



Task Force 04

**TRADE AND INVESTMENT FOR SUSTAINABLE AND INCLUSIVE GROWTH**

## A Toolkit to Effectively Mainstream Gender in Trade Policies

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**TF04**



## Abstract

Women's greater and more effective economic participation represents an untapped potential for significant GDP growth worldwide. In international trade, addressing biases in public policies through gender mainstreaming is crucial.

Therefore, this policy brief offers actionable recommendations to address biased public policies and promote gender equality in international trade. It presents a toolkit designed to guide countries in mainstreaming gender in trade policies. Drawing on evidence of the economic benefits of reducing gender disparities as well as on countries' experiences, the toolkit covers five trade-related areas for policy action: trade policy governance, trade agreements, domestic trade policies, trade-related services, and aid for trade.

By advocating for the integration of gender perspectives into trade policies, the brief highlights the transformative potential of trade as a catalyst for economic empowerment and social progress. Importantly, it underscores the role of the G20 as a pivotal player in fostering international cooperation and driving gender-inclusive trade policies on a global scale. Through concerted efforts to mainstream gender considerations in trade, the brief aims to advance gender equality and promote inclusive economic development worldwide.



## Diagnosis of the Issue

A growing consensus among experts and policymakers in the leading economies suggests that any country can grow its gross domestic product (GDP) by adopting and implementing public policies to promote women's economic participation. But in order to achieve the full socioeconomic and developmental benefits of closing the gender gap, governments should prioritize gender mainstreaming in their policy efforts.

Reducing gender disparities in labor markets could boost GDP in emerging markets and developing economies by nearly 8 percent and the complete elimination of this gap could yield even greater benefits, raising GDPs by an average of 23 percent<sup>1</sup>. According to the Organisation for Economic Co-operation and Development (OECD)<sup>2</sup>, economies demonstrate enhanced resilience, productivity, and inclusivity when governments actively work to reduce gender disparities and advocate for women's equal participation across all areas of society. Unlocking the untapped human capital potential of women's participation in the economy is a catalyst for benefits to both men and women<sup>3</sup>.

But to achieve this goal and reduce the so-called "gender gap", governments need to acknowledge that policies are not inherently neutral or unbiased, neither on their design nor on their implementation and impact. Therefore, gender mainstreaming, an intentional strategy integrating a gender perspective into policymaking, can assist governments in

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<sup>1</sup> European Investment Bank, ["The Economic Power of Gender Equality"](#).

<sup>2</sup> OECD, ["Gender and Development"](#).

<sup>3</sup> Kommerskollegium, ["Report: Trade and Gender Equality – The Role of Trade Policy"](#).

attaining fairer outcomes. This approach can enhance public trust in governance, strengthen democratic institutions, and challenge gender stereotypes<sup>4</sup>.

In international trade, the gender gap exists in three main trade-related areas: employment, entrepreneurship, and consumption<sup>5</sup>. Thus, to reduce it, governments must mainstream gender in their own trade policies. A recent report by the World Bank and the World Trade Organization (WTO) highlights that trade has the capacity to increase women's participation in the economy, reduce inequality, and enhance women's access to education and skills. However, for these benefits to come to fruition, countries must implement trade policy reforms that mitigate discrimination against women while harnessing the substantial human capital that they represent<sup>6</sup>.

Despite many initiatives in the last few years, addressing the gender gap in trade is not an easy task. While trade agreements, domestic trade policies, trade-related data collection and analysis, and export and investment promotion programs often overlook or dismiss the distinct effects of trade on men and women, governments also tend to treat the issue tangentially rather than integrating it as a central component of policymaking.

In this context, there are two distinct sets of trade-related public policies that can be implemented to stimulate and strengthen inclusive and diverse opportunities. The first set tackles issues that indirectly affect international trade but are pivotal for laying robust groundwork for women's empowerment and development. These policies include access to healthcare, basic and advanced education, eradication of all forms of violence against women, equitable pay, economic empowerment, and opportunities for entrepreneurship.

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<sup>4</sup> OECD, [“Gender Mainstreaming in Policymaking”](#).

<sup>5</sup> Kommerskollegium, [“Report: Trade and Gender Equality – The Role of Trade Policy”](#)

<sup>6</sup> World Bank, [“Women and Trade”](#).

The second set, consisting of policies directly associated with international trade, addresses a range of issues tied to various domestic and international instruments that can collectively contribute to enhancing women's economic empowerment in trade as entrepreneurs, traders, employees and consumers.

