



# Value Added

Women and U.S. Foreign

Assistance for the 21st Century

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**About ICRW**

ICRW's mission is to advance gender equality, empower women and fight poverty in the developing world. To accomplish this, ICRW works with partners to conduct empirical research, build capacity and advocate for evidence-based, practical ways to change policies and programs.

**About Women Thrive Worldwide**

Women Thrive Worldwide (formerly the Women's Edge Coalition) is the leading non-profit organization shaping U.S. policy to help women in developing countries lift themselves out of poverty. Women Thrive brings together a diverse coalition of over 50 organizations and 34,000 individuals to advocate for policies that foster economic opportunity for women living in poverty.

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**M**ore than 40 years have passed since the United States first created its foreign assistance framework, and the world has changed dramatically. New global threats such as HIV and AIDS, climate change and rising food and energy costs challenge our efforts to expand economic opportunities in developing countries and build a more equitable world. The changed context has led to a call for a significant overhaul of foreign assistance.

The Modernizing Foreign Assistance Network (M-FAN)<sup>1</sup> – a group of U.S. think-tanks, academics and international nongovernmental organizations – recently called on Congress and the next U.S. president to reform U.S. foreign assistance for the 21st century.<sup>2</sup> The M-FAN consensus argues that rather than subordinate global development to larger national security goals, the prototype for many years, U.S. foreign assistance must be realigned. M-FAN calls for global development and poverty reduction to be elevated to a level equal to diplomacy and defense, and to have the mandate and resources to be a principal instrument of U.S. engagement in the world. The consensus asserts that fighting global poverty is itself a contribution to long-term security because it addresses many of the root causes of political instability.

The International Center for Research on Women (ICRW) and Women Thrive Worldwide endorse this call for a new and expanded U.S. strategy for global development and poverty reduction, and we assert that the reform agenda will be even more effective if it takes women into account. What follows are recommendations that add value to the M-FAN proposal by enhancing economic growth and reducing poverty through the promotion of women’s empowerment and gender equality.

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## **Value Added: Integrating Women into the Recommendations of the Modernizing Foreign Assistance Network**

- (1) Develop a new U.S. strategy for global development that fully recognizes women’s roles in reducing poverty and expanding economic growth, commits the United States to advancing the Millennium Development Goal of women’s empowerment and gender equality, and invests in multilateral efforts to achieve this goal.
- (2) Plan, design and enact a new Foreign Assistance Act that ensures that U.S. development assistance benefits women equally as men, with tools and indicators to improve execution and results.
- (3) Implement a more consistent and coordinated policy and approach to gender integration as part of broader efforts to achieve greater coherence and coordination in U.S. foreign assistance programs.
- (4) Increase funding for programs that invest in women and address gender inequalities, and track and report on these expenditures to ensure that financial resources allocated to foreign assistance are effective in reducing poverty and promoting development.

Note: These recommendations build directly onto the action priorities of the M-FAN consensus.<sup>3</sup>

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<sup>1</sup> Also referred to as the Wye River Consensus Group.

<sup>2</sup> See, “New Day, New Way: U.S. Foreign Assistance for the 21st Century: A Proposal from the Modernizing Foreign Assistance Network,” June 2008. This consensus proposal draws upon analysis of the Center for Global Development, “Seizing the Moment for Modernizing US Foreign Assistance: Testimony for the House Committee on Foreign Affairs,” April 23, 2008. See also other foreign aid reform proposals including: Lael Brainard, “U.S. Foreign Assistance: Advancing National Security, Interests, and Values,” Brookings Institution, April 23, 2008; “Smart Development: Why U.S. Foreign Aid Demands Major Reform,” Oxfam America, February 2008; and “The Rationale for and Major Structural Components of a Proposed Cabinet-level Department for Global and Human Development,” InterAction, Washington, D.C. (forthcoming).

