



# Does aid work for women?

Official Development Assistance (ODA), or aid, is the main tool by which countries attempt to fulfill their commitments to address worldwide social and economic disparities. It consists of *resources made available by governments on concessional terms primarily to promote the development and welfare of developing countries*.<sup>1</sup> These resources are chiefly financial, but they also take the form of technical expertise, grants, etc. In 2004 and 2007, new EU member states (EU NMS), such as Bulgaria, Czech Republic, Poland, Romania and Slovakia, joined the largest provider of ODA – the European Union. As new donors, EU NMS now provide aid bilaterally (directly) or multilaterally (through international institutions) to partner countries. They also contribute to defining the EU position on global processes related to aid and development.

Globally, there is a general consensus that women's rights and gender equality are key components of any poverty reduction strategy. The outcome document of the 2010 Millennium Development Goals Summit reflects a commitment which has been increasingly and consistently included in donor policies: *we recognise that gender equality, the empowerment of women, women's full enjoyment of all human rights and the eradication of poverty are essential to economic and social development, including the achievement of all the Millennium Development Goals*.<sup>2</sup> To date, donors' intentions to support gender equality and women's empowerment have not transformed the lived reality of women and girls in developing countries. Over the past half century, more than 2.3 trillion USD were spent in aid and yet more than 1.2 billion people still subsist on less than 1\$ per day and, according to estimates, 70% of these people are women.<sup>3</sup> In every country of the world, women are systematically denied their rights based on their gender. As a result they have less decision-making power, restricted access to resources such as money, land, protection from violence and access to basic services such as education and healthcare.

1 IBON International (2009) Primer on ODA and Development Effectiveness, Can aid be a key contribution to genuine development? Philippines: 3

2 UNGASS (2010) Keeping the promise: United to achieve the Millennium Development Goals, available at: [http://www.un.org/en/mdg/summit2010/pdf/outcome\\_documentN1051260.pdf](http://www.un.org/en/mdg/summit2010/pdf/outcome_documentN1051260.pdf)

3 UNIFEM (2009) Women's Empowerment Principles, Equality means business: 8



This brief looks into gender equality as an essential development goal and how the current models governing development assistance undermine the protection and fulfillment of women's rights. It also draws some recommendations on how development aid can genuinely transform women's disadvantage and support the empowerment of both women and men to make significant changes in the developing world.

## **Gender and poverty: the costs of inequalities**

The connection between gender equality and poverty, and the manner they are mutually reinforcing each other is well-established: inequalities between women and men arise from the fact that both are attributed specific roles and responsibilities based on their gender, and that a different value is placed on this work. This determines the degree to which women and men are able to access and control resources such as education, health, land, money, etc. For instance, women's unpaid responsibility as a house manager constrains her ability to participate in income-generating work or to access education. Men's work is often better remunerated, women earning on average 17% less than men.<sup>4</sup> Women are thus more susceptible to experiencing poverty as a result of their unequal status as women and, conversely, poverty undermines women's ability to take advantage of opportunities which could reduce their disadvantages. With the aim to reduce social and economic disparities, development assistance inevitably interplays with these unequal relations and holds a significant role in reducing or maintaining these inequalities.

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<sup>4</sup> ITUC (2008) in UNIFEM (2009) Progress of the World Women: 55



In effect, sidelining the state of play of gender inequalities and the manner aid relates to it undermines the potential of development to bring more equal social and economic outcomes. Recent studies have demonstrated a reduce in social and economic returns resulting from discrimination against women and girls in education, health care, financial services, and human rights:

- 🌐 Gender inequality in education and employment suppresses Africa's annual per capita growth by 0.8%.<sup>5</sup>
- 🌐 Missing the MDG 3 targets could result in countries having lower per capita growth rates by 0.1-0.3 percentage point.<sup>6</sup>
- 🌐 In the 2007 Economic and Social survey of Asia and the Pacific, estimates showed that the region was losing \$42-47 billion annually because of women's limited access to employment opportunities, and another \$16-\$30 billion annually as a result of the gender gap in education<sup>7</sup>

Rectifying the inequitable access and control over resources and benefits is not only the key to reach development objectives, it is also a right of women and a question of justice. Development assistance must fulfill its responsibility and commitment to address poverty, as well as the commitments/ obligations made by countries through the ratification of human rights instruments, such as CEDAW, the Beijing Platform for Action, etc. These commitments are currently not implemented at all stages of the policy process, and the current framework of development cooperation and aid places barriers for women.

