



# 1st UNDP Global Dialogue on Public Finance and Tax for Gender Equality

6-8 February 2024, Istanbul.

## Summary conclusions

### Why does public finance matter for gender equality?

Public finance is about how public resources are generated and spent, which has profound welfare implications and impacts everyone in society. Given existing gender discrimination and gender social norms, the decisions on what to tax or what to invest on, or how to organize revenue collection or cash transfers, impact women and men differently.

Public finance provides the foundations for a country's financing of the Sustainable Development Goals (SDGs), including gender equality, and to reform unequal economic and social structures. However, national economic and fiscal objectives are often disconnected from national development objectives and fail to result in inclusive, sustainable outcomes for the people and societies they operate in. To change this, we require significant changes in [how public institutions operate, take decisions, and raise and allocate resources](#).

Although gender equality is acknowledged as a critical accelerator of all other SDGs, it has been chronically underfunded. It is estimated that an additional \$360 billion per year is needed to achieve the SDG gender equality targets. While many governments face tight monetary conditions, surging public debt, and limited fiscal space, the world struggles to turn the tide on rising inequalities. A backlash against women's rights persists, threatening to undermine decades of hard-won progress. In this context, it is crucial to prioritize the safeguarding and expand current investments in gender equality, while undertaking national and international reforms to harmonize economic priorities with better gender equality and wellbeing outcomes. A key aspect that will need to be much more closely examined is the interaction between public finance and unpaid

care work. While economic and fiscal policies can reinforce gender equality goals, advancing gender equality can also reinforce better economic and fiscal outcomes, including a renewed fiscal contract that increases trust and efficiency.

A growing number of countries are seeing this link, and initiating efforts to conduct structural reforms of their fiscal and tax policies and administrations that can contribute to more inclusive and gender equal outcomes.

### The Global Dialogue

In the framework of UNDP's [EQUANOMICS](#) initiative and the [Tax4SDGs](#) Program, and funded by the Hewlett Foundation and the Governments of Norway and Finland, UNDP organized the first Global Dialogue on Public Finance and Tax for Gender Equality that took place in Istanbul on 6 to 8 February 2024. The event brought together over 180 high-level participants from close to 50 countries, including government ministers, senior policymakers from ministries of finance, heads of tax administrations, civil society representatives, academics, development partners, multilaterals and more. The objectives of the Global Dialogue were to:

- Deepen knowledge on public finance and tax for gender equality (Day 1).
- Share experiences and explore opportunities for fiscal reforms (Day 2).
- Identify concrete actions that governments can undertake (Day 3).

A dedicated Africa Day, co-organized with the African Tax Administration Forum (ATAF) and the Tax Justice Network Africa (TJNA), took place on Day 3. Other regions held similar discussions, where they identified specific actions to initiate following the forum.

## Summary conclusions

### **a. Fiscal policies shape economies and have profound implications for sustainable development.**

- Fiscal policies can help achieve gender equality and eliminate discrimination against women – particularly when tax and expenditure policies are considered together.
- Fair, progressive and well-functioning tax systems and fiscal policies can contribute to poverty reduction, wealth redistribution and minimum levels of wellbeing for all.
- A focus on gender equality can strengthen the effectiveness of government-led efforts for public finance and tax reform, by adapting tax revenue services to the realities of women and men, by building trust, by improving cross-departmental communication, by improving progressivity of taxes and better adaptation of taxes to informality, care economy and gender-disaggregated industries, and by fostering diverse leadership, among many others.

### **b. Countries' fiscal objectives are currently far from being aligned with the SDGs and Gender Equality. There are vast opportunities to integrate Gender Equality objectives throughout the entire public finance flows.**

- Fiscal Policy can enable gender equality, working in tandem with other policies. It requires to provide particular attention to informality, as well as to how care and social reproduction are organized.
- Fiscal reforms should set gender equality as a central objective, particularly in countries moving towards performance-based budgeting.

### **c. Governments and the wider international community need to look at revenue and public expenditure together (rather than as separate items) to better understand fiscal policy impacts.**

- Only when looking together at revenue and public expenditure can we understand the incidence of fiscal policies on the gender poverty gap, and on gender inequalities more broadly.
- Examples were cited (Gabon, Nigeria and Malawi, Costa Rica) on how governments and UNDP are initiating

work in revenue strategies and working to embed gender in budget allocation, as well as in debt management.

### **d. Political and institutional will is strong, while awareness and technical capacity is still much needed.**

- Specialized technical learning is the top request received from governments. A particular priority area highlighted was capacity building around tax and fiscal incidence analysis.

