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Statement by

Ms Paula Lehtomaki Minister of Foreign Trade and Development of Finland. UNCTAD XI, São Paulo 13.- 18.6. 2004

Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen.

Let me start by congratulating you, Mr Chairman, for your election and wish you every success in your challenging task. I also want to express my gratitude, on the behalf of my Government, to the Secretary-General Mr. Rubens Ricupero and his staff for their excellent work in preparing this Conference. I would also like to start by emphasizing that Finland associates itself with the EU -statement.

UNCTAD XI is organized at a time when smooth continuation of the Doha Round is at the critical juncture. It is my Government's wish that the results of the trade talks will be successful and that they live up to the unofficial name of the round - the Doha Development Round.

Fair globalization could prove to be the opportunity of this century for global development and equity. I believe that globalization should not only be about economic opportunities but also about social opportunities that make it possible for all the people in the world to improve their lives.

We all know that trade can play a crucial and important role in the development processes and the poverty reduction efforts of the developing countries. Our common challenge is therefore creating an environment for strong trade and poverty reduction link in the developing countries.

The foundation of fair globalization has been laid in the series of international conferences of the 90s. We all know what has been agreed on. We have the goals and the operational frameworks at hand. But we have not fulfilled our responsibility in meeting our commitments especially at country level. As a follow-up of these conferences, all parties concerned should intensify their efforts in implementation of their outcomes.

The progress of the implementation of the Millennium Declaration and MDGs will be reviewed in 2005. Finland believes that UNCTAD has to play its role in achieving the MDGs by assisting the member states with concrete policy advice.

In meeting the requirements of the MDGs the role of <u>national policies</u> can not be overlooked or overemphasized. Each and every country has a primary responsibility for its own development, and expertise on their own development needs. That is why <u>the primary responsibility</u> lays on their own shoulders.

Trade alone is not enough in alleviating poverty but it is a necessary tool in the box. Trade has to be mainstreamed in poverty reduction strategies. Abreast with this commitment the donor community has its responsibility as part of the deal.

Uneven income distribution is holding back sustainable development. From the Finnish experience I wish to underline 3 factors that we have found out to be necessary in generating development:

- 1) Even income distribution is conducive to sustainable development. Economic growth itself is necessary but its <u>benefits have to be evenly shared b</u>
- 2) Secondly, creating equal opportunities for all: men and women, privileged and less privileged - benefits the whole nation. Granting women opportunities to participate in all activities of the society benefited the acceleration of Finland's development to the high tech society it is today.
- 3) We also believe that good governance has contributed remarkably to our development. To back up this, Finland is acknowledged as the least corrupted country in the world according the Transparency International.

The challenge of coherence concerns every stakeholder. It has become too customary that only development ministers discuss development. Within the OECD Finland is promoting joint meeting of ministers of trade and ministers of development.

Mr. Chairman,

I am convinced that UNCTAD's contribution in the global partnership should be integrated more closely into the overall frameworks of poverty reduction and made operational based on the Bangkok Plan of Action. UNCTAD's contribution should strengthen the PRSP-processes or equivalent poverty reduction strategies at country level

UNCTAD could have an important role in working towards fair globalization. UNCTAD should, within its mandate, strengthen its contribution to sustainable global development through its work on trade, investment, technology transfer, and development. UNCTAD should focus its activities based on its strengths. Implementation of Agenda 21 and commitments as reiterated in Monterrey and Johannesburg conferences bind us to strengthen trade-related capacity building to help developing countries improve their economic integration record and integration into the world trading system. This gives a good basis for UNCTADs work now and in the future.

UNCTAD has an important role in promoting better understanding of commodity markets and the difficulties faced by commodity-dependent developing countries. We welcome UNCTAD's future initiatives on helping commodity dependent countries solve their problems. This would offer more avenues to poverty reduction as well. UNCTAD also has an important role in confidence building between partners.

Allow me, Mr. Chairman, to mention the Helsinki Process that was jointly initiated by the Governments of Tanzania and Finland in 2002. The Helsinki Process aims at finding solutions to problems created by globalization and offers an open forum for all the stakeholders to participate. I would like to inform the Conference that there will be a Helsinki Process side-event held today from 1:15 p.m. to 3 p.m. at the Hotel Novotel.

In concluding Mr. Chairman, I wish to emphasize the great importance we continue to attach to UNCTAD. One indication of this is the increasing support that my Government that has granted UNCTAD in the form of technical assistance targeted to the LDCs over the past years. It is our intention that this partnership could be strengthened in the future. To further build on past and current achievements we need to secure a balanced outcome of UNCTAD XI. This would enable all partners to focus on key issues and most of all on their implementation.

Thank you, Mr. Chairman