5 Blackden, M. & C. Bhanu (1998) Gender, Growth, and Poverty Reduction: Special Program of Assistance for Africa, World Bank Technical Paper No. 428.

6 DESA (2009) World Survey on the role of women in development, available at: <http://www.un.org/en/development/desa/financial-crisis/gender.shtml>

7 DESA (2009) World Survey on the role of women in development, available at: <http://www.un.org/en/development/desa/financial-crisis/gender.shtml>



## Current funding framework: implications for women's rights work

In an effort to step up efforts for the achievement of the MDGs, donor countries committed to increasing development aid and engaged in a reform leading to a more effective agenda. The framework overriding this aid reform comprises of the Paris Declaration, the Accra Agenda for Action and the Busan Partnership for effective development co-operation, all of which have specific implications for women's rights work.

Adopted in 2005 the **Paris Declaration (PD)** committed 141 developing and developed countries, the European Commission and 27 international donor organisations to reform the delivery and management of aid under five principles – ownership, harmonisation, alignment, managing for results and mutual accountability (see Box). Comprising a series of time-bound actions, with targets and indicators, the PD makes clear that development aid must be driven by partnership between donors and partner countries, and the process must be owned by the latter. The focus of the PD was very much on the delivery of aid, rather than addressing and improving conditions for an effective reduction of poverty and inequalities. This shift is reflected in the mechanisms through which aid is increasingly allocated, namely, Budget Support and Sector Wide Approaches (see box) as opposed to support for individual projects. Guided by the above mentioned principles, the operationalisation focuses on country-level programming through instruments such as country strategy papers, poverty reduction strategy papers and national development plans. The PD was highly criticised for failing to put the core development goals of gender equality, human rights, social justice and sustainability at the heart of aid and development policy.



## Five principles of the Paris Declaration<sup>8</sup>

- 🌐 **Ownership:** Developing countries will exercise effective leadership over their development policies and strategies, and will coordinate development action.
- 🌐 **Harmonisation:** Donor countries will work so that their actions are more harmonised, transparent, and collectively effective.
- 🌐 **Alignment:** Donor countries will base their overall support on partner countries' national development strategies, institutions, and procedures.
- 🌐 **Managing for results:** All countries will manage resources and improve decision making for maximum effect.
- 🌐 **Mutual accountability:** Donor and developing countries pledge that they will be mutually accountable for development results.

The **Accra Agenda for Action (AAA)** enriched the PD by recognising that aid will be effective insofar as it demonstrates development impact: *Gender equality, respect for human rights, and environmental sustainability are cornerstones for achieving enduring impact on the lives and potential of poor women, men and children. It is vital that all our policies address these issues in a more systematic way* (AAA, para. 3). The AAA not only highlighted gender equality as one of the thematic/cross-cutting issues, but also pointed out that both donors and developing countries will ensure the realisation of the development policies and programmes according to the international commitments on gender equality and human rights. The AAA also strengthened country ownership of development by committing donors to broad country-level policy dialogue on development, strengthening the capacity of developing country partners to manage development and use country systems. It also commits donors to work more closely with Parliaments (opening to scrutiny), local authorities and civil society organisation. The latter is very important, with the recognition of CSOs (Civil Society Organisations) as development actors in their own rights. Donors also pledged to *elaborate individual plans to further untie their aid*.

