



31 January 2007

Excellency,

In my letter of 21 December 2006, I had the honour of inviting you to an informal thematic debate of the General Assembly on 6 and 7 March 2007, on the promotion of gender equality and the empowerment of women. The debate is a good opportunity to; share views on the actions, best practices and lessons learned in overcoming the challenges to achieve true gender equality; discuss how to bridge the gaps between policy and practice; and, renew political commitments towards full implementation of existing agreements.

The thematic debate will consist of two principal segments, a High Level debate in the General Assembly Hall followed by two interactive panel discussions to be held in the Trusteeship Council Chamber. The High Level debate will be held on 6 March 2007, at 10:00am. The interactive panel discussions will be held on 6 and 7 March 2007, in the Trusteeship Council Chamber. The first interactive panel addressing the importance of the role of women in decision making at all levels will begin at 3:00pm, on 6 March 2007. The second panel discussing the economic empowerment of women, including through micro-finance, will be held in the morning of 7 March 2007. A number of distinguished panelists will lead the debate. Background notes on the two issues to be discussed in the panel debates are attached.

In response to my previous request, I would be grateful if you could provide details of those participating from your capital, including at Ministerial level. Their participation at this event would be greatly appreciated and further demonstrate to a global audience your countries commitment to enhancing the quality of life and opportunities available to women. If you have any further enquiries we will be happy to assist you.

Please accept, Excellency, the assurances of my highest consideration.

Haya Rashed Al Khalifa

All Permanent Representatives and
Permanent Observers to the United Nations
New York

The role of Women in Decision-making

The Universal Declaration of Human Rights recognizes the right of every person to take part in the government of his or her country. Equal access of men and women to power, decision-making and leadership at all levels is a necessary precondition for the proper functioning of democracy.

Since the Beijing Platform for Action was adopted in 1995, the global average for women's participation in national politics has gradually increased from 11.3 per cent to almost 17 per cent in 2006. Nineteen countries, half of them in developing countries, have met the 30 per cent target set in Beijing. In Rwanda, women make up 49 per cent of seats in both houses of parliament, the highest in the world. At the local level too, women are making gains: in India, for example, over 1 million women hold seats in village councils, or Panchayats, helping to shape decisions that can directly affect the lives of women, especially poor women.

Important progress has also been made on the executive level, in both developing and developed countries. Worldwide there are 11 women elected Heads of State or Government, 23 Foreign Ministers and 12 Defense Ministers as well as 20 Ministers of Finance and 10 Ministers of Economic Planning and Development. In 2006, two countries, Chile and Spain, women reached parity with men in Cabinet-level positions. Not only are these women valuable role models, they can also be powerful agents of change at the national and global level. However, for the most part, such women are still the exception rather than the rule, and more needs to be done to overcome the major obstacles that inhibit women's participation and representation in decision making.

1. Increasing the Numbers: improving Representation

Many countries have now had considerable experience with quotas or other forms of affirmative action to achieve the Beijing target, including reserving a percentage of seats for women or establishing quotas for women on party electoral lists. Such measures are now in place in over 80 countries. However, it is not always the case that such measures select the best candidates, or that more women in public office will lead to a better representation of women's interests and concerns.

It is important to distinguish the goal of enhancing social diversity in decision-making with that of changing legislative agendas to make them more responsive to the needs of women and other underrepresented constituencies.

Bringing about substantive political change requires building more effective grassroots constituencies focused on women's issues that can mold public opinion; influence legislative agendas; political parties, civil society groups, and the media.

2. Accountability from a gender perspective

Too often, policy reforms to promote women's rights result in little change in the delivery of public services due to poor implementation and ineffective monitoring, and accountability systems. Governments have a range of possible internal and external accountability systems to assess public sector performance from a gender equality perspective. Strengthening the effectiveness and transparency of these systems, and ensuring that all public services adopt and promote gender equality can help to address systemic gender biases.

Gender responsive budgeting measures have helped to build women's awareness about accountability and have enabled more responsive governance. In addition, transparent information about government spending, for instance to local schools or clinics, have empowered women at the village level to raise concerns about the quality of policy implementation. In some instances, women have organised public hearings to demand greater accountability from local officials for poor provision of basic services.

