RESEARCH ANALYSIS ON "INCLUSIVE ECONOMIC RECOVERIES FOR AFRICA: A FORECAST ON SPECIAL DRAWING RIGHTS'

ACRONYMS AND ABBREVIATIONS

AUD	Australian Dollar
CEDAW	Convention of Elimination of all Forms of Discrimination against Women
CESR	Centre for Economic and Social Rights

CONGAD	Council of Non-Governmental Organisations for Development Support
CSO	Civil Society Organisations
DCED	Donor Committee for Enterprise Development
DSSI	Debt Service Suspension Initiative
EAC	East-African Community
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
Eurodad	European Network on Debt and Development
FEMNET	African Women's Development and Communication Network
FGM	Female Genital Mutilation
GBV	Gender-Based Violence
GDP	Gross domestic product
GII	Gender Inequality Index
GoZ	Zambian Government
GRB	Gender Responsive Budgeting
HDI	Human Development Index
ICPA	International Centre for Policy Advocacy
IMF	International Monetary Fund
KNBS	Kenya National Bureau of Statistics
NGEC	National Gender and Equality Commission
NGOCC	Non-governmental Gender Organizations' Coordinating Council
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing power Parity
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SDRs	Special Drawing Rights
SID	Society for International Development
SSA	Sub-Saharan Africa
UNCRC	United Nations Convention on the Rights of the Child
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNIFEM	United Nations Development Fund for Women

UNPF	United Nations Population Fund
USAID	United States Agency for International Development
USD	United States Dollar
VAT	Value Added Tax

GLOSSARY OF KEY TERMS USED IN THE REPORT

Term	Details
Debt Service Suspension Initiative (DSSI)	The DSSI was a fiscal measure that allowed low-income countries (LICs) to suspend their debt payments through to December 2020 and was later extended to December 2021. The DSSI enabled LICs to use freed-up resources (debt service) to increase social, health, or economic spending in response to the crisis
Fiscal consolidation/ Austerity Measures	Austerity measures refer to policies implemented by governments to reduce budget deficits and sovereign debt. In the implementation of fiscal consolidation, austerity measures can be expenditure- or revenue-based. They take the form of cuts to the public expenditure while increasing the taxes.

Fiscal Deficit	A condition where the government expenditure exceeds its revenue in a given year. It is an indication of the total borrowings needed by the government to plug the budget.
Forex Reserves	Foreign exchange reserves are like large national savings accounts in foreign currencies, foreign bank deposits, foreign treasury bills, and short and long-term foreign government securities, as well as gold reserves. The reserves are primarily available for balance of payments (BoP) stabilization, ensure adequate foreign currencies to trade with the world (e.g., to pay for imports), and to maintain confidence in financial markets.
Gender Equality	Gender equality means that an individual's rights, responsibilities and opportunities will not be determined by the sex they are assigned at birth. It facilitates equal ease of access to resources and opportunities regardless of gender.
Gender Equity	Gender equity refers to fairness of treatment for all genders according to their respective needs. It strives to bring all genders to an equal playing field. Gender equity does not equate one gender with another; instead, it attempts to fill gaps left behind by historical and social injustices to facilitate equal sharing of opportunities.
Gender financing	Resources earmarked to improve gender equality and initiatives. These include government gender responsive budgeting and international gender aid.
Gender Responsive Budgeting (GRB)	GRB involves integrating a clear gender perspective within the overall context of the budgetary process through special processes and analytical tools with a view to promoting gender responsive policies. A gender responsive budget is a budget that works for everyone by ensuring gender-equitable distribution of resources and by contributing to equal opportunities for all.
General Budget Support	General Budget support is a development finance modality where resources are directly transferred to a recipient country government, but the resources are not earmarked for specific uses. The beneficiary country uses their own allocation procedures, procurement and accounting systems
Inclusive Economic Recovery	An inclusive economic recovery is the expansion of the economy in which the workers, businesses and other vulnerable groups who were most impacted by the COVID pandemic, and those who were previously held back by structural barriers of discrimination or lack of opportunity, are empowered to equitably participate in and benefit from the economy's expansion after the pandemic.
Public Financial Management (PFM)	The PFM is the legislation that guides the collection, management and expenditure of public finances throughout an economy. The PFMA presents an opportunity for strengthening commitments to realize equal opportunities through Planning and Budgeting and implementing gender-sensitive programmes

	for service delivery.
Special Drawing Rights (SDRs)	The SDR is an international reserve asset created by the IMF to support its member countries enhance foreign exchange reserves, debt repayments or general budget support. It is not money in the classic sense because it cannot be directly used to buy goods and services. The value of the SDR is based on a basket of five currencies. As of 16th June 2023, the SDR rate is 1 USD = SDR 0.745797.
Vulnerable groups	A vulnerable group is a part of the population that has some specific characteristics placing it at higher risk of falling into poverty than others. Vulnerable Groups include the youth, Persons with Disability, Children, and Older Persons, persons living in hard-to-reach places, refugees, religious and ethnic minorities and, in some societies, women.

EXECUTIVE SUMMARY

The COVID-19 pandemic led to an unprecedented dent on economic activity globally and the impact on Sub-Saharan Africa (SSA) has been particularly severe. The outbreak of the pandemic further exacerbated existing gender disparities, magnifying the urgent need for innovative measures to promote gender equality. In response to the pandemic, several multi-lateral policies were designed as coping measures to mitigate health crisis, revamp economic activity while still delivering on the 2030 Sustainable Development Goals (SDGs) including SDG 5 on gender equality. SDRs which are a supplementary reserve asset created by the International Monetary Fund (IMF) to bolster global liquidity were used to aid the post-COVID recovery of SSA.

Prior to 2021, SDR allocations were relatively infrequent and modest in scale. However, in response to the COVID-19 pandemic's economic fallout, the IMF approved a historic USD 650 billion SDR allocation in 2021 where African nations including this paper's case study countries (Kenya, Zambia, Malawi and Senegal) have seen a significant increase in SDR inflows. With the exception of Senegal, the SDR allocation for 2021 in the remaining case study countries are far higher than the cumulative SDR allocations over the years. This unprecedented move has prompted a discourse on alternative use of SDRs including for gender equality. Yet the documentation on the use of SDRs remained scanty, partial and disaggregated in terms of fiscal sector targeting.

It is against the backdrop that FEMNET undertook this research paper to interrogate inclusive economic recoveries for Africa with focus on four countries (Kenya, Zambia, Malawi and Senegal). The report seeks to determine whether there was an optimal utilisation of Special

Drawing Rights (SDRs) from a women's rights perspective in order to create equal opportunities for women and girls as well as other vulnerable groups.

Despite the multiple initiatives to support Sub Saharan Africa including the case study countries to mitigate the Covid19 effects and promote recovery, the fiscal deficits (expenditure outstripping government revenue) continued to widen in 2020 which saw a rapid increase in public debt levels and associated debt service despite the debt service suspension initiative. Besides Senegal, which is of moderate risk of debt stress, all the other three countries are either at high risk of debt stress or debt burdened. The reduction in fiscal deficits in post 2020 as economies adopted measures to live with in the means coupled with the expiry of debt service suspension initiative, has heightened risks of exclusion given the huge competitive sustainable development needs. All four case study countries have had austerity measures tied to IMF programs. The financing needs, especially to close the infrastructure gap, build human capital and ensure a smooth recovery and poverty reduction, are still enormous. The changing landscape of public debt from less affordable terms by multi laterals to private sector debt and near market rates bilateral lenders has increased debt service as share of the limited domestic resources available. The provision of SDRs was only small share of GDP, and miniscule to the available needs. Nevertheless, the allocated SDRs constitute important resources for SSA if well utilized.

On the other end, Africa remains off-track to meeting its Sustainable Development Goals Target 2030. Despite progress towards gender empowerment, it is also off track towards meeting SDG 5 on gender equality as shown in the global SDG index and Dashboard. The same is applicable in the four study countries. The Women, Business and the Law index 2020 reveals that they are some extent on an unequal legal standing with men in some of eight indicators (Mobility, pay, parenthood, assets, workplace, marriage, entrepreneurship and marriage). However, only Senegal among the study countries, has a score lower than the global average of 75.2. Despite the legal and institutional frameworks being in place in all four countries, challenges with gender equality continue to dominate. The challenges include not limited to insufficient resources for gender agenda/ lack of funding, inadequate application of the law, lax accountability procedures, gender-based violence and a gradual slow transition away from patriarchal and discriminatory gender conventions, attitudes, and behaviours

SDRs, a reserve asset created by the IMF, have been traditionally utilized by member countries to address balance of payments crises. In 2021, however, the world witnessed an unprecedented allocation of SDRs worth billions of dollars in response to the pandemic's economic fallout. In terms of utilisation of SDRs in respective study countries, the IMF does not specify the conditions of expenditure in specific sectors, and as such was used for various interventions. In Kenya was allocated to substitute foregone fiscal financing. The SDRs also boost the country's official foreign exchange reserves, that have come under intense pressure from the rising cost of the imports as well the appreciation of the US dollar. Malawi has utilised the SDR allocation to substitute the financing mix by reducing the accumulation of domestic borrowing and maintaining the same budget envelope. The SDRs were also used in exchange for Malawian Kwacha to fill foreign exchange shortages. SDRs in Senegal are mainly split between forex reserves and general budget support. Zambia SDR allocation was used to bolster its reserves and also for fiscal purposes including social sector spending like the clearance of pension arrears, purchases of drugs and medical supplies, the Social Cash Transfer (SCT) program, and the Food Security Pack program.

Since not explicit earmarking is provided for the SDR utilisation on the budget, it is imperative to understand the gender responsive budgeting and gender budget allocation in the case study countries. There is a small proportion of countries with systems to track and make public allocations for gender equality and women's empowerment. Among the case study countries, only Kenya and Malawi have data showing they adhere to the indicator. In Senegal, there is no system to track and make public allocations for gender equality and women's empowerment while in Zambia, there is no data available to assess the indicator. While all the case study countries have adopted gender-responsive budgeting in some way, several indicators for best Practices for Gender Budgeting are still missing. Kenya's budget demonstrates how direct funding for gender has been insignificant as a proportion of the national budget. There has been minimal gender-responsive budgeting-specific measures that have been directly incorporated into the budget processes by the Kenyan Government.

Challenges continue to predominate, ranging from the lack of transparency on the use of SDR, the lack of explicit incorporation into the appropriation documents and accounting documents. The SDRs also offer short term financing buffer but they are also small against the competing priorities, which is increasing fungibility at risk of social sectors. Yet again gender responsive budgeting remains weak.

Overall, raising sustainable sources of financing is critical engine to addressing inclusive budget. It is essential to gather collective voices towards calling for reforms and dialogue over better allocations for SDR, transparency and alternative sources of financing while also strengthening progressively on gender-based budgeting.

SECTION ONE: INTRODUCTION

1.1. Background and Rationale for the Study

The COVID-19 pandemic led to an unprecedented dent on economic activity globally and the impact on Sub-Saharan Africa (SSA) has been particularly severe. The outbreak of the pandemic further exacerbated existing gender disparities, magnifying the urgent need for innovative measures to promote gender equality. In response to the pandemic, several multi-lateral policies were designed as coping measures to mitigate the health crisis and revamp economic activity, while still delivering on the 2030 Sustainable Development Goals (SDGs), including SDG 5 on gender equality.

One of the coping mechanisms was the Special Drawing Rights (SDRs), which are a supplementary reserve asset created by the International Monetary Fund (IMF) to bolster global liquidity and aid the post-pandemic recovery of SSA. Prior to 2021, SDR allocations were relatively infrequent and modest in scale. In response to the COVID-19 pandemic, however, the IMF approved a historic allocation of USD 650 billion SDRs, where African nations (including this paper’s case study countries, I.e., Kenya, Zambia, Malawi and Senegal) have seen a significant increase in SDR inflows.

With the exception of Senegal, the SDR allocation for 2021 in the remaining case study countries are far higher than the cumulative SDR allocations over the years. This unprecedented move has prompted discourse on the alternative use of SDRs, and particularly for the advancement of gender equality. Nonetheless, the documentation on the use of SDRs remains scanty, partial and disaggregated in terms of fiscal sector targeting.

Against this backdrop, the African Women's Development and Communication Network (FEMNET) undertook this study to interrogate inclusive economic recoveries for Africa with a focus on four countries (Kenya, Zambia, Malawi and Senegal). The research study seeks to determine whether there was optimal utilisation of Special Drawing Rights (SDRs) from a women's rights perspective, in order to create equal opportunities for women and girls, as well as other vulnerable groups[1].

1.2. Purpose and Objectives of the Study

Specifically, the objectives of the review were to;

(i) Increase advocacy capacities and gender voices of African women's rights organisations, and gender-focused CSOs in the SDRs allocation and debt-burden recovery agendas at domestic and regional levels.

(ii) Enhance the use of gender evidence by decision makers to inform policies, as well as the allocation and utilisation of SDRs and other debt recovery resources in targeted, select countries from the four Regional Economic Communities (RECs) in Africa.

Additionally, the outcome of the analysis will inform advocacy for macroeconomic policy recommendations and address traditional, economic, social, legal and technological constraints to better support women and other marginalised groups to participate and benefit from development processes. The outcomes will also provide insights on how best to respond to emerging issues, including the impact of recent SDR allocations on COVID-19 recovery, social-economic stability and economic growth of not only the four study countries, but the whole of SSA.

1.3. Scope and Methodology

The analysis covered three dimensions: (i) Conceptual Scope – focusing on general inclusive economic recovery for Africa in light of new SDR allocations but mainly limiting the analysis to gender-responsive development financing, (ii) Duration Scope – covering the period 2010 to 2022 to capture the fiscal trends and any other implications therein; and (iii) Coverage Scope – in as much as the analysis was predominantly focused on 4 countries in Africa (Kenya, Malawi, Senegal and Zambia) to allow for regional representation, it also includes impacts and lessons from other SSA countries and other parts of the world.

Regarding data collection, the analysis adopted a practical policy-relevant approach using both qualitative and quantitative methods to obtain data from different sources. Qualitative techniques included in-depth desk literature review, case studies and some key informant interviews. The quantitative data generated from different databases were analysed, generating

[1] *xxii EIB (2021): Environmental &Social Sustainability Framework- Vulnerable Groups, Indigenous Peoples & Gender*

tables, graphs, and charts to present the findings across the jurisdictions under study. The combination of methods was for complementarity and to triangulate the data and information obtained to understand the extent of gender-inclusive financing and the impact of SDRs.

Regarding scope, the research interrogated the following: (1) The state of the economy and development in the four countries of focus, (2) Negative implications for high risk of debt distress, (3) What has fueled a return to high debt levels in the selected African countries? (4) What policies and provisions at the global level have disadvantaged African governments' capacities to foster economic policies for the attainment of local development priorities and women's rights? (5) What have been the various responses to global demands on economic policy and practice that continue to disadvantage the continent's dveelopment – by governments and civil society? (6) Potential women's rights organisations and civil society interventions to global economic justice debates and African development narratives, (7) Policy recommendations from a feminist perspective and (8) Good practices and lessons on gender-responsive development financing to learn from other countries.

1.4. Limitations to the Study

Some of the limitations encountered during the exercise include the limited data and literature on some of the relevant indicators, language challenges, especially for some of the information from Senegal that had to be translated to English from French before any meaningful utilisation. There were also no reports detailing and breaking down the historic utilisation of SDR other than showing the total amounts in budget support and forex reserve accumulation.

