

# How Does Aid Support Women's Economic Empowerment?

OECD DAC NETWORK ON GENDER EQUALITY (GENDERNET) • 2018

## Key messages

- Overall bilateral aid integrating (mainstreaming) gender equality in all sectors combined was higher than ever before in 2015-16 at USD 41.7 billion on average per year, corresponding to 37% of aid. At the same time, dedicated support focussed on gender equality and women's empowerment as the primary objective has stagnated at only 4% of bilateral aid, amounting to USD 4.6 billion per year.
- Aid integrating (mainstreaming) a gender equality perspective in **the economic and productive sectors reached USD 12 billion on average per year** in 2015-16 – a rise from USD 8.8 billion in 2013-14. But...
- ...dedicated support focussed on gender equality and women's empowerment as the primary objective in these sectors **decreased to only USD 460 million on average per year** in 2015-16. This represents only 1% of total aid to the economic and productive sectors.
- DAC members should match the raised levels of aid integrating a gender equality perspective with increased dedicated funding focussed on gender equality and women's empowerment as a primary objective in the economic and productive sectors.

## Introduction: Aid to gender equality and women's empowerment in the economic and productive sectors

Closing gender gaps in the economic domain will not only advance women's economic empowerment but also support progress toward achieving many of the Sustainable Development Goals. The global community has committed to achieve gender equality through SDG 5, as part of the road map to inclusive and sustainable growth.<sup>1</sup>

Official Development Assistance (ODA) is one important contribution to funding women's economic empowerment in developing countries.<sup>2</sup> The OECD tracks bilateral allocable aid that targets gender equality and women's empowerment as either a principal (primary) objective or significant (secondary, or mainstreamed) objective, using the DAC gender equality policy marker – a qualitative statistical tool to record ODA activities (see Methodology section).<sup>3</sup>

<sup>1</sup> UN (2017) *Leave no one behind. Taking action for transformational change on women's economic empowerment*. Report of the UN Secretary-General's High-Level Panel on Women's Economic Empowerment.

<sup>2</sup> DAC members also provide core support to multilateral organisations. Some of the outflows from these multilateral organisations target gender equality and women's empowerment. In addition, developing countries' public spending, as well as remittances, flows from civil society, foundations and from other private actors can all contribute financial resources for gender equality in developing countries.

<sup>3</sup> See [www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm](http://www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm)

This brief provides an overview of ODA committed by members of the OECD Development Assistance Committee (DAC) focussed on gender equality and women's empowerment in the economic and productive sectors on average per year in 2015-2016.<sup>4</sup> The economic and productive sectors have been selected for this analysis because they are essential for women's economic empowerment. This approach was used in earlier GENDERNET reports and allows for analysing trends over time of aid to women's economic empowerment.<sup>5</sup> Meanwhile, support for gender equality and women's empowerment in the social sectors can also support economic empowerment by creating an enabling environment for women's participation in the economy. This aspect is however not addressed in this analysis.<sup>6</sup>

## **A mixed picture: Aid integrating a gender equality perspective in the economic and productive sectors is on the rise but dedicated support is decreasing**

### **Aid to programmes mainstreaming gender equality is increasing...**

Total support for gender equality and women's empowerment in the economic and productive sectors is on the rise. Aid committed by DAC members that integrates gender equality as either a significant or principal objective in the economic and productive sectors reached USD 12 billion on average per year in 2015-2016. This is an increase from USD 8.8 billion on average per year in 2013-2014 (Chart 2). This is made up almost exclusively of aid focussed on gender equality as a significant (mainstreamed) objective (Chart 1). Such programmes include for example infrastructure or agriculture initiatives that mainstream a gender equality perspective, but do not identify women's economic empowerment or gender equality as their main objective.<sup>7</sup>

The USD 12 billion represent 34% of DAC members' total allocable aid to the economic and productive sectors in 2015-2016, higher than 24% in 2013-2014.

