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Executive Summary

Although the Millennium Development Goals (MDGs) have been ratified in global and national forums, they have not yet been incorporated into operational planning within governments or international organizations. The weak link between policies and the investments needed for implementation is one barrier to progress. Achieving the MDGs requires long-term planning, as well as short-term expenditure and policy formulation. An assessment of the resources required is a critical first step in formulating and implementing strategies to achieve the MDGs.

This is especially true for policies to promote gender equality and empower women. A particular challenge for national governments and the international community is how to accelerate implementation of Millennium Development Goal 3 (MDG3) on gender equality and women’s empowerment at the country level. Although sufficient knowledge exists about policies and interventions to eliminate many forms of gender inequality and empower women, the costs of such interventions are not systematically calculated and integrated into country-level budgeting processes.

This paper has two broad objectives. The first is to estimate, based on country-level analysis, the costs of interventions aimed at promoting gender equality and women’s empowerment. We hope that this estimation can help identify the minimum resource envelope necessary to directly improve gender equality in low-income countries. The second objective is to estimate the share of all MDG investments that have the potential to improve outcomes for women and men, girls and boys. This exercise can help illustrate to what extent investments in other areas, if designed appropriately and accompanied by gender-mainstreaming interventions, can promote gender equality and women’s empowerment.

The paper extends the methodology developed by the UN Millennium Project to estimate the costs of achieving the MDGs. From among the interventions that form the basis for the Millennium Project cost estimates, it identifies those that promote gender equality and analyzes them to calculate the resources needed to achieve MDG3. It identifies two kinds of interventions: those that directly promote gender equality and women’s empowerment and those whose primary aim is to achieve the other MDGs, but which may also have a side benefit of promoting gender equality (for example, building schools close to children’s homes). The paper derives the costs of these interventions in five low-income countries – Ghana, Tanzania, Uganda, Cambodia, and Bangladesh and uses these estimates to calculate the costs of interventions to promote gender equality and women’s empowerment in other low-income countries. Last, the paper projects the financing gap for the first type of interventions that aim directly to achieve gender equality, first for the five countries, and subsequently for all low-income countries.

We find that the cost of interventions that aim directly to promote gender equality is $7-$13 per capita, on average, from 2006-2015 for the five countries. The first result of the analysis therefore, is not surprisingly, that achieving MDG3 costs money - a fact often overlooked by governments in rich and poor countries alike.

We also find that between 35-52 percent of the total costs of the MDGs, which translates into $37-$57 per capita per year, can be directly attributed to the achievement of gender equality objectives in the five countries. These costs represent 9 percent of 2003 GDP in Bangladesh, 15 percent of 2003 GDP in Cambodia, 18 percent of 2003 in Tanzania, and 19 percent of 2003 GDP in Ghana and Uganda. The total costs for interventions to promote gender equality over the period 2006-2015 are: $50 billion in Bangladesh, $6 billion in Cambodia, $18 billion in Ghana, $32
billion in Tanzania, and $37 billion in Uganda. This leads to our second conclusion: that investing in all the MDGs can have important payoffs for the goal of gender equality if interventions are appropriately designed and implemented. Third, since over 90 percent of the costs associated with achieving MDG3 are in fact implemented through sector programs, governments need to invest in gender equality interventions if they hope to achieve the other MDGs.

The last part of the paper calculates gender equality investment needs as a percentage of total MDG investment needs across the five countries and develops three scenarios for how they might be financed. Gender equality investment needs represent about 12 percent of total MDG needs in 2006 and 15 percent in 2015. Under the first scenario, which assumes that gender equality interventions are supported entirely by external sources, the gender equality financing gap is $30 billion in 2006, rising to $83 billion in 2015. Under the second scenario, which assumes that government resources support between 1-3 percent of gender equality interventions, the financing gap is $28 billion in 2006, rising to $73 billion in 2015. Under the third and most optimistic scenario, in which the share of government resources spent on gender equality interventions is proportionate to the share of the gender equality costs in total MDG costs, the financing gap is $12 billion in 2006, rising to $24 billion in 2015.

The fourth message of this paper is that greater allocation of domestic resources is critical if countries are to achieve MDG3. However, we recognize that external financing can be important to jumpstart an increase in domestic resource allocation. Based on Scenario 2 above, we recommend that external resources in the range of $25-28 billion annually be dedicated to financing gender-equality promoting interventions in low-income countries for the next few years, with readjustments thereafter based on increased domestic resource commitments to these interventions. In addition, we recommend that governments conduct their own national level MDG-based needs assessment, paying particular attention to the need to integrate the type of gender equality interventions discussed here. We hope that such a country-led needs assessment will form the basis of a comprehensive national development strategy to achieve the MDGs, and lay the foundation for gender-responsive poverty reduction processes and corresponding medium-term expenditure frameworks.

We conclude with a reminder to donors and governments. While adequate financial resources form the first step of a successful strategy to achieve the Millennium Development Goal on gender equality, they are not enough. Achieving gender equality and women’s empowerment requires a fundamental transformation in the way societies allocate gender roles and responsibilities. Resources need to be accompanied by changes in legislation, political and administrative rules, social attitudes, and norms. Nonetheless, ensuring adequate resources for interventions aimed at gender equality and women’s empowerment is an important first step toward broader social transformation.
1. Introduction

In September 2000, world leaders committed to achieving the Millennium Development Goals (MDGs) by 2015 - a set of interrelated development objectives that together define the basic minimum conditions for a decent life. The MDGs include halving poverty and hunger, ensuring universal primary schooling, reducing child and maternal mortality and infectious diseases, improving environmental sustainability and achieving gender equality and women’s empowerment. Five years later, progress toward the goals is mixed. While many countries have made strides towards some of the MDGs, there is great variation between and within countries in the pace and level of change. The goals of reducing maternal mortality and achieving gender equality and women’s empowerment face the greatest challenges across all countries.

Although the MDGs have been reaffirmed in global forums, they have not been incorporated into operational planning within governments or international organizations. The weak link between policies and the corresponding investments needed for implementation is one barrier to progress. Achieving the MDGs requires long-term planning, as well as short-term expenditure and policy formulation. Within countries a range of actions are essential, including identifying appropriate strategies, reforming policies and institutions, and investing sufficient resources in a coordinated manner to build local capacity to deliver and scale up interventions. An assessment of the resources required is a critical first step in formulating, implementing and monitoring progress of strategies to achieve the MDGs.

This is especially true for policies to promote gender equality and empower women. A particular challenge for national governments and the international community is how to accelerate implementation of Millennium Development Goal 3 on gender equality and women’s empowerment (henceforth MDG3) at the country level. As the UN Millennium Project Task Force on Education and Gender Equality pointed out, sufficient knowledge exists about policies and interventions to eliminate many forms of gender inequality and empower women (UN Millennium Project 2005b). Yet, this knowledge has yet to be systematically translated into comprehensive and large-scale change at the country level.

Too often, promising policy initiatives for gender equality and women’s empowerment founder because insufficient resources are allocated to implement them. The shift of emphasis from women-specific projects to gender mainstreaming is thought by many to have exacerbated this problem because mainstreaming has not been linked to flows of funding across all sectors (UN Millennium Project 2005b). The routines of government resource allocation have not generated information about financing requirements and funding gaps for the achievement of gender equality and women’s empowerment.