SECTION TWO: THE NEXUS BETWEEN SPECIAL DRAWING RIGHTS (SDRs), SUB-SAHARAN AFRICA's (SSA) POST-PANDEMIC RECOVERY and FINANCING GENDER EQUALITY

2.1. Conceptualising Special Drawing Rights (SDRs)

Special Drawing Rights (SDRs) are a supplementary reserve asset created by the International Monetary Fund (IMF) to bolster global liquidity[2] . They serve as a unique financial instrument, representing potential claims on the freely usable currencies of IMF member countries. SDR allocations are based on a country's IMF quota, meaning that larger economies contribute more to the SDR pool and governments can access SDRs in proportion to their respective quotas. They are distributed without conditionality and are a costless asset, similar to general budget support in that their use is fully flexible. Overall, SDRs serve several purposes in the post-recovery period. Some of these include, but are not limited to;

Enhancing liquidity and monetary reserves. The COVID-19 pandemic led to widespread financial distress, depleting the foreign exchange reserves of many SSA nations. SDR allocations offer an immediate injection of liquidity, empowering governments to address urgent needs, stabilise their currencies, and build a buffer against future shocks[3] . This liquidity boost is instrumental in easing budgetary pressures and mitigating the severity of the economic downturn.

SDRs offer support for public health and healthcare systems. SDRs can bolster Sub-Saharan Africa's healthcare infrastructure. Governments can allocate some of their SDRs to invest in

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2 [viii] *IMF –African Department (2021): Special Drawing Rights*

3 [ix] *UN Economic Commission for Africa (2022): Special Drawing Rights (SDRs) and the COVID-19 crisis*

medical equipment, vaccines and in training healthcare professionals. Additionally, SDRs can aid in funding social safety nets, ensuring vulnerable populations have access to essential services during recovery.

Investment in infrastructure and development projects: The pandemic highlighted the necessity of resilient infrastructure and diversified economies. As such, SDRs can be channelled into financing vital development projects, such as upgrading transportation networks, investing in renewable energy sources, and modernizing agriculture. These initiatives not only create jobs but also lay the groundwork for sustainable economic growth in the long term.

Debt relief and reduction. Even before the pandemic struck, many SSA countries were already burdened with high debt levels. The economic downturn associated with the COVID-19 pandemic exacerbated their debt challenges, making allocating sufficient resources for recovery initiatives complex. SDRs can be used to service existing debt or facilitate debt reduction negotiations, easing the financial burden and freeing up resources for essential investments.

Economic stabilizer. With the COVID-19 pandemic, governments and central banks in SSA implemented massive stimulus packages and monetary measures to combat the adverse effects of the pandemic. However, these efforts have created significant imbalances and inflationary pressures in some countries. As a result, SDRs have emerged as a potential solution to alleviate the financial strain and restore economic stability.

2.2. The Ascendance of Special Drawing Rights (SDRs) in Addressing Gender Inequality

The outbreak of the COVID-19 pandemic further exacerbated existing gender disparities, magnifying the urgent need for innovative measures to promote gender equality[4] . As policy makers and international institutions grappled with the socio-economic fallout of the pandemic, the idea of utilizing SDRs as a tool to tackle gender inequality took centre stage. Some of the factors that propelled the discussion towards highlighting the potential of SDRs in advancing gender parity include;

Economic impacts of the pandemic on gender equality. The pandemic's ramifications were far-reaching, creating economic challenges that disproportionately affected women and vulnerable populations. Lockdowns and social restrictions led to widespread job losses, particularly in sectors dominated by women, such as retail, hospitality and caregiving[5] . Moreover, increased care responsibilities during school closures further hampered women's workforce participation, exacerbating gender gaps in labour force participation and income. The glaring disparities brought forth the pressing need for gender-sensitive economic policies.

The need for gender-responsive fiscal policies. The discourse on SDRs and gender equality gained momentum as experts and advocactes proposed innovative strategies to harness the potential of these reserve assets[6]. One of the primary avenues was the utilisation of SDRs to fund gender-responsive fiscal policies. By directing a portion of the allocated SDRs towards

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[4] *EU (2023): The COVID-19 impact on gender equality*

[5] *C. Aoyagi (2021): Africa's unequal pandemic*

[6] *Center for Global Development (2022): The Future of Special Drawing Rights:* *https://www.youtube.com/watch?v=uCkwF7dE1eg*

programs focused on women's economic empowerment, social protection, and healthcare, governments could address gender disparities and foster inclusive economic recovery.

The need to invest in social infrastructure. Another compelling aspect of the SDRs discourse was the potential to invest in social infrastructure, benefiting women and girls[7] . This includes financing education, healthcare, childcare facilities, and initiatives to enhance women's access to finance and entrepreneurship opportunities. Such investments can create an enabling environment for women's economic participation, ultimately contributing to broader economic growth and development.

The Emerging Role of SDRs in Post-Pandemic Recovery. Over the years, SDRs have been traditionally utilized by member countries to address balance of payments crises. Prior to 2021, SDR allocations were relatively infrequent and modest in scale. In 2021, however, the world witnessed an unprecedented allocation of SDRs worth billions of dollars in response to the pandemic's economic fallout. As a result, African countries including the 4 case study countries (Kenya, Malawi, Senegal and Zambia) have seen a significant increase in SDR inflows. This move elevated discourse on the use of SDRs for post-pandemic recovery in SSA, as well as the alternative use of SDRs to finance interventions geared towards the advancement of gender equality.

Global solidarity for gender equality. The pandemic's global nature fostered an environment of solidarity, encouraging countries to collaborate and support each other[8]. The persistent issue of global economic inequality has garnered increasing attention. Developing countries from SSA, in particular, often face challenges in accessing adequate financial resources to foster sustainable development. The discourse on SDRs has intensified as a means to address this disparity. By enhancing the allocation of SDRs to developing nations, the internaional community can bolster their financial capacity, enable essential investments in healthcare, education and infrastructure, and facilitate the attainment of the United Nation's SDGs.

Looking ahead, the forecast for SDR allocation after 2021 remains uncertain and will depend on global economic conditions. Nonetheless, the SDR forecast based on the existing programmes in the case study countries is still significantly higher than the allocations before 2021 (See table 1). Further, the 2021 allocation and other future allocations serve as a crucial precedent, shaping potential future allocations to address emerging financial challenges on the international stage.

2.3. The Invaluable Role of Women's Rights Organisations (WROs) in Tracking SDR Allocations

Women disproportionately withstand the worst of economic crises[9]. It is thus imperative that women's rights organizations actively engage in tracking and leading discourse on SDR allocations, as well as gender-responsive budgeting. Their involvement is essential for ensuring equitable and sustainable recovery in four main ways explained below;

Owing to the fact that COVID-19 was a gendered crisis, WROs play an integral role in advocating for gender-responsive policies. Economic crises tend to exacerbate existing gender

[7] *M.O'Donell (2021): Applying a Gender Lens to SDRs: How Can We Promote an Inclusive Approach?*
[8] *Global health programme (2021): Solidarity in response to the COVID-19 pandemic*
[9] *UNAIDS 92012): Impact of the global economic crisis on women, girls and gender equality*

inequalities, leaving women vulnerable to adverse consequences[10]. Historically, women have faced discrimination in access to resources, education, and employment opportunities. During economic downturns, women often experience reduced access to healthcare, education, and social protection, leading to worsened health outcomes and increased poverty rates. Women also bear the burden of unpaid care work, which intensifies during crises as families struggle to cope with increased care needs[11]. Therefore, women's rights organizations have a vested interest in monitoring SDR allocations to advocate for gender-responsive policies and investments to counteract the gendered impact of the pandemic.

WROs are crucial advocactes for inclusive economic recovery. By participating in the discourse on SDR allocations, they can ensure that the funds are utilized to address the specific needs of women and marginalized communities. These organizations can call for targeted investments in sectors where women are disproportionately employed, such as healthcare, education, and social services, to promote gender equality and empowerment. Moreover, CSOs can advocate for measures that alleviate the burden of unpaid care work[12], such as affordable childcare facilities and family-friendly work policies. Recognizing and addressing the unequal distribution of care responsibilities is vital for women's increased participation in the labour market and economic recovery.

Involvement of WROs in tracking SDRs contributes to enhancing women's participation in economic decision-making process. Women remain significantly underrepresented in economic and financial institutions, which affects policy outcomes and resource allocation[13]. Feminist organizations can amplify women's voices by actively engaging in discussions surrounding SDRs, bringing attention to their unique perspectives and needs.

Furthermore, women's rights organizations can collaborate with governments and international bodies to develop gender-sensitive economic policies. Their input can help shape recovery strategies that prioritize gender equality, social justice, and human rights, fostering a more inclusive and sustainable economic future.

Building partnerships for holistic approaches to advance gender equality require the participation of WROs. The complex challenges posed by the COVID-19 pandemic and its economic fallout highlight the need for holistic approaches that integrate social, economic, and environmental dimensions[14]. Women's rights organizations are well-positioned to foster partnerships between governments, civil society, and international organizations to create comprehensive recovery plans. These partnerships can facilitate the effective allocation of SDR funds to projects that address the specific needs of women and marginalized groups. Collaborative efforts can ensure that economic recovery measures tackle gender-based

[10] *GPE (2022): Gender-responsive advocacy: How civil society is changing the landscape for girls' education*
[11] *ILO (2022): What moves the needle on gender equality in the garment sector?*
[12] *ILO (2023); Chapter 3 C190 Guide: The rights-based framework to prevent and eliminate violence and harassment in the world of work*
[13] *UN (2019): Women's autonomy in changing economic scenarios*
[14] *OECD (2020): Building back better: A sustainable, resilient recovery after COVID-19*

violence, enhance access to education and healthcare, and promote women's entrepreneurship and leadership.

SECTION THREE: GLOBAL AND REGIONAL SOCIAL ECONOMIC DEVELOPMENTS

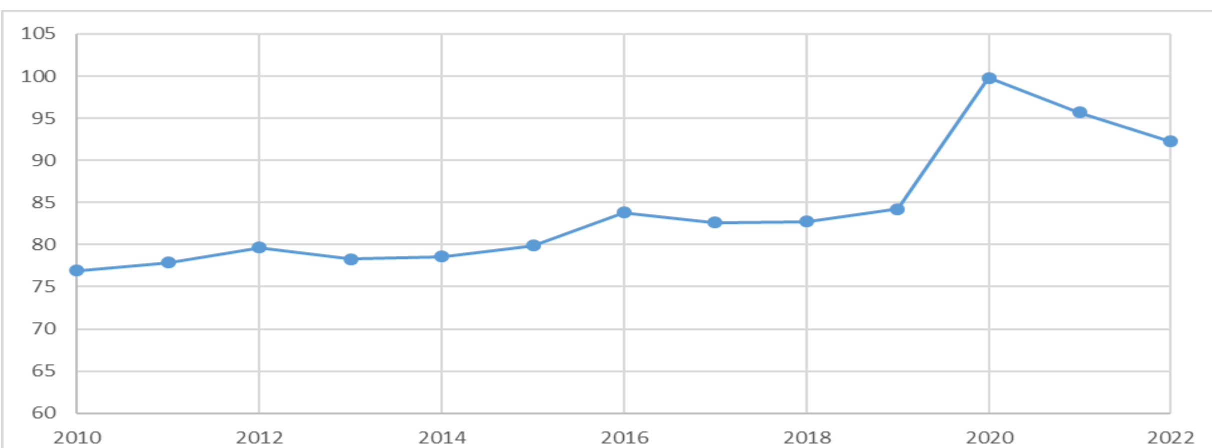
3.1. Global Economic Activity and Outlook

Global growth is expected to decelerate to 2.8% in 2023 from 3.4% in 2022, owing to the tight economic conditions encapsulated in lagged effects of COVID-19, obstinate high inflation, tight financial conditions associated with rising policy rates, increased banking sector vulnerabilities and the war in Ukraine[15]. The weakness in economic activity remains elevated in the advanced economies, the euro area, and China. The advanced economies are expected to grow at 1.3% in 2023.

Inflation remaining higher than most central banks' targets in 2022 prompted interest rate hikes, further tightening financial conditions. While inflation has begun to ease, it remains high, and future threats include commodity price volatility and food security challenges[16]. Weak global growth, along with supply chain disruptions, is resulting in decreased international trade, which is predicted to decline to 1.6% in 2023. This has also resulted in currency devaluation in most low-income countries, whose trade deficits have worsened in recent years while remaining in double digits.

The COVID-19 pandemic caused significant global shocks, prompting rapid fiscal expansion to provide buffers for recovery from both the health and economic crises. This has resulted in a tremendous increase in public debt, which is still high *(see Figure 1 below)*.

Figure 1: Global public debt trend (% share of GDP)



Source: World Economic Outlook, April 2023

Between 2019 and 2020, global debt trends witnessed a significant surge due to the impact of the COVID-19 pandemic. The outbreak led governments worldwide to initiate massive fiscal

[15] *IMF, 2023 World Economic Outlook. April.*

[16] *World Bank. 2023. Global Economic Prospects, January 2023. Washington, DC: World Bank. doi:10.1586/978-1-4648-1906-3.*

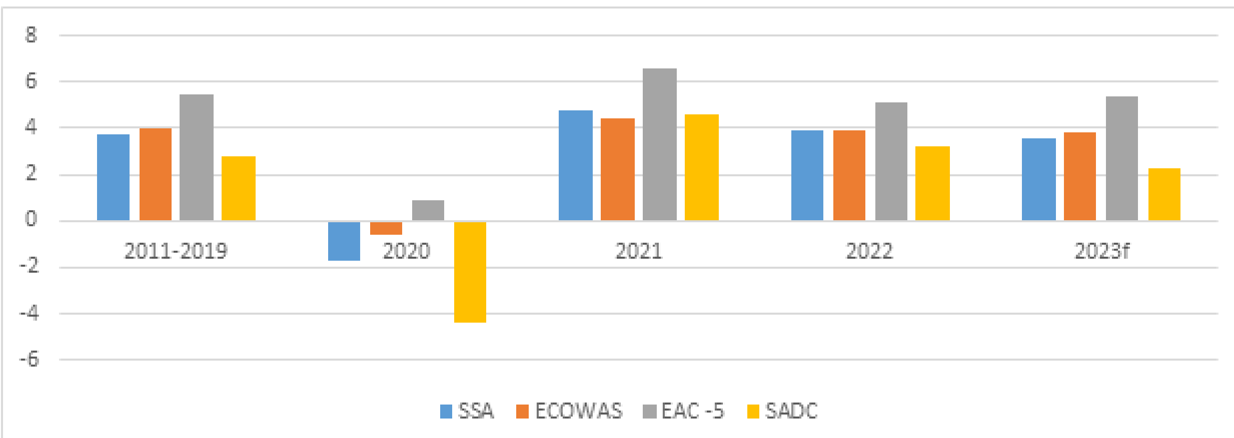
stimulus packages and support measures to revive their economies and safeguard livelihoods. By the end of 2020, global public debt surged to over 100% of the global GDP in 2020, marking the highest debt-to-GDP since World War II. Global debt reduced post-covid as economies adopted measures to live within the means coupled with the expiry of debt service suspension initiative (DSSI).

The rise in global public debt presents several challenges for the post-pandemic economic recovery. Some of these challenges include: (1) Debt sustainability concerns, (2) exacerbating existing income and wealth inequalities, (3) limited fiscal space for future investments and essential public services, and (4) rising interest rates and inflation.

3.2. Africa's Economic and Social developments

Africa's economic growth has been affected by global shocks, with growth in Sub-Saharan Africa (SSA) projected to decline to 3.6% in 2023, which is slightly lower than the historical average (between 2011 and 2019). Similarly, growth is expected to remain sluggish in 2023 across the selected economic blocs of ECOWAS, EAC, and SADC. (See Figure 2 below).