This increase mirrors the rise in total aid integrating a gender equality perspective in all sectors combined (social and economic). In 2015-2016, DAC members committed USD 41.7 billion to gender equality and women's empowerment as either a significant or principal objective, corresponding to 37% of bilateral allocable aid in all sectors combined. This was higher than ever before.<sup>8</sup>

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<sup>4</sup> The 11 economic and productive sectors used for this analysis are: Agriculture and rural development, Industry, Mining, construction and tourism, Transport, Energy, Communications, Banking and business services, Public finance management, Employment policy, Trade, and Urban development.

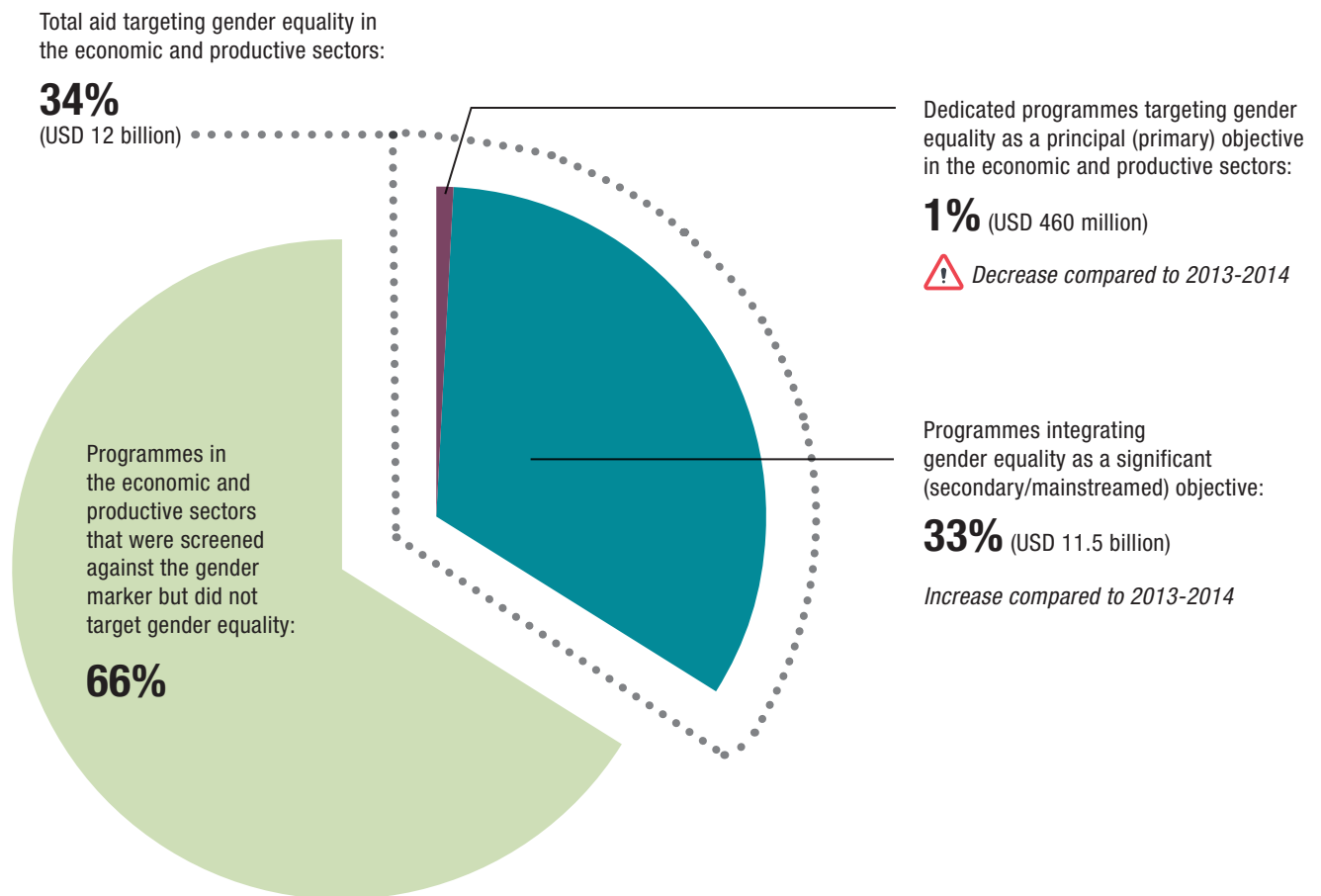
<sup>5</sup> ODA to gender equality in the same economic and productive sectors approach was analysed in the GENDERNET documents *Tracking the money for women's economic empowerment: Still a drop in the ocean* (OECD, June 2016) and *Aid in Support of Women's Economic Empowerment* (OECD, January 2011).

