

Maria Perrotta Berlin, SITE  
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# A Gender Perspective on Financing for Development

Gender equality should be considered a global public good due to its extensive benefits for both society and the environment. Investing in gender equality as a global public good necessitates a coordinated international effort, which should be a focal point in discussions on the future of development financing. The upcoming Fourth International Conference on Financing for Development (FfD) in 2025 in Madrid, Spain, provides a crucial opportunity to assess the progress towards the Sustainable Development Goals (SDGs) and allow countries to refine their strategies. However, recent background documents lack an explicit focus on opportunities for advancing gender equality, which was also inadequately addressed in the Addis Ababa Action Agenda formulated at the previous FfD conference in 2015. This brief is based on the first of a series of roundtables, organized by the Center for Sustainable Development (CSD) at Brookings, aimed at providing inputs on this critical topic in the lead-up to the Madrid conference.

Financing for development relies on three main pillars: domestic resource mobilization; development assistance; and other sources of international financing. The latter category includes both private and public sources that emerge in response to the need for a global safety net and social protection system, especially in light of increasing risks from pandemics and climate-related shocks. This policy brief is an attempt to highlight how gender considerations may integrate into each of these pillars. It builds on insights from the first Center for Sustainable Development roundtable, discussing this important issue in preparation for the Fourth International Conference on Financing for Development in 2025.

## Domestic Resource Mobilization

Fiscal policy plays a critical role in addressing gender gaps, particularly in low-income economies with limited fiscal space. Fiscal policies, including tax systems and public spending, must be designed to consider their gender-specific impacts. For the spending side, several initiatives are promoting tools like gender responsive budgeting, as has been recently discussed in a [FROGEE policy paper](#) by Anisimova et al. 2023, on the case of Ukraine.

Here one key area of focus is caregiving services. Caregiving, whether for children, the elderly, or other dependents, disproportionately affects women (see another [FREE Network brief](#) by Akulava et al. 2021) and remains largely invisible in economic policies. Many countries, especially outside of higher-income economies, lack universal caregiving services and infrastructure. This sector is significant for economic development and resilience, especially in the context of climate change, which is expected to increase the demands on caregiving due to displacement and health-related challenges. Therefore, integrating care into fiscal policy discussions is not only about gender equality but

also about economic resilience and climate adaptation.

To address unpaid care work effectively, it is necessary to integrate care into public finance systems. This can involve developing public caregiving infrastructure and services that support both paid and unpaid caregivers. One first step in this direction would be the monitoring of household time-budgets, to start understanding and analyzing the supply of caregiving services that currently is largely undocumented.

Another policy area crucial for supporting women are social protection policies. In particular policies such as parental leave and childcare support can help reduce gender disparities in the labor market (see examples in the [FREE Network brief](#) by Campa, 2024). By providing a safety net, social protection policies enable women to participate more fully in economic activities without the constant threat of financial insecurity.

A specific challenge of the developing world in this respect is the fact that many women work in the informal sector and thereby lack access to social security benefits, leaving them vulnerable during economic hardships. Economic development alone does not solve this issue, as even many developed and wealthy countries lack comprehensive social protection systems. Therefore, a specific effort is needed to develop inclusive social protection systems that cover informal workers, ensuring women have access to benefits such as pensions, healthcare, and unemployment insurance.

Much less discussed is the integration of gender concerns in the taxation side of fiscal policy. Progressive taxation, where tax rates increase with higher income levels, is particularly beneficial for women, who are overrepresented in lower income quintiles. A progressive tax system can thus, besides helping redistribute wealth more equitably, also support gender equality.

Effective tax administration is crucial for improving compliance and maximizing revenue collection. However, it is particularly important in



this context to design tax systems that minimize the compliance burden on low-income and informal sector workers, many of whom are women. This can be achieved by simplifying tax procedures and providing support for small and micro enterprises to navigate the tax system. The potential of digital tax systems is significant in this regard (Okunogbe, 2022). Digitalization can streamline tax collection, reduce administrative costs, and improve compliance. However, there are challenges associated with digital tax systems, particularly in ensuring accessibility for all citizens. Women, especially those in rural areas and with lower literacy levels, may face significant barriers in accessing and utilizing digital tax systems. Therefore, while digitalization offers many benefits, it must be implemented in a way that is inclusive and equitable. This includes providing digital literacy training and ensuring that digital tax platforms are user-friendly and accessible to all segments of the population.

Health taxes, such as those on tobacco, alcohol, and sugar-sweetened beverages, may also play a role in promoting gender equity. These taxes help reduce consumption of harmful products, which are disproportionately consumed by men and heavily affect household budgets. By discouraging the use of such products, health taxes can redirect household spending towards more beneficial areas, such as education and healthcare, which are often prioritized by women.

Moreover, health taxes can generate significant revenue that can be reinvested in gender-responsive public spending. For instance, funds raised from health taxes can be allocated to healthcare services, including reproductive health and maternal care, which directly benefit women. Additionally, excise taxes on harmful products address externalities, improving overall public health and reducing the burden on women who often provide unpaid health care.

## Broader Sources of Financing for Social Services

The increasing risks from pandemics, climate-related shocks, food insecurity, and other economic shocks of a global nature highlight the need for a global safety net and social protection system. This in turn raises additional demand for effective financing for social services. One area in which new sources of international funding can be found is the emerging global infrastructure for climate finance.

