

Key Messages on Financing for Development from GADN

In Making Financing for Development Work for Gender Equality: What is needed at Addis and beyond the Gender and Development Network has outlined how gender equality and women's rights should be addressed in the Financing for Development Process. Here we highlight our five key messages in relation to the ongoing negotiation on the Addis Ababa Accord, and make specific language suggestions based on drafts to date.

Language suggestions: ~~strike through~~ for deletions, **bold** for additions

1) We congratulate the 'gender champions' who have supported an ambitious gender equality goal within the SDGs. Finishing the job will now require ambitious levels of resources in scale, scope and quality. Not all sources of development financing are equally valuable: all financing should be analysed for its effectiveness in achieving gender equality and women's rights.

We are pleased to see the recognition of gender equality as a prerequisite of sustainable development and of gender mainstreaming as the way to achieve this as formulated in **Paragraph 6**. Language in this paragraph should be protected. We think the paragraph could be strengthened with a specific mention of the need for dedicated and adequate resources to realise gender equality and women's rights as follows:

"We reaffirm that achieving gender equality **and women's human rights** and empowering all women and girls is essential to achieve equitable sustainable growth and development. **We recognise that the achievement of gender equality will need dedicated and adequate resources.** We reiterate the need for gender mainstreaming in the formulation and implementation of all financial, economic, and social policies and agree to take concrete policy actions to ensure women's equal rights, **equal access to and control over economic resources and** access and opportunities for participation and leadership in the economy."

2) For most countries, domestic resource mobilisation will continue to be the largest and most effective source of financing for gender equality. There should be a commitment to increase revenue through progressive taxation, combined with measures to tackle tax evasion and avoidance.

References to increased domestic resource mobilization and tax revenue should be accompanied by 'progressively'. We strongly support the wording in **Paragraph 27**. This language should be protected and can be strengthened as follows:

"We will work towards **progressively** mobilizing sufficient resources from all sources and spend them efficiently and effectively in support of country-owned national sustainable development strategies and the SDGs. **We recognise that fiscal policies are not gender neutral and should be subject to gender analysis.** We will ensure that our national policies and public financial management promote social inclusion, equity and equality, gender equality and women's and girls' empowerment, rule of law, good governance and accountability at all levels. [...]."

We support language on establishing an intergovernmental body on tax under UN auspices, adequately resourced including with gender expertise.

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Globally more than half of all employed women are in informal employment.ⁱ Many women in the informal sector already pay taxes either through value added tax (VAT) or other levies. For example, 90 percent of women working as petty traders in Accra, Ghana were found to be paying tax - sometimes comprising up to 37 percent of their income.ⁱⁱ Formalising the informal sector as a strategy to broaden the tax base will put an excessive burden on women who are already at the margins of the economy. Progressive tax systems need to target those most able to pay. We suggest amending **Paragraph 19** as follows:

“We commit to enhance revenue administration through modernized, progressive tax systems, improved tax policy capacity, **including for gender sensitive tax policy**, and more efficient tax collection, as well as improve the fairness, transparency and effectiveness of our tax systems.,~~including through broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances.~~As part of their national sustainable development strategies, we encourage countries to set nationally defined **progressive** domestic revenue targets, and aim to reach them by 2025. We commit to support countries that need assistance in reaching their targets, including through substantially increasing ODA and technical assistance for **progressive and gender sensitive** tax and fiscal management capacity to developing countries, particularly to LDCs, LLDCs and SIDS. No developing country that has set out credible plans for strengthening domestic revenue mobilization and tackling corruption will lack for international support to make these plans a reality.”

3) Official Development Assistance (ODA) should be increased, including the share dedicated to achieving gender equality, with donor countries meeting the 0.7 percent target. ODA should be provided in a way that effectively supports longer term structural and behavioural change for example through more flexible investment in women’s rights organisations.

