

## UN WOMEN INPUTS PAPER

### Centering Women's Economic Empowerment in the Fourth International Conference on Financing for Development

#### **Introduction:**

The Economic Empowerment Section, in conjunction with the Leadership and Governance Section at UN Women submit this inputs paper, in response to UN DESA's call for contributions towards an Elements Paper on Financing for Development, aimed at supporting substantive preparations for the outcome document of the conference. This document aims to integrate Women's Economic Empowerment priorities into the substantial process of the fourth International Conference on Financing for Development (FfD4) and the subsequent implementation of its outcome. To guide these inputs, the following questions have been addressed:

- *What are the key financing policy reforms and solutions that the fourth International Conference on Financing for Development should deliver?*
- *How could the Conference strengthen the follow-up process, to ensure accountability to and full implementation of commitments made?"*

Additionally, the following topics were used to guide inputs into the Elements Paper:

I. A Global Financing Framework (including cross-cutting issues)

II. Action areas

- a. Domestic Public Resources
- b. Domestic and International Private Business and Finance
- c. International Development Cooperation
- d. International Trade as an Engine for Development
- e. Debt and Debt Sustainability
- f. Addressing Systemic Issues
- g. Science, Technology, Innovation and Capacity Building

### III. Emerging issues

### IV. Data, Monitoring and Follow-up

### V. Overarching Reflections

This paper seeks to offer substantive language introducing a gender lens<sup>1</sup> to the key financial policy solutions that will shape the outcome of the 4th FfD and its implementation. This approach aims to chart a pathway towards realizing the placement of economic empowerment priorities for women at the heart of the reform of the international financial architecture through the highlighted thematic areas. The recommendations highlighted in this document could guide the elements paper of the FfD4, the outcome document and its subsequent implementation.

#### **I. A Global Financing Framework (including cross-cutting issues)**

Restructuring the global financing framework is essential to placing gender-transformative economies at the core of achieving the 2030 Agenda. This requires multilateral action to reform global economic governance, and to develop new or reformed national fiscal, monetary and trade policies through strengthened coordination.

Promoting gender-transformative economic policies is crucial to improving the structural conditions for gender equality and advancing women's economic empowerment.

#### **II. Action areas:**

##### **a. Domestic Public Resources**

Financing women's economic empowerment initiatives through domestic public resources is vital for national development. By supporting women's participation in the economy, countries not only enhance gender equality but also unlock significant growth potential thereby contributing to inclusive socio-economic progress.

Expanding fiscal space through the channel of domestic resource mobilization will require a policy mix focused both on fiscal and monetary policies, including:

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<sup>1</sup> The recommendations are vastly informed by the four Economic Justice and Rights Action Coalition Blueprints on the [Care Economy](#), [Decent Work](#), [Productive Resources](#) and [Gender-transformative Economies](#) published in 2023.

- Expenditure reswitching, which reallocate funds from areas like subsidies for large corporations towards gender equality projects can free up resources without affecting economic growth.
- Restructuring budgetary frameworks to reflect intertemporal constraints could help redefine the goals of fiscal space expansion. This is because, national fiscal space assessments often rely on short-term evaluations of debt and fiscal sustainability, limiting policy options. As such, adopting a longer-term perspective that considers the macroeconomic and fiscal sustainability of investments allows countries to explore a broader range of policy options for creating and expanding fiscal space, such as those exemplified by wellbeing budgets in some countries.<sup>2</sup>
- While macro-level policies can create fiscal space, they may not inherently direct finance toward gender equality goals. Gender markers, benchmarks, and impact assessments are crucial tools for ensuring that the created fiscal space is effectively utilized for gender-equalizing investments.<sup>3</sup>
- Tax policies can generate revenue for gender equality investments through various means, including export and import tariffs, windfall profit taxes, international financial transaction taxes (IFTTs), digital services taxes (DSTs), and property taxes. These taxes can address market power, redistribute income, and promote economic stability, indirectly benefiting women and creating fiscal space.<sup>4</sup>

### **Recommendations:**

- Promote and integrate Gender-responsive budgeting at the center of public policy to increase the focus of national and local budgets on gender equality in line with SDG 5.c.1.
- Prioritize women’s economic rights and gender equality as a specific priority area in national and local development plans with attached funding.
- Promote the development of gender-responsive fiscal architectures, mechanisms, stimulus packages, public finance management systems, referential instruments, and planning and budgeting processes to increase local financing in a cross-sectoral manner to ensure women’s economic rights at all levels.

