

NORDIC DEVELOPMENT POLICIES AND PRIORITIES

Mette Ravn, Deputy Director General, Norwegian Ministry of Foreign Affairs.

It is a pleasure for me to be here today and I look forward to a constructive dialogue on poverty reduction and gender mainstreaming together with many distinguished representatives from the IDB and my Nordic colleagues. These issues are very prominent on the development agenda of the Nordic countries in its development cooperation with international institutions as well as in bilateral development cooperation.

I have been given the opportunity to talk in the opening session about the Nordic development policies and priorities, especially in relation to the multilateral development banks and the IDB in particular. I will start by giving you an overview of our policies on reducing poverty and promoting gender equality in the developing world and place it in the Nordic's own development context. From there I will be more specific and discuss international cooperation policies and our policies toward the IDB.

Guiding principles for our development assistance

The development of Nordic societies has been based on welfare state thinking. The Nordic welfare state thinking and its operationalisation today are based on long-term experience, success and failures, lessons learned. These we want to share with others – not as teachers, but as partners in an open and equal dialogue. Our own achievements are soundly based on the idea of “Society for all” which all Nordic welfare states share. We believe that every citizen has a right to social security and basic social services. While not suggesting that our models should be copied to enhance Latin American development, (– This is another lesson that we have learned: Solutions that work in one specific environment, often fail if replicated elsewhere. Success is built on deep understanding of the specificities of every situation. –) we do feel that our experiences may give some food for thought also when discussing the Latin American challenges. I want to start by correcting some misconceptions:

- ?? A welfare state is not a manifestation of a centrally planned public system that ignores the potential of the private sector. Our Nordic systems have traditionally been characterised by broadly participatory decision making at local level. From the beginning, women have played an important role in the local decision-making. Today, quota-systems are established in the local governance to ensure balanced participation of both sexes. Service production has been based on a public-private mix. In other words, the involvement of both non- and for-profit civil society and decentralisation have been essential elements of the system.
- ?? Unaffordability and fear of high taxation are arguments often used against welfare states. Looking at our experience, it is worth noting that half a century ago when the basis of the system was established, the Nordic countries were not rich countries but relatively poor, and, except for Sweden, war torn societies with per capita incomes similar to Argentina, Chile or Uruguay. Yet it was not unaffordable to implement a land reform and to establish a social security system. The major aim of our social policies of the 1960s was to untap all human potential and to harness all available resources, including the energy, innovativeness, and enterprising spirit of men and women, urban and rural, young and old,

to contribute to our nations' economic growth and social development. Intensively equality enhancing regional policy has thus been an essential element of poverty reduction in the Nordic countries. Social security systems that pool livelihood risks among the whole population and ensure access to services for all have been foundations of poverty reduction and equity in our societies. The social security system is based on individualised allowances and benefits. This means that benefits are directed also to women as individuals and citizens, not as spouses. This, together with a working child care system has enabled women to take fully part in the labour market. Though we also still have work to do to achieve gender equality, these have been corner stones in the achievements made so far.

Our experiences point at some basic conclusions: Economic and social development are interdependent. Equity promotes growth. Even the IMF agrees on this today. The establishment of welfare states has been the best possible long-term investment in the Nordic countries. Our relatively high ranks among the world's nations in economic, human and technological development is soundly rooted in our inclusive systems.

Our international commitment has been created in this socio-economic context and principles of inclusion, equality and solidarity have guided our actions in the development field for decades. The struggle against poverty has been a major force and motivation behind Nordic development cooperation from the beginning with a strong political backing. Today, reduction of poverty, improving the livelihoods of the poor and promoting sustainable development continues to be an overarching goal of Nordic development cooperation.

In our policies to reduce poverty we apply the following strategies:

- ?? Promote sustainable development through pro-poor economic growth with equal participation by women and men;
- ?? Strengthen social sector, including education and health, as a basis for the development of human resources;
- ?? Promote public participation in the development process, and democratization and good governance as a condition for a stable economic, social and political development.

The Nordic countries are well known worldwide for their gender equality achievements and promoting equality between women and men has been and continues to be a consistent feature of Nordic development cooperation. In order to promote equality and the equal and active involvement of men and women in the development process, the Nordic countries' development policies emphasize:

- ?? gender mainstreaming in all elements of development cooperation;
- ?? promotion of opportunities for women to influence the development policy agenda;
- ?? advancing gender equality in the political dialogue with the program countries and in negotiations with multilateral system.