<sup>6</sup> The G7 uses a slightly different methodology for measuring aid in support of women's economic empowerment.

<sup>7</sup> OECD DAC Network on Gender Equality (2016), *Handbook on the OECD-DAC Gender equality policy marker*.

<sup>8</sup> OECD DAC Network on Gender Equality (2018), *Aid to gender equality and women's empowerment. An Overview*.

Chart 1: Gender equality focus of bilateral allocable aid in the economic and productive sectors, average per year 2015-2016



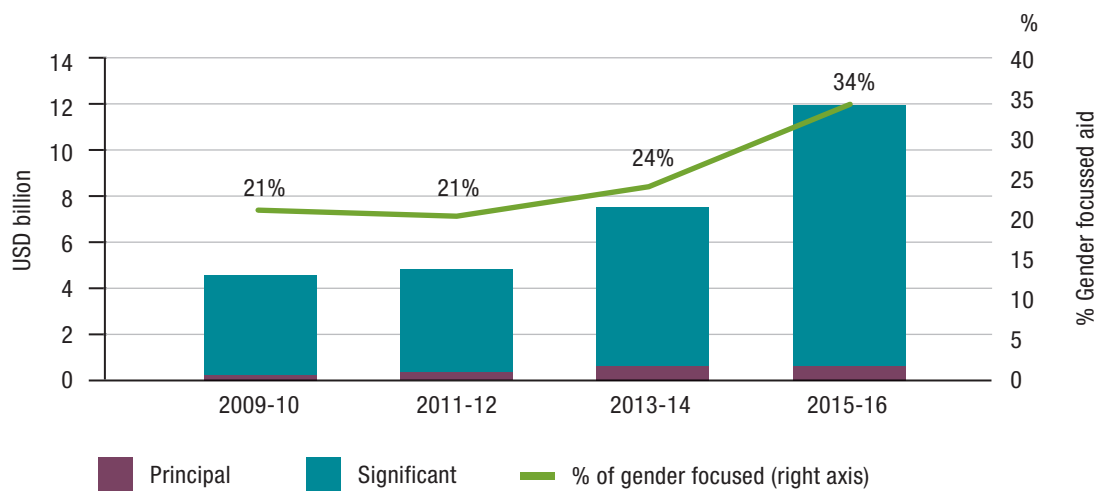
### ... but dedicated funding with women's economic empowerment as the principal objective is decreasing

In stark contrast to the increase in programmes integrating (mainstreaming) a gender equality perspective, **dedicated programmes with gender equality as a principal objective in the economic and productive sectors has decreased** (Box 1). In 2015-16 aid dedicated to women's economic empowerment, scoring "2" (principal objective) against the DAC gender equality policy marker, stands at only USD 460 million on average per year in these sectors, compared to USD 616 million on average per year in 2013-14.<sup>9</sup>

This is similar to the levels of dedicated support to gender equality in all sectors combined (social and economic), which has stalled below 5% of aid and amounted to USD 4.6 billion on average per year in 2015-2016.

<sup>9</sup> Figures using 2016 prices.

Chart 2: Trends in the shares of aid targeting gender equality in the economic and productive sectors



To effectively support women’s economic empowerment and implement their commitments in the Agenda 2030 for Sustainable Development, DAC members should match the raised levels of aid integrating a gender equality perspective with **increased dedicated funding focussing on gender equality and women’s empowerment as a principal objective in the economic and productive sectors.**

**Box 1. Examples of dedicated funding for women’s economic empowerment (score “2”)**

The Netherlands committed USD 2.3 million to a programme dedicated to gender equality as the principal objective in the agriculture and rural development sector: The “Making market work for women” project in Bangladesh. The programme aims to i) improve the sexual and reproductive health and rights, and the nutrition situation of women, their families and the wider community, and ii) bring sustainable and systemic changes in existing market behaviours that will enable women to participate in the agriculture value chain.

