

Statement  
by  
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at the  
Preparatory Meeting of Commonwealth Heads of National Women's Machineries to Plan the 8<sup>th</sup>  
Commonwealth Women's Affairs Meeting  
"Financing Gender Equality for Development and Democracy"  
New York, 25 February 2007

Madam Chairperson,  
Excellencies,  
Friends and colleagues,

It is my great pleasure to address this Preparatory Meeting of the Commonwealth Heads of National Women's Machineries to plan the 8<sup>th</sup> Commonwealth Women's Affairs Ministers Meeting. I would like to begin by congratulating the Commonwealth and its Secretariat, in particular Ms. Ann Keeling, Director of the Division of Social Transformation Programmes, for this important initiative. I hope that it will lead to our increased collaboration on financing gender equality for development and democracy.

Given the Commonwealth strategic approach and strong commitment to gender equality, it is no surprise that this Meeting, leading to the next Commonwealth Women's Affairs Ministers Meeting to be held in my country, Uganda, in June 2007, has taken the lead in a series of major United Nations events with particular relevance to the critical theme of "Financing Gender Equality for Development and Democracy". These events include the UN High-level Dialogue on Financing for Development in 2007; the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha, Qatar, in 2008; the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) in Accra, Ghana, in 2008; and the 52nd session of the Commission on the Status of Women on its priority theme for 2008 "Financing for gender equality and the empowerment of women".

As the post-2005 World Summit world enters a new implementation era, and the United Nations is called upon to translate all commitments made at the major UN conferences and summits into concrete actions, the debate on how the financing for gender and aid effectiveness agenda can be harnessed acquires a new importance and significance. The Monterrey Consensus in 2002 recognized gender equality, women's empowerment and poverty eradication as

development goals. However, it provided little in the way of concrete action plans or specific policy recommendations that address any of these goals. As pointed out by the Millennium Project Task Force on Education and Gender Equality, because gender equality is multidimensional and multi-sectoral, the financial costs of efforts to promote it are difficult to calculate.

In the Millennium Declaration adopted in 2000, Member States resolved to promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable. Five years later, at the 2005 World Summit, Member States reaffirmed that the full and effective implementation of the goals and objectives of the *Beijing Declaration and Platform for Action* and the outcome of the twenty-third special session of the General Assembly is an essential contribution to achieving the internationally agreed development goals, including the Millennium Development Goals.

These commitments mirror the shifts in understanding the nexus between gender equality and development. Gender equality is a precondition for and indicator of sustainable people-centered development and democracy. It has become increasingly clear around the world that investments in women pay off many-fold. When women are given opportunities for education, access to resources and a place at the political table, including peace negotiation, not only are their quality of life improved, but also economies are strengthened, health care is enhanced and policies that benefit all women, men and children are given more attention. Moreover, as primary caretakers of the next generation, investments in women provide returns for decades.

- Research on agricultural productivity in Africa shows that reducing gender inequality could increase agricultural yields by more than 20 per cent.
- Research on economic growth and education shows that failing to invest in education can lower the gross national product (GNP) by roughly 25 per cent compared to countries with less gender disparity in education.
- Research on gender inequality in the labour market shows that eliminating gender discrimination in relation to occupation and pay could both increase women's wages by about 50 per cent and national output by 5 per cent.
- Combining education and financial services programmes in Nepal has empowered women to ensure girls have equal access to food, schooling and medical care.

We must seize the opportunities offered by the Summit and exceptional global economic growth to correct the world's current unacceptable social and gender inequalities including as the inadequate implementation of Security Council resolution 1325 demonstrate, in the area of peace and security.

However, achieving gender equality costs money – a fact which is often overlooked by governments in both developed and developing countries.

As a result, too often promising policy initiatives for gender equality and women's empowerment founder because insufficient resources are allocated to implement them. National gender plans exist in more than 120 countries but they are rarely integrated in national development plans nor are adequate provision made in national budgets to implement them. The routines of government resources fail to provide clear information about financing requirements and funding gaps for the achievement of gender equality and women's empowerment. Some countries have introduced gender budgeting to address these issues. The work undertaken by the Commonwealth Secretariat in this regard is commendable.

Without identifying financial requirements and resources to reduce and eliminate multidimensional and multi-sector gender bias, progress towards achieving gender equality and empowerment of women will remain elusive. Hence, there is a need to start looking seriously at the issues of mobilizing financial resources for gender specific interventions in all sectors.

Today's world possesses tremendous resources for development.

(a) Foreign direct investment in developing countries continues to be the largest component of private flows and is growing: after the greatest downturn in 2001, FDI rebounded in 2005 to \$165 billion up from \$94 billion in 2002.

(b) Workers remittances represent yet another important source of financing for development. The remittances are rising significantly: from \$88.1 billion in 2002 to \$93 billion in 2003.