The FfD outcome should recognise women’s rights organisations as key drivers of gender equality and commit to support their work adequately, including through long-term, flexible financial resources. We suggest such language to be added in Chapter C, e.g. in **Paragraph 51** as follows:

“ODA remains critically important for developing countries that have limited capacity to raise resources domestically, in particular LDCs, LLDCs, SIDS, fragile and conflict affected states, those in protracted crises and African countries. It can also play an important catalytic role in middle-income countries. We welcome the significant increase in the volume of ODA since the Monterrey, despite the difficult fiscal situation of many countries, and are encouraged by those countries that have met or surpassed their commitments. Nonetheless, we note with concern that many still fall significantly short of their commitments, **including those on gender equality and women’s rights**. We urge all developed countries that have not yet done so to substantially increase their ODA starting immediately with a view to implementing by 2020 their commitment to allocate 0.7 per cent of GNI in ODA to developing countries, with 0.15 to 0.20 per cent of GNI to LDCs. **ODA plays a crucial role in advancing progress towards gender equality. We urge governments to scale up the share of ODA for achieving gender equality and women’s rights. We recognise the crucial contribution of women and their organisations to this agenda and we commit to ensure ODA is invested to support them. We encourage all donor countries to strengthen existing tracking systems to review how ODA contributes to the achievement of gender equality.** We strongly encourage all donor countries to establish, by the end of 2015, indicative timetables to illustrate how they will increase their assistance and reach their assistance goals.”

4) Private finance will be most effective if the private sector is held accountable by governments for meeting human rights and gender equality obligations, international environmental and labour laws and standards, and paying its fair share of tax. Governments must also guarantee the accessibility, affordability and quality of the services and infrastructure provided from private-public investments.

We support language in **Paragraph 36** that recognises the UN Guiding Principles on Business and Human Rights and the labour standards of the International Labour Organisation. However, we believe the FfD outcome should additionally call for a shift towards legally binding mechanisms for multinational corporations and suggest **Paragraph 36** to be strengthened as follows:

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“[...] We will work towards ensuring that all companies adopt sustainable practices, including integrating non-financial factors into company reporting. To this end, we encourage businesses to adopt principles and reporting standards for socially and environmentally responsible business, and welcome the work of the United Nations Global Compact, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), the FAO Committee on World Food Security’s (CFS), and the OECD amongst others. We will work towards harmonizing the various initiatives on responsible financing, identifying gaps, including in relation to gender **equality and women’s rights**, and strengthening the mechanisms and incentives for compliance. These initiatives should be complemented by public policies and incentive frameworks, including **binding regulatory mechanisms**, in line with national development policies and priorities **and human rights**. We will foster a dynamic and well-functioning business sector, while protecting labour rights and environmental and health standards in accordance with relevant international standards and agreements, including the labour standards of the International Labour Organization, the UN Guiding Principles on Business and Human Rights, and, for parties to these agreements, the UN Convention on the Rights of the Child, **the Convention on the Elimination of All forms of Discrimination Against Women**, and key multilateral environmental agreements.

5) The post 2015 agenda and financing for development processes, with its stronger focus on women’s economic empowerment, provide an opportunity to re-shape the economy in a way that tackles gender inequality for example by recognizing the role of unpaid care and women’s access to decent work.

Successful gender responsive policies and gender mainstreaming need to be based on recognition of the structural causes of gender inequality, one of which is the disproportionate responsibility of unpaid care placed on women and girls, as well as the fact that women are predominantly concentrated in informal, vulnerable and least paid jobs. We support and urge to protect language in **Paragraph 18** and believe it could be strengthened as follows:

“We commit to promote equality and social equity, including gender equality, women and girls’ empowerment, and social inclusion in our domestic policies. We will promote and enforce non-discriminatory laws and policies for sustainable development **and full access to and control over economic resources**. We **recognise women’s disproportionate responsibility for unpaid care as a structural cause of gender inequality** and we will promote social infrastructure and policies to enable women’s full and equal participation in the economy, as well as their equal access to decision making processes and leadership. The full and equal participation of women in the formal labor market, including through access to productive employment and decent work, **equal pay for work of equal value and rights at work** would significantly increase their economic empowerment and their contributions to economic growth.”

ⁱ In 2012 the International Labour Organisation calculated that more than half of all employed women worldwide were in informal vulnerable employment and over 80% of women working in sub-Saharan Africa and South Asia do so in unregulated and precarious jobs. See ActionAid, 2015, op. cit.

ⁱⁱ See Christian Aid, 2011, *Taxing Ghana informal sector: the experience of women*. Available at <http://www.christianaid.org.uk/images/ghana-women-informal-sector.pdf>

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