The financial costs of efforts to reduce gender inequality are difficult to calculate because gender inequality is both multi-dimensional and multi-sectoral. Apart from a recent effort piloted by the UN Millennium Project, there have been few comprehensive attempts nationally or globally to estimate the full range of these costs. Where they exist, most estimates calculate only the costs of achieving gender equality in education.

This paper has two broad objectives. The first is to estimate, based on country-level analysis, the costs of interventions aimed at promoting gender equality and women’s empowerment. We hope that this estimation can help identify the minimum resource envelope necessary to directly improve gender equality in low-income countries. The second objective is to estimate the share of all MDG investments that have the potential to improve outcomes for women and men, girls and boys. This exercise can help illustrate to what extent investments in
other areas, if designed appropriately and accompanied by gender-mainstreaming interventions, can promote gender equality and women’s empowerment.

The paper extends the methodology developed by the UN Millennium Project to estimate the costs of achieving the MDGs (UN Millennium Project 2005a). From among the interventions that form the basis for the Millennium Project cost estimates, it identifies those that promote gender equality and analyzes them to calculate the resources needed to achieve MDG3. The paper derives the costs of these interventions in five low-income countries – Bangladesh, Cambodia, Ghana, Tanzania, and Uganda. It then uses these estimates to calculate the costs of interventions to promote gender equality and women’s empowerment in other low-income countries. Finally, the paper projects the financing gap for gender equality interventions first for the five countries and subsequently for all low-income countries.

The calculations presented here are a first approximation of the costs of financing gender equality. This paper should be seen as providing a methodology that can be further revised and implemented at the country level by governments, donors and gender equality advocates. Ideally, the exercise within countries will be aligned with the budget and Medium Term Expenditure Framework (MTEF) planning exercises and the Poverty Reduction Strategy Papers (PRSP), contributing directly to expenditure planning in the different line ministries.

It is important to note that achieving gender equality and women’s empowerment requires a fundamental transformation in the way societies allocate gender roles and responsibilities. Most strategies to achieve gender equality require a mix of investments and changes in legislation, political and administrative rules, social attitudes, and norms. Resources alone will not achieve gender equality; they must be complemented by other changes in societies. Nonetheless, ensuring adequate resources for interventions aimed at gender equality and women’s empowerment is an important first step toward broader social transformation.

The paper is organized as follows. The next section discusses how we operationalize the concept of gender equality. Section 3 reviews other exercises to estimate the cost of the MDGs and the evidence from previous attempts to estimate the costs of attaining gender equality in education and the costs of interventions to achieve reproductive health. Section 4 describes the methodology developed by the UN Millennium Project to estimate the costs of achieving the full set of Millennium Development Goals. Section 5 explains how we expanded upon that methodology to estimate the costs of achieving MDG3 and gender equality within the other Millennium Development Goals. Sections 6 and 7 present estimates of the costs of gender equality interventions and the financing gap for such interventions in Bangladesh, Cambodia, Ghana, Tanzania, and Uganda. Section 8 scales these results up to an estimate of the costs of gender equality interventions and the financing gap in all low-income countries. The final section concludes with recommendations and next steps for donors, governments, and civil society advocates of gender equality.

2. Conceptualization of Gender Equality and Women’s Empowerment

Most exercises that estimate the costs of the MDGs interpret MDG3 as the elimination of gender disparity in education. This is understandable because the time-bound target of MDG3 is to eliminate gender gaps in primary and secondary education. However, achieving gender equality and women’s empowerment involves more than simply eliminating education gaps; it also requires equal economic opportunities, equal ownership and control over productive assets, freedom from drudgery, equal representation in decision-making bodies, and freedom from the threat of violence and coercion. Recognizing the broad spirit of the goal, the UN Millennium Project Task Force 3 on
Education and Gender Equality adopted an operational framework for understanding gender equality in three dimensions:

- The *capabilities domain*, which refers to basic human abilities as reflected in education, health, and nutrition. These capabilities are fundamental to individual wellbeing and are the means through which individuals access other forms of wellbeing.

- The *access to resources and opportunities domain*, which refers primarily to equality in the opportunity to use or apply basic capabilities through access to economic assets (such as land, property, or infrastructure) and resources (such as income and employment), as well as political opportunity (such as representation in parliaments and other political bodies). Without access to resources and opportunities, both political and economic, women will be unable to employ their capabilities for their wellbeing and that of their families, communities, and societies.

- The *security domain*, which is defined to mean reduced vulnerability to violence and conflict. Violence and conflict result in physical and psychological harm and lessen the ability of individuals, households, and communities to fulfill their potential. Violence directed specifically at women and girls often aims at keeping them in “their place” through fear.

The Task Force pointed out that these three domains are interrelated, and change in all three is critical to achieving MDG3 (UN Millennium Project 2005b). The attainment of capabilities increases the likelihood that women can access opportunities for employment or participate in political and legislative bodies but does not guarantee it. Similarly, access to opportunity decreases the likelihood that women will experience violence (although in certain circumstances, it may temporarily increase that likelihood). Progress in any one domain to the exclusion of the others will be insufficient to meet the Goal of gender equality. This conceptualization of gender equality implies that exercises to estimate the costs of interventions to achieve gender equality must consider interventions across all domains of gender equality, not in one domain alone.

Based on this conceptualization of gender equality, the Task Force identified seven strategic policy/intervention priorities for achieving MDG3 (see Box 1).

**Box 1. Seven Strategic Priorities for Action on Millennium Development Goal 3**

1. Strengthen opportunities for post-primary education for girls while meeting commitments to universal primary education.
2. Guarantee sexual and reproductive health and rights.
3. Invest in infrastructure to reduce women and girls’ time burdens.
4. Guarantee women and girls’ property and inheritance rights.
5. Eliminate gender inequality in employment by decreasing women’s reliance on informal employment, closing gender gaps in earnings, and reducing occupational segregation.
6. Increase women’s share of seats in national parliaments and local government bodies.
7. Significantly reduce violence against girls and women.

*Source: UN Millennium Project 2005b*
The first two strategic priorities—strengthening opportunities for post-primary education for girls while meeting commitments to universal primary education and guaranteeing universal access to a broad range of sexual and reproductive health information and services—represent the priority for strengthening women’s capabilities. The next four (investing in infrastructure to reduce women’s time burdens, guaranteeing girls’ and women’s property and inheritance rights, eliminating gender inequality in employment, and increasing women’s share of seats in national parliaments and local governmental bodies) reflect priorities for economic and political opportunity. And the final strategic priority—significantly reducing violence against girls and women—addresses the security domain. The methodology described in Section 5 develops a list of interventions for each of these seven strategic priorities to achieve gender equality and women’s empowerment.

3. Estimating Country Level Costs of Attaining all MDGs

There are several different approaches to developing cost estimates for achieving the full set of MDGs at the country level (see Box 2). Each approach gives differing cost estimates, based on underlying assumptions and calculations.

