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New Aid Agenda

Making Aid Effectiveness Work for Gender Equality

Progress clearly depends on effective gender equality advocates who are men as well as women.

Introduction

The programme-based aid delivery modalities promoted in the aid effectiveness agenda offer fresh opportunities for promoting gender equality – while at the same time presenting new challenges for gender equality advocates. The new modalities represent a move away from project-based, donor-driven aid toward aid that is aligned to nationally-determined development priorities, is pooled from diverse sources, directly supports the national budget or whole sectors, and is stable and predictable. The principles of the new aid effectiveness agenda are:¹

- **Ownership.** Developing countries direct development policies and coordinate action.
- **Alignment.** Donors support overall national development strategies. This takes the form of direct budget support and sector-wide approaches, in which funding is provided to a general area like health rather than to a specific health project. It means that aid is “untied” rather than tied to a specific donor priority. Frequently, the national Poverty Reduction Strategy Paper (PRSP) provides the overall framework for aid.
- **Harmonization.** Donors make their actions more consistent with one another in terms of aims and priorities, reporting requirements, and the predictability of funding. Pooling resources through basket funding is part of harmonization. Harmonization reduces transaction costs.
- **Results.** All parties focus on achieving clearly defined results, particularly the Millennium Development Goals, rather than on inputs and delivery.
- **Mutual accountability.** Donors and developing countries are accountable for these results.

Opportunities and Risks

There is much that women might gain from more predictable aid flows, greater national self-determination, lower transaction costs, greater accountability, more inclusive ownership of national development processes, and other features of the new aid regime. Similarly, moves toward greater aid effectiveness are enhanced by investments in gender equality. Yet the new aid modalities – like the old aid modalities – still present the risk of “policy evaporation” and “invisibilization”² of gender. Indeed, the new aid regime shares this potential malady with gender mainstreaming, which has much to recommend it on paper and in “best practice” examples, but sometimes leads to a disappearance of women and their concerns from policies and programmes. Other cross-cutting issues, such as environmental sustainability, also face risks of marginalization in the aid effectiveness regime, though in the case of the environment, for instance, many concrete steps have been put in place to mitigate such risk. No such steps have been taken for gender.

Some of the potential opportunities and risks are summarized in **Table 1**. All turn on the question of power. If women and women’s organizations are empowered as equal “owners” of national development policy to whom governments and donors are accountable and around whose priorities all actors align and harmonize, then the new aid modalities can serve to enhance gender equality and bring about positive change for women. If women are not thus empowered, then the new aid modalities threaten to marginalize women and their interests with great efficiency and little potential for redress. Across the developing world, most policy-makers are men; worldwide, they make up 83 per cent of parliamentarians, to give just one example.³ Thus progress clearly depends on effective gender equality advocates who are men as well as women.

Seizing Opportunities and Mitigating Risks: What Will It Take?

Evidence and analysis suggest that whether the new modalities help or hinder gender equality hinges on four questions:

- **Is adequate financing allocated for programmes that meet the needs of women and girls?** Simply put, financing development and achieving the MDGs requires financing for gender equality.
- **Is there sufficient national capacity to advance gender equality?** There are binding capacity constraints in developing countries that must be addressed to achieve gender equality. National women’s machineries and civil society groups need better skills in macroeconomic analysis and effective advocacy. Line ministries require better gender analysis skills. The incentive structures and performance measures in public institutions must create incentives for meaningful engagement in and action on gender equality.

- **Are robust accountability systems in place to track government and donor contributions to gender equality?** Donor and developing country government accountability systems must be refined to monitor their performance on advancing women's rights and promoting equality. Direct budget support needs to be complemented with funding for civil society so that it can continue to monitor public policy and expenditure and advocate for justice.
- **Are the indicators, data collection, progress assessments, and performance monitoring used to evaluate the effectiveness of aid gender-responsive?** Gender analysis, gender-sensitive capacity building, and assessing gender equality results all require sex-disaggregated data and gender-sensitive indicators. Because "what get measured gets done", measuring tangible progress against well defined baselines and benchmarks is critical to making gender equality a reality.