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<sup>2</sup> UN Women, 2024 (forthcoming). Expanding, Creating, and Engendering Fiscal Space: Strategies Toward External Debt, Concessional Finance, and Special Drawing Rights. New York.

<sup>3</sup> UN Women, 2024 (forthcoming). Engendering Fiscal Space: A Policy Framework for Financing Gender Equality. New York.

<sup>4</sup> UN Women, 2024 (forthcoming). Engendering Fiscal Space-the Role of Macro-Level Economic Policies. New York.

- Advocate for and contribute to more transparent and accountable revenue generation and spending policies to better respond to women's and girls' needs.
- Foster coherent policies and laws at the national, regional and international levels to tackle discrimination relating to women's ownership of, control over and participation in productive resources, including natural resources, technology (especially mobile phones and internet), power, financial products and services, and business ownership. In addition, identify and eliminate those laws that financially discriminate against women.
- Direct public resources towards safe, feasible gender and age-appropriate care and sanitation infrastructure in public places to advance women's work and entrepreneurship.
- Direct public resources to physical infrastructure such as water and energy, which saves women's labor allowing women and girls to participate in economic and education activities.
- Mainstream public incentives and investment programmes for informal workers, including women agricultural producers, processors and manufacturers, in value chains, certification processes, and tendering and procurement opportunities that offer them decent work, improved market access and better earnings.

## **b. Domestic and International Private Business and Finance**

The Addis Ababa Action Agenda 2015 recognizes the potential of new investment vehicles and innovative finance mechanisms and partnerships – such as development-oriented private finance, blended finance and risk mitigation instruments – to contribute to closing the financing gaps for sustainable development.<sup>5</sup>

While public finance serves as the primary catalyst for funding and financing in international development, innovative financing has the capacity to amplify and accelerate financing for gender equality and women's empowerment. Innovative financing such as sovereign gender bonds must therefore be used to finance long-term, sustainable solutions that address the root causes of women's poverty.

To date, the deployment of innovative finance for gender equality and women's empowerment objectives remains scarce in comparison to other sustainable development goals. In 2023, sustainable bonds aligned with SDG 5 were still 1% of the US\$900 billion

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<sup>5</sup> United Nations, 2015. [Addis Ababa Action Agenda of the Third International Conference on Financing for Development](#). New York.

issues through green, social, sustainability and sustainability-linked bonds.<sup>6</sup> And gender finance remains just a drop in the ocean compared to the total value of AUM worldwide, estimated at nearly USD\$100tn.<sup>7</sup>

By contrast, there has been significant progress in mobilizing capital markets for climate change objectives, supported by international principles and guidelines, and a trend towards global consistency and comparability in standards. More work is needed to develop the same common framework of definitions and criteria for innovative financing for gender equality.<sup>8</sup>

With rising concerns about “impact washing,” society in general and investors in particular are demanding more transparency, accountability and credibility across the board. Methodologies to monitor and track actual contributions to gender equality are still too often undisclosed.<sup>9</sup>

### **Recommendations:**

- Implement a global multi-stakeholder effort aimed at expanding the amount of financing available to women entrepreneurs to grow their businesses and their access to finance by increasing total capital available and redistributing existing supply.
- Ensure vendor contracts within supply chain businesses are gender-balanced by requiring vendors to improve their policies and practices and adopting gender responsive procurement practices.
- Strengthen women-owned and women-led businesses and women’s entrepreneurship by providing fiscal support to industries with a higher prevalence of women at all levels and providing fiscal incentives for diversifying and increasing women’s participation in high-growth and high-income industries.  
Increase access to finance for women through blended finance, gender-lens investing, digital finance, alternative credit models and innovative forms of financing.
- Creating enabling policies to formalize grassroots women’s access to and control over means of production, inputs, equipment, technology and technical training.
- Encourage private entities, including corporations and banks, to match governmental incentives and investments in realizing women’s financial inclusion.