Figure 2: Real GDP Growth in Sub-Saharan Africa



Source: IMF SSA Regional Economic Outlook, April 2023. 2023f stands for forecast.

The SSA region continues to grow at less than the target set of 7% in the 2030 Agenda for SDGs, which poses significant challenges towards meeting the other goals. The slowdown in economic activity also narrows the fiscal space further, yet the Sub-Saharan African nations' funding gap for SDGs is already high. Consequently, since the pandemic, the fiscal risks have grown in many African nations, exhibited by the deterioration of public debt risk assessments and credit ratings. More than half (20) of the 35 low-income countries in SSA are already in debt-distress or facing a high risk of debt-distress[17].

Public debt in SSA reached 56% of GDP in 2022, with levels last attained in the early 2000s when the region benefited from the Multilateral Debt Relief Initiative (MDRI)[18]. The tightening of global

[17] https://www.imf.org/external/pubs/ft/dsa/dsalist.pdf

[18] *MDRI was a program aimed at providing debt relief to heavily indebted low-income countries. Introduced in 2005 by the IMF and the World Bank, the initiative's primary goal is to reduce the debt burdens of qualifying countries to sustainable levels, also*

monetary policy stances due to rising inflation, higher interest rates on US treasury bonds, appreciation of the dollar increasing the value of dollar-denominated debt, and dollar-denominated interest payments have had compounded risks. Others include the war in Ukraine leading to risk repricing, lower credit ratings due to COVID-19 effects, the decline in aid budgets as well as declining inflows from China[19]. Consequently, the interest costs have risen rapidly, with 11% of sub-Saharan Africa (median) revenues are spent on interest payments alone, which is three times that of the median of advanced economies[20]. Some countries like Ghana, Malawi and Zambia (one of the case studies for this research) already have interest payments in excess of 30% of revenue.

Despite benefiting from many worldwide initiatives, notably the G20 Debt Service Suspension Initiative (DSSI), which attracted over 48 countries, the majority of which were from Africa, the region's debt continues to rise. The DSSI's expansion to the G20's Common Framework (CF) to supplement the DSSI by providing longer-term, wide structural debt relief. By the end of May 2023, however, only Chad, Ethiopia, Ghana, and Zambia had sought for debt relief under the CF, and none had completed debt restructuring. While the DSSI provided relief to most African countries affected by COVID-19, it merely prolonged the situation, as most governments have now begun debt repayment, with high amounts being diverted to debt service. Nonetheless, Africa continues to confront challenges in obtaining concessional funds because its traditional donors are also dealing with the pandemic and may not have extra resources to commit or distribute to poor governments. At the same time, more than half of SSA nations are classified as middle-income, making them ineligible for concessional financing with low interest rates and extended maturities. Among the case study countries in this research document, Kenys and Senegal are classified as lower middle-income countries, whereas Zambia and Malawi are still low-income countries.

3.3. A primer into SDR Allocations by the IMF in 2021

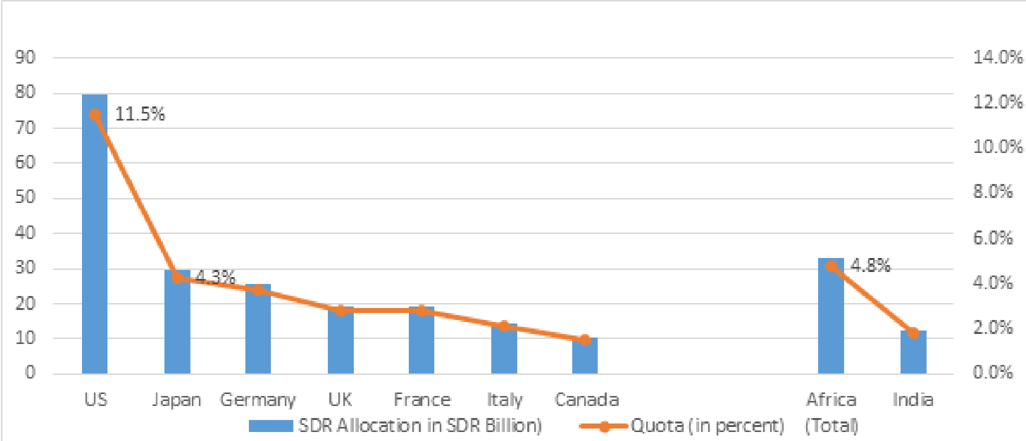
In 2021, the IMF allocated Special Drawings Rights (SDRs) to facilitate its members in increasing their reserves, fiscal buffers, and global economic stability. The SDR allocation, however, are weighted towards richer countries, reflecting inequities in the global financial architecture. In the 2021 allocation, Africa received only 5% of the USD 650 billon SDRs allocated by the IMF (See Figure 3 below). This allocation has not been sufficient enough to meet Africa's additional financing needs, which are anticipated to be more than USD 400 billion in 2022 and 2023, to support the COVID-19 economic recovery alone. Considerably, fiscal deficits have remained elevated leading to a narrower fiscal space.

Figure 3: SDR Allocations based on existing quota

allowing them to allocate more resources towards poverty reduction, social services, and economic development. Through this initiative, qualifying countries receive substantial debt relief, and in some cases, their debts are entirely canceled.

[19] *World Bank (2023): Africa's Pulse: An analysis of issues shaping Africa's economic future*

[20] *IMF (2023): IMF Regional Economic outlook Sub-Saharan Africa – The big funding squeeze*



Source: IMF SDR allocations Database

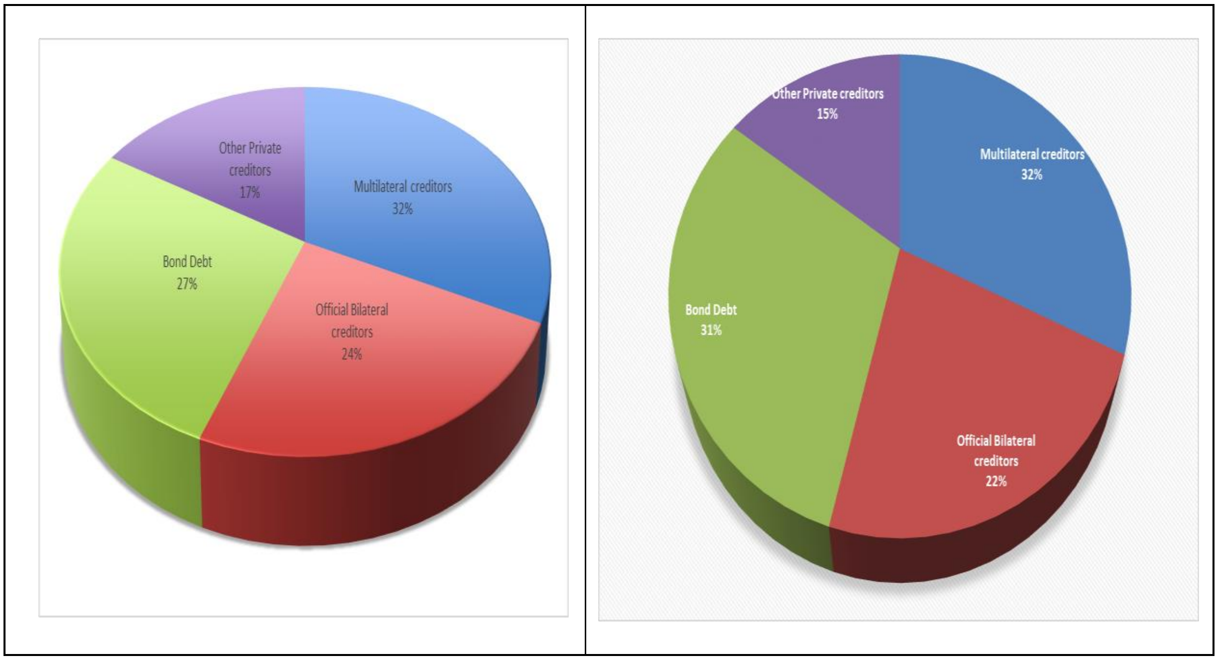
3.4. Tax and Debt Dynamics in Sub-Saharan Africa (SSA)

Significant changes in financing sources have accompanied the surge in public debt. Since 2021, the SSA share of public debt owed to official creditors has reduced to 22% in 2022, down from 24% in 2012. At the same time, the share of debt owed to private-sector creditors has seen a significant boost to 46%, down from 44% in the same period. (See figure 4 below).

The increased use of Eurobonds has also greatly contributed to the shift in African debt dynamics. The issuance of Eurobonds has significant implications for the currencies in which the debt is denominated. Eurobonds, as debt instruments issued in a currency different from the issuing country's domestic currency, can influence exchange rates and currency markets. When countries issue euro-denominated bonds, it increases demand for the euro, potentially strengthening its value against other currencies. This can affect export competitiveness for countries using a stronger euro, while also increasing the cost of servicing euro-denominated debt.

Figure 4: Changes in the composition of SSA countries external debt between 2012 and 2022

Composition of SSA external debt (2012)	Composition of SSA external debt (2022)



Source: Constructed from the IMF World Economic Outlook Database (2023)

The global financial conditions have been tightening due to high interest rates in the US and G20 economies. The appreciation of the dollar against most local currencies, as well as low credit ratings in SSA, has triggered the focus countries to resort to the domestic market to make up for shortages in external financing. However, the challenges therein include the increased competition of government with private sector for limited loanable funds and paying double digit interest rates on domestic loans, which increase debt service. Further, domestic debt sometimes has short maturities. The transition to non-concessional[21] and domestic debt has resulted in an increase in the debt service to domestic revenue ratio for SSA, which will reach 41% in 2022. Nonetheless, the financing needs, particularly to address the infrastructure gap and enable a smooth recovery and poverty reduction, remain considerable.

The narrowing fiscal space and rising interest costs as a share of revenue risks crowding out essential investments in the social sectors, putting women at risk. According to a SDGCA (2021)[22] analysis, social exclusion in these major industries has consequences for women and other economically marginalized communities and groups. Further, many SSA countries are advised to practice austerity and budgetary consolidation, notably by creditors and international financial institutions[23]. Austerity comes in varied degrees, but some measures have far-reaching consequences for specific categories of citizens. Measures that scale down financing for social protection programs for women, girls, and other vulnerable individuals, for example, have worsened inequality and resulted in a major drop in safety nets for the poor and disadvantaged. Additionally, targeting public services to reduce spending disadvantages women in at least three ways, including decreased access to key services, increased unemployment and an increase in

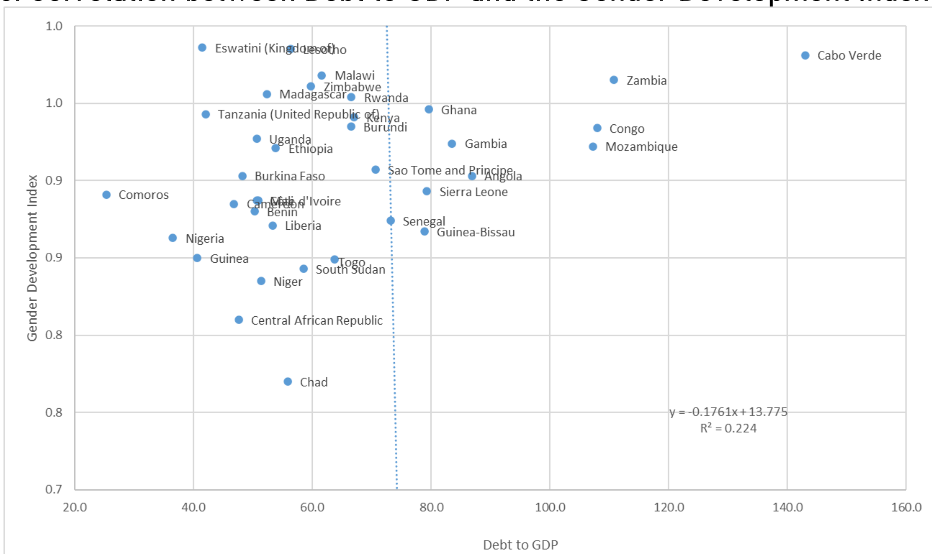
[21] *Non-concessional debt, is obtained at market-based interest rates, with shorter maturities and usually involves stricter repayment terms.*

[22] *A. Aslam, S.Delepierre, R.Gupta, & H.Rawlings (2022): Revenue Mobilisation in SSA during the pandemic.*

[23] *IMF 2022. SSA Regional Economic Outlook, October*

the load of unpaid care work[24]. In addition, large public debt has not been associated with better gender outcomes. A negative correlation (0.473) is found between Debt to GDP and the Gender Development Index for Sub-Saharan Africa. (See figure 5 below).

Figure 5: Correlation between Debt to GDP and the Gender Development Index for SSA



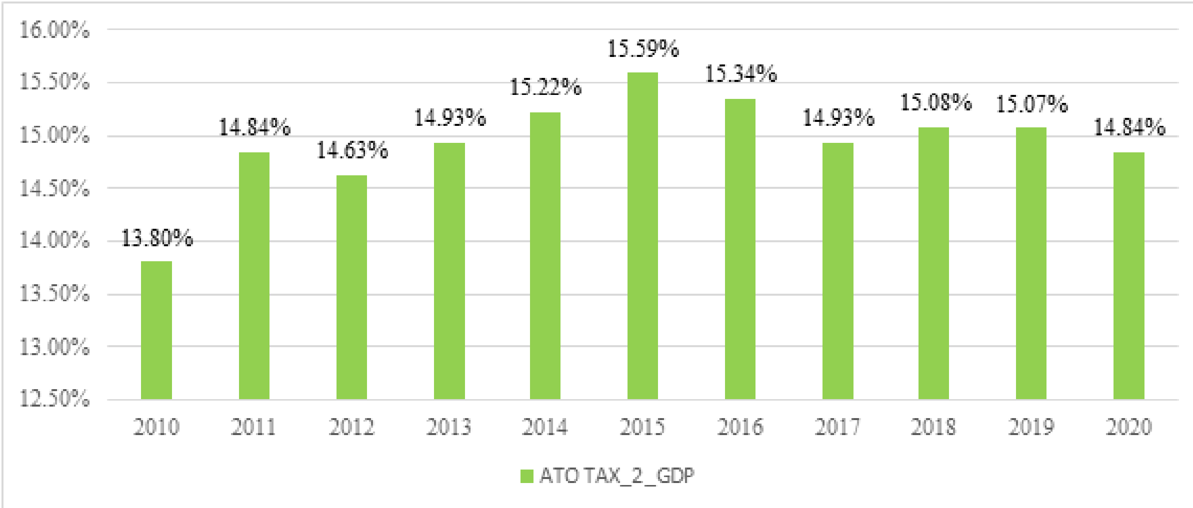
Reasons for this are attributed to the fact that most public debt strategies are designed without women's livelihoods considered and the fiscal debt service obligation limit the options for gender-aware policies.

For majority of African nations, revenue effort measured by tax-to-GDP ratio has hovered around 15%, which is less than half of the OECD average at 33.5% (ATAF, 2021)[25]. See figure 6 below.