Table 1: The New Aid Agenda: Opportunities and Risks for Gender Equality⁴

	Potential Opportunities	Risks
Ownership	Women in developing countries could take a meaningful role in articulating their priorities and crafting national development policy; this requires capacity building in women's analytical skills and policy-makers' gender analysis skills as well as donor funding. Creating policy space for gender equality advocates and strengthening women's machineries to take part in national discussions on development and aid are key.	Evidence shows that national development plans, poverty reduction strategies, and other nationally owned planning documents often do not incorporate gender equality goals except in a cosmetic way, or only reflect gender considerations in areas like health and education.
Alignment	National commitments to and plans for gender equality must be reflected in national plans and budgets to allow donors to align their support to the priorities and needs of women and girls. Adopting gender-responsive budgeting approaches is a good way to assess donor alignment as well as national commitment.	If gender equality priorities do not appear in national plans, then donor funding will not be directed toward gender equality policies and programmes. In terms of sector-wide support, evidence shows that although women are profoundly affected by spending in sectors like justice, law enforcement, infrastructure, and transport, plans in these sectors are typically gender-blind. In terms of CSOs, alignment can impede funding to women's organizations and others whose work is vital to equality. Innovative funding mechanisms that target gender equality programmes are still needed.
Harmonization	Pooled aid flows in support of gender equality objectives would be more predictable and potentially larger, as well as having lower transaction costs, making them more effective in promoting long-term, lasting change.	Donor capacity for and commitment to gender mainstreaming is uneven, creating the possibility for further marginalization of gender concerns unless accountability mechanisms are robust; gender considerations may be sidelined in the interest of creating donor consensus.
Results	Often gender mainstreaming is viewed as an end in itself, and mentions of gender in plans and policies a replacement for real change; managing for results in the area of gender equality would put the spotlight on actual progress. Gender-sensitive indicators, targets and objectives introduced in country policy matrices and PRSPs have great promise.	The assessment frameworks and tools envisioned thus far to measure financial management, accounting and auditing, procedures, results, transparency, and capacity do not incorporate elements to monitor gender and social equity and equality. Nor do the assessment frameworks deal with substantive content such as gender equality; they are focused on process. In addition, very few countries have sound, results-based frameworks for monitoring development results in place, increasing the difficulties in monitoring gender equality results. ⁵
Accountability	If policy frameworks are gender responsive, and if monitoring and reporting are done with gender-sensitive indicators, then governments and donors can be held accountable to women. Capacity building of women's organizations, legal reforms, tackling corruption, and support to gender budget initiatives will aid in the quest for accountability.	The cross-cutting nature of gender equality priorities can create monitoring and tracking challenges, as can weak national capacities to collect and use sex-disaggregated data. If frameworks and indicators are not gender responsive (which most are not today), then accountability to women will remain elusive.



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- 1 UNIFEM, "Promoting Gender Equality in New Aid Modalities and Partnerships," 2006.
- 2 Gaynor, C., "Paris Declaration Commitments and Implications for Gender Equality and Women's Empowerment." Paper for consideration by the OECD-DAC Network on Gender Equality and the OECD-DAC Working Party on Aid Effectiveness 6-7 July 2006.
- 3 www.ipu.org.
- 4 Table Sources: World Bank, PRSP Sourcebook, Gender, Chapter 10, http://siteresources.worldbank.org/INTPRS1/Resources/383606-1205334112622/4221_chap10.pdf; UNIFEM, "Promoting Gender Equality in New Aid Modalities and Partnerships"; Budlender, Debbie, "Financing for Development: Aid Effectiveness and Gender-Responsive Budgets."
- 5 OECD DAC, "Effective Aid by 2010: What it will take," <http://www.oecd.org/dataoecd/58/44/41202160.pdf>.