

“Financing for gender equality and the empowerment of women”

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I am very grateful for the opportunity to provide you with some information on the outcome of the recent discussions in the United Nations Commission on the Status of Women on “Financing for gender equality and the empowerment of women.”

The United Nations Commission on the Status of Women plays a catalytic role in advancing the global policy agenda on gender equality and the empowerment of women. The Commission focuses on one priority theme at each annual session, and adopts policy recommendations which aim to enhance achievement of gender equality and empowerment of women at national level. These recommendations are broadly disseminated to governments, the United Nations system, NGOs and other stakeholders.

Prior to each of the annual sessions of the Commission, the Division for the Advancement of Women holds an expert group meeting on the priority theme to ensure access to the latest research and practical experience. The report from this informal meeting feeds into the report of the Secretary-General which is the official basis for discussions by Member States. I am happy to provide you with copies of the experts’ report and the recommendations adopted by the Member States at the Commission on the Status of Women on the theme of “Financing for gender equality and empowerment of women.”

The Beijing Platform for Action adopted at the Fourth World Conference in 1995 is the global “blueprint” on gender equality and empowerment of women, guiding the work of governments at national level. It included a specific chapter on resources. The decision of the Commission to focus on “Financing for gender equality and empowerment of women” at its 2008 session was taken to ensure follow-up to the recommendations on resources made in the Platform for Action, including on funding for the mechanisms established at national level to promote and monitor gender equality and on funding for the women’s movement. Although the issue of resources has come up in relation to many of the themes the Commission has considered since 1995, this was the first time the Commission had considered the issue of resources as a specific theme.

The decision to focus on this particular theme was also based on the need to influence a major global conference on “Financing for development” which will be held in Qatar later this year – to ensure that gender equality is taken into consideration in the preparations and outcome of this conference. This conference provides a unique opportunity for the international community to promote greater coherence between macroeconomic policies and resource allocations and the internationally agreed goals on gender equality and the empowerment of women.

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In the Beijing Platform for Action, Governments were asked to systematically review how women benefit from public sector expenditures, and to adjust budgets as necessary. Countries providing official development assistance (ODA) to developing countries were requested to carry out gender analysis of their programmes. Five years later, Governments were called on to give attention to gender equality in the design and implementation of budgets to ensure gender-sensitive resource allocations.

One of the major findings of the ten-year review of implementation of the Beijing Platform for Action in 2005 was the large gap between policy commitments at international level and action at national level. While there was little reliable and comparable data from national levels, it was recognized that inadequacies in resource allocations did play a role in the implementation gap.

The decision by the Commission to focus on financing for gender equality and empowerment of women was therefore a critical one, and the recommendations adopted are an important instrument which must be effectively used to ensure increased resources for gender equality and empowerment of women.

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The preparatory work for the Commission – including through the Expert Group Meeting- highlighted many important findings. It confirmed that macroeconomic policies have important implications for financing for gender equality. For example, the removal of tariffs and other trade barriers has an impact on prices of goods and services consumed by households, with differential impacts on women and men. Decreases in government revenues can lead to cuts in social spending, with direct impact on household budgets, and disproportionate impact on women.

World Bank research has made very clear that promoting gender equality is “smart economics” – that there are significant multiplier effects from investing in women and girls. At the same time, there is a growing body of evidence demonstrating that gender inequality is bad economics. According to the 2007 Economic and Social Survey of Asia and the Pacific, for example, gender inequality costs the region 80 billion USD a year. The region loses up to 47 billion USD a year because of restrictions on women’s access to employment, and up to 30 billion USD because of gender gaps in education. A recent edition of Poverty in Focus highlighted that addressing gender inequality in education and employment, women’s unequal access to productive assets and their increased time burdens due to unpaid work, can help to accelerate both overall economic growth and pro-poor growth.

It needs to be recognized, however, that the promotion of gender equality and the empowerment of women does involve significant costs, particularly because of the nature and scope of existing inequalities in all parts of the world. These costs need to be specifically assessed and the sources of resources identified. The costing of required national level

interventions should be based on locally-identified needs, within the framework of broader global goals and targets. The costs for areas where progress has been particularly slow should be specifically assessed, such as violence against women, women, peace and security, and women's participation in decision-making.

While the costs of addressing gender inequality are significant, the means to meet these costs are available. While research has shown that investing in women is affordable within existing commitments on official development assistance (ODA) from external sources, gender equality should be funded, at least in part, through the mobilization of domestic resources to promote ownership and sustainability.

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Research in preparation for the Commission showed that, despite all this evidence, and the many calls for gender mainstreaming in economic policies and programmes and in budget processes, macro-economic development and public sector expenditure have not systematically addressed gender equality concerns. Efforts have been made in many countries to integrate gender perspectives into national budgets in order to better align policy commitments on gender equality with resource allocations. These efforts have involved a wide range of stakeholders, including researchers, non-governmental organizations, ministries of women's affairs and other official mechanisms for promoting gender equality, and ministries of finance.