Figure 6: Africa-wide Tax-to-GDP ratio and year-on-year changes (from 2010 to 2020)

[24] *Action Aid (2022): The Care Contradiction: The IMF, gender and Austerity*

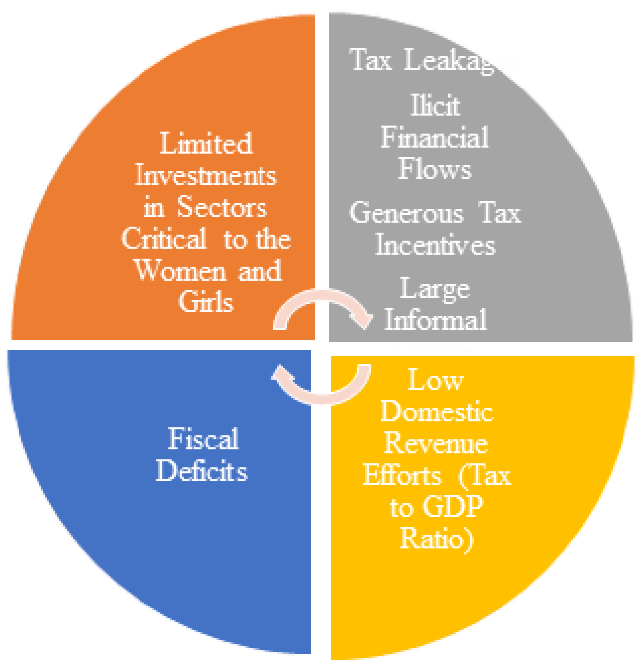
[25] ATAF (2021): African Tax Outlook - 2021 Edition



Source: African Tax Outlook, 2021

The low tax-to-GDP (low tax effort) in Africa are caused by revenue leakages, low tax morale, illicit financial flows (IFFs), large informal sector and generous tax incentives, all combined leading to a shrinking tax base. These culminate into fiscal deficits, since nations cannot afford to meet their expenditure needs, consequently allocation to sectors critical to gender equality is impacted. This typology is presented in figure 7 below.

Figure 7: Relationship between domestic resource mobilisation and investment in critical sectors



Source: Author's construction using facts from various sources

3.5. Africa's progress towards the achievement of Sustainable Development Goals (SDGs)

Africa is not only behind schedule in attaining its target of attaining the 17 Sustainable Development Goals by 2030, but it is also behind schedule in meeting SDG 5 on gender equality[26]. As demonstrated in table 1 below, despite SSA's high gender development index (ratio of female to male HDI values) score of 0.907, there are still differences in aspects of development among males and females.

Table 1: Human development aspects for Sub-Saharan Africa (SSA)

Development Indicators	Female	Male
Human Development Index	0.519	0.572
Life expectancy at birth	62.1	58.2
Expected years of schooling	10.0	10.6
Mean years of schooling	5.1	6.9
Estimated gross national income per capita (2017 PPP $)	2,970	4,429

Source: https://hdr.undp.org/data-center/documentation-and-downloads

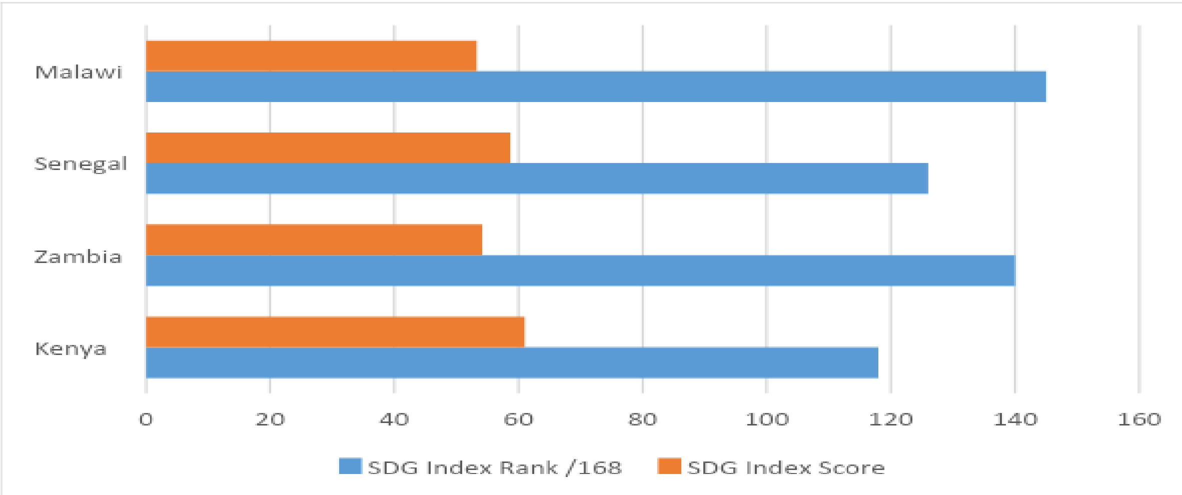
SECTION FOUR: COUNTRY DYNAMICS – SITUATIONAL ANALYSIS

4.1. The state of the economy and developments in Kenya, Malawi, Senegal and Zambia

Kenya, Senegal and Zambia are classified as lower middle-income economies, while Malawi is still classified as a low-income country. Out of these countries, Kenya and Zambia are categorised as having moderate human development, while Senegal and Malawi have low human development, implying that there are still significant human development gaps. In terms of the Sustainable Development Goals, all four nations are evaluated to be behind schedule in attaining these targets for 2030 and their relative rankings are shown in figure 8 below. The score depicts progress towards fulfilling the SDG 2030 targets, demonstrating that all countries are less than 60% of the way to meeting their particular targets.

Figure 8: 2022 SDG Ranking

[26] *UN SDSN (2022). [The Sustainable Development Report (SDR).]()*



Source: 2022-sustainable-development-report, UN SDSN

The recent economic trends in the form of subdued growth and high inflation are likely to have negative ramifications for human and sustainable development. In terms of economic growth, out of the four focus countries in this study, only Kenya is expected to register an economic growth of 5.3% above the SSA average estimated at 3.6%, (see Table 2 below). The sluggish growth for most SSA's countries is mainly attributed to the lagged effects of COVID-19 and the tightening global financial conditions.

The resilience in Kenya, however, is attributed to the successful conclusion of a largely peaceful election and the resultant implementation of an inclusive bottom-up economic transformation model[27]. During the pandemic years of 2020 and 2021, the rest of the case study countries registered negative growth. In Malawi, the subdued growth was mainly attributed to bad agricultural season, unreliable electricity production, foreign exchange shortages that affected the importation of raw materials as well as high global commodity prices (World Bank., 2023)[28]. Senegal continued to experience a decline in private investments due to trade disruptions, higher food and energy prices, while Zambia's debt restructuring measures created negative investor sentiments, and led to subdued private sector activity and a slowdown in growth.

Table 2: Macro-economic updates in the case study countries (2022)

Country	GDP growth	Inflation	Overall Fiscal Balance (Percent of GDP)	Debt to GDP Ratio	External Current Account (Percent of GDP)	Reserves (Months of imports)
Kenya	5.4%	7.6%	-6.0%	67.9%	-5.2%	3.7
Malawi	0.8%	20.8%	-10.4%	70.1%	-12.6%	1.1
Senegal	4.7%	9.7%	-6.1%	75.0%	-13.6%	-

[27] *Njuguna (2023): How Kenya is preparing for global economic shocks*
[28] *World Bank (2023): Africa's Pulse: An analysis of issues shaping Africa's economic future*

Zambia	3.4%	11.0%	-2.1%	110.8%	9.2%	3.1

Source: IMF Regional Economic Outlook – Sub-Saharan Africa (April 2023)

In 2022, average inflation in all the case study countries remained below the SSA average of 14.47% except Malawi which recorded inflation rates at 20.8%. The high inflation in Malawi was majorly due to an increase in maize prices, increases in the costs of transport and utilities, and the adjustment of the exchange rate. Malawi and Senegal registered double digits current account deficits in 2022, followed by Zambia at 9.2%. The high deficits and low levels of foreign exchange reserves make the domestic currencies susceptible to weakening fluctuations.

In Malawi, official foreign exchange reserves account for only 1.1 months of import cover, below the minimum requirement of 3 months. The shortfalls in foreign exchange are reflected in the vast differences between the official rate and less strictly controlled rates at forex bureaus, at times exceeding 50%. Consequently, In May 2022, the Reserve Bank of Malawi devalued the Malawi Kwacha (MWK), against the US dollar by 25%. Similarly, in Zambia, the local currency depreciated against the USD by 30% in 2022.

4.1.1. Rising fiscal deficit and public debt

The fiscal deficit remained elevated in the four countries except Zambia that is unavoidably on fiscal consolidation measures due to some of the debt restructuring measures. Fiscal consolidation, also known as austerity measures, is imposed on countries facing economic challenges, high deficits, or unsustainable levels of public debt. It involves implementing policies aimed at reducing government spending, increasing taxes, or a combination of both. These measures are typically recommended or enforced by international financial institutions like IMF or by a country's own government as part of their efforts to stabilize their economy, regain investor confidence, and achieve long-term fiscal sustainability. However, the effectiveness and social implications of fiscal consolidation remain subjects of debate.

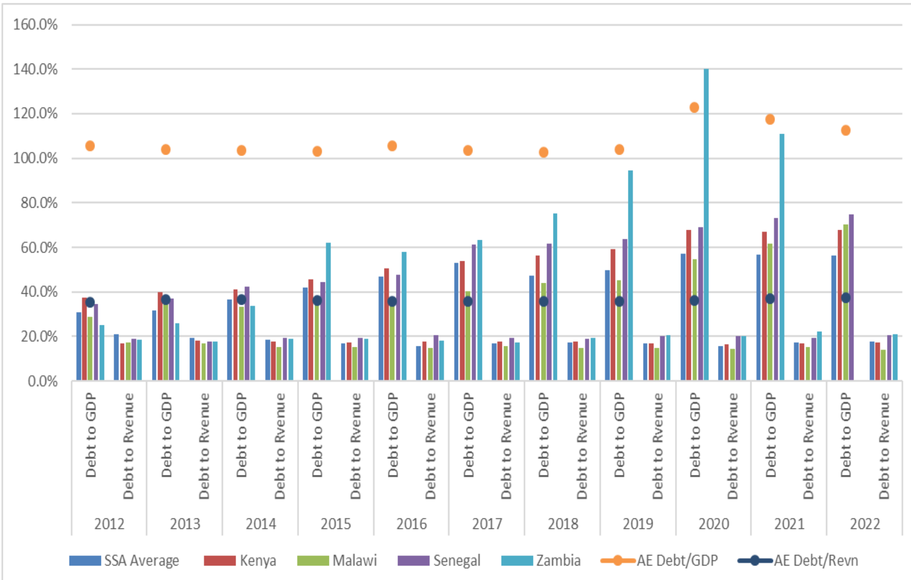
The increasing deficit is mainly attributed to a significant drop in official development assistance amidst high spending pressures on health and economic measures especially giving of subsidies and temporary tax waivers to navigate the COVID-19 pandemic. The Global North countries bear a historical responsibility to increase ODA to low-income countries[29]. Colonialism and exploitation have contributed to the underdevelopment of these nations. Providing more ODA can help address the consequences of past injustices and foster sustainable development, creating a more equitable global community. It is essential for wealthy nations to fulfil this obligation and support their less fortunate counterparts in their pursuit of prosperity and well-being.

While all the three (3) economic blocs i.e., EAC, SADC, and the ECOWAS, which have a set fiscal deficit ceiling at 3% as percentage of GDP, only Zambia was within the threshold. Malawi's fiscal deficit was in double digits of 10.4% in 2022. The persistent fiscal deficit combined with low economic growth and domestic revenue, puts the budget on pressure leading to the accumulation of public debt in SSA which was estimated to average at 56% in 2022 down from 31.0% in 2012 (Figure 9). Generally, the Advanced Economies (AE) have higher debt levels all in

[29] UN (2023): Inequality Crisis' Thwarting Least Developed Countries' Economic Progress, Ability to Achieve Middle-Income Status, Speakers Stress as Doha Conference Continues

excess of 100% of GDP since the last decade and only matched by Zambia in 2020. However, AEs fill their financing needs from the local market by borrowing in local currencies for low interest rates (the local central bank can also influence that) and longer repayment periods. Therefore, the risk of default does not arise in AE, unlike in most of SSA.

Figure 9: Public debt and Revenue as a share of GDP



Source: Constructed from the IMF World Economic outlook database (2023)

A number of economic shocks occasioned by COVID-19, Russia's invasion of Ukraine, and climate change and increased use of non-concessional borrowing have led to accumulation of public debt and risks of debt distress. Among the case study countries, only Senegal is in moderate risk of distress. Kenya and Malawi are at high risk of debt distress (See table 3 below). Zambia is already in debt distress and has already requested for a debt treatment/restructuring. Zambia has reached a long-awaited deal to restructure USD 6.3 billion of its debt with the Official Creditor Committee (OCC) under the G20 Common Framework[30] on 22 June 2023. Negotiations and discussions were held with official creditors, including bondholders and multilateral institutions like the IMF, to find a sustainable solution to the country's debt challenges. Zambia will be able to receive another US $ 188 million tranche of money from the IMF. However, the Common Framework has no strong mechanism for private sector participation and as such Zambia has failed to restructure the USD 6.8 billion that is still outstanding with private creditors.

Table 3: Public debt risk assessment and credit ratings

Country	Risk of debt stress	Credit ratings

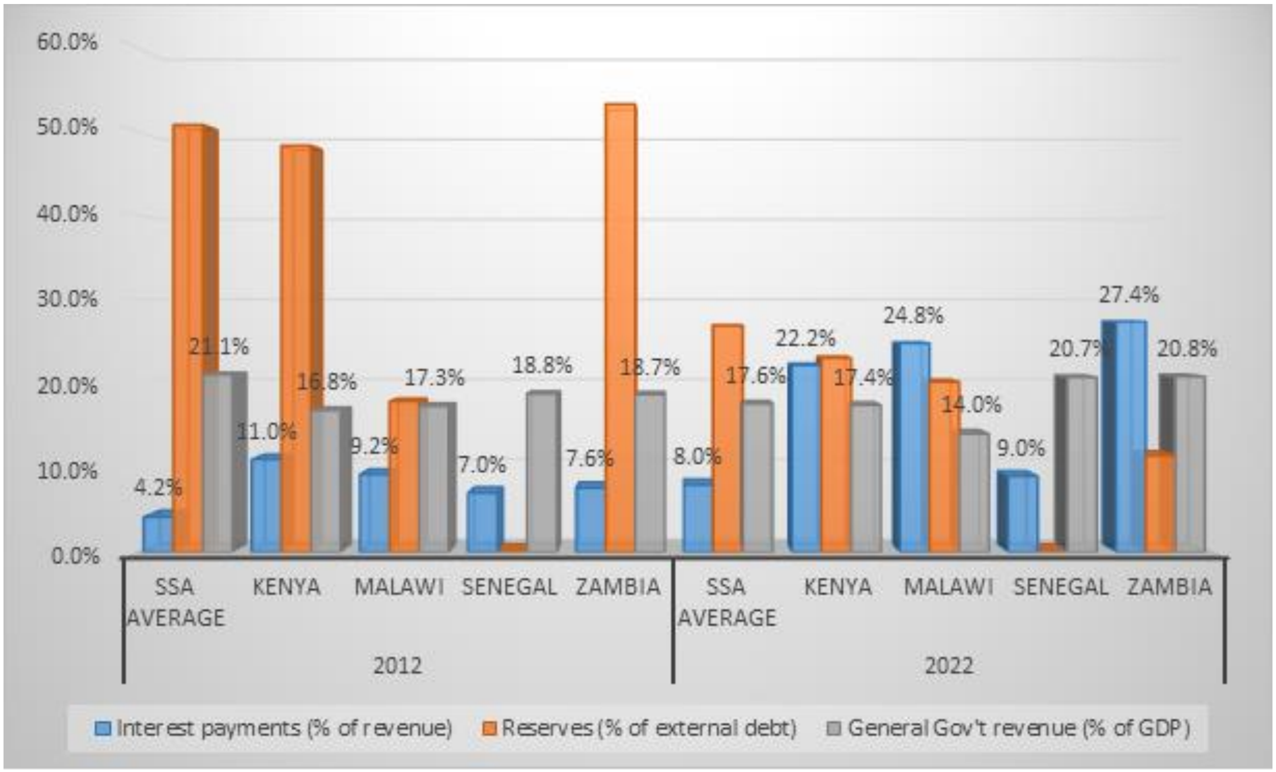
[30] *The G20 Common Framework offers severely indebted countries the opportunity to reschedule the debt owed to bilateral creditors while encouraging other official creditors and private creditors to participate on comparable terms.*

		Moody	Fitch
Kenya	High	B3	B
Malawi	High	-	B-
Senegal	Moderate	Ba3	-
Zambia	In Distress	Ca	RD

Source: IMF DSA list and Moody and Fitch ratings

The accumulating debt has increased debt service obligations that reduces the resources available for other critical interventions. The interest rate payments alone for SSA have doubled from 4.2% of revenue to 8% of revenue in a decade. In Kenya, Malawi, Senegal, and Zambia, interest payments as a proportion of revenue have increased to 22.2%, 24.8%, 9.0%, and 27.4% in 2022 from 11.0%, 9.2%, 7.0%, and 7.6% respectively in 2012 (Figure 10 below).