<sup>8</sup> This box was taken directly from AWID (2008) Primer 1: An Overview of the Paris Declaration on Aid Effectiveness and the new Aid Modalities on aid effectiveness and women's rights (available online)



## Mechanisms for aid delivery

- 🌐 **Budget support** refers to financial assistance as a contribution to the overall budget. Within this category, funds may be nominally accounted for against certain sectors, but there is no formal limitation on where funds may actually be spent.
- 🌐 **Sector Wide Approach (SWAP)** involves donor support to the development of an entire sector in a given country, such as health, education or agriculture.
- 🌐 **Poverty Reduction Strategy Papers (PRSPs)** were introduced by the World Bank (WB) and the International Monetary Fund (IMF) as a loan prerequisite. They are intended to outline the country's main strategy to address poverty. PRSPs are meant to be drafted by the partner country's government in consultation with the WB and IMF.
- 🌐 **Basket Funding** is a joint funding modality by several donors towards a programme, sector or budget support. It may entail agreement of donors on harmonised procedures.

The **Busan Partnership for Effective Development Co-operation** was adopted at the most recent review (November 2011) of the PD and the AAA in South Korea. In many ways, the Busan Partnership can be regarded as an accomplishment. The principle of ownership has taken a more democratic orientation by refocusing on countries instead of just states, and it sets out a more inclusive role for all development actors (parliaments, local governments and CSOs) in shaping development policy. For the first time in the history of the effectiveness process, CSOs (represented by Better Aid<sup>9</sup>) have taken a seat at the negotiation table. While the Busan Partnership may still focus on *results*, its orientation is longer term and it looks at outcomes that have *a lasting impact on eradicating poverty and reducing inequality*. Transparency and accountability also go beyond inter-government relationships, to accountability to intended beneficiaries and respective citizens. Yet, there is no explicit commitment to adopt a human-rights based approach to development and the voluntary references for BRICs<sup>10</sup> reduces commitment to common principles.

9 BetterAid encompasses over 700 development organisations from civil society, and has been challenging the aid effectiveness since January 2007. BetterAid is leading many of the civil society activities including in-country consultations, studies and monitoring.

10 BRICs refers to the Brazil, Russia, India and China, which are all deemed to be at a similar stage of newly advanced economic development



With the Busan Partnership, gender equality goes beyond the mere thematic issue stated in the AAA. Paragraph 20 of the Busan Partnership underlines the necessity for reducing gender inequalities both as an *end in its own right and a prerequisite for sustainable and inclusive growth*. It also sets gender equality targets in accountability mechanisms, calls for the collection and analysis of sex-disaggregated data to inform public policy-making. It also calls for the inclusion of gender equality issues in all development initiatives. However, gender equality remains very much anchored into the economic growth model, rather than placing women's rights at the heart of what development is about. Yet, paragraph 20 can act as a starting point to leverage the gender agenda and push for implementation of international commitments, as well as give greater legitimacy for advocacy work in this area.

Although their engagement remained somewhat limited, given that development policies and programmes in most of EU NMS are still in its early stage, it is in Busan EU NMS engaged for the first in the aid effectiveness process. Civil Society organisations participated both in the forum and in the run-up mostly through their National Platforms and CONCORD. Policy-makers however were less involved, with the exception of Poland (due to the EU Presidency) and Member States delegations' comprised only Ambassadors instead of key policy-makers of relevant ministries.

However, certain shifts in the conceptualisation of development aid have had undeniable impacts on women's rights organisations and work on gender equality. It contributed to the rolling back of development objectives for equality.

## **Reduction of funding and access to funds**

New and/or preferred mechanisms of aid delivery now privilege direct funding from governments to governments. While channeling more money through national governments as a means to strengthening country ownership and to build partnership between donors and partner countries, it does present a threat for women's rights work. For instance, this might make it more difficult to work on more contentious issues, such as sexual and reproductive rights, if they are not national priorities. This was strongly lobbied by Rwanda and other African governments during the negotiations process on road to Busan and will undoubtedly impact on the life of women. In the Busan Partnership, the weight given to the country system as a default option is important, and very likely will restrict access to funding work on gender equality and for women's rights organisations.