Accounting for about 75 percent of global trade, G20 economies have a significant role to play in streamlining gender inclusive practices and policies to global trade. Therefore, to harness the full potential of trade as a catalyst of economic growth, poverty reduction, and social progress, governments must prioritize practical and objective ways to gender mainstream their domestic trade policies. The set of recommendations in this policy brief aims at providing G20 country members with a toolkit to mainstream gender in their trade policies, as well as to recommend their adoption by other, non-G20 economies, both developed and developing.



## Recommendations

This toolkit addresses exclusively policies that directly affect international trade. This set of recommendations includes both government-controlled policies, as well as those that would require bilateral, plurilateral, or multilateral trade agreements' negotiation.

To develop this toolkit, the authors revised policies, measures, and norms adopted by economies at various levels of development and different regions. These included Brazil, European Union, United Kingdom, United States, Global Alliance for Trade Facilitation, International Trade Centre (ITC), Kommerskollegium (National Board of Trade Sweden), OECD, United Nations Conference on Trade and Development (UNCTAD), and WTO. They directly assessed policy instruments or relied on compendiums of best practices compiled by relevant international organizations.

Numerous initiatives worldwide fall under a single policy framework aimed at addressing contextual challenges of women's economic empowerment and participation within individual countries. For instance, various trade-related capacity building and training programs exist, but while some provide women entrepreneurs basic export and import knowledge, others assist women in leveraging cross-border e-commerce as a trading tool. In view of this, the policy recommendations presented in this study are categorized based on their core characteristics only. Nonetheless, it is imperative to acknowledge that policy implementation must consider the unique elements of each countries' contexts.

Based on these assumptions, the authors have identified five main trade-related areas for policy action by governments to mainstream gender in their trade policies: trade policy governance, trade agreements, domestic trade policies, trade-related services, and aid for trade.

The toolkit below provides a checklist for governments in each of these five areas. It focuses on the essential elements that a gender-sensitive trade policy should have to be effective.

<b>Table 1. Toolkit for Governments to Mainstream Gender in Trade Policy</b>
<b>Trade policy governance</b>
<p><u>On institutional design:</u></p> <ul style="list-style-type: none"> <li>• Establish and enforce a minimum quota of women participants in the leadership of trade policymaking government agencies; and</li> <li>• Establish and enforce a minimum quota of women participants in trade policymaking interagency mechanisms (e.g., working groups, task forces, committees, etc.)</li> </ul> <p><u>On data collection and analysis:</u></p> <ul style="list-style-type: none"> <li>▪ Adopt a common definition for women-led and women-owned businesses (WLB/WOB) concepts, as defined by the International Organization for Standardization (ISO)<sup>7</sup>;</li> <li>▪ Create, collect, and analyze gender-related trade indicators, including by accounting for intersecting factors;</li> <li>▪ Create a methodology to assess the gender impact of trade agreements and domestic trade policies, and apply the methodology “ex ante” and “ex post”, as part of the Good Regulatory Practices (GRP) process; and</li> </ul>

<sup>7</sup> International Organization for Standardization, [“IWA 34:2021 Women’s entrepreneurship – Key definitions and general criteria”](#).



- Collect and analyze gender data in all trade-related services.

On trade-related information:

- Provide accessible, easy-to-understand trade-related information on policies, norms, measures, programs, initiatives to WLB/WOB, leveraging online government platforms.

**Trade agreements**

At the multilateral level:

- Adhere to the WTO Services Domestic Regulation agreement, the first one with gender-related anti-discrimination provisions; and
- Voluntarily include a “trade and gender” chapter in the government report as part of the WTO Trade Policy Review process.

At the plurilateral level:

- Adhere to the Global Trade and Gender Arrangement (GTGA).

At the regional and bilateral levels:

- Include in every regional and bilateral trade agreement tariff reduction commitments on goods exported by WLB/WOB;
- Include in every regional and bilateral trade agreement a “trade and gender” chapter with the following clauses:
  - Legally binding commitments on domestic policy reform to reduce in-country gender gap and assure all participating economies have the same set of gender mainstreaming policies (e.g., anti-discrimination, access to labor market, access to education, equal pay, domestic violence criminalization and victim protection, maternity leave, childcare, etc.);





- Legally binding commitments to secure participating countries adherence to international regimes designed to promote and protect women's rights, including the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW);
- Best endeavor commitments to (i) share gender-related best practices; (ii) avoid any kind of genderwashing practices; (iii) recognize that, in specific cases, addressing the intersectionality of gender with other dimensions of power such as race, ethnicity, sexual orientation, nationality, and economic status may demand customized strategies to ensure equal opportunities for all women; (iv) refraining from supporting or enacting discriminatory public policies that worsen power disparities within women-led and women-owned businesses; and (v) developing joint gender mainstreaming initiatives; and
- Application of dispute settlement mechanism to the trade and gender chapter.