Canada committed almost USD 1 million to a programme dedicated to gender equality as a principal objective in the employment policy sector: The “Women’s Economic Linkages and Employment Development (WE LEAD)” project in Jordan. This project aims to remove barriers that inhibit women’s access to the labour market through skills-based development, find solutions to childcare, and identify safe and affordable transportation.

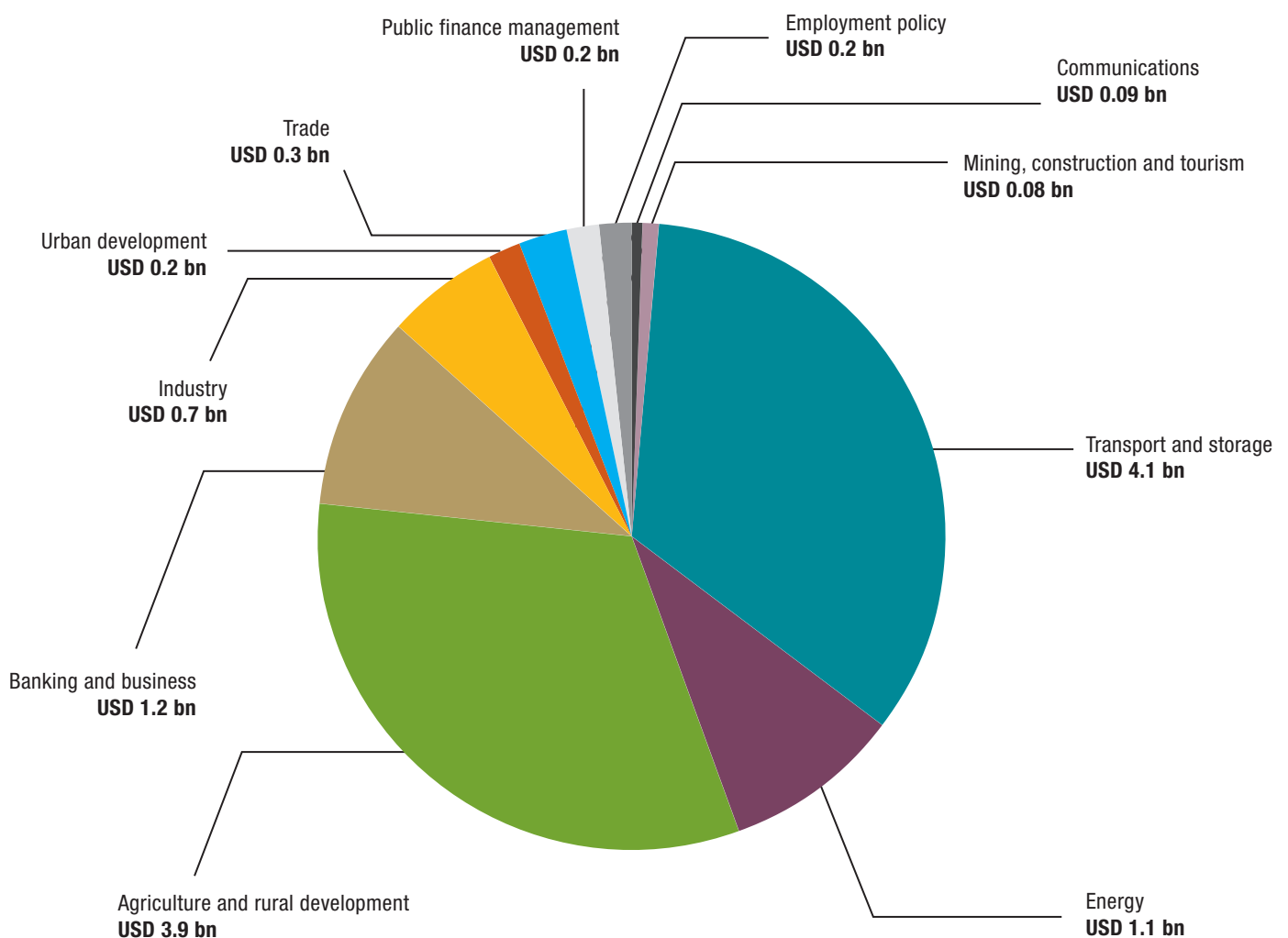
## Sectoral focus of aid addressing gender equality in the economic and productive sectors