Our countries have, both multilaterally and bilaterally, given priority to follow up the resolutions and action plan from the UN's Fourth Conference on Women in Beijing, especially promoting girls' and women's human rights and economic participation and development of primary health services and basic education for girls and women. The Nordic countries have been in the forefront to ensure that international institutions design economic reform programs that do not have unintentional adverse effects on women, but rather

strengthen women's opportunities for economic activities. Earmarked contributions have been used to steer policy in multilateral organizations in the desired direction.

Gender inequality and poverty are intrinsically linked and poverty often reinforces gender inequality. Poverty therefore often hits women harder than men mainly caused by existing patterns of gender inequality. We cannot fight poverty without considering women's rights and equal participation. Improving women's status is therefore crucial in any effort to combat poverty.

International Cooperation

High priority is given to cooperation with the multilateral system on development assistance, reflected in the multilateral assistance's share of total development assistance, which varies among the four countries ranging from approximately 30% to 50%. The basis for our international cooperation is active partnership, solidarity and mutual obligations. In very general terms, the Nordic countries pursue a policy of active multilateralism. In relation to the multilateral development banks, this implies both supporting them financially, and also seeking to exert some influence on their agenda, their strategies and policies. The overall objective of our international engagement is to assist in the global fight against poverty and promote sustainable development through pursuing our policies in international negotiations and the multilateral development banks. We are small countries and cooperation with like-minded countries is key to increase leverage and influence the organizations to focus their activities and attach greater importance to poverty reduction, gender equality and sustainable development.

The Nordic countries believe that the multilateral organizations can and do contribute substantially to accelerate efforts to reduce poverty and enhance gender equality in the developing countries. In recent years, poverty orientation, gender mainstreaming and good governance have been placed on the agenda of the development banks. There has been a greater awareness of the importance of civil society involvement, which has improved the basis for cooperation, including other donors, in the individual recipient countries. Increased coordination and division of labor among the multilateral banks is increasingly recognized as a necessity to enhance effectiveness of their investments. The organization for improved development coordination is often referred to as the Comprehensive Development Framework, in which the recipient countries themselves should take the lead. This is very much in line with the new international development cooperation strategy adopted by OECD and subscribed to by the Nordic countries. Active partnership and local ownership, implying that developing countries assume responsibility for their own development are central elements of this new strategy. This reorientation in international development cooperation is seen as necessary to increase the effectiveness of the assistance provided both through bilateral and multilateral channels. Many donors have recently focussed and concentrated their assistance to ensure greater impact. The international development goals, especially the goal of cutting poverty in half by 2015, are key priorities for the Nordic countries in both bilateral and multilateral development cooperation in the years to come.

The Nordics and the IDB

The IDB is the largest of the multilateral development banks in Latin America and Caribbean (LAC) and the biggest source of bilateral development assistance in this region. Its regional

character makes it a major and highly influential player in promoting economic and social development in the region. The IDB is an important dialogue partner in key areas with potentially strong poverty reduction impact such as trade, modernization of the state and social sector reforms. In addition, the IDB is a coordinator of bilateral and multilateral donor support through its leadership in the consultative group meetings in Central America, an important region for Nordic development assistance. The Nordic countries also take advantage of the Bank's special capabilities in the private sector, good governance and regional integration. These characteristics make makes the IDB a central development partner for us in Latin America and the Caribbean.

Through its membership in and collaboration with the IDB, the Nordic countries wish to contribute to:

- ?? strengthening the IDB as a development institution and increase the development effectiveness of its investments;
- ?? increasing mainstreaming of cross cutting issues such as poverty reduction, good governance, gender and environment in all stages of IDBs policy and operational work;
- ?? increasing emphasis on civil society participation and national ownership to Bank financed projects and programs and strengthening donor coordination.

The Nordics use mainly three different mechanisms in pursuing their development policies in the IDB.

- ?? close coordination and collaboration among the Nordics and other like-minded in the governing bodies of the IDB;
- ?? replenishment negotiations of ordinary capital and fund for special operations;
- ?? co-financing of specific thematic issues of priority to Nordic development policies.

The Nordic countries have, through these mechanisms, contributed actively to move the IDB agenda toward a stronger focus on poverty reduction and gender mainstreaming in its policies and overall work in recent years and will continue to do so.

The Nordics have over the years provided funding for initiatives that have strengthened the Bank's and the countries' capacity in these priority areas through for instance trust funds, financing of seminars and conferences and secondments.

In line with the new development strategy, the Nordic countries are leaning toward a more thematic use of their funds on highly prioritized focal areas in line with core international development policy areas in the future. Much stronger focus will be given to measure the impact of our efforts on reducing poverty and promoting gender equality in close dialogue with the IDB.

Thank you.

Paris, 10 January 2002