Box 2. Costing the MDGs: An Overview of Different Approaches

**Aggregate ICOR based cost estimates** (e.g. Devarajan, et al. 2002; Mbelle 2003; AfDB 2002) calculate overall aggregate estimates of investment needed to achieve the goal of halving income poverty. The methodology involves calculating the economic growth rate needed to halve poverty, based on assumed poverty-growth elasticities, typically estimated through cross-national regressions. The investments needed to achieve the required growth rate is then calculated using a simple growth model, typically of the following specifications:

\[ g_y = \frac{I}{Y} \times \frac{1}{ICOR} - p \]

where \( g_y \) is the per capita growth rate, \( p \) is the population growth rate, \( I \) is investment, \( Y \) is income and ICOR is the incremental capital output ratio, also calculated through growth regressions. Cost estimates based on ICOR approach can be done at the national or global level. They are useful for providing a rough approximation of total investment needs but limited in their utility beyond such broad brush estimates. For example, poverty elasticity estimates are poor guides for predicting the future relationship between growth and poverty, since they are derived from marginal changes in income and poverty levels, and therefore cannot account for step increases in investment, or the change in the composition of investments; they are poor predictors of ICOR rates for the same reasons. In addition, they are unable to account for those MDG related investments that do not have a measurable impact on economic growth. While providing an overall magnitude of resources needed, such studies cannot provide guidance on budget programming, outlays and planning.

**Cost estimates based on input-outcome elasticities** (Devarajan, et al 2002; World Bank 2003) calculate the aggregate investment levels needed to achieve specific MDGs. This is done by estimating a production function for specific goals, based on a range of inputs. As in the case of aggregate ICOR studies, this methodology is useful in calculating overall resource needs. However, it raises several methodological issues, especially from a gender perspective. It can only model a small number of sectors where production functions can be estimated based on historical elasticities. For the gender goal in particular, such production functions are difficult to model. As in the case of ICOR studies, such elasticities are modeled on marginal changes, and
cannot predict the input-outcome relationship with step increases in investments. Even for goals where production functions can be estimated, only a small number of variables can be modeled, often leaving out important MDG investments. Finally, such estimates do not guide budget planning and allocation.

**Average unit cost based estimates** (Delamonica, et al. 2001; GWP 2000) calculate investment needs based on current expenditures and gap in access or provision. Unit costs are derived by dividing current spending by the population covered; they are then applied to the population in need. This approach is based entirely on current expenditures; if the input mix changes in the future, the unit costs will no longer be applicable to derive total costs. Further, typically the population in need requires higher levels of investment (for example, in the case of excluded groups, special interventions will be needed) which means that investment projections based on current expenditures tend to underestimate the overall needs.

**Interventions based needs assessments** (Bruns, et al. 2003; United Nations and World Bank 2003, 2004; UN Millennium Project 2004) calculate bottom-up needs assessments based on an identification of relevant interventions across multiple sectors. Such estimates provide detailed resource needs in terms of financial, human resources and infrastructure and are useful for planning and budget programming purposes. However, they calculate the resource needs for different sectors separately and are not set up to account for synergies, which need to be estimated later and built into the sector analysis iteratively, making this a time consuming and labor intensive process. This approach offers guidance for planning and budget programming, but links to macroeconomic variables need to be modeled separately.

Source: UN Millennium Project 2004

All long-term costing approaches described in Box 2 are imperfect in their ability to calculate total needs accurately. First, it is difficult to predict what the costs of interventions will be ten to fifteen years from the base line. It is also difficult to factor in the probability of shocks within the period. Second, most studies estimate only a small range of interventions necessary for achieving the MDGs, thereby limiting the scope of the financing strategy.

Another limitation of these aggregate or general costing exercises is that none have addressed the full range of gender equality needs. Indeed, some of the existing costing estimates may even contain gender biases because they do not recognize the economic value of women’s unpaid work. So, for instance, many of the HIV/AIDS related costs may be under-estimated as home-based care is seen to be less costly than institution-based care because women’s labor is not counted or valued.

As noted above, estimating the resource needs for achieving MDG3 is especially difficult. Gender outcomes are not easily derived from production functions that can be parameterized. Moreover, economic growth does not automatically translate into reductions in gender inequalities or improvements in women’s well being (Seguino 2003). Actions to achieve gender equality cut across many different areas, raising the possibility of double counting. The approach described in Section 5 attempts to address each of these concerns.

### 3.1. Financing Interventions to Achieve Gender Equality in Education and to Provide Reproductive Health Services

Partly because of the difficulties described above, no approach until now has attempted to estimate a full set of comprehensive costs for interventions to promote gender equality and
empower women. Previous exercises to estimate the financing requirements for gender equality interventions only estimate the costs in certain sectors, such as health or education. The World Bank (2001), for instance, estimates that achieving gender equality in primary education through universal enrolment would require an increase of slightly more than 3 percent a year in public spending on primary education in South Asia and the Middle East and North Africa, but as much as 30 percent a year in Sub-Saharan Africa. It further notes that ensuring equity in secondary education would add to these costs, but the total would still be affordable for the majority of countries that are currently off-track for achieving that Goal.

Devarajan, Miller, and Swanson (2002) estimate that meeting the 2005 MDG target of gender parity in secondary education would cost about $3 billion. In deriving this estimate, they assume constant average costs for enrolment and increasing the number of girls in school so that the ratio of girls to boys is 1:1 by 2005. Because the estimates refer to additional resource requirements and are based on average costs, the authors recognize they are likely to understate the incremental costs of reaching the gender equality target in education.

Other studies have attempted to estimate the costs of reproductive health. From a review of estimates of the financing necessary to achieve universal access to sexual and reproductive health services, the Alan Guttmacher Institute (AGI) and United Nations Population Fund (UNFPA) developed an intervention-based methodology and projected these costs at $11 billion a year (in 2003 dollars)—$7.1 billion to provide modern contraceptive services to current users and $3.9 billion to address unmet need. These estimates are higher than some others because they include labor, overhead and capital, as well as contraceptive supplies (AGI/UNFPA 2004). The costing exercise of Devarajan, Miller, and Swanson (2002) did not include reproductive health and did not provide separate estimates for the cost of meeting the maternal mortality goal. Instead they assumed that the costs of achieving the maternal mortality goal would be of the same magnitude as the costs for meeting the under-5 mortality goal.

4. The UN Millennium Project Needs Assessment Approach

The UN Millennium Project has developed an interventions-based, cross sector assessment that aims to estimate the human, infrastructure and financial needs of achieving the MDGs by 2015. The methodology, described in greater detail in Appendix 1, comprises the following steps for each sector:

1. Develop list of interventions
2. Specify targets for each set of interventions
3. Estimate resource needs
4. Check results

The identification of interventions used in UN Millennium Project (2005a) was based on the relevant priorities and plans articulated by governments and NGOs within the countries, and
on the recommendations from the UN Millennium Project Task Forces. The Millennium Project defines interventions as investments in goods, services or infrastructure that directly contribute to the achievement of the MDGs; they are distinct from policies and institutions.

Sectors in this analysis refer to the different areas of investments for specific MDGs (with the exception of MDG3); we term these MDG sectors. They include agriculture and rural development, education (covering primary and secondary education and adult literacy), health (including child and maternal health, malaria, HIV, TB, nutrition and health systems), water and sanitation, energy and roads, and improving the lives of slum dwellers. We do not include a gender sector because gender equality is not a stand-alone sector but a crosscutting issue. Rather, we group together specific interventions required for the realization of MDG3 that have not been included in the other sectors and we identify the gender equality-related interventions in the MDG sectors. This is explained in greater detail in Section 5.

In each sector, targets are set based on the MDG targets and resource estimates are based on local or regional unit costs. The results from all the MDG sectors are then aggregated and revised to eliminate double counting and to account for synergies in provision and impact. The resource needs are based on total cost estimation (including capital and recurrent costs, covering both current and incremental costs), and estimated annually from 2006-2015.