Figure 10: Interest payments, revenue and reserves in the case study countries



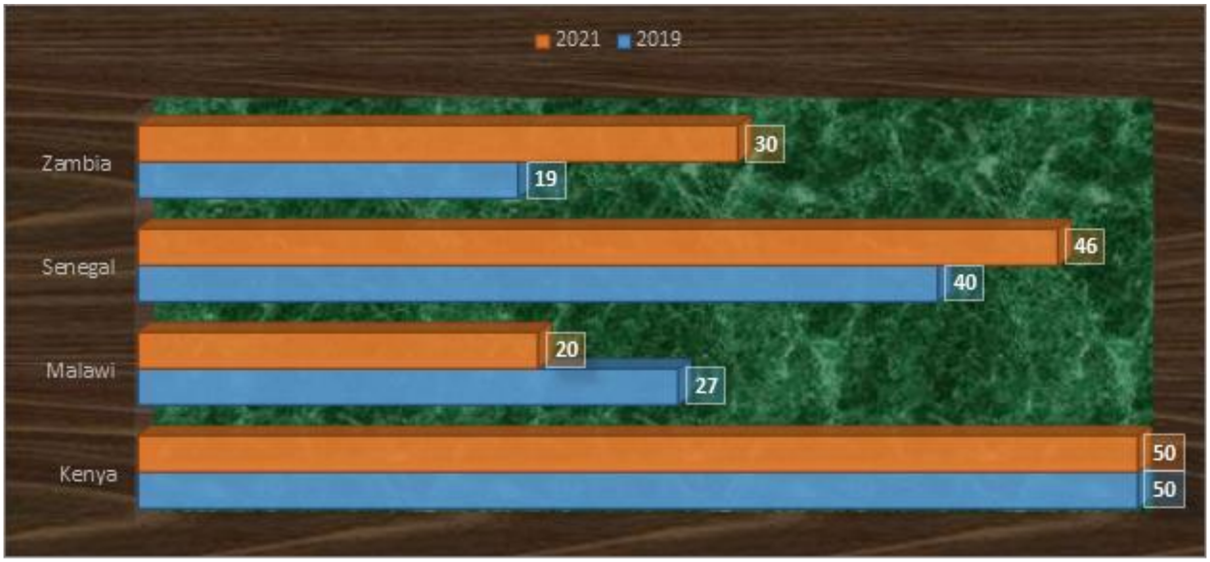
Source: World Economic outlook and World Development Indicators databases

Zambia has responded to the rising debt service suspending USD 120 million in interest payments to its Eurobond holders and other external debt repayments. The external debt default in Zambia has led to a financial crisis stemming from heightened risk perceptions. The continuation of Covid-19 lockdowns, combined with a dramatic decrease in exports saw Zambia's debt to GDP climb up to 110%. As a result, the country applied for a debt relief under the Common Framework (CF). The CF provided financing assurances, paving the way for an IMF program worth USD 1.3 Billion. Zambia however has to undertake major PFM reforms, with the adoption of the Public Debt Management (PDM) Act (2022), ensure stronger parliamentary oversight over debt contraction and adopt austerity measures.

Sovereign credit ratings and the level of fiscal transparency are positively correlated (IMF, 2018). At 39 points from the Open budget survey[31], SSA remains below the threshold of 60 points recommended for sufficient budget transparency. Apart from Kenya whose score has remained static at 50 points, scores for the other case study countries have deteriorated between 2019 and 2021 (see Figure 11 below). There is still limited access to high-quality budget information and documents, insufficient oversight over budget processes by Parliaments and supreme audit institutions as well as limited public participation and contributions in budget and development finance processes.

Figure 11: Budget transparency scores in Kenya, Malawi, Senegal and Zambia (2019 and 2021)

[31] *International Budget Partnership (2022): Open Budget Survey 2021 - Sub-Saharan Africa*



Source: Open Budget Survey 2021 – Sub-Saharan Africa (SSA)

Generally, there is a lack of disclosure and transparency about how SDRs are utilized in SSA. Most of the governments have not sought dialogue with the citizens on SDRs expenditures. In most countries, the use of the SDRs resources and consequent accountability have been left solely to the discretion of the central bank and the ministries of finance with limited to no involvement or dialogue with the general population. With almost overall discretion over the SDRs, the central banks might opt to prioritize debt repayment to international creditors, as opposed to using the funds to support recovery efforts. Transparency gaps are also compounded SDRs do not require Parliamentary scrutiny and approval since most of the public finance management laws did not take consideration of SDRs by the IMF[32].

Due to heightened public debt risks, the creditors have recommended fiscal consolidation and austerity as measures. Majority of the IMF has effectively forced over 87% of developing countries applying for post-COVID recovery loans to adopt harsh, new austerity measures[33]. The measures include cutting or capping the public sector wage bill, eliminating or reducing subsidies, targeting social protection, cutting health expenditures, increasing consumption taxes, increasing fees/tariffs for public services among others (See Table 4 below).

Table 4: IMF advice on public sector wage bills in the case study countries (2017-2022)

Country	Years advised to freeze or cut PSWB[xl]	Impact of meeting the Latest medium-term PSWB target (%ge points)	Target Public sector wage bill as %	Losses (in US$ millions) on public sector	Number of Lost teachers (20% of Losses) as per	Number of Lost nurses (15% of Losses) as per	Number of other Lost public sector workers

[32] *A .Arauz, R. Kiwan, N. El Aasar, M. El Dahshan, (2023): B .Schuber Investing Special Drawing Rights (SDRs): Towards a fair economic recovery in the Middle East and North Africa*

[33] *Oxfam (2022): IMF must abandon demands for austerity as cost-of-living crisis drives up hunger and poverty worldwide*

	as % of GDP	[Financial Year period]	of GDP (%)	workforce spending	UNESCO benchmarks	Abuja Declaration	(65% balance)
Kenya	6	1.4 cut [FY14-24]	3.8	1337	51,230	45,101	159,820
Senegal	5	Unclear	6	-	-	-	-
Malawi	4	Increase 1.2 [FY16-23]	7.5	-	-	-	-
Zambia	3	1.0 cut [FY16-24]	7.7	279.7	12,060	15,356	32,882

Source: Action aid report on African austerity measures amidst COVID-19 recovery

Note: PSWB = Public Sector Wage Bill

Cutting government expenditure on health and education significantly accelerates gender inequality, as women constitute the majority of workers in the social sectors of public services. The men are overwhelmingly dominant in physical infrastructure (construction) and transport. For instance, of the 16,371 nurses in public health centers in Kenya about 76% are women[34].

All four case study countries have had austerity measures tied to IMF programs. Kenya and the IMF agreed on a USD 0.74 billion-loan program in 2021, but the package included a three-year public sector pay freeze with a reduction of fewer nurses and doctors. It also included increased taxes on cooking gas and food which is exacerbating food insecurity as already. As a result, about 3 million people are facing acute hunger. Senegal received SDR 0.44 billion in 2021 from the IMF general allocation, but the result was to increase the collection of value-added taxes (VAT), which often apply to everyday products like food and clothing and fall disproportionately on impoverished people. In August 2021, the Zambian Government and the IMF agreed on a USD 1.3 Billion arrangement under the ECF. This was after Zambia had become the first country to default on its external debt repayment after COVID-19. Zambia's debt indicators place it in the debt distress category with debt to GDP of 130% and debt service-to-revenue ratio of 61% in 2021. In order to reduce debt service to revenue ratio back to 14%, the IMF recommended a series of austerity measures to reduce expenditure and increase revenue[35]. Among the measures put forward by IMF includes a reduction in subsidies to only 1% of GDP, the reintroduction of full excise duty on fuel, the reintroduction of import duties, and the rollback on VAT exemptions[36]

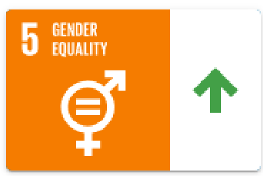
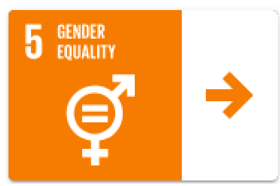
[34] *National library of medicine (2018): the public sector nursing workforce in Kenya*
[35] *Pinto (2022): Zambia's painful path to economic recovery*
[36] *Zambia Reports (2021): IMF imposes austerity measures on Zambia as Government is urged to cut subsidies*

This pursuit of austerity in four countries will likely worsen inequality, unemployment, and poverty, with heightened adversities to women. Austerity is harmful to gender equality[37].

4.2. The State of Gender Equality in Kenya, Malawi, Zambia and Senegal

Gender equality is a human right, as stated in country constitutions that support universal human rights. Gender equality is also an objective of the sustainable development goals and the African Union 2063. However, the assessment of SDG 5 on gender equality (see Table 5 below) reveals that issues continue in Zambia, Kenya and Malawi, with major challenges in Senegal. Only Malawi is on course to fulfil the SDG on gender equality and Kenya is improving moderately, while Senegal and Zambia seem stagnant.

Table 5: SDG 5 performance in Kenya, Malawi, Zambia and Senegal

Kenya	Malawi	Zambia	Senegal
			
Dashboards: SDG achieved · Challenges remain · Significant challenges remain · Major challenges remain · Information unavailable Trends: On track or maintaining SDG achievement · Moderately improving · Stagnating · Decreasing · Trend information unavailable			

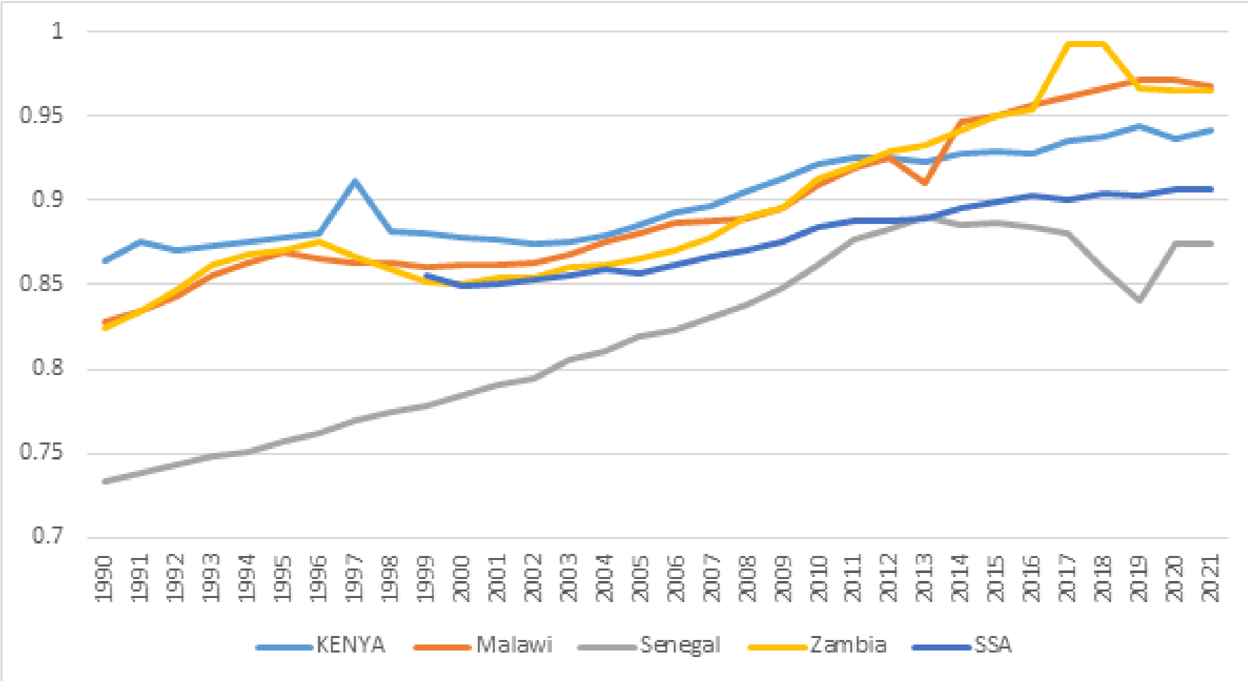
Source: https://dashboards.sdgindex.org/profiles

Regarding SDG target 5.C.1, however, the proportion of countries with systems to track and make public allocations for gender equality and women's empowerment (%), only Kenya and Malawi have data showing that they adhere to the indicator. In Senegal, there is no system to track and make public allocations for gender equality and women's empowerment while in Zambia, there is no data available to assess the indicator[38]. All four countries have made progress regarding the gender development index, but a slowdown has been observed since 2020 (See Figure 12 below).

Figure 12: Gender Development Index

[37] https://policy-practice.oxfam.org/resources/the-assault-of-austerity-how-prevailing-economic-policy-choices-are-a-form-of-g-621448/

[38] https://ourworldindata.org/grapher/systems-track-gender-equality?region=Africa



Source: UNDP Data centre

This in part reflects the adverse impact of COVID-19 on gender, which is also emphasised in a quote by the Secretary General of the United Nations.

> *Women are not only the hardest hit by the COVID19 pandemic but also the backbone of community recovery. Putting women and girls at the centre of economies will fundamentally drive better and more sustainable development outcomes for all, support a more rapid recovery, and place the world back on a footing to achieve the Sustainable Development Goals.* ***António Guterres Secretary-General, United Nations***

The Global Gender Gap Index[39] measures the progress made toward gender parity in four important areas: (1) political empowerment, (2) health and survival, (3) educational attainment, and (4) economic participation and opportunity as shown in Table 6 below. Further, table 7 indicates that Kenya is the best-performing among the countries in focus both in the region and globally. Nonetheless, all scores show that women are less than three quarters the levels of men in all countries.

Table 6: Overall Global Gender Gap Index Ranking by Region and Globally

Country	Region Ranking	Global Ranking	Score
Kenya	9	57	0.729

[39] https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

Zambia	12	62	0.723
Senegal	23	112	0.668
Malawi	30	132	0.632

Source: World Economic Forum's Global Gender Gaps Report 2022

The Gender Inequality Index, which is a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment, and the labour market still reflect sizeable disparities that exist in the participation of women in labour markets, in the number of women parliamentarians, in secondary and higher education attainment by both men and women and in terms of falling adolescent birth rates(See Table 7).