## Common Principles: Women and Foreign Assistance Reform

The Modernizing Foreign Assistance Network (M-FAN) policy consensus proposes five core principles for a new Foreign Assistance Act. ICRW and Women Thrive support these principles, which underscore the policy changes needed to achieve women's empowerment and gender equality:

- elevate global development as a national interest priority in actions as well as rhetoric;
- align foreign assistance policies, operations, budgets and statutory authorities;
- rebuild and rationalize organizational structures;
- commit sufficient and flexible resources with accountability for results; and
- partner with others to produce results.

As the United States elevates global development to a primary foreign policy aim, it must elevate the goal of women's empowerment and gender equality.<sup>4</sup> The United States is much more likely to achieve its broader aims of poverty reduction and economic development with investments in women. The U.S. government has made solid strides in raising the profile of women in development, especially through the Millennium Challenge Corporation (MCC). But greater attention is needed to achieve the development objectives of Millennium Development Goal 3: to empower women and promote gender equality.

A new Foreign Assistance Act, which would provide a legal framework for updated policies and reorganized structures, presents an exciting opportunity to reduce poverty by fully integrating gender into foreign aid investments and enhancing opportunities for both women and men.

## Why Women and Gender Equality? Lessons from 40 Years of Development

Any effort to expand global development and reduce poverty must focus on women and gender equality. From a human rights perspective, women are half of the population and addressing their distinct needs, given unequal power relationships, is imperative. From an economic perspective, women are the bulk of the world's poor and investing in women pays. The international development community has more than 40 years of evidence to demonstrate the value added of investing in women.

Investments in women lead to direct payoffs for reducing poverty and growing economies.<sup>5</sup> Women in developing country economies are producers and income earners, farmers and

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<sup>3</sup> Priority actions as articulated in the M-FAN consensus document, "New Day, New Way: U.S. Foreign Assistance for the 21st Century" include: (1) develop a national strategy for global development; (2) reach a "grand bargain" between the Executive branch and Congress on management authorities and plan, design and enact a new Foreign Assistance Act; (3) streamline the organizational structure and improve organizational capacity by creating a Cabinet-level Department for Global Development by rebuilding human resource capacity and by strengthening monitoring and evaluation; and (4) increase funding for and accountability of foreign assistance.

<sup>4</sup> Gender is a social construct that defines and differentiates the roles, rights, responsibilities and obligations of women and men. The U.N. Task Force for MDG 3, of which ICRW was a member, adopted an operational framework of gender equality with three interrelated dimensions: (1) capabilities, referring to basic human abilities as measured by education, health and nutrition; (2) access to resources and opportunities, referring to equality in the opportunity to use or apply basic capabilities; and (3) security, meaning reduced vulnerability to violence and conflict. The concept of empowerment is related to gender equality but distinct from it. The core of empowerment lies in the ability of a woman to control her own destiny. This implies that to be empowered women must have not only equal capabilities and access to resources, but also the agency to use those rights and resources to make strategic decisions. Such agency requires women to live without fear of coercion or violence. (UNDP, *Taking Action: Achieving Gender Equality and Empowering Women*, 2005).

<sup>5</sup> Agriculture remains a key economic activity in many developing regions. For example, in sub-Saharan Africa, women who obtained the same levels of education, experience and farm inputs as men increased their agricultural yields by 22 percent (International Food Policy Research Institute, "Women: The Key to Food Security" June, 2000).

entrepreneurs, wage workers and self-employed. In India's economic transformation of the past 15 years, the World Bank finds that states with the highest percentage of women in the labor force grew the fastest and had the largest reductions in poverty.<sup>6</sup>

Investments in women also have broad multiplier effects like improving children's health and education, which over the long run can significantly improve the futures of communities and countries.<sup>7,8</sup> An extra year of girls' education can reduce infant mortality by 5-to-10 percent.<sup>9</sup> The children of educated mothers are 40 percent more likely to live beyond the age of 5,<sup>10</sup> and 50 percent more likely to be immunized.<sup>11</sup> A mother's social and economic status also is one of the best indicators of whether her children will escape poverty and be healthy. Bottomline: A focus on women is vital to reduce poverty and break the cycle of inter-generational poverty.