### Climate Finance and Gender Equality

Climate finance presents a unique opportunity to address gender equality, particularly in the context of climate adaptation and mitigation strategies. Due to (among others) resource constraints, unequal land ownership and unevenly distributed family responsibilities, women are often more vulnerable to climate impacts. Integrating gender considerations into climate adaptation and mitigation strategies ensures women are supported in building resilience.

One key approach is to use climate finance to promote economic diversification for women, especially in sectors like agriculture, where they play a significant role. For example, providing female farmers with access to capital, training, and resources to adopt climate-resilient agricultural practices can improve their economic security and reduce their vulnerability to climate shocks. This includes supporting transitions to sustainable farming methods, such as crop diversification, agroforestry, and improved irrigation techniques.

Additionally, climate finance can support the development of climate-resilient infrastructure that benefits women. This includes investments in clean energy, water management systems, and transportation networks that are essential for their daily activities and livelihoods. Ensuring that women have access to and can benefit from these



infrastructures is crucial for their overall well-being and economic empowerment.

Women can play a pivotal role in natural resource management and environmental conservation. Research has shown that involving women in the management of natural resources, such as forests and water bodies, may lead to more sustainable and equitable outcomes. Women tend to prioritize long-term sustainability and community benefits, which can enhance the effectiveness of conservation efforts (see Agarwal, 2010. For a more nuanced view, see Meinzen-Dick, Kovarik and Quisumbing, 2014).

Climate finance can be used to support initiatives that empower women in natural resource management. This includes providing training and capacity-building programs that equip women with the knowledge and skills needed to manage resources effectively. Additionally, creating platforms for women to participate in decision-making processes related to environmental conservation ensures that their perspectives and needs are considered.

Innovative financing mechanisms can significantly enhance resources available for gender equality initiatives. Several potential sources of finance include Special Drawing Rights (SDRs), currency transaction taxes, and carbon taxes. Revenues generated from these sources can be directed towards climate and gender initiatives, such as supporting women's participation in the green economy, funding renewable energy projects that benefit women, and investing in climate adaptation measures that protect vulnerable communities.

## Development Assistance

Historically, development assistance explicitly targeted to gender equality initiatives has been insufficient. This has changed over time, but the overall financial support remains inadequate. Current ODA (Official Development Assistance) for gender equality often overestimates the actual financial support to such initiatives because it

relies heavily on intention-based data rather than results-based financing. This means that the reported figures reflect commitments to gender-related projects without necessarily demonstrating their effectiveness or outcomes. As a result, the true impact of this funding for gender equality is difficult to ascertain.

In principle, development assistance should contribute to gender equality even beyond explicit targeting, simply through improving general economic conditions and generating opportunities. Economic development, after all, is good for gender equality (Duflo, 2012). The effectiveness of development assistance in promoting gender equality is however severely understudied, as discussed in Berlin et al. (2024) (and in a [policy brief](#) by Perrotta Berlin, Olofsgård and Smitt Meyer, 2023). We know that development assistance has a slight positive impact, and that gender-targeted aid projects tend to show somewhat larger impacts. But to learn more a more systematic reporting of donor activities is needed. This in particular when it comes to gender markers, i.e. the labeling of specific projects and programs as gender-oriented, that as of now are voluntary.

The effectiveness of gender-focused aid also heavily depends on local cultural dynamics and existing community norms. In some cases, aid aimed at improving economic opportunities for women can lead to negative reactions from men, a phenomenon known as backlash. Therefore, understanding and addressing these local cultural dynamics is crucial when designing and implementing gender-focused aid interventions.

Another critical aspect is the allocation of gender-targeted aid. It is essential to ensure that aid reaches the areas and communities where it is most needed. This requires a granular understanding of local needs and conditions, which is often lacking in broad, country-level data. More precise, geocoded data on aid distribution can help ensure that resources are allocated effectively and equitably. Improving the quality and granularity of data is also vital for monitoring



and evaluating the impact of development assistance on gender equality. Current data collection efforts often fall short, lacking detailed, disaggregated information necessary for comprehensive analysis. National statistical agencies need more funding and support to collect this data, which is critical for understanding and addressing gender disparities.

## Conclusions and Policy Recommendations

Advancing gender equality contributes to improved health outcomes, economic growth, and social stability. Moreover, gender equality plays a crucial role in addressing global challenges such as climate change, peacebuilding, and sustainable development. Therefore, it should be considered a global public good.

Investing in gender equality as a global public good requires a coordinated international effort. This includes mobilizing resources from various sources, including governments, international organizations, and the private sector. By recognizing the intrinsic value of gender equality and its contribution to global well-being, the international community can prioritize and allocate resources more effectively.

The discussion in this brief aims to highlight key areas that require focused efforts if the global community is to leverage gender equality to make progress towards the SDGs. In summary, enhanced data quality, integrated policies, innovative financing solutions, and gender-

inclusive leadership are critical components of a strategy aimed at achieving lasting and meaningful progress in gender equality as well as broad sustainable development.

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## Maria Perrotta Berlin

Stockholm Institute for Transition Economics

maria.perrotta@hhs.se

<https://www.hhs.se/en/research/institutes/site/people/perrotta-berlin-maria/>

Maria Perrotta Berlin is Assistant Professor and Policy and Communication Manager at the Stockholm Institute of Transition Economics (SITE). She earned her Ph.D. from the Institute for International Economic Studies (IIES) at Stockholm University. Maria's main research interests are development and political economics, with a focus on gender issues and environmental policy.

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