(c) As a result of the commitments made in the Monterrey Consensus, the decline in the share of official development assistance (ODA) in developed country gross national income (GNI) was reversed: while still far behind the promised 0.7 per cent, it rose to 0.26 per cent in 2004. Preliminary estimates for 2005 show an increase to \$106.5 billion. In 2006-2010, about \$130 billion per annum would be available as ODA.

Innovative sources of financing are being explored, including a proposal to convene in 2007 a "forum on innovative financing for development", a solidarity duty on air travel tickets, initiatives to develop new vaccines and expand immunizations (the International Finance Facility for Immunization (IFFI)).

Yet, only an insignificant portion of the total amount of world's resources is channeled towards meeting the needs of gender equality and women's empowerment. For example, out of a total of \$69 billion of ODA made available in 2003, only \$2.5 billion or 3.6 per cent was earmarked for gender equality as a significant or principal objective.

The obvious question, therefore, is why? Allow me to highlight a few salient challenges.

First, domestic resources for development comprise the major source of finance for development. They are particularly important for supporting gender equality initiatives. They signal that a country is committed to achieving gender equality through investments of its own resources; that the country takes “ownership” of these initiatives. Domestic resources can ensure longer term sustainability for gender related interventions. Yet the average savings rates in developing countries are low and so is the disposable income.

Second, the labour force is one of the most important domestic resources to support development. However, when the target proportion of half the nation’s population remains outside of the labour force, it is questionable whether efforts to mobilize domestic resources would be successful. To reverse that more has to be done to advance the integration of women in the paid labour force. Progress will only be achieved when all of a country’s human resources – both men and women – are afforded opportunities to realize their full potential.

Third, although in the long-term domestic resources are key to supporting gender equality interventions, in the short-term external resources are critical for jump starting the allocation of domestic resources for gender equality interventions in low income countries. Yet, donor financing is far short of the amounts necessary to cover the costs of gender equality interventions. The result is a financial gap emanating from the inadequacy of both domestic financing and external resources for interventions to promote gender equality and women’s empowerment.

What can be done? To enhance aid effectiveness, aid transfers need to be increased, made more predictable, less fragmented, more closely aligned with women’s needs and targeted to where the aid can be productively used.

Recognizing these needs, a biannual meeting of the United Nations Inter-agency Network on Women and Gender Equality which I chair, and the Network on Gender Equality of the OECD/DAC held in January 2006, in Nairobi, Kenya, moved financing for gender equality to the top of its priority list. The meeting responded to new initiatives to enhance the quality of aid and increase its impact, including the “Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability” and recent decisions of the European Union to considerably expand ODA by 2015. Both Networks examined the implications of the new aid modalities for the achievement of gender equality and empowerment of women and developed joint strategies.

In order to make serious progress towards the creation of an enabling environment to finance gender equality and empowerment of women we need to:

(a) ensure that both resource mobilization - whether through mobilization of domestic or international resources, through the development of trade or through loans - and the allocation of these resources are in line with the overall county-owned development goals, including social and gender equality development goals. However competing priorities between poverty reduction, good governance, human rights, environmentally sustainable development, coupled with the conditions imposed in financial and trade liberalization processes, tend to place gender equality in national and international development strategies way down at the bottom of the list;

(b) enhance coordination among the different ministries dealing with social and economic development, in particular between the Ministries of Foreign Affairs, Finance, ministries working with social development and poverty eradication and those dealing with gender equality.

(c) strengthen national machineries' capacity to voice women's priorities in policy making processes;

(d) establish gender sensitive performance indicators for measuring progress in achieving development and gender equality priorities and their integration in country assessments, poverty reduction and MDG reporting;

(e) support civil society's advocacy for social justice and inclusion and accountability;

(f) advocate for greater donor and recipient countries' accountability for gender equality and women's empowerment; and

(g) establish sex-disaggregated data to improve national data collection and dissemination.

Distinguished Participants,

If gender equality and women's empowerment are to be realized, financial support for the interventions needs to be commensurate with the country's needs. The UN Millennium Project estimates that in most low income countries the costs of achieving all the MDGs, including gender equality, will require substantial external resources, despite increases in domestic resource mobilization. At the same time, empirical evidence shows that gender equality investments are typically accorded low priority within budget allocations. Thus special attention is needed to make sure that both women's specific and gender mainstreaming interventions are systematically included in scaling up strategies to achieve the internationally agreed development goals.

It is my hope that in the remaining months of the preparatory process we can deepen our knowledge and devise practical strategies to ensure greater allocation of domestic resources and significantly increase external financing towards promoting gender equality and women's empowerment. It is imperative that we move beyond conferencing and advocacy to implementation and monitoring. If we are to achieve the goals set in Monterrey and in Beijing,

investments in gender equality and women's empowerment must be increased significantly. This is an investment that is well worth the cost.

I wish you a very productive Meeting and a successful outcome in Kampala.

Thank you.

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