This is a sensible way to calculate the costs of specific MDG sectors. However, from a gender perspective, there are some important caveats about this methodology. First, the needs assessment includes only some of the actions necessary to meet the Goal of gender equality and empowerment of women. Although we have tried to develop an expansive list in the exercise below, it still likely excludes some interventions that may be important in particular country contexts. These would need to be identified through country-level planning exercises.

Second, and related to the first point, a gender needs assessment is possible only at the country level and meaningful only as part of a national poverty reduction strategy in which all stakeholders participate. To be credible, the analysis needs the inputs of all key stakeholders, including government officials at national, regional, and local levels, members of women’s and other civil society organizations, and donors. The interventions to be costed need to be locally identified, based on nationally determined targets. Any assessment of needs has to be an iterative process that is refined over time on the basis of experience.

Third, simply knowing the costs of interventions to achieve gender equality and women’s empowerment is not sufficient to achieve gender equality. Leadership and political will are necessary to allocate the resources. To be successful, interventions may also require changes in legislation, political and administrative rules, social attitudes, and norms. The needs assessment, therefore, should be seen as a minimal but necessary set of actions to meet the Goal of gender equality.

Even with these caveats, the UN Millennium Project Needs Assessment approach is more appropriate than the others described in Box 2. This approach allows for a clear identification of interventions aimed specifically at improving outcomes for women within each sector, thus minimizing the possibility of double counting. It enables us to estimate the resource needs of a comprehensive set of interventions covering the multiple dimensions of gender equality. It can be extended to include different interventions (and costs) for different sub-groups of the population. Like all long-term costing approaches, however, it is limited in its ability to accurately calculate total MDG needs, but the results can be revised iteratively as fresh data
become available, making estimates more reliable. Its scope allows for bold financing strategies, and it is therefore, preferred to the approaches discussed above.

Presently, many countries are implementing gender-responsive budgeting initiatives (GBIs), which seek to scrutinize the public budget from a gender equality perspective. Unfortunately, actual budgeting and planning processes are not disaggregated along the lines discussed below. In country-level budgeting processes, our classification of the gender equality interventions may need to be realigned within different line ministries. However, it is hoped that gender budget and other country-level planning processes will adapt the methodology developed here to illuminate what share of national budgets is being contributed to the achievement of gender equality.

5. Methodology for Costing Gender Equality and Women’s Empowerment

UN Millennium Project (2005a) developed a list of interventions for each sector and estimated the per-unit capital and recurrent costs of implementing them. We classify each of those interventions according to whether the main objective is to promote gender equality or whether the main objective is to promote another goal such as reversing the spread of malaria. Based on this classification, we calculate the proportion of the cost of each intervention that can be attributed to promoting gender equality. The apportioned costs are then summed across interventions to obtain total costs attributable to promoting gender equality.

5.1. Classification of Interventions that Promote Gender Equality

We classify interventions that promote gender equality and women’s empowerment in two ways. The first category of interventions explicitly aims to reduce gender inequality or empower women; we refer to these as GE interventions. The second category of MDG interventions is designed primarily for the achievement of other MDGs, for instance, the construction of rural roads or health clinics, the provision of fertilizers or water services, and so forth. These interventions, henceforth referred to as NTGE interventions, can promote gender equality and may have the potential to help achieve MDG3, although that is not their primary purpose.

GE Interventions

There are two types of gender equality interventions. The first group covers those interventions that are aimed at gender equality and women’s empowerment which fall outside of the various MDG sectors. These are denoted as MDG3 specific interventions. These interventions would be implemented through the Ministry of Women’s Affairs or a non-MDG sector ministry. (As a reminder, the MDG sectors are education, health, rural development, urban development and slum upgrading, water and sanitation, and energy.) For instance, interventions to reduce gender inequality in employment would be implemented through a Ministry of Labor. Interventions to reduce violence against women – such as mass media campaigns – might be implemented by the Ministry of Women’s Affairs. Box 3 gives examples of the various types of interventions in this category.
Box 3. Interventions to Achieve MDG3 Not Included in an MDG Sector

Strategic Priority 2: Guarantee Sexual and Reproductive Health and Rights
- Increase awareness and provide education on sexual and reproductive health and rights through mass media and community based programs
- Provide comprehensive sexuality education within schools and community programs.

Strategic Priority 5: Reduce Gender Inequality in Employment
- Promote access to work through vocational training programs and school-to-work transition programs for adolescent girls
- Provide care services (for children, the elderly, the disabled, and the sick) to allow women to work

Strategic Priority 6: Increase Women’s Political Representation
- Provide training to women candidates in elections at the local, regional and national level
- Provide training to women elected representatives at the local, regional and national level

Strategic Priority 7: Combat Violence against Women:
- Prevent violence against women through awareness campaigns and education, hotlines and neighborhood support groups
- Provide protection from violence through police and medical services, counseling and emergency housing or short-term shelters to victims of violence
- Provide punishment for perpetrators of violence through legal redress.

Capacity-Building Interventions:
- Strengthen the capacity of governments to deliver the interventions identified above
- Strengthen ministries of women’s affairs and gender focal points in other ministries
- Undertake institutional reforms through sensitization programs to train judges, bureaucrats, land registration officers and police officers
- Invest in legal aid services to help women claim their rights and access the interventions identified above
- Improve registration systems for issuing identification documents to women (in those settings where applicable)
- Invest in data collection and monitoring activities to track gender outcomes

The second group of GE interventions includes interventions that are implemented within each MDG sector to help achieve gender equality and empower women in that sector. We refer to these as gender mainstreaming interventions. The sectors of education, health, rural development, urban development, water and sanitation, and energy all include interventions that aim to promote gender equality. For example, in rural development, special efforts to recruit and train women extension workers can help ensure that the national extension service reaches female farmers to the same extent as it does male farmers. In education, increasing retention of girls in school may require special subsidies on the demand side, and special facilities such as toilets for girls on the supply side. Also included in gender mainstreaming interventions are investments that strengthen the capacity of the sector (and the ministry) to achieve gender equality, for instance, the costs of gender focal points in each line ministry, the costs of gender training for line ministry
staff, the costs of gender-disaggregated research, and so forth. Box 4 provides examples of gender mainstreaming interventions in selected MDG sectors.

**Box 4. Gender Mainstreaming Interventions**

**Education**
- Gender-sensitive hygienic facilities
- Scholarships or subsidies for girls
- Female teacher salaries
- Male teacher salaries
- Gender focal point unit in the Ministry of Education

**Health**
- Community-based nutrition programs
- Micronutrient supplementation programs for adolescent girls
- Maternal health
- Child health*
- MTCT, MTCT Plus
- Human resources for child and maternal health
- Gender focal point unit in the Health Ministry

**Rural Development**
- Female extension workers
- Gender focal point unit in the Ministry of Agriculture

**Slum Dwellers and Water and Sanitation**
- Gender focal point units in the Ministries of Housing/Interior, Water, and Sanitation

* Excludes public nutrition. We attribute the costs of child nutrition to gender equality because of the impacts on a range of female empowerment outcomes (see Quisumbing and Maluccio 2000; Haddad 1997).

In the analysis in the next section, we report the results separately for MDG3 specific and gender mainstreaming interventions. We do this because we think it is important for donors, Ministers of Finance, and staff in line ministries to see the costs disaggregated in this way. In country-level planning exercises we would also encourage disaggregating GE costs into MDG3-specific costs and gender mainstreaming costs.