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<sup>6</sup> Environmental Finance, 2024. [Sustainable Bond Insight 2024](#).

<sup>7</sup> Boston Consulting Group, 2023. [The Tide Has Turned: Global Asset Management 2023](#).

<sup>8</sup> Climate Bonds Initiative, 2024. [A Record Start to the Year for Sustainable Finance](#).

<sup>9</sup> This term (or its alternatives “SDG-washing”, “greenwashing”) etc. is used to describe a practice by which fund managers or bond issuers overstate or falsely claim an investment's positive impact on the environment or society, whether intentionally or unintentionally.

- Promote market and entrepreneurship opportunities for women-owned and women-led businesses including through:
  - a) Establishing and/or promoting the increase of public and corporate procurement for women-owned businesses (e.g. quotas for at least 15 percent, towards the progressive realization of a 30 percent target)<sup>10</sup> and certification processes that offer them decent work and improved market opportunities.
  - b) Establishing gender-transformative corporate policies and market linkages for engaging self-employed women and women-led businesses in both the formal and informal economy.
- Mainstream public incentives and investment programmes for women in the informal economy, including agricultural producers, processors and manufacturers, that offer them decent work, improved market access and better earnings.
- Resource and direct funding to specific sectors, including food and agriculture and renewable energy, and all areas where women can drive decent work opportunities.
- Create market opportunities and establish gender-responsive corporate policies for women-owned and women-led businesses and women’s business cooperatives that promote cross-border traders and promote women’s participation in and leadership of business cooperatives, producer organizations and self-help groups.
- Work with the private sector to address barriers to women’s participation and representation at all levels of the value chain.
- Institute accountability mechanisms to ensure private sector funding leads to addressing gender inequality.

### **c. International Development Cooperation**

The role of international development cooperation is crucial to advancing women’s economic empowerment across the global scale. The impacts of the polycrisis - the COVID-19 pandemic, climate and environment emergencies and cost-of-living, food, fuel and debt crisis - has disproportionately disadvantaged women and girls across all aspects of sustainable development.<sup>11</sup> Women and girls are grappling with deepening economic, social, health and food insecurity.<sup>12</sup> Rising debt levels and shrinking fiscal space especially in developing countries have increased inequalities between and within countries.

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<sup>10</sup> Economic Justice and Rights Action Coalition, 2023. [Expand Decent Work and Employment in Formal and Informal Economies](#).

<sup>11</sup> UN Women, 2024. [Report \(A/79/210\) of the Secretary General on Women in Development](#). New York.

<sup>12</sup> Ibid.

Addressing these challenges requires renewed global solidarity and multilateralism to create a sustainable future for all.

**Recommendations:**

- Earmark and increase overseas development assistance (ODA) and international financing towards gender-transformative investments and promote their accountability, for example in affordable, reliable and high-quality care, transport, housing, electricity, water and sanitation infrastructure.
- Enhance North–South, South–South and triangular cooperation on gender-transformative economic plans, budget reforms and investment plans; ensure gender mainstreaming in international development cooperation; and enhance knowledge-sharing on mutually agreed terms including through improved coordination among existing mechanisms.
- Promote and invest in gender-responsive sustainable food systems and food security for women and girls and their communities.
- Integrate gender perspectives in the design, funding, implementation, monitoring and evaluation of policies and programmes on climate change mitigation, adaptation and resilience, disaster risk reduction, biodiversity protection and environmental degradation.