Despite the evidence, women and girls still fail to be incorporated fully into and benefit from global development efforts. In developing countries, women earn on average 22 percent less than men.<sup>12</sup> Women in Africa constitute the majority of farmers, yet they receive less than 10 percent of small farm credit and own just 1 percent of the land.<sup>13</sup> Women face more obstacles than men in labor markets, receive lower wages for the same work, dominate in the informal economy and have less access to credit, land, education and other productive resources.

If these gender inequalities persist, women, their families, their communities and their countries will pay the high cost of slower economic growth, weaker governance and overall lower standards of living:<sup>14</sup>

- GNP (gross national product) per capita is lower in countries where women are significantly less well educated than men.<sup>15</sup>
- In sub-Saharan Africa, inequality between men and women in education and employment suppressed annual per capita growth during 1960-1992 by 0.8 percentage points per year, according to the World Bank. A boost of 0.8 percent per year would have doubled economic growth over that period.<sup>16</sup>

Reforming U.S. foreign assistance provides a pivotal opportunity to integrate the lessons of the past 40 years into new priorities, strategies, structures and budgets. What follows are proven steps for how to enhance economic growth and improve development efficiency by promoting women's empowerment and gender equality.

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<sup>6</sup> Besley, Timothy; Robin Burgess and Berta Esteve-Volart, "Operationalising Pro-Poor Growth: India Case Study," Washington, D.C., 2005.

<sup>7</sup> Between 1970 and 1995, for example, investments in women's secondary education led to a 43-percent reduction in malnutrition in the developing world (Smith, Lisa C. and Lawrence Haddad. "Explaining Child Malnutrition in Developing Countries: A Cross-Country Analysis," Washington, D.C.: IFPRI, 2000.)

<sup>8</sup> When credit is provided directly to a woman, it can increase household consumption and children's schooling. Loan repayment rates are higher for women than for men. (Schultz, T. Paul. "Returns to Women's Schooling," in Elizabeth King and M. Anne Hill, eds, *Women's Education in Developing Countries: Barriers, Benefits and Policy*. Baltimore: Johns Hopkins University Press, 2003.)

<sup>9</sup> Schultz, T. Paul. "Returns to Women's Schooling," in Elizabeth King and M. Anne Hill, eds, *Women's Education in Developing Countries: Barriers, Benefits and Policy*. Baltimore: Johns Hopkins University Press, 2003.

<sup>10</sup> Summers, Lawrence H. "Investing in All the People: Educating Women in Developing Countries," *EDI Seminar Paper* No. 45, Washington, D.C.; World Bank, 1994.

<sup>11</sup> Gage, Anastasia, Elizabeth Sommerfelt, and Andrea Piani, "Household Structure and Childhood Immunization in Niger and Nigeria," *Demography* 34 (2): 195-309, 1997.

<sup>12</sup> "Gender: Working Towards Greater Equality," in *Gender Equality as Smart Economics: A World Bank Group Action Plan*. Washington, D.C.: World Bank, 2007. [www.worldbank.org/gender](http://www.worldbank.org/gender)

<sup>13</sup> Ibid.

<sup>14</sup> World Bank, *Engendering Development: Through Gender Equality in Rights, Resources, and Voice – Summary* (Washington, D.C.: World Bank, 2001). [www.worldbank.org/gender/pr/engendersummary.pdf](http://www.worldbank.org/gender/pr/engendersummary.pdf). As cited by Susy Cheston and Lisa Kuhn, *Empowering Women Through Microfinance*. UNIFEM: 2002.

<sup>15</sup> "Gender and Sustainable Development: Maximizing the Economic, Social and Environmental Role of Women," Paris: OECD, 2008.

<sup>16</sup> Udry, Christopher, John Hoddinott, Harold Alderman and Lawrence Haddad. 1995. "Gender differentials in farm productivity: Implications for household efficiency and agricultural policy," *Food Policy*, 20:407-423.