3. Women and decision-making in the private sector

Women are now entering high-level decision making positions in the private sector. Among Fortune 500 companies in 2006, 10 were run by women. Women leaders have an enormous potential to influence the way we all live and work, by promoting fairer management practices, a better balance between work and family life and reducing gender disparities within the workplace.

The United Nations has established a comprehensive code of corporate conduct focused on empowering and investing in women worldwide. These principles provide companies with a set of goals to measure progress, and investors a set of guidelines against which to assess corporate performance on gender equality. The United Nations has also taken the lead creating a new Global Compact between business and society in support of development that benefits all. This partnership asks participants to embrace, support, and enact within their sphere of influence a set of core values in the areas of human rights, labour standards, environmental sustainability and anti-corruption.

Microfinance and the Empowerment of Women

The Fourth World Conference on Women in Beijing (1995), put women's access to credit on the international agenda. Since then, the number of women receiving microfinance has increased rapidly. By 1999, the number of poor women receiving micro loans had more than doubled to 10.3 million poor, and by 2005, this had jumped to 69 million, or 84 per cent of the total number of poor people receiving microfinance. Women have now gained an international reputation for their excellent credit performance, making them a priority for poverty-oriented credit programs.

For the majority of women borrowers, credit is much more than access to money: it is about women lifting themselves out of poverty, and achieving economic and political empowerment within their homes, their villages, and their countries. For example;

- 40 per cent of poverty reduction in rural Bangladesh has been attributed to the role of microcredit.ⁱ
- Combining education and financial services programmes in Nepal has empowered women to ensure female children have equal access to food, schooling, and medical care, and given women a stronger role in property transactions, and domestic and familial choices.ⁱⁱ

Microcredit and achieving the MDGs

One of the major objectives of the International Year of Microcredit (2005), was to promote the role of microfinance in achieving the Millennium Development Goals. The General Assembly adopted a resolution (A/60/210), recognising the importance of microfinance in achieving the MDGs, especially goals 1 (reducing poverty), and 3 (gender equality and women's empowerment). The resolution calls on Member States, the UN system and International Financial Institutions to maximize efforts and adopt policies to facilitate the expansion of microfinance to help meet the demands of the poor.

The 2006 Global Microcredit Summit adopted a specific target to **lift half a billion people out of extreme poverty** by;

- providing 175 million of the world's poorest families, especially the women of those families, with microcredit, to ensure that at least 100 million families rise above the US\$1 a day threshold.

In order to achieve this noble goal the full potential of microfinance must be realized. The most successful microfinance schemes have been complemented by access to other resources such as land and property, finance and marketing skills, as well as services that reduce women's household and care-giving burden. Creating an enabling environment for microfinance and women's empowerment can be achieved, by;

- **promoting women's access to public services and employment opportunities.** Public policy should promote social inclusion and equal opportunities for poor women. Women can become powerful catalysts for development when empowered through microfinance, but require access to childcare, health, education and skills, employment opportunities, and greater control over their fertility and children's education to enable them to take advantage of the opportunities that microfinance can provide.
- **establishing stronger partnerships** between the private banking sector and microfinance institutions so that the market plays a more effective role in contributing to poverty alleviation. Multinational banks that provide micro-loans have greater access to resources, banking technology, and broader range of financial services. These potential benefits however, need to be balanced against concerns arising from corporate lending practices and competition with microfinance institutions serving the poor.
- **providing complementary services with microfinance** such as literacy classes, business training and childcare. These are significant factors in improving both repayment rates and women's empowerment; therefore it is important to resist pressures on microfinance programmes to reduce operational costs by cutting back on such essential complementary services.
- **including women's empowerment indicators** in the design and evaluation of microcredit programmes. Best practices has shown that microfinance is more effective when assets used as collateral or purchased with loans are solely or jointly in women's names; a range of savings products and facilities offering higher interest rates are made available; the lending process includes participatory consultations, including for non-business loans such as health, education, and housing.

ⁱ Khandker, Shahidur R. "Microfinance and Poverty: Evidence Using Panel Data from Bangladesh," World Bank Economic Review, vol.19, no.2, 2005.

ⁱⁱ UNCDF website