**NGTE Interventions**

The second category of MDG interventions covers those designed for the achievement of other MDGs. As noted above, they can promote gender equality and have the potential to help empower women. NGTE interventions include micronutrient supplementation programs for underweight children, the provision of fertilizers, water services, energy infrastructure, and so forth. Further examples are provided in Appendix 2. 7
5.2. Apportioning the Costs for Gender Equality

Gender-Equality Targeted Interventions (GE):

At the country level, the costs at time $t$ of interventions specifically designed to promote MDG3-specific and gender mainstreaming interventions, where there are $p$ and $q$ of each intervention, can be expressed formally as:

1. $C_{GE} = \sum_{i=1}^{p} \sum_{j=1}^{q} \{ GE3_{i,t} + GEM_{j,t} \}$

where $GE3_{i,t}$ is the cost of an MDG3-specific intervention $i$ at time $t$ and $GEM_{j,t}$ is the cost of a gender mainstreaming intervention $j$ at time $t$.

Non-Targeted Interventions that Promote Gender Equality (NTGE)

To estimate the financial resources that contribute to promoting gender equality through interventions that do not specifically aim at gender equality, we need to estimate that share of the cost of the intervention that goes toward reducing the gender gap and maintaining female access to that service. The relevant gender gap in the education, health, and rural development sectors is in utilization of services. For instance, utilization in education can be captured by sex-disaggregated enrolment rates; utilization of rural credit programs can be captured by sex-disaggregated borrower rates, and so forth. Appendix 2 lists the relevant gender gaps for interventions in each sector that have sex-disaggregated data and provides the formulas for calculating the proportion of these intervention costs that can be attributed to promoting gender equality. These formulas are based on the assumption that changes in the provision of services in these sectors will reduce the gap if it results in greater increases in women’s utilization of the service than in men’s.

Infrastructure interventions, such as water, sanitation, and energy services benefit all members of the households that receive them (men, women, and children) but they also address an important gender gap – the time in time spent collecting water and fuel. In the case of infrastructure, public or private sector provisioning is replacing household provisioning, or in other words, reducing the unpaid labor of those household members (typically women and girls) who fetch the water and gather the firewood. Appendix 2 also lists the ways that gender gaps are measured for water and sanitation and energy interventions and provides the formulae for calculating the share of costs of these interventions that can be attributed to promoting gender equality.

The total cost of non-targeted gender interventions can be calculated in the following way. $NTGE_{k,t}$ is the cost at time $t$ of non-targeted sector interventions that have a gender equality benefit, where there are $s$ non-targeted interventions. Let $\alpha_{k,t}$ be the proportion of the costs of these interventions that can be attributed to promoting gender-equality at time $t$. The total cost of non-targeted interventions that can be attributed to promoting gender equality is therefore:

2. $C_{NTGE} = \sum_{t=2005}^{2015} \sum_{k=1}^{s} \alpha_{k,t} NTGE_{k,t}$
where \( \alpha_{k,t} \) is estimated separately for each intervention as described in Appendix 2.

### Total Cost of Gender Equality

The total estimated cost of interventions to promote gender equality is the sum of all gender-equality promoting interventions and the share of the costs of non-targeted sectoral interventions that can be attributed to the promotion of gender equality. This is expressed formally as:

\[
C = \sum_{t=2005}^{2015} \left\{ \sum_{i=1}^{p} GE_{3i,t} + \sum_{j=1}^{q} GEM_{jt,t} + \sum_{k=1}^{s} \alpha_{k,t} NTGE_{lt,t} \right\}
\]

### 6. Country-Level Results

Table 1 reports the estimates of the average annual per capita costs of achieving gender equality in the five countries: $37.24 in Bangladesh, $46.69 in Cambodia, $51.90 in Ghana, $56.88 in Tanzania, and $52.00 in Uganda. These figures represent between 35-49 percent of total MDG costs in Bangladesh, Cambodia, Tanzania, and Uganda and slightly more than half of total MDG costs in Ghana.\(^9\) They represent about 9 percent of 2003 GDP per capita in Bangladesh, 15 percent in Cambodia, 18 percent in Tanzania, and 19 percent in Ghana and Uganda.

The costs apportioned to gender equality in each sector represents the largest share of costs, ranging from 69-74 percent in Bangladesh, Cambodia Ghana, and Uganda to 77 percent in Tanzania. The costs of gender mainstreaming interventions are more modest, representing about 19 percent of total costs to achieve gender equality in Bangladesh, 18 percent in Cambodia, 20 percent in Ghana, 16 percent in Tanzania, and 24 percent in Uganda.

Finally, the MDG3-specific interventions represent the smallest share of the total costs of interventions to achieve gender equality, ranging from 6 to 10 percent. Although the amounts seem small, it is important to remember that this category only comprises interventions that are not accounted for in other sectors and are critical to achieving gender equality in those sectors and in countries as a whole. Investment in MDG3-specific interventions and in gender mainstreaming provides a basis for the assumptions we have made in apportioning the costs of the interventions not targeted to gender equality. The portions are likely to be lower in the absence of spending on specific interventions and gender mainstreaming, since it the latter ensures that interventions are designed to meet women’s needs as well as men’s needs, and to make them as accessible to women as to men.
Table 1. Average Annual Per Capita Costs of Achieving Gender Equality (2003 US$)

<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>Cambodia</th>
<th>Ghana</th>
<th>Tanzania</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDG3 Specific Interventions</td>
<td>3.80</td>
<td>3.46</td>
<td>3.14</td>
<td>3.90</td>
<td>3.18</td>
</tr>
<tr>
<td>Education</td>
<td>0.23</td>
<td>0.22</td>
<td>3.31</td>
<td>1.50</td>
<td>1.84</td>
</tr>
<tr>
<td>Energy</td>
<td>0.03</td>
<td>0.02</td>
<td>0.01</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>Health</td>
<td>6.77</td>
<td>8.31</td>
<td>6.87</td>
<td>7.22</td>
<td>10.54</td>
</tr>
<tr>
<td>Rural Development</td>
<td>0.03</td>
<td>0.02</td>
<td>0.25</td>
<td>0.25</td>
<td>0.19</td>
</tr>
<tr>
<td>Slum Dwellers</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>0.03</td>
<td>0.02</td>
<td>0.04</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>Total</td>
<td>7.12</td>
<td>8.59</td>
<td>10.49</td>
<td>9.17</td>
<td>12.71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs Apportioned to Promoting Gender Equality in MDG Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Energy</td>
</tr>
<tr>
<td>Health</td>
</tr>
<tr>
<td>Rural Development</td>
</tr>
<tr>
<td>Slum Dwellers</td>
</tr>
<tr>
<td>Water and Sanitation</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Total Cost of Achieving Gender Equality

<table>
<thead>
<tr>
<th></th>
<th>37.24</th>
<th>46.69</th>
<th>51.90</th>
<th>56.88</th>
<th>52.00</th>
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<tbody>
<tr>
<td>Total Costs of Achieving the MDGs</td>
<td>106.48</td>
<td>107.35</td>
<td>100.37</td>
<td>118.84</td>
<td>106.50</td>
</tr>
<tr>
<td>Gender costs as a percentage of the total cost of achieving the MDGs</td>
<td>35%</td>
<td>43%</td>
<td>52%</td>
<td>48%</td>
<td>49%</td>
</tr>
<tr>
<td>Per Capita GDP in 2003</td>
<td>395.38</td>
<td>313.37</td>
<td>275.86</td>
<td>308.70</td>
<td>276.54</td>
</tr>
<tr>
<td>Gender costs as a percentage of GDP in 2003</td>
<td>9%</td>
<td>15%</td>
<td>19%</td>
<td>18%</td>
<td>19%</td>
</tr>
</tbody>
</table>