### Focus of total aid integrating gender equality dimensions in the economic and productive sectors: Transport and agriculture

Out of the USD 12 billion of aid integrating gender equality in the economic and productive sectors as either a significant or principal objective, most is committed in the two sectors of transport and storage (USD 4.1 billion), and agriculture and rural development (USD 3.9 billion). (Chart 3)

One single large programme funded by Japan – a USD 2 billion railway programme in the Philippines – accounts for half of the aid in the transport and storage sector.

Chart 3: Sectoral distribution of total gender equality focusd ODA in the economic and productive sectors (USD 12 billion)



## **Focus of dedicated programming with gender equality as a principal objective in the economic and productive sectors: Agriculture and banking**

Out of the only USD 460 million of dedicated funding targeting gender equality as a principal objective, most was committed in the agriculture and rural development sector (USD 286 million), followed by the banking and business sector (USD 119 million).

This focus on agriculture is welcome given that the share of women in agricultural employment is growing in the majority of developing regions (except for East Asia and Southeast Asia, where women already make up about 50% of the agricultural workforce).<sup>10</sup> According to the Food and Agriculture Organisation (FAO), women in rural areas also encounter “higher barriers than men to participate in dynamic markets, enter high-value supply chains, and access land, agricultural inputs and other productive resources”.

## **An increased focus on gender equality and women’s empowerment in most of the economic and productive sectors**

When looking at each economic and productive sector and the focus on gender equality in each of these, the total shares of aid targeting gender equality and women’s empowerment in 2015-2016 have increased in most sectors compared to 2013-2014:

The focus on gender equality has increased considerably since 2013-2014 in the trade sectors (from 34% in 2013-2014 to 51% in 2015-2016). This focus on gender equality is welcome as trade can play a key role in empowering women and assisting them to make their way out of poverty. According to the World Trade Organisation and the OECD, “increased trade openness over the past three decades has brought new job opportunities, has often increased returns for women working in export-oriented sectors, and has increased incentives to remove gender biases and discrimination”.<sup>11</sup> On the other hand, gender-blind trade policies may fail to address the barriers that women face in the economy, and even create new obstacles or reinforce existing gender gaps.<sup>12</sup>

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<sup>10</sup> FAO (2017), *State of Food and Agriculture Report. Leveraging Food Systems for Inclusive Rural Transformation*, Food and Agriculture Organisation, Rome.

<sup>11</sup> OECD and World Trade Organisation (2017), *Aid for Trade Global Review*.