## **(1) Develop a new U.S. Strategy for Global Development and Poverty Reduction that Fully Recognizes the Role of Women.**

As M-FAN asserts, the United States must develop a clear and focused strategy to achieve long-term development and poverty reduction, separate from but parallel to short-term national security interests and political goals.<sup>17</sup> For too long, U.S. foreign assistance has been encumbered by multiple, competing and sometimes conflicting goals and objectives.

ICRW and Women Thrive urge that a new U.S. strategy for global development should build on the eight Millennium Development Goals (MDGs)<sup>18</sup> endorsed by the international community in 2000, and specifically MDG 3, which promotes women's empowerment and gender equality. Thus far the United States has kept the MDGs at arm's length. Now is the time for the United States to espouse the MDG framework for its own bilateral assistance as well as to cooperate and more fully engage with other donors and multilateral agencies (see Box I).

Moreover, for a new U.S. strategy to be effective, it must identify and overcome specific gender inequalities that are obstacles to development. For example, if a major U.S. goal is to increase food security in Africa, aid programs need to recognize African women's primary role in food production and family nutrition, and identify ways to address the obstacles women face to increasing their agricultural productivity (e.g., lack of a legal right to own and inherit land, and lack of access to productive resources such as credit, technology, extension services, information and markets). Such efforts to reduce gender inequality would complement other programs and benefit men as well as women.

### *Recommendation 1:*

*Develop a new U.S. strategy for global development that fully recognizes women's roles in reducing poverty and expanding economic growth, commits the United States to advancing the Millennium Development Goal of women's empowerment and gender equality, and invests in multilateral efforts to achieve this goal.*

### **Box I: Multilateral Foreign Assistance Key to U.S. Reforms**

**T**he United States is missing crucial opportunities to leverage its own funding to improve and shape the direction and performance of multilateral institutions by downplaying multilateral aid in favor of bilateral aid.

The U.N. system, the World Bank and the regional development banks are important partners in international development cooperation and influential actors in development assistance worldwide. To date, they lead international efforts to empower women and reduce gender inequality. Many have adopted gender mainstreaming and equality policies with varying success and offer important lessons learned. The World Bank, for example, recently adopted a Gender Action Plan to focus attention on women's economic activities, intensify attention to gender in its economic programs and operations, and demonstrate results.

UNIFEM is the only multilateral organization that focuses solely on women's rights and gender equality. To date, it has experienced mixed success for a variety of reasons that include diffused responsibilities and a lack of resources. A recent proposal suggests ways to strengthen UNIFEM and its role in leading efforts within the United Nations to integrate gender and achieve the goals of gender equality and women's empowerment.<sup>19</sup>

<sup>17</sup> "New Day, New Way: U.S. Foreign Assistance for the 21st Century: A Proposal from the Modernizing Foreign Assistance Network," June 2008.

<sup>18</sup> The MDGs set targets for reducing global poverty, hunger, illiteracy, ill-health and inequality.

## **(2) Plan, Design and Enact a New Foreign Assistance Act that Strengthens the Commitment to Women as well as Men.**

A new Foreign Assistance Act must improve upon the Percy Amendment to strengthen and expand the focus on women's empowerment and gender equality.

The 1973 Percy Amendment guides current U.S. policy toward women's roles in international development. The Amendment stipulates that U.S. Agency for International Development (USAID) programs should be administered "so as to give particular attention to programs, projects and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort." It helped foster the creation of the USAID Women in Development Office and subsequent initiatives to improve the status of women in developing countries, though some were never fully implemented.

