

## **Women's Consultation Briefing Paper**

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# **Financing for Development Issue #4**

### **OFFICIAL DEVELOPMENT ASSISTANCE (ODA)**

**By Joanna Kerr**

**S**ince the United Nations Conferences in Rio, Vienna, Copenhagen, Beijing and Istanbul, as well as the New York Millennium Summit, governments have committed to promote gender equality and women's empowerment as essential for combating poverty and stimulating sustainable development. According to the World Bank, evidence shows that discrimination on the basis of gender results in more poverty, slower economic growth and weaker governance. Therefore, any international financial assistance that seeks to effectively eradicate poverty—including Official Development Assistance (ODA)—must focus on women and girls, who suffer its effects most immediately and most profoundly, and constitute the majority of the world's poor. Consequently, there is a dire need to increase levels of ODA, while ensuring that development agencies and their partners recognize that every policy, program, and project has differential impacts on women and men. For ODA to be truly effective, it must be designed and implemented to contribute to gender equality, instead of reinforcing gender differences.

Microcredit for women has been recognized within the Financing for Development agenda as an important objective when mobilizing domestic resources. While microcredit is an important source of needed capital, on its own it does not effectively tackle poverty or meet development goals. Research has, in fact, shown that by itself, microcredit can sometimes increase women's disempowerment through higher debt and work burdens. The eradication of poverty requires that the gendered causes of poverty, such as time burdens, lack of land and labor, poor health, and other gender-specific barriers to resources be addressed by changing the policies and institutional and legal arrangements that maintain these inequalities.

In this way, ODA and other forms of international financial assistance play a very significant role in defining the macro economic frameworks and their related processes (such as the Country Development Frameworks, PRSPs, SWAs, etc.). While these are important new strategies that have the potential to foster better donor coordination as well as local ownership of development models, these are designed and implemented with barely any attention to gender-related differences. Yet gender is a VERY significant determinant of who benefits from economic reform processes. To expect that the same policy instruments could both increase incomes and address gender inequalities wrongly assumes that women and men experience poverty in a similar way, with differences only in intensity. Given the experience of past economic reform policies, these similar new approaches have the potential to have equally destabilizing impacts, and, in particular negative effects on women. Development agencies therefore need to transform these frameworks to ensure that they are pro-poor and gender-sensitive.

**Recommendations:**

- The FfD agenda must explicitly recommit to the Millennium Summit and all UN conference recommendations that promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable. This agenda must honor existing commitments of funding allocated to activities designed to implement the Beijing Platform for Action, the Programme of Action of the ICPD and Agenda 21, which include *inter alia* resources to securing women's sustainable livelihoods, human rights, protection from violence, access to healthcare, education, employment, housing, credit, etc.
- Levels of ODA must be increased, but in particular to ensure its effectiveness, gender specific strategies for poverty alleviation must be designed and implemented. ODA must support technical assistance for institutional capacity-building in gender analysis to guarantee that policies and programs support sustainable equitable development. This includes resources and technical assistance for the gender disaggregation of data, tracing impacts of policies on different groups of women and men, and strengthening the capacity for designing and managing programs and operational policies and procedures within developing countries and countries in economic transition.
- Acknowledge that microcredit alone is not necessarily an effective means to achieve poverty eradication or equality. Instead, poverty eradication, through ODA, will be more dependent on transforming the macro economic frameworks and processes to ensure that they are pro-poor and gender sensitive.

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