**d. International Trade as an engine for Development**

Women’s involvement in international trade is still minimal compared to that of men in developing countries, as women tend to have more limited access to inputs, resources, services and opportunities in education, technology and markets, among others.<sup>13</sup>

Governments and development partners must ensure that local economies harness the full benefits of foreign direct investment. For that, it is imperative that policies and initiatives acknowledge women's unequal access to resources, markets, and decent work. The international community must enhance women's access to financial resources, technology, and knowledge, and address gender discrimination to enable women and their businesses to thrive.

**Recommendations:**

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<sup>13</sup> World Bank and World Trade Organization, 2020. [Women and trade: The role of trade in promoting gender equality](#). Washington DC: World Bank.

- Promote a fair and just trade system, capacity building of women to engage in trade and gender mainstreaming in global and local value chains.
- Design, implement and pursue gender-transformative and evidence-based policies and legislation for transformative trade.
- Ensure trade policies are gender responsive, and supportive of women owned and women led businesses.

### **e. Debt and Debt Sustainability**

The pandemic and subsequent crises have laid bare the inequality between high and low-income countries, in terms of their capacity to respond to economic shock. The capacity of developing countries to respond and recover from the impacts of cascading crises has been undermined by debt. Expansionary fiscal policies in advanced economy have helped cushion job losses, especially in the female-dominated public sector, while lack of fiscal space in low-income countries continues to exacerbate women’s already precarious position in labour markets.<sup>14</sup> Rising interest rates and quantitative tightening in advanced economies now poses a massive challenge for developing countries, threatening to push a growing number of them into debt default.<sup>15</sup> Against this backdrop, growth prospects in many developing countries have deteriorated amid rising external borrowing costs. As a consequence, today, 3.3 billion people live in countries that spend more on interest payments on debt than on either education or health, and more than half of developing countries allocate at least 8 per cent of government revenues to interest payments, a figure that has doubled over the past decade.<sup>16</sup>

In an environment with shrinking fiscal space, this means less resources for social safety net programmes, poverty alleviation, and initiatives to promote gender equality and the empowerment of women and girls. These systemic challenges highlight the urgency of tackling the debt problem in developing countries, and why no meaningful progress on gender equality can be achieved without adequate financing to enable member states to fulfill their commitments to human rights and the empowerment of women and girls.

### **Recommendations:**

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<sup>14</sup> UN Women and ILO, 2024. [Consolidated report: National fiscal stimulus packages from a gender equality perspective](#). New York.

<sup>15</sup> UNCTAD, 2024. [A World of Debt Report 2024: A Growing Burden to Global Recovery](#). Geneva.

<sup>16</sup> Ibid.



- Advocate for the establishment of a sovereign debt workout mechanism that reaches countries in need, expanding fiscal space for gender-responsive, pro-poor policies and essential public services.<sup>17</sup>
- Advocate for increasing access to concessional finance and Special Drawing Rights (SDRs), which can provide additional resources for development priorities, including gender equality.<sup>18</sup>
- Exploring options like debt cancellations, debt standstills, and debt swaps, which can alleviate debt burdens and free up fiscal space for gender-responsive investments.<sup>19</sup>

## **f. Addressing Systemic Issues**

### **Recommendations:**

- Implement policies to close the gender pay gap, including ensuring equal pay for work of equal value, encouraging greater pay transparency, monitoring wage structures and working to eliminate broader gender disparities in the workplace.

## **g. Science, Technology, Innovation and Capacity Building**

### **Recommendations:**

- Provide adequate funding and technical support to foster the competitiveness as well as access for women-owned businesses in global and domestic markets and value chains including through capacity-building and skills-building in entrepreneurship.
- Invest in, encourage and promote girls and women to study and participate in Science, Technology, Engineering and Mathematics (STEM) education and occupations.
- Scale up and support platforms and infrastructure for universal access to financial products and services including digital ones, with a focus on increasing access, usage and financial capability, including digital capability, for women and girls.

