equality in their operations and investment strategies.

1. Gender-Responsive Investment Strategies: Financial institutions should develop gender-responsive investment strategies that focus on women-led enterprises. This includes creating dedicated funds for women entrepreneurs and providing training on financial literacy.

2. Corporate Social Responsibility (CSR): Companies should integrate gender equality into their CSR initiatives. This involves supporting programs that empower women, such as mentorship schemes and leadership training.

3. Access to Capital: Ensuring that women have access to capital is vital. This can be achieved by encouraging banks and financial institutions to adopt inclusive lending practices that consider women's unique circumstances.

4. Public-Private Partnerships: Collaborations between the public and private sectors can enhance resource mobilization for women's initiatives. Joint programs can leverage strengths from both sectors to create sustainable solutions.

5. Innovative Financing Mechanisms: Utilizing innovative financing mechanisms such as social impact bonds and blended finance can attract private investment for projects aimed at empowering women. These mechanisms align financial returns with social outcomes.

c. International Development Cooperation

International development cooperation plays a critical role in supporting gender equality initiatives globally. Donor countries and multilateral organizations must prioritize funding for programs that specifically address women's empowerment.

1. Targeted Funding: A significant portion of development aid should be allocated to gender-focused initiatives. This includes funding for women's organizations, educational programs, and healthcare services.

2. Capacity Building: Development cooperation should emphasize capacity building for women's organizations and networks. Strengthening these organizations enhances their ability to advocate for women's rights and access to resources.

3. Policy Dialogue: Engaging in policy dialogue with partner countries is essential to ensure that gender equality is integrated into national development strategies. Donors should encourage recipient countries to prioritize gender issues in their policies.

4. Monitoring and Evaluation: Establishing robust monitoring and evaluation frameworks for gender-focused development assistance can ensure accountability and effectiveness. Regular assessments can help track progress and inform future strategies.

d. International Trade as an Engine for Development

International trade has the potential to be a powerful engine for women's economic empowerment. However, barriers to women's participation in trade must be addressed to realize this potential.

1. Elimination of Trade Barriers: Policies should focus on eliminating trade barriers that disproportionately affect women, such as tariffs on products predominantly produced by women. Ensuring equal access to markets is essential for fostering women's participation in international trade.

2. Trade Agreements with Gender Provisions: Trade agreements should include gender-specific provisions that promote women's rights and ensure equitable benefits from trade. This can help protect women from exploitation and enhance their economic opportunities.

3. Support for Women in Trade: Providing targeted support for women entrepreneurs in accessing international markets is critical. This includes training on export procedures, market research, and networking opportunities.

4. Capacity Building for Export Readiness: Developing programs that enhance women's capacity to engage in international trade will increase their competitiveness. This can involve training in business skills, negotiation, and product development.

e. Debt and Debt Sustainability

Debt sustainability is a significant concern for many countries, particularly those with high levels of external debt. Addressing debt issues is vital for ensuring that resources can be redirected towards women's empowerment initiatives.

1. Debt Relief Initiatives: Advocating for debt relief initiatives can free up resources for investment in gender-focused programs. Reducing debt burdens allows governments to allocate funds towards health, education, and economic development for women.

2. Sustainable Debt Practices: Countries should adopt sustainable debt practices that consider social impacts, particularly on women. This includes ensuring that debt financing does not undermine gender equality goals.

3. Transparency in Borrowing: Promoting transparency in borrowing and lending practices can help prevent exploitative financial agreements that disproportionately affect women. Accountability in financial transactions is essential for sustainable development.

4. Integrating Gender into Debt Policy: Policymakers should integrate gender considerations into debt policy frameworks, ensuring that women's needs and rights are prioritized in debt negotiations.

f. Addressing Systemic Issues

Addressing systemic barriers to women's access to finance requires comprehensive strategies that involve multiple stakeholders. These barriers often stem from social, economic, and political structures.

1. Cultural Norms and Attitudes: Challenging cultural norms that limit women's economic participation is essential. Awareness campaigns and community engagement can help shift societal attitudes towards gender roles.

2. Education and Financial Literacy: Enhancing women's education and financial literacy is vital for empowering them economically. Programs that teach financial management, business skills, and entrepreneurship can increase women's confidence and capabilities.

3. Representation in Decision-Making: Increasing women's representation in decision-making roles within financial institutions and governance structures is crucial. Diverse perspectives lead to more inclusive policies and practices.