### **e. Public policies cannot be detached from the public institutions that develop and implement them.**

- Gender-responsive fiscal policies are only possible if ministries of finance and tax administrations understand how their mandate relates to gender equality and if they are adequately equipped.
- This requires [comprehensive institutional reform](#) that includes adequate processes, internal regulations, senior leadership commitments and a supportive organizational culture.
- When institutional reforms are implemented partially rather than comprehensively, it is more likely that the advancements will be reverted. Tools such as UNDP's Gender Equality Seal for Public Institutions can help to support comprehensive processes and institutionalize advancements.
- It is critical to bridge the gaps between institutions. Departments within ministries of finance rarely interact with other departments, agencies, or institutions on gender equality and development goals.

### **f. There is insufficient understanding of the impact of fiscal policies on the poorest, and of gender differentiated effects. Data are often lacking or underutilized, and gender impact analyses are often missing.**

- These data gaps need to be mapped out and addressed, in close coordination between ministries of finance, tax administrations, national statistical offices, and civil society representatives.

- When data exists, such as the gender of the taxpayer, it is often underutilized. This can be addressed, for example with the revision of data privacy legislation or tax registries use.
- The gender analysis of existing data can be improved, such as on income distribution, household structures, consumption patterns, tax compliance or differences in economic behaviour.

**g. Analyzing the tax system from a gender equality perspective can help identify specific changes that would reduce gender inequality, simplify the tax system, and increase tax revenue.**

- Particularly important for gender equality is progressivity of the tax system, the potential of wealth taxes, the revision of tax expenditures (exemptions and deductions), the tax mix (that is, the proportion of direct and indirect taxes in a tax system), and the taxation of informal workers.
- Key analyses that were highlighted by participants include those for mid-term revenue strategies, biases in taxes and tax expenditures, the incidence of taxes on women and men, household behaviors on care, and gender impact analysis of taxes on informal workers and on care services.

**h. Fiscal policy reforms are a highly political issue that impacts and shapes our economies, and even our societies and social contract. And inclusive governance structure that engages civil society is crucial to achieve consensus, make progress, and hold governments accountable.**

- Civil society and parliamentarians can provide valuable information as well as powerful incentives to ensure governments improve fiscal policy.
- Opening national policy dialogues can help place these reforms on the political agenda and build social consensus. Political and social consensus is as important as getting the right technical support.

**i. Action is key.**

- Developing concrete national action plans, with timelines, engaging a variety of stakeholders, and with effective monitoring to track impact is critical to ensure that progress is achieved.
- The challenge often lies in gaining access to adequate methodologies. It is necessary to map existing tools and methodologies, and develop those that are missing, such as on gender impacts of gender responsive budgeting, or ex-ante tax microsimulation.

## Next steps

As a follow up to the Global Dialogue, governments and UNDP country offices have already prepared a total of **28 country proposals**, and more are being prepared. The plans offer concrete actions necessary to advance public finance reforms for gender equality. Based on these country proposals, UNDP is conducting the following actions:

**1. Expanding the EQUANOMICS Global Program.**

UNDP has prepared a proposal for a global program that expands EQUANOMICS responding to the demands of governments, with the goal that Public Finance works for Gender Equality, and is built around four interconnected outcomes:

- a. Governments have the tools and data necessary to transform fiscal policies and tax systems.
- b. Ministries of finance, tax administrations, parliaments, and relevant institutions are equipped and ready to initiate reforms.
- c. Legal and policy reforms to advance gender equality through tax systems, fiscal policies and budget processes are identified and addressed.
- d. Reforms are accelerated through cross-country knowledge management and collaboration.

**2. Engaging in resource mobilization.** UNDP is currently engaged in conversations with development partners to assist countries in implementing planned reforms for gender equality.

**3. Providing technical support to governments undertaking fiscal policy, tax and institutional reforms.**

Around a third of the countries that participated at the Global Dialogue have already begun reforming their tax systems and public financial management for gender equality, notably through efforts to promote gender-responsive budgeting, and analyzing the gender equality implications of selected tax policies. UNDP is supporting many of these countries through existing programs, as well as supporting the development of tools and harmonized approaches. One third of the ministries of finance, tax administrations and other institutions present at the Dialogue expressed interest in UNDP's Gender Equality Seal. Over a dozen of these institutions are already implementing the Seal with promising results.

**4. Building capacities and raising awareness.**

UNDP is helping develop the capacities of ministries of finance, tax administrations, and UNDP colleagues with initiatives such as the EQUANOMICS Global Learning Lab. UNDP is also working to bring the "*public finance and tax for gender equality*" agenda to global fora such as the Financing for Development Forum, Summit for the Future, and the G20.