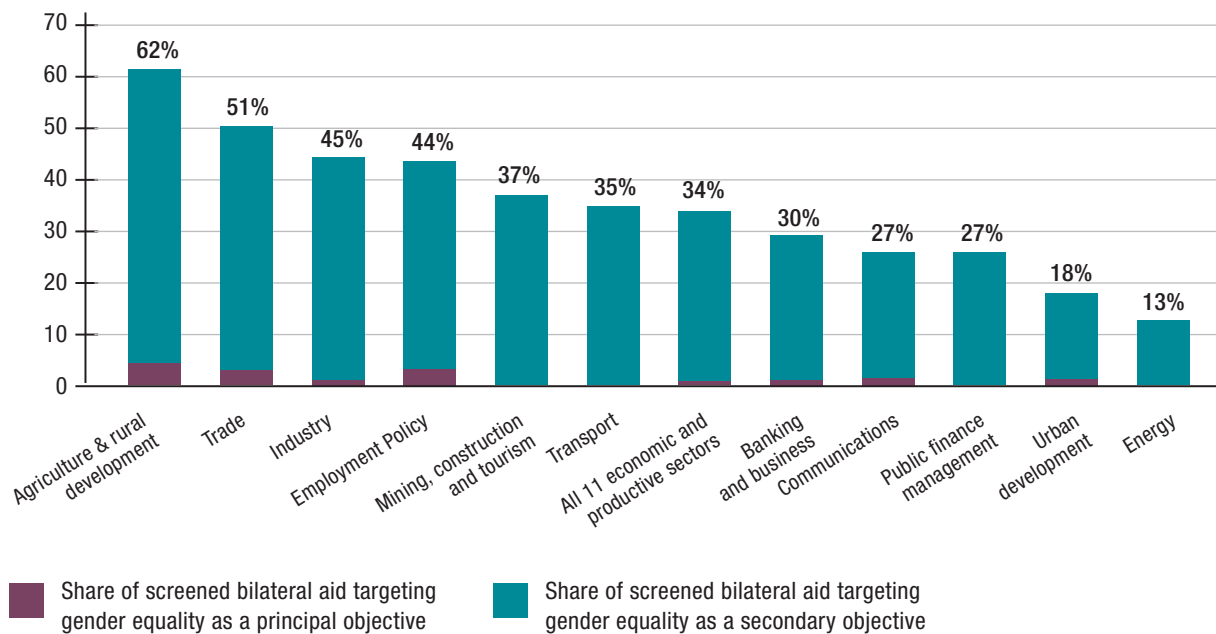
<sup>12</sup> WTO (2017), *World Trade Report 2017: Trade, technology and jobs*.

The increased focus on gender equality in the **transport and storage** sector (from 11% to 35% in 2015-16), is in line with SDG target 11.2 that calls for the provision of sustainable transport systems that give special attention to the needs of women and vulnerable groups.

Other sectors with an increased focus on gender equality are **mining, construction and tourism** (from 19% to 37%), **industry** (from 27% to 45%), and **communications** (from 14% to 27%).

The focus on gender equality remains highest in the **agriculture and rural development** sector, at 62%, which represents an increase from the already high 51% in 2013-2014.

**Chart 4: Gender equality as an objective in the economic and productive sectors on average per year 2015-2016**  
(all DAC members)



The share of aid targeting gender equality in the **banking and business sector** remains relatively stable (from 26% in 2013-2014 to 30% in 2015-2016). Women tend to remain in the background when it comes to access to financial tools, even though women entrepreneurs have a 98% repayment rate for loans.<sup>13</sup> According to a United Nations Centre for Human Settlements report (2009), almost 75% of women around the world cannot access formal bank loans because they are not in permanent employment and they lack land or housing titles that they can offer as collateral, or because the laws of their countries do not consider them eligible to make transactions.<sup>14</sup>

The **focus on gender equality has decreased in only two sectors since 2013-2014: urban development** (from 36% in 2013-2014 to 18% in 2015-2016)<sup>15</sup> and **public finance management** (from 29% to 27%). The global community has committed to make cities and human settlements inclusive, safe, resilient and sustainable as part of SDG 11, particularly for women. It has also set out to increase the proportion of countries with systems to track and make public allocations for gender equality and women's empowerment, which is monitored by SDG indicator 5.c.1. In order to fulfil these commitments, more support for gender equality should be planned in the sectors of urban development and public finance management.

The **focus on gender equality in the energy sector has remained constantly low** at 9% in 2013-2014 and 13% in 2015-2016. Improving access to reliable and affordable modern energy is however key to women's health and well-being, who, with their children, face the greatest health risks of household air pollution.<sup>16</sup> It also has the potential to decrease the time that women spend on unpaid domestic work and create new opportunities for women.<sup>17</sup> Investments focussed on gender equality in the energy sector can also ensure women's safety in public spaces and reduce the risk of harassment in poorly lit areas. Gender equality and access to energy are inextricably linked and essential for development, as recognised in SDG 5 and SDG 7 respectively.