Table 7: Gender Inequality Index

Country			SDG3.1	SDG3.7	SDG5.5	SDG4.4		Labour force participation rate	
	Gender Inequality Index		Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education			
	Value	Rank	(deaths per 100,000 live births)	(births per 1,000 women ages 15–19)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)	
						Female	Male	Female	Male
	2021	2021	2017	2021	2021	2021	2021	2021	2021
Kenya	0.506	128	342	64.2	23.2	31.1	37.7	71.0	75.6

Zambia	0.540	138	213	117.0	15.1	47.1	56.8	69.2	77.8
Malawi	0.554	142	349	117.9	22.9	21.3	28.4	71.6	80.0
Senegal	0.530	131	315	66.5	43.0	11.1	30.9	33.5	56.7
Very high human development	0.155	—	15	14.1	29.1	87.0	89.4	52.6	68.4
SSA	0.569	—	536	100.9	25.7	31.1	44.3	62.1	72.3

Source: UNDP Human Development Index database

All the four countries have made considerable strides toward ensuring gender equality by passing laws against domestic violence and sexual assaults and promote equal ownership rights to property for both married men and women (see Table 8 below). The Gender and Gender-Based Violence Assessment 2022 report[40] reveals that Malawi has an enabling environment grounded in a progressive Constitution and pertinent legislation, with more than 12 laws, 10 policies, and 9 international or regional treaty commitments connected to advancing gender equality (source?).

Senegal has put in place several laws, policies and institutions to ensure gender equality that include the adoption of the Parity Law, the Standard Operating Procedures on GBV, a National Action Plan on GBV/Human Rights and the Empowerment of Women, and the approval of the new National Strategy for Gender Equality and Equity. The Ministry of Women, Family, and Children oversees the technical development and implementation of these measures (UN Women, 2023)[41].

Table 8: Domestic Violence and Asset ownership rights

Country	Legislation on domestic violence	Married men and women have equal ownership rights to property
Kenya	Yes	Yes

[40] *"World Bank. 2022. Malawi - Gender-Based Violence Assessment: Scope, Programming, Gaps and Entry Points. © Washington, DC.* http://hdl.handle.net/10986/37539

[41] *UN Women. (2023, May 22). UN Women Africa.*

Malawi	Yes	Yes
Zambia	Yes	Yes
Senegal	Yes	Yes

In the Women, Business and the Law index 2020 which provides an analysis of domestic laws and regulations that affect women's economic opportunities in eight areas (Mobility, pay, parenthood, assets, workplace, marriage, entrepreneurship and marriage), only Senegal, has a score lower than the global average of 75.2 (see Table 9 below). The less than 100% score in the Women, Business and the Law 2020 index suggests women are to some extent on an unequal legal standing with men in some of eight indicators.

Table 9: Indicators capture legal differences between men and women

Country	Mobility	Work place	pay	marriage	Parent hood	Entrepre neurship	Assets	Pension	WBI score
Kenya	100	100	100	100	40	50	80	75	80.6
Malawi	50	100	100	100	20	75	100	100	80.6
Zambia	75	100	100	80	40	100	80	75	81.3
Senegal	75	75	25	60	60	75	40	100	63.8

Source: Women, Business and the Law 2020 Index. Note: Less than 50 is red, 50-75 orange, 75-99 is orange and 100 is green. The score 100, means that women are on an equal legal standing with men

Despite the legal and institutional frameworks being in place in all four countries, challenges with gender equality continue to dominate. In Kenya, the challenges include but not limited to; a lack of funding, inadequate application of the law, lax accountability procedures, and a gradual transition away from patriarchal and discriminatory gender conventions, attitudes, and behaviours (UN Women, 2023). Detrimental cultural attitudes and ideas about gender roles and norms and gender-based violence remain a key constraint to achieving gender equality.

Similarly, in Malawi, limited resources are available to support the implementation of current laws, policies, and initiatives (World Bank, 2022)[42]. Among women in Malawi (aged 15 to 49), one in four have been subjected to physical or sexual abuse by a current or former relationship. In

[42] *World Bank. (2022, June 9). Malawi Must Step Up Efforts to Address Critical Gender Gaps to Unlock*

Malawi, 9% of women under the age of 15 and 42% of women between the ages of 20 and 24 were married before turning 18. In Malawi, just 47% of women have control over their sexual and reproductive health (Giovetti, 2021)[43].

In Zambia, there has not been enough focus on capacity-building, financial resources, or inclusive implementation approaches to enable implementing officers to mainstream gender in their programming and programme implementation. This is especially true of the private and public sectors, which continue to develop non-gender responsive budgets. People working in the public and private sectors generally lack an understanding of the significance of gender issues, which results in resistance to adequately implementing gender mainstreaming strategies and taking part in programs for gender and development.

In Senegal, major abuses of women's rights and well-being continue to occur, including rape, forced early marriage, domestic violence, Female Genital mutilation (FGM) and other types of gender-based violence.

SECTION FIVE: KEY FINDINGS

5.1. Special Drawing Rights (SDRs) in the Case Study Countries

SDR as a proportion of Cumulative reserves in all the four countries exceed 10% but fall short of 100%, implying usage and consequently an interest in utilised SDR allocations[44]. Most African countries that have received SDR allocations have used them to build up foreign exchange reserves, lowering or regulating the level of Central government borrowing and general budgetary support (Sabola, 2022).

In 2021, the four countries received US $ 2.7 billion, accounting for barely 8% of the continental SDR allocation (see table 10 below). The size is smaller, relative to GDP, far below the annual projection of 14% of GDP as additional financing to meet SDGs in low-income and low-middle income economies. The IMF does not impose conditions requiring recipients' nations to channel SDRs into specific sectors or projects, making SDRs fungible given that the usage of SDRs is at the discretion of individual countries. With increase in debt, some of the SDRs have been channeled for debt servicing leaving very little for social expenditure. SDRs in Africa are also utilised to increase/supplement official/exchange reserves; settle the balance of payment (BOP) deficits; reduce reliance on costly domestic or external debt sources like capital market borrowing; and so on. In addition, any use of SDRs attracts interest when countries use them below their quota share. However, the interests are below the alternative sources of financing and there is no repayment of the principle.

Table 10: IMF Allocation to the case study countries (August 2021)

43

[l] *Giovetti, O. (2021, August 9). Gender Equality in Malawi: One Head Can't Hold up the Roof. Retrieved from Concern WorldWide US: https://www.concernusa.org/story/gender-equality-malawi-umodzi/*

[44] Development Reimagined (2023): african-sdrs-how-they-are-used-distributed-and-what-needs-to-change/

Country	SDR Allocation (SDR Billion)	USD Billion	Type of use	SDRs as a percentage of the Global allocation
Kenya	0.54	0.74	Fiscal support	0.11%
Malawi	0.13	0.18	Reserves &Fiscal	0.03%
Zambia	0.97	1.33	Fiscal Support	0.20%
Senegal	0.32	0.44	Fiscal Support	0.07%

Source: IMF SDR Database

5.1.1. SDRs Allocation and Utilisation in Kenya

Kenya received USD 0.52 billion of SDR (about USD 0.59 billion) in the most recent allocation of August 2021. In the letter of application, the Kenyan Government had indicated that half of the allocation would go to the central bank to replenish the reserves while the remaining half of the SDRs was to be lent out to the national treasury for general budget support. Kenyan foreign exchange reserves had significantly dwindled due to the rising costs of imports and the appreciation of the US Dollar. The budget review report and outlook estimate that about 14% of the SDRs will be utilised by the end of 2022. However, the national budget reports indicate that the SDRs utilised so far were channelled to recurrent expenditure and external debt servicing[45] at the trade-off development expenditure including social sectors.

There is no established evidence to establish whether the Kenyan Government directed the SDR allocation to specific sectors or programmes and as such are reported to have used it for general budget support. SDR does not explicitly benefit specific groups of the population or sectors of the economy (Muraguri, Ndegwa, Shem, Lewinsky, & Njiri, 2022). Kenya lacks a legal framework for SDR utilisation and reporting which makes it difficult for oversight institutions (parliament and auditor general) to hold the Government to account, ensuring transparency and accountability on the use of SDRs. Its use was not part of the annual borrowing plans, yet SDRs attract interest upon usage, thereby considered through the normal appropriations.

5.1.2. SDRs Allocation and Utilisation in Malawi

In August 2021, the IMF allocated Special Drawing Rights (SDR) worth SDR 133 million, equivalent to USD 188.7 million (about 1.6% of GDP) to the Malawi Government to assist Malawi in navigating through the Covid-19 pandemic. Malawi has utilised the SDR allocation to substitute the financing

[45] *Daily Nation (2022): Queries emerge over hoe Kenya used sh 83.7bn from IMF .*

mix by reducing the accumulation of domestic borrowing and maintaining the same budget envelope[46]. The SDRs were also used in exchange for Malawian Kwacha to fill foreign exchange shortages.

The subsequent SDR releases have been tagged to specific programs. In November 2022, the IMF released SDR 69.40 million (USD 88.3 Million) under the Food Shock Window of the Rapid Credit Facility to help Malawi address urgent Food insecurity in the country[47]. For almost the entire of 2022, Malawi was hit with below-average crop yields due to multiple tropical storms, high food prices, and agricultural inputs such as fertiliser and seed. Consequently, about 20% of the population will be acutely food insecure during the 2022/23 lean season.

5.1.3. SDRs Allocation and Utilisation in Senegal

Senegal received SDR 0.31 billion (equivalent to 0.44 USD Billion) from the general allocation of Special Drawing Rights (SDRs) in August 2021. The country has exchanged her SDRs for hard currencies for mostly financing public services. Senegal also uses the SDRs as a substitute for more expensive financing to improve the debt outlook. The authorities plan to spend 0.9% of GDP on the health sector, cash transfers, and faster repayment of unmet obligations. The spending on cash transfers and health sector is often uplifting of the women. Liability management and financing of some of the state-owned oil company's oil and gas projects investments have also benefited from the SDR allocations for Senegal[48].

A significant share of the SDR allocation is kept as a buffer to guard against fiscal risks and ensure transparency of the related spending. The Senegalese authorities have decided to save 0.3% of GDP to cover 2022 financing needs and reserve 0.5% for financial transactions (e.g., recapitalization of a bank and equity in pharmaceutical production) in 2021 and 2022. About half of Senegal's SDR allocation in 2021 (0.9% of GDP) will be spent on the health sector, domestic vaccine production, cash transfers, and faster repayment of unmet obligations.

5.1.4. SDRs Allocation and Utilisation in Zambia

In August 2021, Zambia received an SDR allocation of SDR 1.3 billion (USD 1.84 billion), increasing her level of reserves to $2.9 billion or about 3.1 months of import cover, albeit still below the estimated optimal level of 5 months. Zambia's SDR allocation has primarily supported social spending in 2022. The authorities have utilised about half of the allocation to support the 2022 budget, with the remaining half divided equally between 2023 and 2024. At the same time, the allocation has also supported the clearance of pension arrears, purchases of drugs and medical supplies, the Social Cash Transfer (SCT) program, and the Food Security Pack program[49].

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[46] *IMF (2021): Article IV consultation—press release; staff report; & statement by the Executive Director for Malawi*

[47] IMF (2022); Press Release - IMF Executive Board Approves US$88.3 Million in Emergency Financing Support to Malawi

[48] *IMF (2022): 2022 article iv consultations for Senegal*

[49] *IMF (2022): Request for an arrangement under the extended credit facility—press release; staff report; staff supplement; staff statement;& statement by the ED for Zambia*

While the IMF emphasises the need for SDR allocation to support equality, explicit focus on ensuring that SDR allocation contributes to the gender equality objectives or benefits different categories of people is not explicitly stated[50].

5.2. Gender Budget Allocation in Kenya, Malawi, Zambia, and Senegal

Budgets are statements of the Government's priorities in a given fiscal year. Most of the SDRs have been channelled through the budget to be allocated amongst governments' competing needs. Considering that explicit earmarking of SDRs utilisation is not provided for in the budget, it is imperative to understand the gender responsive budgeting and gender budget allocation in the case study countries. The budget as a public finance instrument should recognize the unique needs of women and men as well as girls and boys. When implemented with the "whole-of-government" approach, gender budgeting can ensure that budget decision-making helps reduce gaps and biases among the population groups. Government tax, borrowing, and spending decisions have powerful ramifications on gender outcomes, especially in reproductive health, education, water, sanitation, and women's economic empowerment.

Despite the need for gender responsive budgets, allocations to gender initiatives have not been explicitly spelt out in the national budgets for Kenya, Malawi, Senegal and Zambia. While all the case study countries have adopted gender-responsive budgeting in some way, several indicators for best Practices for Gender Budgeting are still missing, as shown in table 11 below.

Table 11: Best Practices for Gender Budgeting in Kenya, Malawi, Senegal and Zambia

	Kenya	Malawi	Senegal	Zambia
SELECTED COMPONENTS OF INSTITUTIONAL & FISCAL POLICY				
Ministry of Finance lead entity	√	√	√	√
Gender budgeting is sustainable beyond political cycles	√	√	√	X
Gender budgeting strengthens the link between budgeting and key gender equality objectives	√	√	√	√
Gender budgeting is underpinned by strong data and analysis	√	√	√	√

[50] https://www.imf.org/en/About/Factsheets/Sheets/2023/special-drawing-rights-sdr

Gender budgeting implementation is supported through capacity building		√	√	√
INDICATORS TO PLACE GENDER BUDGETING IN THE BUDGET PROCESS				
Gender budgeting statement in budget documentation	√	√	√	√
Gender budgeting included in budget call circulars	√	X	√	√
Gender budgeting in planning and programming	√	√	√	√
Gender & Equity performance report or audit	√	X	X	√
Explicit reporting on gender equality spending	√	X	X	√
LEGAL BASIS				
Gender budgeting has constitutional standing	√	X	X	X
Gender budgeting is incorporated in Public expenditure laws	√	X	X	√

Source: Extracted from IMF and OECD Best Practices for Gender Budgeting

Whereas the legal and institutional framework are in place, the case study countries still lack the breakdowns of sector budgets allocated to gender and equity interventions. As a result, it is difficult to paint a comprehensive picture of governments' funding that supports gender equality commitments. It is only possible to track gender funding when there is a specific gender initiative/programme or funding towards specific equity and gender equality institutions in the country as well as budgets for reproductive and maternal health.

5.2.1. Case Study Country 1: Kenya

Kenya has outstanding Purchases and Loans (SDR)[51] of 1766.69 million (March 31, 2023), Special Drawing Rights (SDR) worth 417.61 million, and with Quota of SDR 542.8 million[52]. Kenya joined the IMF on 3rd February 1964 and has since had twenty- two (22) arrangements with the Fund since membership[53]. The most recent SDR allocation did not explicitly benefit specific groups of the population or sectors of Kenya's economy but was allocated to substitute foregone fiscal financing. or instance, looking at Kenya's budget demonstrates how direct funding for gender has been insignificant as a proportion of the national budget (See table 12 below). At the same time, there is no policy that directs all government departments and agencies to allocate a minimum percentage of their annual budgets for gender programs, projects and activities.