Despite its mandate, the Percy Amendment has had only marginal success. A 1993 report by the U.S. General Accounting Office (GAO) concluded that USAID's implementation of the Percy Amendment had been weak. USAID was "slow in incorporating gender into its programs and activities," according to the GAO, and had "not adequately monitored the implementation of its policies and strategies or routinely evaluated the impact of its programs and activities on women."<sup>20</sup>

Although USAID subsequently took steps to remedy these problems, its track record remains weak. The agency lacks both the high-level leadership and some of the institutional mechanisms to systematically integrate gender analysis into program design and implementation so that programs benefit women as well as men. For example, USAID lacks an institutional mandate and internal policy to ensure that women benefit from its programs; it lacks adequate finances for such programs; and it fails to place gender experts in key positions in the agency.

### *Recommendation 2:*

*Plan, design and enact a new Foreign Assistance Act that ensures that U.S. development assistance benefits women equally as men, with tools and indicators to improve execution and results.*

## **(3) Implement a More Consistent and Coordinated Policy and Approach to Gender Integration.**

The proliferation of foreign assistance agencies, programs and offices has led to disparate commitment levels and approaches to address women's empowerment and gender inequality. In addition to USAID, for example, the President's Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation (MCC) address strategies for empowering women and promoting gender equality to varying degrees.

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<sup>19</sup> A U.N. High-Level Panel recently called for U.N. organizations to promote gender equality as part of a larger package of reforms to the U.N. system. The panel's proposal, currently before the U.N. General Assembly, recommends that UNIFEM and several other U.N. gender entities consolidate and graduate to a new, stronger U.N. agency that promotes women's rights and gender equality. The new agency would have the authority to support operational programs, and develop and promote U.N. policies toward gender equality. The panel also calls for making the head of the new agency a U.N. Under-Secretary General—a measure that would give the agency more clout to strengthen gender integration across the U.N. system.

<sup>20</sup> Rax, Roe. "Gender Inequality Remains Key Issue in Development," *Monday Developments*, Washington, D.C.: InterAction, Dec. 15, 2003.

A new Foreign Assistance Act will provide the United States with a unique opportunity to streamline these three key U.S. bilateral aid entities, as well as other aid initiatives, and improve the coherence and coordination of their programs, including efforts to integrate gender and improve outcomes for women.

## Box II: Different U.S. Aid Agencies Take Different Approaches for Women

The three main U.S. development entities today – U.S. Agency for International Development (USAID), the President’s Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation (MCC) – vary significantly in their approaches toward achieving gender equality and empowering women.

**USAID.** In 1996, after more than 20 years of little progress toward fulfilling the Percy Amendment and under pressure by the international women’s conference in Beijing, USAID adopted a Gender Plan of Action for all its activities. In 2000, however, an in-depth analysis of the plan’s implementation showed that “over 90 percent of those interviewed in USAID and the PVO/NGO community said that [the plan] has not had any measurable impact on agency operations.”<sup>21</sup>

Since then, USAID has made some progress toward integrating tools and approaches that help prioritize women and their different needs through its development programs. In 2003, the agency adopted guidance explicitly requiring attention to gender considerations in country strategies. The guidance stipulated that country strategies had to include a gender analysis, hire staff with some gender expertise, and disaggregate data by sex for monitoring and evaluation. A recent USAID review found a marked increase in the degree and quality of attention to gender in country strategies after 2003. This progress fell across nearly all development sectors and geographical regions, although the average score remained between “minimal” and “moderate.”<sup>22</sup> Evidence is not yet available on how effective the strategies have been in generating better results for women.

**PEPFAR.** Although the 2003 PEPFAR authorization legislation placed considerable emphasis on gender inequality and its effect on women’s HIV risk, the program was slow to integrate ways to address women’s unique barriers and risks pertaining to HIV in its procedures and programs. In late 2005, the Office of Global AIDS Coordinator established a gender technical working group that identified five priority program strategies: (1) increase gender equality on access to HIV/AIDS services; (2) address risky male norms and behavior; (3) reduce gender-based violence and sexual coercion; (4) increase women’s and girls’ access to income and productive resources; and (5) increase women’s legal protection and rights. PEPFAR also began to disaggregate by sex some of the data collected for annual reporting to Congress. It was the first U.S. aid agency to do so.

