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PANEL

**Financing for gender equality
and the empowerment of women**

Written statement*

Submitted by

Guro K.H. Vikør
Ambassador for Women and Gender Equality
Ministry of Foreign Affairs
Norway

* The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.

I will start by reviewing the overall picture, before I go on to relate the Norwegian experience. Which basically is about the importance of an active political commitment.

Over the past 10 years there have been **seismic shifts in how aid is delivered**. These include:

- The poverty reduction strategy papers of the 1990s, based on partner countries' medium-term priorities and plans
- The sector-wide approaches also developed around the same time—which are large spending programmes in areas such as health, education and agriculture—again, based on partners' priorities and plans.
- The Millennium Development Goals agreed to by all governments— both donors and partners— as the basis of what we want to have achieved by 2015
- And lastly, *the Paris Declaration on Aid Effectiveness* of 2005, agreed to by donors and over 60 partner countries.

At the same time there have been very significant donor promises of increased aid.

In 2005 Official Development Assistance ODA reached a record US\$106.8 billion. Some 20 per cent of that total went to debt relief for Iraq and Nigeria. Aid funding has recently been rising by 5 per cent per year – but would need to rise by 11 percent each year from 2008 to 2010 to meet targets agreed to by the International donor community.

At the same time, aid focused *principally* or *significantly* on gender equality and women's empowerment increased dramatically and amounted to US\$7 billion dollars in the 2004 and 2005 years. Subtracting debt relief to Iraq and Nigeria, a little less than 10 per cent of Official Development Aid could be traced to women and gender equality.

The Norwegian experience

The (present) Norwegian Government is strongly committed to gender equality. Women's empowerment and gender equality is identified as one of the five pillars of Norwegian development policy.

Importantly, attention has been directed to **financing** for women and development. A specific budget line for women and gender equality was introduced this year, and new money has been allocated to targeted measures for women and gender equality over other budget lines, notably for humanitarian assistance, and peace and reconciliation. Altogether, allocations for targeted measures have been increased by nearly 400 million NOK, or approximately US\$ 65 millions.

In parallel, we scrutinise the overall budget with a gender lens. The objective is to ensure that all budget lines for development co-operation visibly incorporate gender equality objectives. That means those managing the various budget lines have to report on spending for gender issues.

The Government will allocate 1 per cent of the steadily increasing Norwegian GNP to development co-operation. In 2007, the expenditure is at approximately 0.98 per cent. We will ensure that budget allocations for women and gender equality **as a minimum keep up with**

increases in the gross budget for development co-operation. We aim to see a steady increase in the overall percentage traced to gender equality as a principal or significant objective.

Investing in women and development is not only morally right it is also good economics, as argued by our Prime Minister Jens Stoltenberg in ECOSOC last year:

”My main message today ... is that the greatest gains countries can achieve, economically as well politically, come with empowering women, ensuring equal opportunity, health care, and increasing the ratio of women’s active participation in working life.”

Pushing for change in the multilateral institutions

We strongly support the UN Reform Panel’s recommendations for a new gender entity that is financially strengthened and independent. The new entity should retain a two pillar structure, operational and normative. The operational capacity of UNIFEM must be enhanced to improve its impact at country level and exert authority in UN Country Teams. This year, we have increased our support to UNIFEM by a 150 per cent. And we are prepared to put money into the new entity. Norway will scrutinize multilateral organizations where we sit on their boards, and hold them accountable for promoting gender equality and the empowerment of women. They have to document that they deliver for women on the ground.

Norway has actively pushed for action in the World Bank and for a closer co-operation with the UN. As a result, the Bank recently launched the new Action Plan “Gender as Smart Economics”. We welcome the co-operation with UNIFEM on implementing concrete results-based initiatives. Norway contributes financially to implementation of the Plan. And we will make sure the World Bank spends from its own resources to implement the plan—and delivers results for women on the ground.

Promoting spending for women at the country level

We will use the political dialogue and program support to underpin women’s rights and gender equality at country level. Gender issues must be included in the formulation, implementation and evaluation of Poverty reduction strategies, National Plans and sector strategies. We will support gender budget initiatives that aim to ensure an equitable distribution of public resources and development for women. We will support women’s organizations and other agents change. The most effective driver for change is a strong and vocal constituency for gender equality and the empowerment of women that can voice demands and hold their Government accountable.

We all need to be more effective in placing women’s rights and gender equality firmly on the agenda at country level. Let’s work together to make that happen and achieve our goals.