Table 12: National gender financing for Kenya in the across 2 budgets (between FY 2019/20 to FY 2021/22

National funding	FY 2019/20	FY 2020/21	FY 2021/22
Total annual budgets (USD-Billion)	25	25	31
National Gender and Equality Commission (NGEC)	3.5	3.8	4
State Department for Gender	40	38	32
Kenya National Commission on Human Rights	4	3.8	3.7
Ministry of Health (including reproductive and maternal healthcare)	23.7	26.6	41
Total traceable gender equality funding	71	72	81
Percentage of total budget for gender equality	0.30%	0.30%	0.30%

[51] [5] *The IMF's outstanding Purchases and Loans refer to the total amount of SDRs allocated to member countries but not yet repaid. These outstanding SDR allocations represent a form of financial assistance that member countries can draw upon when needed to bolster their foreign exchange reserves and stabilize their economies.*

[52] https://www.imf.org/en/Countries/KEN

[53] *IMF (2022). Kenya, At a Glance. Retrieved from International Monetary Fund:* https://www.imf.org/en/Countries/KEN

Source: Budget Framework Papers for Kenya

The SDRs also boost the country's official foreign exchange reserves, that have come under intense pressure from the rising cost of the imports as well the appreciation of the US dollar (Muraguri, Ndegwa, Shem, Lewinsky, & Njiri, 2022). To ensure that gender inequalities are taken into account in development strategies and plans across all sectors and those resources are provided to address these inequalities, the Government has adopted a gender mainstreaming strategy. Furthermore, the adoption of a program-based budgeting approach across ministries, county governments, and government departments has given Kenya yet another important chance to systematically identify gender imbalances and allocate sufficient funding and programs to address these inequities (NGEC, 2014).

This is against the background that in Kenya, Women predominantly work in the informal economy and the unpaid care economy. Additionally, the productive sector, which is largely unpaid, is biased by socially created gender roles and the distribution of labour resources, which have an impact on income levels and, in turn, savings and investments. The unpaid care economy's contribution to the Gross National Product (GNP) is still ignored by economic policy and budgeting, and as a result, the contributions of women are still grossly undervalued (NGEC, 2014).

In Kenya, several parties, including government agencies, civil society organisations, UN agencies, development partners, foreign embassies, and independent scholars, have taken the lead in the drive to guarantee that there is gender-responsive bridging[54].

Notwithstanding Kenya's efforts at Gender Responsive Budgeting (GRB), there is still limited success to data. There has been minimal gender-responsive budgeting-specific measures that have been directly incorporated into the budget processes by the Kenyan Government. This is partly attributed to, among others, the nature of entry points targeted such as training citizens at the grassroots who did not have the mandate to advocate for changes within the budget process. In addition, there is still inadequate financing and technical capacity to carry out GRB initiatives in government MDAs. There is also limited gender data to support the budgeting process, and a lack of coordination among key players in the GRB process even though considerable efforts have been made towards setting up necessary machinery and policies for gender mainstreaming in public policy (SID, 2012).

5.2.2. Case Study 2: Malawi

Malawi joined the IMF on July 19, 1965, with a quota of SDR 69.4 million (about $101.7 million), and by 2008, the country had used all its remaining IMF credit, amounting to SDR 54.4 million (around $79.8 million) (Sabola, 2022). As of March 2023, its Outstanding Purchases and Loans (SDR) was 326.62 million, Special Drawing Rights (SDR) 0.34 million, and has received 17 arrangements since its membership with the IMF[55]. Malawi received Special Drawing Rights ($188,7 million) from the International Monetary Fund (IMF) in 2021. The funds were intended to be used to offset fiscal support and minimise or regulate the amount of borrowing by the Central Government

[54] *http://genderinkenya.org/wp-content/uploads/2017/12/GRB-4-pager.pdf*

[55] *https://www.imf.org/en/Countries/MWI*

(Sabola, 2022). Ultimately, Malawi exchanged 98% of the allocated SDRs with hard currency that was utilized for budget support and only 2% for reserves[56].

Prior to the 2021, allocation, Malawi had never utilised its SDR allocation for fiscal purposes. By end of November 2021, the over 80% of the SDR were utilised sizeably higher than the African comparators as well as the global comparators. This not only illustrates the size of the SDR being small but also Malawi did not access the Stand-By Arrangements (SBAs), the Extended Arrangement Facility (EAF) and Extended Credit Facility (ECF). Recent evidence[57]indicates that Malawi continues not to provide disclosure of receipt of the SDR allocations and the associated usage in over its long-standing membership with the IMF.

The direct use of the SDR allocations to achieve gender-related programmes was not explicit. Malawi is dedicated to enhancing the rights of its citizens, especially women who have historically been underrepresented in many areas, including access to resources for the improvement of their standard of living. In this sense, Malawi has created a variety of policies that support gender equality and women's empowerment and are in line with global, continental, and regional frameworks for these issues[58].

When it comes to converting sectoral strategies into budgets, Malawi's different development frameworks still provide opportunities for gender-responsive budgeting and some opportunities for interventions relating to gender. However, gender-responsive budgeting initiatives in Malawi are relatively fragmented, with little coordination among the major government agencies that affect the accomplishment of gender-responsive budgeting efforts at the national level (SADC, 2014). A review of the main development frameworks in Malawi revealed that various priority, thematic, and key result areas do not consistently adopt gender equality-related strategies and action plans, despite some efforts to integrate gender into these frameworks. Significant economic sectors commonly mention gender as a "cross-cutting theme". The intention to use gender as a transversal subject, however, runs the danger of not being realised throughout the planning and budgeting phases (SADC, 2014).

5.2.3. Case Study 3: Senegal's gender considerations in resource allocation

Senegal has outstanding SDR Purchases and Loans of about SDR 906.04 million (March 31, 2023) with a Quota of SDR 323.6 million. However, Senegal does not allocate the SDRs to specific groups of the population or sectors of the economy. SDRs in Senegal are mainly split between forex reserves and general budget support. It is thus imperative to focus on gender and equity budgeting dynamics in Senegal.

The United Nations Development Fund for Women (UNIFEM) programs prioritising gender equality and poverty reduction is spearheading efforts. Together with the national budget directorate, UNIFEM has successfully convinced the Government to include gender-oriented issues in the budget call circulars. In Senegal, a gender budget statement has been part of budget legal requirements since 2016. The National Agency of Statistics and Demography of Senegal (ANSD) has begun collecting sex-disaggregated data in order to improve the

[56] *CEPR (2022): Special Drawing Rights: The Right Tool to Use to Respond to the Pandemic and Other Challenges*

[57] IMF (2022): IMF Executive Board Reviews Malawi Misreporting, Remedial Steps Taken

[58] *https://www.sardc.net/books/BI/factsheets/SGDM_Factsheet_Malawi.pdf*

Government's ability to develop gender-sensitive outcome indicators and for a gender analysis of macroeconomic policies.

Senegal National Strategy for Gender Equality and Equity proposes allocating at least 15% of each sector's budget to address gender equity concerns. The local, departmental, and regional governments also follow the same logic of allocating 15% of their total budget for women's advancement. For instance, the Parliament of Senegal has increased the health budget of 2022 by over 7% to increase the use of gender budget tools for addressing women's vulnerability to HIV and Aids[59].

UNIFEM and Senegal's Directorate of Gender Equality continue to coordinate public servants, local leaders, civil society, and parliamentarians to engage in budget analysis and policy-making from a gender perspective. Several workshops and publications have been made to build budget literacy amongst women's rights and gender equality advocates. The Directorate of Gender Equality also continues to institutionalise mechanisms for monitoring the responsiveness of budgets and economic policies to gender equality.

To deepen gender inclusion in the national budget, the government introduced the Gender Budget Document in the Finance Bill[60]. The document ensures timely changes in the definition of national priorities and in the budgetary programming of public spending. The National Strategy for Gender Equity and Equality (PASNEEG) was also finalized I 2016 accompanied by a pilot exercise of gender mainstreaming in the Budget and Economic Programming Document in four ministries.

However, the gender budget document that moves along the annual Finance Bill does not track spending across all ministries. At the same time, the government does not publish budget reports that evaluate the actual allocated budget and spending for specific gender services across sectors. Failure to publish a gender specific budget report makes it difficult to assess the budget prioritization of gender issues in Senegal[61].

Considerably, in Senegal and Zambia, the proportions of overall national budgeted resources allocated towards gender-responsive policies and initiatives continue to be insignificant. As highlighted in table 13 below, Zambia did not include any direct allocation for gender equity in the financial year 2021/22.

Table 13: Allocations to Gender responsive activities as a share of total actual spending

Sector	Senegal	Zambia
Gender	0.10%	0.0%
Reproductive Health	2.10%	5.6%

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59 *WHO (2022): Country Office Evaluation: Senegal Volume 1: Evaluation Report*
60 https://www.sentresor.org/publication/projet-de- loi-de-finances-2020/
61 *International Budget Partnership (2023): Senegal: Budget Credibility and the Sustainable Development Goals*

Social Protection	0.70%	3.0%
Water and Sanitation	0.80%	1.0%
Total Share of gender Related funding	3.70%	9.60%

Source: International Budget Partnership: Senegal – Zambia Budget Credibility and the SDGs

5.3.4. Case Study 4: Zambia's Budget in the right place to deal with gender equality issues

Zambia has a well laid out gender equity and equality act, 2015, that stipulates, " Ensure gender sensitive and responsive budgeting at the micro and macro levels, including tracking, monitoring and evaluation". The NGOCC has been tracking annual Budget on gender equality and women's empowerment. Non-Governmental and Community-Based Organisations in Zambia (NGOCC)'s budget analysis focuses on gender-sensitive sectors: Education, health, Agriculture, and Social Protection. The analysis is done against the different treaties that the Government has signed and committed to allocate sufficient funds as provided for Education (20%) according to the Cairo declaration; Health (15%) Abuja declaration; Agriculture (10%) Maputo protocol and Social Protection (5%)[62].

As a result, the budgets for the social sectors whose services are needed most have been increasing. As a share of the national budget of Zambia, social sector spending has increased to 30.5% in 2023 from 23.5% in 2022. Budgets for health, education, water, sanitation, and social protection have all increased[63].

Consequently, a number of gender-responsive initiatives have been implemented. Some of these include the Keeping Girls in School (KGS) program, in which disadvantaged girls from poor households receive bursaries to enroll in secondary school. With the increased allocation of the social protection vote, the girls receive social cash transfers to address gender and poverty-related inequalities. The increased social sector allocations have also led to the construction of a specialised hospital for women and children in Lusaka to lessen reproductive health burdens in Zambia, whose effects are disproportionately shouldered (Engwase.B.M,.2022)[64].

The government of Zambia has ensured that gender equality and equity is at the center of all budget documents like the Medium-Term Expenditure frameworks and NDPs. The poverty reduction strategy IS also heavily gendered[65]. The budgets also include several women empowerment programs such as Social Cash Transfer Programme and the Girls Education and Women Livelihood (GEWEL) Programme.

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[62] *NGOCC (2020): Zambia NGO national parallel report - twenty-fifth anniversary of the fourth world conference on women and the Beijing declaration and platform for Action (1995)*

[63] *UNICEF (2022) UNICEF Zambia Social Sector Budget Brief - 2022*

[64] *Enwase (2022): Gender Responsive Budgeting and Delivery of Public Services NGOCC - Zambia's Experiences*

[65] *International Budget Partnership (2023): Zambia-Budget Credibility and the Sustainable Development Goals*

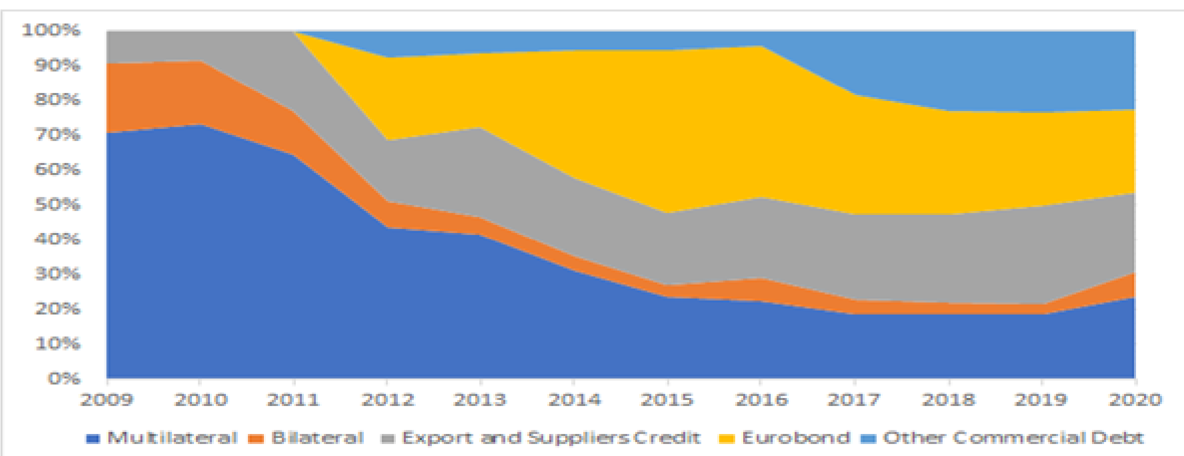
The major challenge for Zambia's gender responsive budgeting was the downgrading of the standalone Ministry of Gender in 2021 whose roles have been merged into a directorate under the office of the Vice President. Many gender CSOs believe that this arrangement will compromise delivery of gender-targeted interventions due to reduced funding and inadequate dedicated civil servants[66].

5.3.4.1. Lessons from Zambia's recent debt repayment defaults

As the fiscal deficit in Zambia has increased over the years, so has the need for financing to bridge the gap between revenues and expenditures. The last ten years has seen the public debt stock rise to unsustainable levels standing at USD 30.93 billion excluding interest arrears and USD 31.74 billion including interest at the end of 2021 with the debt to GDP ratio standing at 170.7 percent. Of this, USD 16.46 billion was external debt and USD 14.47 billion was domestic debt.

The expenditure on debt servicing has been increasing at the expense of other sectors of the economy. With the drastic depreciation of the kwacha by over 49 percent since 2019[67] the cost of external debt servicing paid in foreign currency has subsequently increased the expenditure of the government at the expense of other key economic sectors such as health care, education, and agriculture. The composition of the external debt is largely made-up of commercial debt with the 2020 Economic Report indicating that private lenders were responsible for 46.4 percent of the external debt stock (see Figure 13 below).

Figure 13: Composition of Zambia's External Debt Stock (2010-2020)[68]



Source: Ministry of Finance of Zambia

Zambia's external debt portfolio has changed over the past decade. The introduction of commercial debt (including Eurobonds) in 2011 marked a change in Zambia's financing sources as economic plans became much more ambitious following the declaration of Zambia as a Middle - Income country[69]. Commercial debt is, however, much more expensive than multilateral and

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66 *Zambia Daily Mail (2021): Ministry of Gender removal irks men's network*

67 *Lusaka Times, 2011. World Bank Gives Zambia Middle-Income Status. Reported on 14th July 2011*

68 *Ministry of Finance - Annual Economic Reports.*

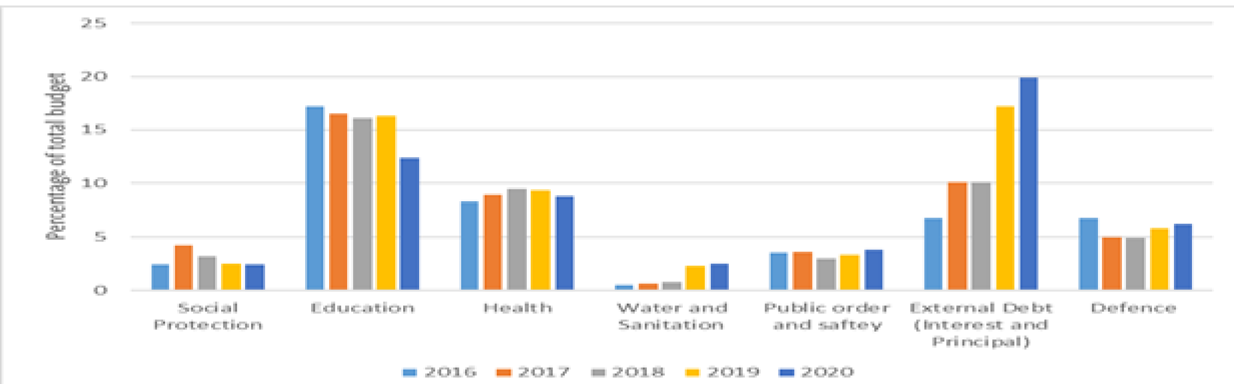
69 *Lusaka Times, 2011. World Bank Gives Zambia Middle-Income Status. Reported on 14th July 2011*

bilateral debt which raised concerns about the long-term sustainability of the financing. These concerns proved valid in 2020 when Zambia ultimately defaulted on their Eurobond interest payment[70].