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<sup>13</sup> Ibid.

<sup>14</sup> United Nations Centre for Human Settlements (2009).

<sup>15</sup> In 2007-2008, 46% of bilateral aid in the urban development sector targeted gender equality.

<sup>16</sup> International Energy Agency (2017), *Energy Access Outlook*.

<sup>17</sup> OECD Policy Dialogue on Women's Economic Empowerment (2017), *Recognising, reducing and redistributing unpaid care and domestic work – Concept Note*.

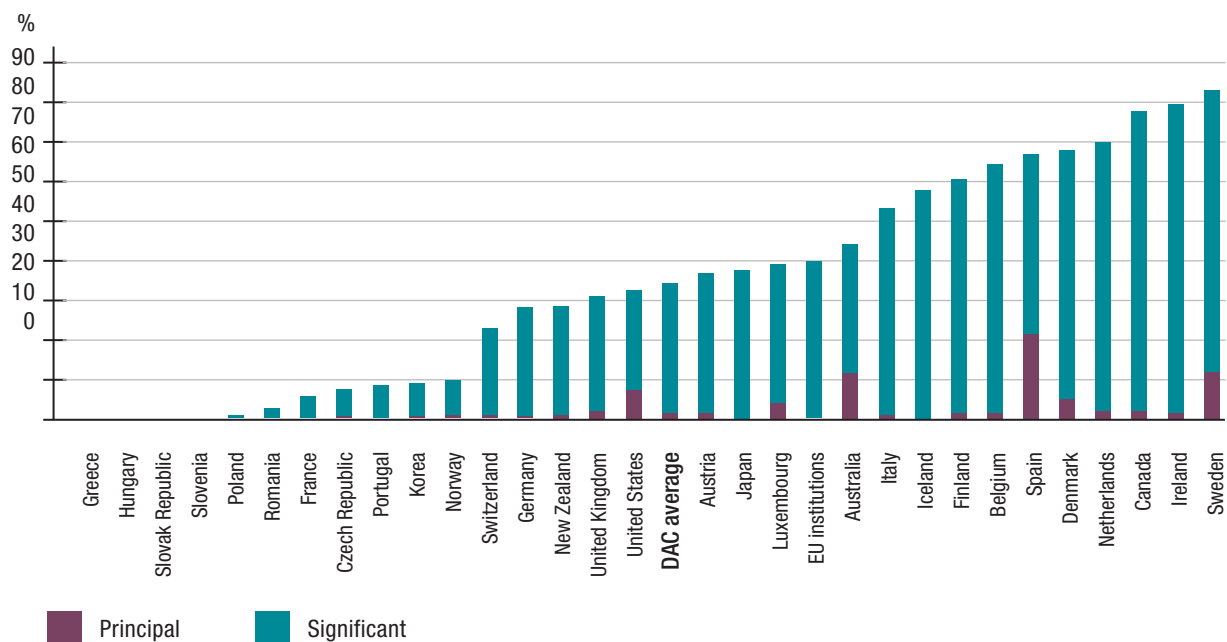


## Allocations by individual DAC members

The DAC members with the highest shares of aid addressing gender equality as either a principal or significant objective in the economic and productive sectors in 2015-2016 are **Sweden, Ireland and Canada**. Sweden and Ireland have both increased the shares of aid integrating gender equality in these sectors compared to 2013-2014.

Looking only at programmes dedicated to gender equality in the economic and productive sectors, **Spain** committed more than 20% of their aid to programmes that focusses on gender equality as a principal objective. **Sweden** and **Australia** both committed more than 10% of their aid in the economic and productive sectors to programmes with gender equality as a principal objective. (Chart 5)

Chart 5: Average share of aid by DAC member targeting gender equality in the economic and productive sectors per year in 2015-2016<sup>18</sup>



When looking at dollar amounts, **Japan** and the **EU Institutions** together make up more than half of total aid integrating gender equality in the economic and productive sectors. Almost all of this aid integrated gender equality as a significant objective. The EU Institutions committed USD 2.3 billion on average per year of aid that integrates gender equality in the economic and productive sectors. Most was concentrated in the agriculture and rural development sector, including large programmes for food and nutritional security and sustainable agricultural development in Niger, Rwanda and Uganda.