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<sup>17</sup> UN Women, 2024 (forthcoming). Expanding, Creating, and Engendering Fiscal Space: Strategies Toward External Debt, Concessional Finance, and Special Drawing Rights. New York.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

### **III. Emerging issues**

#### **Recommendations:**

- Leverage artificial intelligence to understand and close earning gaps between men and women on e-commerce platforms, which could add nearly US\$15 billion to the value of the African e-commerce market and add US\$280 billion to the value of the Southeast Asia e-commerce market.<sup>20</sup>

### **IV. Data, monitoring and follow-up**

It is essential to promote an enabling macroeconomic environment that supports gender-transformative economies and women's economic rights and empowerment through data collection and analysis, public accessibility to data, and policy design and implementation.

#### **Recommendations:**

- Expand the collection, use, dissemination and evaluation of data disaggregated by sex, age and other sociodemographic variables to increase policymakers' ability to measure and improve women's digital and financial inclusion.
- Scale up voluntary public and private donor tracking of gender-responsive investments via, for example, the data submitted to the OECD DAC.<sup>21</sup>

### **V. Overarching reflections**

These key inputs to the Financing for Development (FfD) process highlight the urgent need for a comprehensive approach to ensuring women's economic justice and rights for the future. This is a unique opportunity to reduce financial barriers for women by scaling up financial inclusion through digital capabilities and improved financial policies, addressing social norms, and promoting women's economic empowerment through entrepreneurship, we can reduce financial barriers for women.

Additionally, these recommendations seek to close the gender pay gaps, increase financing for social protection systems and ensuring that all social protection payments to women are digital, connected to financial capability training, and income generation is essential. Improved data collection, analysis, and tracking of gender-responsive investments will

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<sup>20</sup> Economic Justice and Rights Action Coalition, 2023. [Promote Gender-transformative Economies and Economic Stimulus](#).

<sup>21</sup> Ibid.

support gender-transformative economies. These reflections underscore the importance of integrating women's economic rights into future development frameworks for lasting impact.

### **Additional Considerations:**

Three essential areas have been identified as vital for intervention to promote women's economic justice and rights in the realm of development financing:

1. Financial Inclusion of Women;
2. Financing the Care Economy; and
3. Financing Social Protection.

### **1. Financial Inclusion of Women**

#### **Recommendations:**

- Investing in the formation of and networking by informal financial groups to unlock entry-level financial services for women worldwide while defragmenting the savings group and self-help group ecosystem.
- Monetary policy is also a key policy tool to address financing gaps. For instance, promoting loan guarantees, which encourage lending to sectors such as women-owned businesses and small and medium-sized enterprises; and asset-backed reserve requirements, which also incentivize banks to lend to priority sectors, including those that benefit women, by adjusting reserve requirements based on the type of assets they hold.
- Ensuring banks and other financial service providers embed the unique needs and constraints of women and women-owned/led MSMEs in the design and delivery of financial products and services.
- Providing clear regulatory pathways, positive incentives and options for women's informal savings and lending groups to access formal financial services at group and member levels.
- Strengthening the policy and legal environment to increase women's digital financial inclusion and reduce the current gender gap in access to and use of financial products and services from 9 percent to 6 percent.
- Increasing investment in and capacity to increase women's digital and financial capabilities, and women's digital and financial inclusion, access to mobile phones, internet and energy. These should also identify and address social and cultural

norms that are the foundation of market constraints to women's digital and financial inclusion.

- Build on digital forms of entrepreneurship and financial inclusion to further reduce women's barriers to financial access and business creation and additionally cover ongoing costs during crises.

## 2. Financing the Care Economy

The care economy entails a diversified range of work with both paid and unpaid work activities. Care work provides direct and indirect care necessary for the physical, psychological, social wellbeing of primarily care dependent groups such as children, the elderly, disabled and ill, as well as for prime age working adults.<sup>22</sup> A significant part of care and domestic work in all societies takes place through relations of family, kinship, and friendship, and is done on an unpaid basis, and mostly by women and young girls.<sup>23</sup>

On the current trajectory, women globally will still be spending 9.5% more time or 2.3 more hours per day on unpaid care work than men by 2050.<sup>24</sup> Furthermore, the evidence shows that both the overall amount as well as the unequal division of unpaid care and domestic work in couple households have detrimental effects on women's labor market participation and actual working hours.<sup>25</sup> These trends highlight why it is urgent to address the current care crisis.