4. Creating Supportive Environments: Policymakers should work to create supportive environments that facilitate women's economic participation, such as safe workspaces, access to childcare, and flexible working arrangements.

g. Science, Technology, Innovation, and Capacity Building

Investment in science, technology, and innovation is essential for advancing gender equality in the digital age. Enhancing women's access to technology and capacity building can drive their economic empowerment.

1. **Digital Inclusion Initiatives:** Programs that promote digital literacy among women are crucial. Ensuring that women have access to technology and the skills to use it can enhance their economic opportunities.

2. **Support for Women in STEM:** Encouraging women to pursue careers in science, technology, engineering, and mathematics (STEM) is vital for closing the gender gap in these fields. Scholarships, mentorship programs, and targeted training can help achieve this.

3. **Innovation Hubs for Women:** Establishing innovation hubs that specifically support women entrepreneurs can foster collaboration, creativity, and resource sharing. These hubs can provide access to funding, mentorship, and networking opportunities.

4. **Leveraging Technology for Development:** Utilizing technology to create solutions that address women's specific needs can drive economic empowerment. For example, mobile banking and e-commerce platforms can enhance women's access to financial services and markets

III. Emerging Issues

As the global landscape continues to evolve, several emerging issues impact women's roles in financing for development. These issues must be addressed to ensure that women can fully participate in and benefit from economic opportunities.

1. **Climate Change:** Climate change disproportionately affects women, particularly in developing countries. Women are often the primary caregivers and are reliant on natural resources for their livelihoods. Policies addressing climate resilience must consider women's unique vulnerabilities and contributions.
2. **The Digital Divide:** The rapid advancement of technology has created a digital divide that can further marginalize women. Ensuring equitable access to digital tools and training is essential for empowering women in the digital economy.

3. **Global Health Crises:** Events such as the COVID-19 pandemic have highlighted the vulnerabilities faced by women in the workforce. Economic downturns often result in job losses for women, emphasizing the need for gender-sensitive recovery strategies.
4. **Migration and Displacement:** Women migrants face unique challenges, including discrimination and exploitation. Policies should address the specific needs of women in migration and ensure that they have access to resources and opportunities.
5. **Political Instability and Conflict:** Women in conflict-affected areas often face heightened vulnerabilities. Ensuring their participation in peacebuilding and recovery processes is crucial for sustainable development.

IV. Data, Monitoring, and Follow-Up

Effective data collection and monitoring are essential for tracking progress on gender-focused financing initiatives. Establishing robust systems for data collection will ensure that commitments made at FFD4 are upheld.

1. **Disaggregated Data Collection:** Collecting disaggregated data on gender is crucial for understanding the specific needs and challenges faced by women. This data can inform policy decisions and funding allocations.
2. **Monitoring Mechanisms:** Establishing monitoring mechanisms will help assess progress toward gender equality goals. Regular reporting on gender-related indicators can enhance accountability and transparency.
3. **Stakeholder Engagement:** Engaging diverse stakeholders, including women's organizations, in the monitoring process will ensure that their perspectives are included. This participatory approach fosters ownership and accountability.
4. **Learning and Adaptation:** Monitoring should facilitate learning and adaptation. Regular evaluations can identify best practices and areas for improvement, allowing for responsive adjustments to strategies and initiatives.

V. Overarching Reflections

Empowering women in financing for development is not merely a matter of equity; it is a strategic imperative for sustainable development. By implementing the reforms and solutions outlined in this document, the fourth International Conference on Financing for Development can create a more equitable global economy.

1. **Economic Growth:** Gender equality in financing will drive economic growth, leading to increased productivity and innovation. Investing in women's potential is essential for building resilient economies.
2. **Social Equity:** Empowering women contributes to social equity and justice. When women thrive, families and communities benefit, leading to broader social progress.
3. **Sustainable Development:** Gender equality is integral to achieving the SDGs. Empowering women in financing will help address critical challenges such as poverty, health, and education.
4. **Collective Responsibility:** Achieving gender equality in financing requires collective action from governments, the private sector, civil society, and international organizations. Collaborative efforts will be key to overcoming barriers and driving meaningful change.
5. **Long-Term Commitment:** Sustained commitment to gender equality in financing is essential. Policymakers and stakeholders must prioritize long-term strategies that foster women's economic empowerment and ensure accountability for commitments made.

By recognizing the vital role women play in financing for development and implementing targeted strategies to enhance their participation, the global community can pave the way for a more inclusive, equitable, and sustainable future.