5.3.4.2. Social Sector spending vs. Non-social sector spending

Figure 14 below shows a trend of social sector and non-social sector spending from 2016 to 2020. It indicates an increase in non-social sector spending (*Public Order & Safety* and *Defence)* in the last three years. External debt allocations have increased significantly from 6.8 percent of the total budget in 2016 to 19.9 percent in 2020. On the other end, social sector spending has reduced over the years. Education for example has dropped from 17.2 percent in 2016 to 12.4 percent. While social protection increased to 4.2 percent in 2017 from 2.4 in 2016, it dropped back to 2.4 in 2020. The graph also indicates that allocations to health have seen a similar trend. The trend therefore implies that debt service allocations have increased at the expense of social sector spending which is critical for the development of women and girls. The reduction in social sector spending may pose adverse impacts on women and girls as limited access to education, health and social protection could limit their progression.

Figure 14: Social Sector spending and non-social sector spending in Zambia (2016 – 2020)



Source: National Budget Speeches (2016-2020)[71].

5.3. Drivers of Success and Challenges in the Implementation of Fiscal policy including SDRs for Gender Initiatives

5.3.1. Drivers of Success in the implementation of inclusive fiscal initiatives

The signature and ratification of several agreements, treaties, and international conventions demonstrate how committed countries in Africa are to the need to integrate gender concerns into national development (OECD, 2021). Additionally, governments have established the

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[70] *Jubilee Debt Campaign, 2020.* https://jubileedebt.org.uk/blog/zambias-debt-default

[71] National Budget Speeches (2016-2020),

appropriate institutional, legal, and policy framework to guarantee the mainstreaming of gender equality. As a result, particularly in nations pursuing specialised measures like quotas, women's political leadership and participation in decision-making have expanded. Legislative measures addressing gender-based violence and promoting women's access to finance and land ownership were adopted by numerous nations between 2014 and 2020 (OECD, 2021). Governments have additionally designed, implemented, and pursued gender-responsive economic and social policies that, among other things, aim to eradicate poverty, including in rural areas; ensure that rural women participate fully and equally in developing, implementing, and monitoring development policies and programs. They also support increased employment and decent work in rural areas; and promote the participation of women at all levels and sectors of the rural economy (UN Women, 2018).

The key drivers of success for gender financing and equity across the four case study countries include;

The legal regime is a key driver. The presence of the relevant provisions in PFM Act in Kenya (2012), Malawi (2014), and Zambia 2018), as well as the Public Finance Legislation (PFL) in Senegal (2011), was an essential step in securing legal safeguards to mainstreaming and systematically institutionalising gender and equity in MDAs and Local governments. The PFMA and PFL enforce gender and equity compliance of the National Budgets in the four countries. The provisions in the law have great potential for ensuring gender mainstreaming is sustainably implemented in all states' programmes. However, there is a need to strengthen accountability and routine monitoring of gender and equity indicators at all levels.

Presence of guidelines for gender and equity budgeting. The guidelines and assessment framework for evaluating gender and equity are essential in encouraging the adoption and application of GEB guidelines in all government departments. They enable the technical officers and policy arm of the Government to understand and implement GRB and to allow them to and stakeholders to track the outcomes of their efforts[72]. In Kenya for stance, The National Gender and Equality Commission (NGEC) has developed an Integration of Gender Equality, Inclusion in County Development guide to support the promotion of gender equality and monitoring at the county level. Kenya has also put in place gender focal points and officers in every ministry and county. The gender focal points monitor gender programs and the compliance of project plans and budgets with gender equality National Gender and Equality Commission requirements.

Inclusivity in policymaking: Gender stakeholder consultation is engaging and ensuring meaningful participation of women and men, boys and girls as well as civil society organisations and gender experts, in the policymaking process and resource allocations. The consultations promote evidence-based and participatory decision-making, which takes into consideration the different priorities and needs of women, men, and marginalised groups that are traditionally excluded from decision-making processes. All agencies of Government, therefore, engage in the implementation of the budget and gender policies. This ecosystem of actors ensures that gender and equity allocations reach all parts of Government, both at a local and national level, and are implemented at scale across the whole of Government. This process of inclusive policymaking

[72] *National Gender and Equality Commission (2014): , Guidelines for Gender Responsive Budgeting (GRB) in Kenya, edition one*

and engagement is critical in ensuring the success of gender and equity resource allocations (OECD,.2021)[73].

Strong civil society: Actors in civil society organisations have been the front-runners in advocating for equity and gender considerations in resource allocations. Organisations such as FEMNET in Kenya, NGOCC in Zambia, CONGAD in Senegal, and NGOGCN in Malawi among many others have worked and strengthened partnerships with the Government to address equity and inclusiveness in resource allocations across Africa. CSOs in the four campaigns pressure their governments to channel SDRs in services for gender balancing (such as in social protection, reproductive health, girl child education, unpaid care sector, women's village saving groups, etc.). The support aims to stimulate recovery from the COVID pandemic and reduce inequalities among the population groups. CSOs these countries not only pressure governments for transparency on the use of the SDRs, but also participate in efforts to compel the central banks to transfer the allocated SDRs for budget support where gender initiatives can be supported (Abdo., 2021)[74].

Private sector presence and interest: Different types of private actors can avail financing tools beyond government budget and ODA for gender equality (OECD. 2022)[75]. The private sector collaborates with commercial actors and/or private philanthropy to set up blended finance vehicles with development banks and DFIs[76]. Australia's Department of Foreign Affairs and Trade (DFAT) for instance, integrates gender equality into its investments to strengthen capital markets by capitalising on the contribution of women to economic growth, COVID-19 recovery and to climate resilience. The AUD 11.1 million Investment in 42 women's SMEs leveraged over five times as much in additional private capital reaching AUD 57 million in 2017[77]. To further support women in private sector, Zambia has initiated the UNCDF Loan Guarantee Portfolio Facility with a portfolio of USD 6 million in the form of guarantees and technical assistance to women[78].

5.3.2. Challenges in the implementation of Gender fiscal policy initiatives

The Use of SDR for fiscal purposes requires operational gender budgeting mechanisms to the place. As such, this section annotates a few of the few of the significant obstacles to the implementation of gender initiatives: Utilizing SDRs to implement gender initiatives faces several obstacles. The allocation of SDRs is directed to member countries, and there is no guarantee that a significant portion will be allocated specifically for gender-focused projects. At the same time, without clear monitoring mechanisms, there is a risk that the SDRs may not be utilized effectively for gender empowerment, hindering the desired impact on women's equality and inclusion.

Insufficient financial, technical, and human investments: Although more nations are passing laws and regulations, they rarely come with enough budgetary backing, institutional reforms,

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[73] *OECD (2021): Policy framework for gender-sensitive public governance*

[74] *Oxfam (2021): SDRs have landed in IMF member countries' accounts. Now what?*

[75] *OECD (2022): Development finance for gender equality and women's empowerment*

[76] *Ddlgn (2018): Input paper: socially inclusive & gender responsive budgeting*

[77] *OECD (2019): Financing for gender equality and the empowerment of women and girls*

[78] *UNDP (2022): African countries lead the way in gender-responsive development financing*

staffing, infrastructure upgrades, and other resources that may be required at the national and sub-national levels to carry them out. Weak national-level monitoring and coordination processes in formal channels of information sharing between Government and non-governmental organisations involved in gender equity initiatives (UN Women, 2010). Other issues identified included a lack of ongoing evaluation of gender mainstreaming and an inability to comprehend the significance of gender equality. Lack of knowledge on gender issues, training, and their significance. improper application of gender mainstreaming methods and tools(Kelkay, 2022)

Challenges that persist include;

The IMF's mandate does not allow the Fund to dictate to member countries on where the SDRs should be channelled and as such, they follow general budget support mechanisms that do not have exclusive earmarking to any sectors.

Limited expertise (HR) in gender planning and budgeting: There is still a need to broaden the horizon with expertise in gender-responsive budgeting. There are also large levels of staff turnover, and in some instances, agencies depend on one or two persons to implement gender and equity funding activities. This situation overloads the officers in charge of tracking gender issues in budgets and leads to limited attention to all the areas requiring expert knowledge. At the Local levels of Government, there is a lack of capacity to identify gender issues. Some gender and equity financing indicators and the methodologies required to collect data on these indicators had not been developed because of the lack of expertise[79].

Lack of gender-disaggregated data that would enable policymakers to understand how macroeconomic policies affect women and men differently. Non-availability of gender-disaggregated and equity data in certain sectors results in inadequate data for planning. Some of the sectors do not have gender profiles or sector gender statistics[80]. Where they exist, in some cases, the data needs to be more adequate and standardised. Gender data in the four case study countries is also not timely and reliable. Much of the data still needs to be 'mined' and packaged for planning. In Senegal for instance, only 45.9% of indicators needed to monitor the SDGs from a gender perspective were available by the end of 2020. In Kenya, data for only 41.8% of the indicators is available, while Zambia also stands at 41.8% and 41.9% in Malawi[81].

Competing Government Priorities for Resources: Most of SSA countries still operate small economies with limited revenue. Malawi and Zambia are classified as low income, while Kenya and Senegal are low middle-income countries. The persistent fiscal deficits have narrowed the fiscal space. Poverty is still high, with about 25.3% in Kenya, 36% in Senegal, 61% in Zambia, and in Malawi, about 72% of the population still earn less than the international poverty line of $2.15 per day (the SSA average is 41%). There are also high levels of vulnerability, with people falling in and out of poverty because of disease, climatic conditions, and other pull factors. Pest and animal diseases and different types of shocks cannot allow full gender development financing in these countries.

[79] *UNICEF (2023): Senegal Country Office Annual Report 2022*
[80] *ADB (2021): Africa Gender Index Report 2021*
[81] *UN Women (2022): country fact sheets for Senegal, Kenya, Zambia & Malawi*

Persistent failure to distinguish 'Gender' from 'Equity'. While gender and equity are meant to be complementary, most of accounting officers find it easier to allocate money to equity issues than to gender issues. Equity issues are sometimes easier to identify, allocate funds to, and report on. Some of the gender issues are relational, and in some cases, they relate to problems that cannot be efficiently dealt with, like power relations between women and men[82]. Therefore, planners and budget officers tend to respond to issues of equity more easily than gender issues.

SECTION SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1. Conclusion

Africa's share of SDR allocation is not only small at just 5.2% of the global allocation in 2021 but also was insignificant to match the development needs for Africa while addressing its increased debt vulnerabilities. The public debt in all the four Countries has increased debt risks with Kenya and Malawi at a high risk of debt stress while Zambia is already debt burdened. The debt service levels have risen and yet the post pandemic period is associated with austerity measures some of which at the risk of social sector spending, thereby disproportionately affecting women.

SDR holding as a proportion of Cumulative reserves in all the four countries more than 10% share but less than 100%, suggesting usage and thus an interest on utilized SDR allocation. While SDR offered option, there was never an explicit earmarking of the SDR. Although the SDR utilisation data is scarce and impartial, the available sources revealed multi use of SDR mainly for general budget support, public debt redemption, and rebuilding of foreign exchange reserves. In Malawi and Zambia, there were traces of social spending in utilisation of SDR.

Since no explicit earmarking is provided for the SDR utilisation on the budget, it is imperative to understand the gender responsive budgeting and gender budget allocation in the case study countries. While all the case study countries have adopted gender-responsive budgeting in some way, several indicators for best Practices for Gender Budgeting are still missing.

Overall, raising sustainable sources of financing is critical engine to addressing inclusive budget. It is essential to collective voices towards calling for reforms and dialogue over better allocations for SDR, transparency and alternative sources of financing while also strengthening progressively on gender-based budgeting.

6.2. General Policy Recommendations

Utilizing Special Drawing Rights (SDRs) for Gender Initiatives can be transformative. Prioritize allocating a portion of SDRs to fund projects promoting gender equality, women's empowerment, and education. Harnessing SDRs for gender initiatives will create a more inclusive and equitable society if the following recommendations are adopted;

Multi stakeholder engagement in SDR processes: This should also involve CSOs towards the next SDR allocation by IMF and inclusive budgeting and utilisation of the SDRs. Data tracking

[82] *DCED (2023): Gender equality Vs equity*

mechanism and transparency on the SDRs is a MUST for effective stakeholder engagement and dialogue.

Call for SDR and inclusive budgeting considerations into the legal frameworks: The presence of the relevant provisions in PFM Act in respective countries is a good starting point but can be amended to provide for SDR fiscal considerations and earmarked gender-based budgeting while also for oversight on the resultant processes by all stakeholders. Neighbouring countries like Uganda for instance has a good practice of gender-based budgeting by all sectors, with a certificate of compliance monitoring through the annual process by Equal Opportunities Commission which is established by an Act of Parliament. The legal provisions should also ensure transparency and accountability in the use of SDR resources. Establishing mechanisms for proper allocation, tracking, and reporting on the utilization of SDRs is crucial to optimize their impact on development goals.

Gender based public finance reforms in conformity to International Practice. Gender public finance reforms encompasses assessments of Gender Budgeting, Gender-Sensitive Revenue Policies, Gender-Disaggregated Data collection, Women's Participation in Decision-Making: Gender Equality in Public Service Delivery, Gender Impact Assessments on new policies, programs, and projects, Gender-Responsive Auditing, Gender-Responsive Social Protection, Gender Mainstreaming in Procurement and Capacity Building for Gender-Responsive PFM. New tool kits like the PEFA supplementary framework for assessing gender responsive public financial management (GRPFM)[83] are in place and can be relied on identifying reform areas.

Evidence based advocacy on fiscal inclusiveness for gender equality: Countries ought to design tax systems and expenditure policies that besides raising adequate revenues should not disproportionately affect poor households or women and girls. Women and young girls on the continent must also be capacitated to hold their governments accountable and demand for gender responsive budgeting. An example is the requirement that all sector budgets meet gender equality before approval by parliament. African Governments need to Enhance Transparency on public debt and utilisation of SDR: African countries should institute measures aimed at promoting transparency on how debt is acquired, allocated and utilised. This will require reforms at country level, including but not limited to legal and institutional frameworks for debt management, debt data quality, debt reporting and dissemination and oversight.

Emergency Fund. African governments through relevant ministries in conjunction with non-state actors should develop disaster risk management strategies which include setting aside sufficient funds/contingency fund through the budget process for emergency cases to cushion specifically women and girls from adverse effects, putting in place an efficient disaster response mechanism to guide and coordinate response during periods of emergencies.

Sustained Domestic Revenue Mobilisation: Case study countries should ensure that appropriate policies and frameworks are instituted and implemented to facilitate sustained domestic revenue collections in the wake of global economic shocks. This can be done through closing revenue leakages, minimising risks of IFFs, reducing generous tax incentives and building capacity of their tax administrations. Sustained DRM ensures that adequate revenues are availed to reduce fiscal deficits and consequently minimise the appetite for borrowing.

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[83] *World Bank Group (2023): Supplementary Framework for Assessing Gender Responsive Public Financial Management*