Beyond these steps, however, PEPFAR lacks most other mechanisms for integrating priorities for women into its work plan, structure or policies. The program has issued no institutional mandate on gender integration and no formal operational guidance to field programs. It has dedicated few financial resources or full-time staff to promoting the implementation of the five program strategies issued by the gender technical working group, and holds no regular gender training or other capacity building for staff and partners. Although the working group reviews annual country operational strategies and recommends ways to strengthen attention to gender issues, it conducts no systematic

<sup>21</sup> Sharma, Ritu. “Women and Development Aid,” *Foreign Policy in Focus*. September 2001.

<sup>22</sup> Power Point presentation by the Office of Women in Development, USAID, May 2008. Washington, D.C.



## Box II: Different U.S. Aid Agencies (Cont'd)

gender analysis of projects and provides limited technical assistance to field programs. Recently, PEPFAR initiated an effort to define new indicators to measure results. Such indicators might move the program beyond disaggregated data collection by sex and allow PEPFAR to better assess whether and how programs are working for women.

**MCC.** Established in January 2004, the MCC already has demonstrated considerable commitment to advancing women's status in developing countries and promoting gender equality by integrating these priorities into its policies and procedures. Noteworthy efforts include:

- Consistent and strong political leadership from MCC's chief executive officer that women are a priority in its development efforts.
- Appointment of a high-level gender expert to anchor program work.
- Adoption of a clear gender policy that calls for gender integration in program design, implementation, monitoring and evaluation that articulates the expectations of country governments and MCC staff.
- A requirement that all staff undergo periodic mandatory trainings on gender analysis and other gender methodologies and approaches.
- A requirement that recipient governments consult with women, including rural women, in country prior to drafting "compacts" or agreements with the MCC. The compacts must identify intended beneficiaries disaggregated by sex, age and income.
- A requirement that all country compacts undergo gender analysis as part of larger social and environmental analysis prior to final MCC board approval.

Though still in the early stages of rolling out its country programs, the MCC is conducting an internal evaluation on its gender policy implementation to assess whether its goals for women are being met and how to improve their work in this area.

No U.S. assistance program has fully embraced gender integration, though the MCC has made progress (see Box II). Important lessons from such efforts can inform a new foreign assistance framework. Significant changes in organizational structure and processes are needed to ensure that the goals of empowering women and promoting gender equality are a priority throughout all U.S. foreign assistance efforts. These structural changes include establishing:

- **Leadership and political commitment to development for women** at the highest levels of agencies or programs, including the appointment of a senior-level official responsible for the gender goals who reports directly to the agency head and has the authority to influence decisions on foreign assistance policies, priorities and budget;
- **Institutional mandate** that signals to managers that empowering women and promoting gender equality must be integrated across all strategies, programs and projects, including the use of gender analysis;
- **Enhanced capacity for gender analysis and programming** by placing gender experts with appropriate technical experience and skills within all relevant regional and technical bureaus or functions, and by drawing upon local technical gender experts in host countries (see Box III);

- **Sufficient financial resources** to support comprehensive gender analysis and appropriate follow through in project design, implementation and evaluation. This involves hiring technical gender experts in various development fields, and financing the integration of women (or men, if appropriate) in projects as well as stand-alone activities that are vital to the success of development efforts and achieving gender equality.

*Recommendation 3:*

*Implement a more consistent and coordinated policy and approach to gender integration as part of broader efforts to achieve greater coherence and coordination in U.S. foreign assistance programs.*

### Box III: Gender Analysis Can Strengthen Foreign Assistance

**G**ender analysis identifies the different roles, rights, responsibilities and constraints of women and men in different societies. Addressing these differences is essential to the successful design and implementation of development programs.

For example, to keep girls in school in many developing communities, particular attention must be paid to their safety as they move between their homes and schools, and while at school. This simple, but important consideration came to light as part of an analysis of the different factors affecting the school enrollment rates of girls as compared to boys.