1Source: UN Millennium Project 2005a

Table 2 shows the total annual costs of all three categories of interventions to promote gender equality in each of the five countries from 2005-2015. The total costs for the period range from $6.5 billion in Cambodia to $50.3 billion in Bangladesh, with Ghana, Tanzania and Uganda in the middle range.\(^\text{10}\)
Table 2. Annual Costs of Mainstreamed Gender Equality Promoting Interventions (in Millions of 2003 US$)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Bangladesh</td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Cost of MDG3 Specific Interventions</td>
<td>228</td>
<td>261</td>
<td>277</td>
<td>307</td>
<td>358</td>
<td>441</td>
<td>583</td>
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<td>894</td>
<td>988</td>
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<td>Bangladesh Total</td>
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<td>4125</td>
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<td>556</td>
<td>596</td>
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<tr>
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<td>72</td>
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<td>111</td>
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<td>320</td>
<td>526</td>
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<td>740</td>
<td>804</td>
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<td>2771</td>
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<td>Uganda</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of MDG3 Specific Interventions</td>
<td>45</td>
<td>52</td>
<td>56</td>
<td>61</td>
<td>69</td>
<td>82</td>
<td>102</td>
<td>135</td>
<td>194</td>
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<td>1090</td>
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<td>Cost of Mainstreaming Gender Interventions in Other Sectors:</td>
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<td>614</td>
<td>659</td>
<td>707</td>
<td>747</td>
<td>803</td>
<td>865</td>
<td>935</td>
<td>1014</td>
<td>1089</td>
<td>8003</td>
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<tr>
<td>Costs Apportioned to Gender Equality in Other Sectors</td>
<td>1858</td>
<td>2049</td>
<td>2265</td>
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<td>2744</td>
<td>2997</td>
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<td>3545</td>
<td>3848</td>
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<td>29248</td>
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<td>Uganda Total</td>
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<td>2663</td>
<td>2924</td>
<td>3205</td>
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<td>3800</td>
<td>4127</td>
<td>4480</td>
<td>4861</td>
<td>5271</td>
<td>37251</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

Detailed information for the cost categories in each country is presented in Appendix 4.

7. Estimating the Financing Gap for GE Interventions

The sections above estimate the total needs of gender interventions across multiple sectors. These costs will need to be financed in different ways, depending on the sector and the nature of the intervention. To determine the financing gap for the five countries, we follow the UN Millennium Project methodology (UN Millennium Project 2005a). There are three broad sources of financing in this approach: household contributions, government resource mobilization and external financial resources. The resources that can be raised within the country (through household contributions and increased government spending) are estimated first, leaving the residual as the “gap” which will need to be financed by donors (see UN Millennium Project 2005a for more detail on the estimation procedure).

Household contributions are determined based on ability to pay. The UN Millennium Project divides the population into three categories: The first category includes the proportion of the population below the poverty line that is assumed to make no contributions to payments for
MDG interventions. The second category includes people who lie between the poverty line and two times the poverty line (corresponding broadly in this set of countries with the third and fourth income quintiles). This section of the population is expected to pay a proportion of the MDG costs. This proportion is calculated separately for each sector and includes interventions where there is either a proven case of partial payments improving efficient delivery (water, energy, rural development) and/or where there is a demonstrated ability to pay for certain services (specific interventions in secondary education). For primary education, health care, and MDG3 specific interventions, no contributions are estimated. The third category includes the top quintile of the population where it is assumed that the population will pay for all MDG services. Aggregating across these three categories of the population, and across different sectors, shows that household contributions in these five countries account for 10-13 percent of total MDG needs.

Government resources for the MDG investments are based on projected increases both in the share of MDG spending in countries, as well as the overall increase in domestic revenue mobilization. The UN Millennium Project assumes that governments can mobilize an additional four percentage points of GDP toward spending on the MDGs. For the five countries included in this analysis, this implies an increase from about 4-7 percent to about 8-11 percent of GDP for spending on the MDGs. Government contributions estimated in this way account for between 30-40 percent of total MDG needs.

Thus, between 40-47 percent of all MDG needs are thus estimated to be raised domestically. This still leaves a substantial financing gap of about half of the total needs – this is what we refer to as the MDG financing gap. This gap translates to between $60-73 per capita per year.

We assume that the Millennium Project assumptions for apportioning costs by source of financing remain relevant for the analysis of the gender portion of the financing gap since household contributions and government resources are calculated independently of the composition of MDG needs. fn

The analysis in Section 6 found that between 35-52 percent of the total costs of the MDGs can be directly attributed to the achievement of gender equality objectives. This percentage translates into $37-$57 per capita per year (see Table 3). This is an important estimate for country-level planning purposes. However, we cannot use this percentage to calculate the gender portion of the country-level financing gap.

Between 69-77 percent of the gender costs comprise the apportioned “gender equality” costs in MDG sectors. We believe that these apportioned costs should not be counted as part of the gender equality financing gap because the sector interventions will already be covered by general MDG financing mechanisms. As we noted earlier, the reason we have apportioned the sector costs in this way is to demonstrate the potential impact that resources in these sectors can have on gender equality. fn Thus, we use only the MDG3 specific costs and the gender mainstreaming costs to calculate the financing gap for interventions promoting gender equality in each of the five countries; the results are reported in Table 3.
Table 3. Average Annual Per Capita MDG Costs and Financing Gaps (in 2003 US$)

<table>
<thead>
<tr>
<th></th>
<th>Bangladesh</th>
<th>Cambodia</th>
<th>Ghana</th>
<th>Tanzania</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDG3 specific costs per capita</td>
<td>3.80</td>
<td>3.46</td>
<td>3.14</td>
<td>3.90</td>
<td>3.18</td>
</tr>
<tr>
<td>MDG mainstreaming costs per capita</td>
<td>7.12</td>
<td>8.59</td>
<td>10.49</td>
<td>9.17</td>
<td>12.71</td>
</tr>
<tr>
<td>Costs apportioned to promoting gender equality per capita</td>
<td>26.32</td>
<td>34.64</td>
<td>38.27</td>
<td>43.81</td>
<td>36.12</td>
</tr>
<tr>
<td>Annual gender needs per capita</td>
<td>37.24</td>
<td>46.69</td>
<td>51.90</td>
<td>56.88</td>
<td>52.00</td>
</tr>
<tr>
<td>Annual MDG needs per capita</td>
<td>106.48</td>
<td>107.35</td>
<td>100.37</td>
<td>118.84</td>
<td>106.50</td>
</tr>
<tr>
<td>Annual gender needs as a % of MDG needs</td>
<td>35%</td>
<td>44%</td>
<td>52%</td>
<td>48%</td>
<td>49%</td>
</tr>
<tr>
<td>Annual hh contributions per capita</td>
<td>10.97</td>
<td>13.18</td>
<td>11.30</td>
<td>11.90</td>
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<tr>
<td>Annual government contributions per capita</td>
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<td>31.58</td>
<td>28.57</td>
<td>34.05</td>
<td>36.85</td>
</tr>
<tr>
<td>Annual financing gap per capita</td>
<td>60.15</td>
<td>62.59</td>
<td>60.50</td>
<td>72.89</td>
<td>59.57</td>
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<td>Annual financing gap as a % of MDG needs</td>
<td>56%</td>
<td>58%</td>
<td>60%</td>
<td>61%</td>
<td>56%</td>
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<tr>
<td>MDG3 specific costs as a % of financing gap</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
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<tr>
<td>Gender mainstreaming costs as a % of financing gap</td>
<td>12%</td>
<td>14%</td>
<td>17%</td>
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<td>21%</td>
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<tr>
<td>MDG3+gender mainstreaming costs as a % of financing gap</td>
<td>18%</td>
<td>19%</td>
<td>23%</td>
<td>18%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

The costs of MDG3 specific interventions and gender mainstreaming in all MDG sectors comprise between 23-31 percent of the total requirements for promoting gender equality in the five countries. This translates into 18-27 percent of the total MDG financing gap. Though rarely included in national planning or budgeting processes and never fully covered by external assistance, MDG3 specific and gender mainstreaming costs are a critical part of an overall financing strategy to achieve all the MDGs. Donors should pay particular attention to this portion of the financing gap.