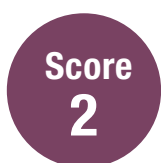
Japan is the largest donor to gender equality in the economic and productive sectors at USD 4.5 billion on average per year. Most was concentrated in the transport and storage sector, and the rest to large urban infrastructure programmes in India, Bangladesh and Thailand.

<sup>18</sup> Greece's bilateral aid is concentrated in other sectors than the economic and productive sectors and was therefore not calculated in this comparison.

## Methodology

The OECD tracks aid in support of gender equality and women's empowerment using the Development Assistance Committee (DAC) gender equality policy marker – a qualitative statistical tool to record ODA activities that target gender equality and women's empowerment as a policy objective. The gender equality policy marker is used by DAC members as part of the annual reporting of their aid activities to the OECD. All DAC members except Hungary reported against the marker on their 2016 ODA flows.

The data generated by the DAC gender equality policy marker provide an estimate of aid in support of gender equality but is not an exact quantification. The gender equality policy marker is based on a three-point scoring system<sup>19</sup>:



*Principal*

“Principal” objective means that gender equality is the primary objective of the project/programme and is fundamental for its design and expected results. The project/programme would not have been undertaken without this objective.



*Significant*

“Significant” objective means that gender equality is an important but secondary (mainstreamed) objective, and not the principal reason for undertaking the project/programme. It is possible that only a portion of the budget targets gender equality objectives, but the amount recorded in the database relates to the entire budget of the programme/project.



*Not targeted*

“Not targeted” means that the project/programme has been screened against the gender marker but has been found to not target gender equality.

This brief examines how much bilateral aid was marked as targeting gender equality using the OECD-DAC gender equality policy marker in a selected number of economic and productive sectors and sub-sectors, as a proxy for support to “women's economic empowerment”. The sectors have been grouped into 11 categories, which form the basis of the analysis presented in this brief:

- Agriculture and rural development
- Industry
- Mining, construction and tourism
- Transport
- Energy
- Communications
- Banking and business services
- Public finance management
- Employment policy
- Trade
- Urban development

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<sup>19</sup> OECD DAC Network on Gender Equality (2016), *Handbook on the OECD-DAC Gender Equality Policy Marker*.

Aid focussed on gender equality and women's empowerment in the social sectors can also support economic empowerment by creating an enabling environment for women's participation in the economy. This aspect is however not addressed in this statistical analysis. The approach of looking only at the economic and productive sectors was used in the GENDERNET documents *Tracking the money for women's economic empowerment: still a drop in the ocean* (OECD, June 2016) and *Aid in Support of Women's Economic Empowerment* (OECD, January 2011) and allows for analysing trends in aid to women's economic empowerment.

**Box 2. G7 monitoring of ODA to women's economic empowerment**

The Group of Seven (G7) is an informal grouping of Canada, France, the United States, the United Kingdom, Germany, Japan and Italy. The G7 uses a slightly different methodology for measuring ODA in support of women's economic empowerment than in this document.

For more information, see the *Charlevoix Progress Report* (forthcoming 2018).

Closing gender gaps in the economic domain will not only advance women's economic empowerment but also support progress toward achieving many of the Sustainable Development Goals. The global community has committed to achieve gender equality through SDG 5, as part of the road map to inclusive and sustainable growth.

This brief provides an overview of ODA committed by members of the OECD Development Assistance Committee (DAC) focussed on gender equality and women's empowerment in the economic and productive sectors on average per year in 2015-2016. Aid integrating (mainstreaming) a gender equality perspective in the economic and productive sectors was higher than ever before. At the same time, dedicated support focussed on gender equality and women's empowerment as the primary objective in these sectors decreased compared to 2013-2014.