Gender analysis does not just benefit women and girls. Addressing the distinct roles, beliefs and barriers that men face is equally important to strengthening programs. A gender perspective ensures that both women and men can participate in, support and benefit from development efforts to relieve poverty and expand economic growth.

#### **(4) Increase Funding for Programs that Invest in Women and Address Gender Inequalities.**

To expand economic growth and reduce poverty in developing countries, increased funding and greater accountability are needed. Making investments in women and establishing gender equality as a cornerstone of U.S. foreign assistance will go a long way toward achieving development goals, and this requires ensuring adequate resources and accountability.

At present, it is difficult to know how much money is spent in U.S. foreign assistance programs to promote women's empowerment and gender equality. Recent reporting on donor countries' expenditures to advance gender equality by the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD-DAC) excludes any figures for the United States<sup>23</sup> (see Box IV). A new foreign assistance framework must allow sufficient resources to ensure that gender integration occurs throughout a project cycle.

Effective ways to track this spending also should be devised to facilitate accountability. The United States should track its expenditures on women and gender equality as other OECD countries do, and establish mechanisms to measure progress toward U.S. development goals. Such mechanisms include monitoring and evaluation systems that disaggregate data by sex as well as age and income, and developing and adopting indicators to measure outcomes such as

<sup>23</sup> "Aid in Support of Gender Equality and Women's Empowerment," Paris: OECD-DAC Secretariat, February 2008 <http://www.oecd.org/dataoecd/8/13/40346286.pdf>

## Box IV: Global Foreign Aid: What's Spent on Gender Equality?

Total global spending on women's empowerment and gender equality through development assistance programs is difficult to measure, and ranges widely from 5 percent in Japan to 50 percent in Germany.

The Development Assistance Committee of the OECD reports that during 2005-2006, some 16 bilateral donors spent a total of approximately \$8.5 billion each year on aid focused on gender equality and women's empowerment – almost 33 percent of the \$26 billion in overall aid spent by those same donors. This figure does not include the additional \$27.8 billion in bilateral aid spent by seven other countries, including the United States, that either do not report their gender-related spending to the OECD or for which the spending is too low.

Most money allocated toward women's or gender programs support investments in education, health, water and sanitation, and social services. Only a small share of the programs support investments in finance, business, agriculture or industry – areas vital to poverty reduction and economic growth.

Source: "Aid in Support of Gender Equality and Women's Empowerment" OECD-DAC Secretariat, February 2008

improvements in women's or men's health, education, income or legal rights. Finally, stronger internal accountability measures must be put in place so that managers within foreign assistance programs are assessed on their progress toward reaching these goals. Congress too must play a more active role in oversight of foreign assistance agencies by monitoring agencies' progress toward women's empowerment and gender equality goals and objectives.

### *Recommendation 4:*

*Increase funding for programs that invest in women and address gender inequalities, and track and report on these expenditures to ensure that financial resources allocated to foreign assistance are effective in reducing poverty and promoting development.*

## **Conclusion**

The global scene has changed tremendously since the birth of U.S. development assistance with the Marshall Plan and its subsequent alignment with U.S. security interests pertaining to the Cold War. Yet U.S. foreign aid mechanisms have not been systematically analyzed or overhauled to reflect the United States' changing priorities. Further, while U.S. development assistance has been adapted to the changing global landscape over the past several decades, those changes have occurred in an ad hoc way.

The time is ripe to systematically revamp U.S. development assistance mechanisms, drawing on key lessons learned with years of aid experience and taking advantage of increased public awareness of the importance of a U.S. role in addressing global poverty in the aftermath of 9/11. We are at the cusp of potentially major changes in the U.S. administration. We also have the benefit of many years of development experience, which gives us greater understanding on how to overcome poverty, including the central importance of empowering women and reducing inequality between women and men. We must ensure that gender equality goals and gender integration in development programs are integral features of the new foreign assistance framework and strategy.





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