At the same time, it is important to caution that funding MDG3 specific and gender mainstreaming interventions alone should not be seen as a shortcut to achieving gender equality or the MDGs. Donors need to commit funding to cover the full financing gap for all the MDGs. Subsidies for female students will only be effective if female students have classrooms, teachers, and books. Interventions to achieve gender equality are interdependent, and this analysis reinforces that conclusion.

8. Estimating the MDG3 Financing Gap for Low Income Countries

As noted above, we have used the financing gap estimates derived by the UN Millennium Project (2005a) in our estimation of the MDG3 financing gap for low-income countries. The total MDG financing gap is the difference between total MDG investment needs and domestic resource mobilization, assuming a rise in government expenditures of up to four percent of GDP over the decade. The MDG financing gap for low-income countries is $72 billion in 2006, rising to $161 billion by 2015. Using these estimates, we have projected the cost of interventions to achieve gender equality and empower women in low-income countries.

To obtain the cost of achieving gender equality in low-income countries, we first averaged the proportion of MDG3 specific investment needs and gender-mainstreaming investment needs over the five countries for each year from 2006-2015 (Table 4). We applied these averages to the total MDG investment needs in low-income countries and developed three scenarios for projecting how these MDG3 costs might be financed.
Table 4. Gender Costs as a Percentage of Total MDG Costs Averaged Across Bangladesh, Cambodia, Ghana, Tanzania, and Uganda

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MDG3 specific needs as a % of MDG investment needs</strong></td>
<td>2%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Mainstreaming needs as a % of MDG investment needs</strong></td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>MDG3 specific and mainstreaming needs as a % of MDG investment needs</strong></td>
<td>12%</td>
<td>11%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations

Scenario 1 assumes that gender equality interventions are not financed by domestic resource mobilization. In its review of the evidence, the UN Millennium Project Task Force found that sufficient funds are rarely allocated for gender equality interventions (UN Millennium Project 2005b). Moreover, gender-budget initiatives around the world have highlighted that most interventions for gender equality are financed off-budget, primarily from contributions from bilateral and multilateral donors (Elson 2005). Scenario 1 assumes that this trend will continue, and all of the gender equality interventions will be financed through external resources.

Scenario 2 assumes that government resources will partially support gender equality interventions. Empirical research shows that in those countries where such allocations are made, this proportion is generally quite small. On average, most gender budget initiatives have found that governments commit between 1-3 percent to two categories of interventions: women-specific programs and equal opportunity programs (Budlender 2002; UNIFEM 2002). Given this information, we assume that in 2006, governments commit one percent of public expenditure (the latter is assumed to be about 13.1 percent of GDP in low-income countries, net of debt repayments15), to gender equality interventions, and this is scaled up to three percent by 2015.

Scenario 3 assumes that the share of government resources spent on gender equality interventions is proportionate to the share of the gender equality intervention costs in total MDG costs, which is the assumption made by the UN Millennium Project in its analysis (UN Millennium Project, 2005a). Consequently, the financing gap for gender in Scenario 3 reflects the share of gender equality costs in total MDG costs.

Table 5 shows that Scenarios 1 and 2 produce similar financing gap estimates for gender equality interventions in 2006, between $30 and $28 billion. The financing gap under Scenario 3 for gender equality interventions is much lower in 2006, at $12 billion. However, the financing gap changes substantially in 2015 under Scenarios 1 and 2. Under Scenario 1, the financing gap grows at the same rate as MDG costs to $83 billion, but under Scenario 2, the financing gap decreases to $73 billion as governments contribute $10 billion from own-source revenues to gender equality interventions. Under Scenario 3, if governments commit domestic resources to gender equality interventions in the same proportion as their contributions to overall MDG interventions, the financing gap shrinks to just $24 billion. Appendix 5 presents the financing gap projections for each year and the average for the period.
Table 5. Total Gender Costs and Source of Financing for Low-Income Countries (in Billions of 2003 US$)

<table>
<thead>
<tr>
<th></th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieving the MDGs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment needs</td>
<td>251.7</td>
<td>560.1</td>
<td>251.7</td>
</tr>
<tr>
<td>Domestic resource mobilization</td>
<td>178.9</td>
<td>399.9</td>
<td>178.9</td>
</tr>
<tr>
<td>Financing gap</td>
<td>72.3</td>
<td>160.5</td>
<td>72.3</td>
</tr>
<tr>
<td>MDG3 Specific</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment needs</td>
<td>5.3</td>
<td>35.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Domestic resource mobilization</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Financing gap</td>
<td>5.3</td>
<td>35.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Mainstreaming Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment needs</td>
<td>24.4</td>
<td>47.3</td>
<td>24.4</td>
</tr>
<tr>
<td>Domestic resource mobilization</td>
<td>0.0</td>
<td>0.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Financing gap</td>
<td>24.4</td>
<td>47.3</td>
<td>22.9</td>
</tr>
<tr>
<td>MDG3 Specific + Mainstreaming Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment needs</td>
<td>29.7</td>
<td>83.2</td>
<td>29.7</td>
</tr>
<tr>
<td>Domestic resource mobilization</td>
<td>0.0</td>
<td>0.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Financing gap</td>
<td>30</td>
<td>83</td>
<td>28</td>
</tr>
<tr>
<td>Financing gap (2003 US$ per capita)</td>
<td>11</td>
<td>27</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations.

Scenario 3 is the most optimistic and the one that donors and governments should strive to achieve in the long-term. Scenario 2 is closer to current practice and can be used as a baseline for initial resource allocations to gender equality interventions. In either case, it is important to note that domestic resources are particularly important for gender equality. First, they signal that a country is committed to achieving gender equality through investments of their own resources. They signal that governments have taken “ownership” of the problem and intend to solve it. Second, this can also ensure longer-term sustainability for those interventions and activities that are needed to create the type of fundamental transformation in the way that societies conceive of and organize men’s and women’s roles and responsibilities. However, even with commitment of domestic resources, there is a financing gap for interventions to promote gender equality and women’s empowerment that must be covered by external sources.

External resources can be quite important to jump-start the allocation of domestic resources for gender-equality interventions, although experience to date from gender budget initiatives around the world suggests that while governments may assume some of the costs, they continue to rely on donor assistance for many gender-equality promoting interventions. However, based on NGO and donor reports, we may assume that donor financing does not cover the full costs of gender equality interventions (UN Millennium Project 2005b).