Promoting gender inequality in labour markets will require concerted efforts to reconcile family and work responsibilities, reducing women's disproportionate responsibility for unpaid care and domestic work, and protecting the rights of women caregivers. In an environment with shrinking fiscal space, high debt levels, and slow economic growth, this will require rethinking the role of public financial management, and its link to gender equality and the empowerment of women.<sup>26</sup> This means promoting sustained investment in high-quality, affordable childcare that aligns with the needs of working parents. This can alleviate

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<sup>22</sup> UN Women and ILO, 2021. [A guide to public investments in the care economy: Policy support tool for estimating care deficits, investment costs, and economic returns](#). New York-Geneva.

<sup>23</sup> UN Women, 2016. [Redistributing unpaid care and sustaining quality care services: A prerequisite for gender equality](#).

<sup>24</sup> UN Women and UN DESA, 2023. [Progress on the Sustainable Development Goals: The gender snapshot 2023](#). New York.

<sup>25</sup> Ibid.

<sup>26</sup> UN Women, 2024 (forthcoming). [Engendering Fiscal Space: A Policy Framework for Financing Gender Equality](#). New York.

the childcare responsibilities disproportionately carried by women, thus promoting women's employment while simultaneously generating quality jobs within the care sector.<sup>27</sup>

However, although unpaid care and domestic work is not counted as employment in Systems of National Accounts (SNA), nor incorporated in calculations of gross domestic product (GDP), it has enormous economic value: it contributes to human well-being, builds stronger social ties, and enables economic dynamism and growth.<sup>28</sup>

#### **Recommendations:**

- Support services, such as affordable, quality childcare, extending paid parental leave, and expanding commitments to redistribute care between men and women, boys, and girls, and between households and the state.
- Conduct care investment models and promote the generation of data, including time use data in national data collection systems, costing and impact studies, focused on investment return to demonstrate the economic value of care in our society and economy, and for monitoring and evaluating care services.

### **3. Financing Social Protection**

Advancing the financing of social protection in the Fourth International Conference on Financing for Development (FfD) is critical to ensuring inclusive and sustainable development. Social protection systems provide a safety net for the most vulnerable populations, particularly women and girls, who are disproportionately affected by poverty, economic instability, and unpaid care work. Without adequate and sustained financing, commitments to social protection will remain underfunded, hindering progress toward the SDGs. The FfD4 offers a unique platform to advocate for innovative financing solutions to ensure universal access to gender-responsive social protection.

#### **Recommendations:**

- Publicly fund universal social protection systems and floors, comprehensive care economy frameworks and quality public services for all, linked to decent employment, by promoting the investment of at least 10 percent of domestic national income in the care economy, including care for children, older persons and people with disabilities.

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<sup>27</sup> ILO, 2024. [General Discussion Committee on Decent Work and the Care Economy: Draft conclusions concerning decent work and the care economy](#). International Labour Conference, 112th Session, Geneva.

<sup>28</sup> Ibid (p.47).

- Develop, strengthen, advocate and mobilize resources for universal, adaptive and quality social protection systems in alignment with SDG 1.3, ensuring universal and equitable access, non-discriminatory service delivery and accountability, especially for women and girls living in poverty.
- Promote investment in comprehensive social protection and affordable, reliable and high-quality transport, housing, electricity, water and sanitation infrastructure through the allocation of sufficient public infrastructure budgets towards market infrastructure in rural communities.
- Promote universal health coverage, quality education and universal social protection that includes decent care jobs, the implementation of co-responsibility measures (such as paid parental leave), formalizing informal work and the inclusion of those who are unemployed, outsourced workers and women entrepreneurs.
- Increase by at least 50 percent the number of social protection schemes that integrate women's land rights, digital financial services and participation in formal and informal economic and social empowerment platforms.