Little is known, however, of the practical impact of many of these efforts. Many have remained at the level of analysis and have not moved to influencing budget formulation. Challenges include the fact that attention remains focused on expenditures rather than revenues and that there is limited dialogue between ministries of finance, official mechanisms for gender equality, such as women's ministries, and civil society groups.

A recent study by OECD-DAC indicated that, on average, \$8.5 billion of \$26 billion reported bilateral aid allocable by sectors focused on gender equality, with two-thirds of this funding directed to the social sectors, mainly health and education, and limited funds allocated to promoting gender equality in the agriculture, infrastructure or finance sectors.

In addition to domestic public finance and external multi-lateral and bilateral resources, funds and foundations have been established to mobilize resources for activities promoting gender equality and the empowerment of women. Private sector companies have also provided funding for gender equality activities, and developed products and services specifically geared to women and girls.

Women's funds, or funds run by women for women, are emerging as an important tool for resource mobilization for gender equality and the empowerment of women. Such women's funds have been set up at international, regional and national levels. Many provide the type of very small grants which women at local level need and which larger donor organizations are reluctant or unable to provide. According to AWID (the Association for Women's Rights in Development), in 2004 women's funds held approximately USD 24 million in net assets, earned USD 28 million in revenue and disbursed 15 million in grants.

In recent years there has been increased attention to remittances as potential sources of development financing, since in some countries remittances surpass official development assistance (ODA) flows. Many women migrants contribute to gender equality and empowerment of women in their countries of origin through their remittances. However, given the unfavourable conditions under which many migrant women work, jeopardizing their own health and safety to remit a large part of their earnings to their families in their countries of origin, concerns have been raised about the costs of these remittances to the women themselves.

Two important actors for promoting gender equality and empowerment of women – the women’s movement, or women’s groups and networks, and the official mechanisms established by Governments to promote gender equality and empowerment of women, including women’s ministries, have been particularly effected by the lack of resource allocations.

Since 1995, the women’s movement has been confronted with considerable challenges in securing adequate financial resources. Some funders have reduced their funding for women’s groups and networks. However, at the same time, it should be noted that some strong supporters of gender equality, including development agencies and public foundations, are also realizing that partnerships with the women’s movement can, in fact, increase the impact of their funding.

Around the world, the mechanisms set up by Governments to promote and monitor gender equality are very uneven in their effectiveness because they are marginalized in national government structures and hampered by a lack of resources and political support. These mechanisms often lack the financial and human resources necessary to carry out their mandates in support of the implementation of policies and programmes that promote gender equality and the advancement of women.

The research in preparation for the Commission also showed that many gender equality policies, strategies and action plans – whether prepared by Governments or organizations such as the United Nations – did not provide an estimate of costs for implementation or identify sources of funding. When evaluations or audits of implementation of these policies, strategies and action plans were carried out, these did not either address resource issues. In fact, very few bodies could accurately assess the resources allocated to promotion of gender equality and empowerment of women, particularly efforts to implement gender mainstreaming. These failings constituted a critical constraint to effective work on gender equality and empowerment of women.

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Having given this background, I would now like to briefly discuss the main achievements in the recommendations adopted by the Commission and highlight the importance of effectively using these recommendations in all relevant contexts.

The recommendations adopted by the Commission represent a significant step forward in calling for increased resources for gender equality and empowerment of women. The primary responsibility of States for providing adequate resources for gender equality is highlighted but, at the same time, the important roles of other stakeholders, such as the United Nations, donors,

NGOs and the private sector, are highlighted. The need to involve the official mechanisms for gender equality, such as ministries for women, in economic decision-making is emphasized.

Very importantly, Member States recognized the growing body of evidence that investing in women and girls has multiplier effects and that women's economic empowerment is central to achievement of the poverty eradication and all development goals, including the Millennium Development Goals. They also expressed concern that insufficient political commitment and budgetary resources undermined the effectiveness of both official mechanisms and women's organizations.

Member States called for an increase in investment in gender equality and the empowerment of women through both domestic resource mobilization and official development assistance (ODA). They highlighted the need for attention to the resource needs for gender equality in all national economic policies, strategies and plans and in public finance management, including in budgets – in both revenues and expenditures. The importance of capacity building to ensure gender-sensitive analysis of all macro-economic policies and budget processes was raised. Member States also pointed to the need to ensure that women are able to share in the benefits of globalization and that any negative impacts are addressed.