10. Conclusion

This paper attempts to illustrate, through a quantitative assessment, that investments that directly and indirectly promote gender equality and women’s empowerment represent a significant share of total investments for the Millennium Development Goals. As we show, of the total MDG investments, 37-52 percent can be directly or indirectly attributed to the achievement of MDG3. In other words, any serious effort to promote gender equality and women’s empowerment costs money- a fact often ignored by governments in both rich and poor countries. At the same time, our results show that these investments are affordable, given existing
commitments made by donor governments of increasing official development assistance to 0.7 percent of GNP by 2015, and more recent commitments such as doubling aid to Africa by 2010.

Our analysis of non-targeted gender equality interventions (NTGE) shows that investments in other MDG sectors also have important payoffs for gender equality and women’s empowerment if designed and implemented appropriately. In particular, investments in education, health and infrastructure are crucial to improving the lives of poor women; for the five countries we analyzed, between 31-74 of the investments in these areas could be directly attributed to improving gender outcomes. The policy implications of this analysis are clear: the multidimensional nature of gender implies that investments in a range of sectors and activities are needed concurrently to achieve MDG3.

Our analysis has also attempted to operationalize gender mainstreaming and link it to budgeting needs and flows of funding. We show that the costs of gender mainstreaming interventions represent 7-12 percent of total MDG needs. Gender mainstreaming requires specific resource allocation within sector investment plans, a fact that is often overlooked in the current discourse on gender mainstreaming. The gender mainstreaming interventions identified in this paper are critical for making the sector interventions successful.

On the other hand, gender mainstreaming alone may have limited impact in achieving gender equality and women’s empowerment. Successful strategies combine gender mainstreaming with specific, targeted actions to promote MDG3. Investing for MDG3 is crucial for achieving all the other MDGs. Since over 90 percent of the investments to achieve gender equality are, in fact, implemented through other MDG sectors, governments cannot hope to achieve any of the MDGs without paying adequate attention to the specific interventions and actions (and the accompanying investments) needed to reach underserved women in the population.

We encourage greater allocation of domestic resources towards promoting gender equality and women’s empowerment. Our estimates show that for low-income countries, the financing gap for MDG3 specific and gender mainstreaming activities is in the range of $12 billion (2006)-$24 billion (2015). However, we recognize that external financing can be important to jumpstart an increase in domestic allocation. Based on Scenario 2 in Section 9 above, we recommend that resources in the range of $25-28 billion annually be dedicated to financing MDG3 specific and gender mainstreaming interventions in low-income countries in the next few years, and readjusted thereafter based on domestic resource commitments to these interventions.

Gender equality interventions should be part of a broader, comprehensive effort by national governments to achieve the MDGs. The inputs of key stakeholders, including government officials at national, regional, and local levels, members of women’s and other civil society organizations, and donors, are critical to the success of the process. The interventions to be costed need to be locally identified based on nationally determined targets and refined over time on the basis of experience.

Finally, we must reiterate a point we made at the beginning of this paper. While adequate resources alone will not achieve gender equality, knowing both the specific interventions and their costs creates the conditions for the fundamental transformation that is required to achieve gender equality. Transformation of social norms and patriarchal structures can begin through policies, interventions, and projects that have adequate funding. Thus, the gender needs assessment, and associated financing gap analyses should be seen as critical tools for generating
resources - and perhaps even leadership and political will - for gender equality and women’s empowerment.
References


UN Millennium Project (2005a). Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, Report to the UN Secretary General, UNDP, Earthscan: London and Virginia.


Notes

1. Another reason for underfunding is that expenditures for gender equality are perceived to be additional to the core investment and to achieve only a marginal return when in fact they are essential for maximizing the return on the core investment (UN Millennium Project 2005b).

2. This paper was commissioned by the World Bank; see Appendix 6 for the terms of reference.

3. Using data on GNP, share of GNP spent on education, and the share of primary education in public education, the study first computes initial public spending on primary education. Then it calculates the necessary increase in public spending to achieve universal primary education. The calculation takes into account the price elasticity of demand for education for girls and boys and the price cut needed to increase demand and factors in the estimated decline in private spending due to reduced prices. Finally, it includes a nine percent increase in program costs.

4. MDG sectors may cover the activities of various line ministries. For example, agriculture and rural development could include activities implemented by Ministries of Agriculture, Water, Energy and Power, Roads, Sanitation, Labor, Science and Research, and Women’s Affairs. The objective of this classification is to streamline all of the actions that contribute to a specific MDG, recognizing that many of these activities overlap and can be reclassified in different ways.

5. MDG sectors are not included in the analysis in this paper, such as roads, science and technology, environment, and large-scale infrastructure, such as dams, because needs assessment numbers were not available and/or the allocation is particularly difficult to undertake. Moreover, many sector interventions are not aimed at any particular population and/or address multiple goals simultaneously (often through integrated interventions) so it is difficult to isolate accurately the gender component of their cost.

6. For a listing of MDG targets, see UN Millennium Project 2005a

7. In this paper, we only estimate these costs in the Ministries of Education, Health, Rural Development, Water and Sanitation, Energy, and Housing. Given the current lack of information on specific costs (e.g., gender training for ministry staff, data collection and research, support services, and so forth, the mainstreaming costs are likely to be an under-estimate.

8. Glick et al. (2004, p. iv) state that “Household access to publicly provided water supply is not the appropriate indicator to capture gender specific impacts. These impacts come in the form of time savings. For a descriptive benefit incidence analysis, one can make the assumption that the benefit is the reduction in the individual’s time spent in water collection made possible by the service.”

9. Appendix 3 explains the assumptions used in the costing analysis.

10. Overall costs are estimated to grow exponentially, which is based on the assumption that countries will scale up more slowly in initial years. This assumption takes account of current trends in revenue generation in these countries in the next 3-5 years. In future exercises to estimate gender equality costs at the country level, scale-up functions will differ by interventions, based on sector-specific constraints to scaling up.

11. Although it was not included in the UN Millennium Project financing analysis, we analyzed the impact of funding for rural development on gender equality because it is such an important sector for women farmers, the majority of whom are poor.

12. We stress that the general sectoral interventions will only promote gender equality to the extent that they are complemented by the gender mainstreaming and MDG3 specific interventions.

13. Appendix 3 of Millennium Project (2005a) explains how aggregate MDG investment needs across low-income countries were calculated. Essentially, the Project first calculated the unadjusted investment need in each country and then adjusted those estimates for the relative price level in each country.

14. We follow the WDI classification of low income for grouping countries.

15. Based on the average, weighted by population, of government final consumption expenditure as a percent of GDP in low income countries in 2003 (World Bank 2005).

16. This should not be taken as an argument for donor conditionality. Rather, donor funding should support NGOs, which can mobilize and advocate for government investments to achieve gender equality.

17. A recent analysis by the OECD-DAC (2005) of the percent of foreign assistance that promotes gender equality shows that between 1999-2003 donors gave approximately 18 percent (or $3.1 billion) of total foreign assistance to programs and projects that had gender equality as a principal or significant purpose. (Principal refers to projects that would not have been undertaken without a gender equality objective; significant means that gender equality is an important but secondary objective of the activity). However,
these numbers cannot be strictly compared to the analysis in this paper, as we do not have information on the external financing gap. However, the OECD-DAC data are the only available data on donor support for gender equality programs relative to total foreign assistance.