## **Efficiency/value for money curtails work on gender-equality**

Increasingly aid is expected to have visible results. Donors are reclaiming short-term results that are readily demonstrated to the tax-payers. This emphasis is, however, incompatible with actions designed to transform unequal gender relations, which are by their very nature long-term and complex. The Busan Partnership retains the growth model, and greater emphasis is placed on funding through the private sector. Furthermore, results in this area are more often intangible and difficult to capture. Collecting information for such results is impossible in the short time frame of projects/programmes evaluation, thereby making it increasingly difficult for organisations to demonstrate the concreteness and durability of working for women's rights, and for donors to appreciate the merit of investing in gender equality.

## **Constrained ownership and the participation of women in setting national priorities**

The overall objective of ownership by partner countries provides an opportunity for greater involvement of the latter in shaping the aid agenda. The concept of ownership must however extend beyond the partner country's governments. The participation of national citizens, particularly women who have been largely excluded from policy processes, is key to achieve genuine poverty reduction. For instance, inadequate consultations on national budgeting priorities will de facto impact on women. Furthermore, Official Development Assistance is based on Poverty Reduction Strategy Papers which are to be approved by the WB and IMF, and are therefore not fully owned by countries. These institutions are not accountable to international goals for gender justice and sustainable development, and women's priorities are unlikely to be part of it.





## The ways forward: how to make development gender-responsive?

The Busan Partnership<sup>11</sup> includes two time-bound commitments for the establishment of a monitoring process and a new structure to ensure accountability and implementation. In June 2012, the global level indicators and framework for monitoring the Busan Partnership will be announced by the Busan Interim Group (the former Sherpa Group), for which greater responsibility will be imparted to partner countries. The working arrangements for the Global Partnership on Effective Development (the successor to the Working Party on Aid Effectiveness) will also be launched as the platform providing a forum for exchange of knowledge and regular review of progress. This is critical for the new democratic, inclusive and less donor-driven agenda of development effectiveness, because it creates an opportunity for more equal partnership and a process less driven by Organisation for Economic Co-operation Development (OECD) and OECD Development Assistance Committee (DAC). For EU NMS, this is also an opportunity for greater engagement, as not all EU NMS are members of the OECD DAC.

US Secretary of State Hillary Clinton teamed up with the Korean government and several other countries (UK, Canada, etc.) to launch the Busan Joint Action Plan on Gender Equality and Development during the 4th High Level Forum. Although the plan promotes gender equality, women's economic empowerment and proposes increased funds for women's rights issues, the initiative is focused on economic growth not on human rights and poverty reduction. Women's organisations welcomed the effort as a starting point, but have criticised the narrow definition of gender equality as a means toward economic growth and have called for reconsideration of this trend which is now being reflected by various donors.

Over the last decade, Civil Society Organisations have responded to the donor-led process of making aid more effective (aid effectiveness) by advocating for a more inclusive, sustainable development paradigm (development effectiveness). More than the quantity of aid, it is quality of development that is of prime importance. Women's rights advocates have enriched the process

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11 Paragraphs 35 and 36



by ensuring that gender is a key component and they have been recognised as key development actors. The visibility of gender equality issues is increasing, with more and more women's organisations from donor and partner countries becoming engaged in global processes. The role of CSOs as equal partners in the negotiations provides numerous opportunities for real influence on political change, but also could have a negative impact on the independent position of the civil society movement and their pioneering role in development cooperation. Although the Busan Partnership and the Gender Action Plan contain their share of shortcomings, they still present opportunities for EU NMS to play a role in their implementation.




### **KARAT Coalition**

Since 1997, KARAT has been running a network of women's NGOs from Central and Eastern Europe and the Commonwealth of Independent States (CEE/CIS) aimed to ensure gender equality through monitoring the implementation of international agreements and policies. It advocates women's human rights, economic social justice and gender-focused development cooperation with a strong focus on the perspective from CEE and CIS. KARAT has built up a strong network over the past decade and is currently composed of approximately 70 members.

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