There are important recommendations on ensuring attention to gender equality aspects in trade, debt, taxation, employment and markets which will be very useful in ensuring that the conference on "Financing for development" later this year will give attention to gender equality issues.

Priority was given to assisting the efforts of developing countries. Developing countries were urged to meet the target for development assistance of 0.7 percent of GNP, and developing countries were encouraged to ensure that official development assistance (ODA) is used effectively. It was recommended that the focus and impact of development assistance specifically targeting gender equality and empowerment of women and girls be strengthened.

Actions are also recommended to strengthen financing for gender equality in a number of sectoral areas, including employment, education and health. Attention is drawn to the areas of peace and security, and environmental issues and climate change. Attention is given to women's entrepreneurship and access to credit.

Member States stressed the need for the empowerment of women and for strengthening women's participation in all economic processes. Particular attention was given to strengthening the role of the official mechanisms for gender equality, including through increased dialogue with ministries of planning and finance. Member States also called for more supportive environments for the mobilization of resources by NGOs to increase the effectiveness of their work for gender equality.

It was recommended that national plans for gender equality be specifically costed and their implementation adequately resourced. The need to incorporate such plans into overall national development plans and sectoral plans was highlighted. There is a strong call for

increased resources for gender mainstreaming, including for capacity-building, and for strengthened efforts to measure progress in financing gender equality was raised.

The critical role of the United Nations on gender equality and empowerment of women was recognized and Member States noted that this work was seriously under-resourced. It was made very clear that the coordination, effectiveness and efficiency of the United Nations, including through more effective gender mainstreaming, is critical for assisting Member States to implement their commitments on gender equality and empowerment of women. For this reason, it was stressed that adequate human and financial resources need to be made available to the United Nations.

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The Commission on the Status of Women is concerned that its outcomes be effectively used to bring about change in the lives of women and girls at national level. It is important, therefore, to find ways to disseminate and use these outcomes. The Division for the Advancement of Women will produce the recommendations in a brochure form in all six languages of the United Nations. We will also create a webpage to provide information on follow-up. In two to three years time, the Commission will revisit these recommendations during one of its annual sessions and encourage Member States to share information on how they have worked to implement them, and to provide good practice examples of activities undertaken.

With regard to this particular set of recommendations on “Financing for gender equality and empowerment of women”, we have a unique opportunity to use them effectively, by working to ensure that they are considered in the preparations and outcomes of the meeting on “Financing for development” to be held in Qatar later this year. Getting some of the recommendations into the outcomes of this conference would be very important as the participants and target-groups of the “Financing for development” conference are from ministries of planning and finance, ministries which are normally not directly involved in work on gender equality.

NGOs can play a key role in ensuring that the recommendations are widely disseminated, discussed at national and local levels, and used as an advocacy tool to push for change. NGOs can monitor the progress by Governments in implementation.

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The focus of your meeting on “power” is very important. In the research carried out prior to the Commission and in the negotiations of the recommendations, the importance of empowering women was highlighted time and again. Increasing the allocation of resources to match the political commitments is a critical element of this empowerment.

One area of women’s economic empowerment requiring urgent attention is women’s participation in economic decision-making. There are few reliable and comparable statistics available in this area. A recent article in the New York Times (22 March 2008) indicated that progress in increasing the numbers of women on corporate boards is constrained by the small number of women who have made it to the so-called “corner offices” (reached high-level

decision-making positions), as well as by “a deep-rooted desire to preserve traditional male networks and the chemistry and comfort level that go with them.” It is positive, however, that a growing number of companies are actively searching for women to serve as directors, as part of the push for diversity of perceptions and approaches in economic decision-making as a means to enhance economic performance.

One success story in this area is having positive implications for developments in other countries. Norway has put in place a law requiring companies to fill 40 per cent of corporate board seats with women, with the threat of penalties if companies do not comply. This was deemed necessary because in 1993 women held only 3 per cent of corporate board seats, and by 2002 this had only increased to 6 per cent. With this rate of growth it would have taken 100 years to reach 40 per cent. Five years after the initiation of the discussion, Norway has already almost met the 40 per cent requirement. The new law has been termed “the largest transfer of power to women since they got the vote”. The success on corporate boards in Norway has raised the expectations among women in other parts of the world.

The General Assembly will consider women’s economic empowerment in 2009. The Division for the Advancement of Women will prepare a “flagship” report to guide the Member State’s consideration of this important topic. The Commission on the Status of Women in 2009 will address another important issue for women’s economic empowerment, the sharing of responsibilities between women and men. Already in 1995, the Platform for Action recognized that women’s access to education, employment, and participation in public life, was constrained by the unequal sharing of responsibilities for home and families, including for care-giving. This will be another very important discussion in the Commission with implications for women’s economic empowerment which I hope you will also follow closely.

I wish you a very successful meeting.

Thank you.