

UNCTAD XII. Norway's intervention at the General Debate

Honourable ministers, Excellencies, distinguished delegates, ladies and gentlemen. Let me first join all the other speakers in thanking the Government of Ghana for hosting this conference and for the excellent facilities and organisation you are providing.

In my intervention today I would like to focus on three issues within the overall theme of globalisation: 1) UN reform and the role of UNCTAD, 2) the Doha Round and Aid for Trade, and 3) Finance for Development.

Norway is concerned that many African and least developed countries are not taking part in the global growth, and are generally off-track in terms of meeting the Millennium Development Goals. The current hike in food prices has already had a negative impact on the poorest countries. This needs immediate attention. Furthermore, it is not yet clear how the current financial and credit crisis will affect the developing world.

National governments and policies are key in shaping a country's future as experienced in Norway. In this respect, the increasing focus on good governance and well-functioning institutions, and the fight against corruption in many developing countries is encouraging. But a lot more still needs to be done. Equally important is the issue of gender equality. Sustainable growth cannot be achieved without empowering women. We welcome that this issue is rising on the international agenda, and commend UNCTAD's intention to address the gender perspective in its analyses, including the impact of trade liberalisation on women.

Ladies and gentlemen, Norway is fully committed to UN reform. Reform is a particular challenge for organisations like UNCTAD that do not have a country

presence, especially when the focus is on “UN delivering as one”. We therefore applaud UNCTAD for taking the initiative of establishing a cluster on trade and productive capacity. We expect positive results from this initiative, both in the area of Aid for Trade as well as in UN reform.

UNCTAD’s three pillars need to be better balanced. The excellent analyses it produces must be transformed into tools that benefit developing countries, especially the LDCs. UNCTAD has persistently provided us with analyses on economic trends in the global economy. This work is commendable and has given us useful perspectives and analytical tools. However, there is scope for consolidating the vast variety of issues.

UNCTAD is at a crossroads. The global aid architecture is changing rapidly. Over the past years, other development actors have increasingly been working on areas within UNCTAD’s mandate. We were pleased with the Secretary General’s initiative to reposition UNCTAD in the global architecture through the creation of the Eminent Persons’ Panel. However, to our disappointment the follow-up of the Panel’s recommendations has been slow. I will address this issue in more detail during roundtable eight.

Ladies and gentlemen, Norway emphasises the further development of a global rule-based multilateral trading system and will work actively and constructively towards a successful outcome of the Doha round.

Duty-free and quota-free market access for all goods from all Least Developed Countries (LDCs) was implemented as part of Norway’s General System of Preferences from January 2002. In January this year, Norway implemented several changes in its GSP, including the extension of duty-free and quota-free

market access for all goods to 14 low-income countries that are not the part of the LDC group.

However, market access is not sufficient. Aid for trade is needed to integrate developing countries into the global trading system. Norway recently launched a plan of action on aid for trade for which additional funds have been allocated. The three key thematic areas are: good governance and the fight against corruption, women and trade and regional trade. Norway will not support programs that contain conditionality on liberalisation and privatisation. Priority is given to Africa and the least developed countries and the funds will be channelled primarily through multilateral organisations. The Enhanced Integrated Framework (EIF) is of particular importance. We hope that the last outstanding issues will be settled soon, so that momentum and credibility will not be lost.

Ladies and gentlemen, the issue of Financing for Development is a very important process on which Qatar will host a high-level meeting in December this year. In addition to aid for trade, Norway will emphasise four key points in Qatar:

Firstly, since aid volumes are lagging well behind donor commitments, we urge countries to scale up their aid delivery, and to work towards aid effectiveness in line with the Paris Declaration.

Secondly, Norway is a strong supporter of targeted debt relief to LDCs. Debt relief to the poorest countries must be achieved through additional funding. A crucial task for countries that have received debt relief is now to avoid a new debt crisis. Full transparency regarding loan conditions is key. In addition, without greater focus on responsible and sustainable lending and borrowing,

we will jeopardise what has been achieved so far. Norway recently commissioned two studies on odious debt, by UNCTAD and the World Bank respectively. We want to stimulate to a constructive debate on this important topic, and would like to commend UNCTAD for its contributions on this issue.

Thirdly, there should be increased attention to global illicit cross-border financial flows which are estimated to amount to between USD 1 trillion and USD 1.6 trillion per year. Half of this amount is thought to originate in developing countries. This leakage of funds undermines the mobilisation of domestic resources, reduces funding for development, facilitates corruption and other criminal activities, weakens accountability and increases inequality. These financial flows also undermine efforts to build well-functioning societies and democratic institutions.

Norway, together with a number of other countries and multilateral institutions, has taken a proactive role in this area, and is at present chairing an international task force that is addressing the complexity of the issue.

Fourthly, increasing the voice and representation of developing countries in the Bretton Woods institutions is another area that needs closer attention.

Ladies and gentlemen, let me conclude by stating that UNCTAD can play a constructive role in assisting developing countries in addressing many of the challenges mentioned. However, it will only be able to do so if it reforms, becomes more efficient and focuses on its comparative advantages.

Thank you for your attention.