### **Domestic trade policies**

#### On tariff policy:

- Identify and assess the nominal and effective levels of genderized tariffs on imports to support tariff reform aiming at the elimination of the welfare gap for women consumers;
- Identify and assess the nominal and effective levels of import tariffs to support tariff reform aiming at avoiding the tariff protection gap for WLB/WOB, as well as for women employees; and

- Include gender-related conditionalities in unilateral tariff preferences' mechanisms similar to the clauses adopted in trade agreements' trade and gender chapters.

On trade barriers:

- Identify and prioritize the reduction and removal of trade barriers on exports of WLB/WOB;
- Identify, facilitate, and prioritize the sanitary and phytosanitary certification of products in supply chains with substantial participation of women; and
- Establish and enforce a minimum quota of women participants in domestic standard-setting government agencies.

On trade facilitation:

- Include business associations representing WLB/WOB, as well as trade-related women professional networks, in the national trade facilitation committee; and
- Create institutional mechanisms and physical infrastructure to protect and promote women's rights in customs areas.

**Trade-related services**

On export promotion:

- Design and implement capacity building and training services to increase the participation of WLB/WOB in international trade; and
- Design and implement technical assistance (in-company) services to increase the participation of WLB/WOB in international trade.

On investment promotion:

- Design and implement investment attraction services to assess and increase the gender impact of foreign direct investments; and

- Design and implement aftercare services to assess and increase the gender impact of foreign direct investments.

**Aid for trade**

- Invest in and implement gender-related trade projects; and
- Mainstream gender in all trade-related projects.



## Scenario of Outcomes

This toolkit is a mechanism to standardize gender mainstreaming in trade policies. But for this toolkit to be effective, governments must utilize it as a guide, adapting it to their own individual contexts, but ensuring its policy implementation.

The endorsement and adoption of this toolkit and its recommendations by G20 member countries would be a major step in mainstreaming gender in international trade. The G20 could catalyze the adoption of these recommendations beyond its member states, fostering more gender-inclusive trade policies among G20 and non-G20 member countries with which they trade.

In addition to the endorsement of this toolkit by all G20 member states, it should formally recommend that the WTO and OECD adopt binding norms about the policies proposed in this toolkit to its member countries. Simultaneously, the G20 could serve as an international economic governing body to support, share best practices, and ensure accountability to countries mainstreaming gender policies in trade.

This ambitious outcome would require time, resources, access to adequate gender-disaggregated data, and concomitant policies to address structural barriers to women's full economic participation as entrepreneurs, traders, employees, and consumers.

In practical terms, Brazil's G20 could adopt a first version of the toolkit as a reference for all countries, recommend that they begin its implementation, and request the WTO, OECD and UNCTAD to monitor it, in a process similar to that adopted in relation to trade barriers after the Great Recession of 2008-2009. Brazil's G20 could also request these organizations to establish a single, joint register of gender mainstreaming trade-related initiatives with a view to identifying core initiatives to be included in the toolkit.

Moreover, the G20 could adopt revised versions of the toolkit in future summits, whenever necessary, to better reflect successful national and international experiences in closing the trade-related gender gap. Over time, the toolkit could be a basis for robust, legally binding plurilateral and multilateral trade rules.

Finally, Brazil's G20 could also request the WTO, OECD and UNCTAD to explore and suggest the inclusion of new trade-related gender mainstreaming policy actions in areas not currently covered by the toolkit. These areas can encompass trade finance, trade-related infrastructure and logistics, trade compliance (e.g., customs documents, certificates of origin, ATA Carnet, etc), trade remedies, trade-related intellectual property policies, and trade-related investment policies.

While supporting the implementation of the toolkit, the G20 and the international organizations should identify potential unforeseen consequences with a negative net result for women. For instance, the removal of trade barriers to benefit the exports of WLB/WOB from one country may generate more competition for WLB/WOB in another country. Similarly, tariff reform to reduce genderized import tariffs might benefit women consumers while negatively affecting women employees.

The toolkit should be seen as an evolving tool, with a set of policy actions based on successful experiences in multiple countries with varying degrees of development.



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