

**STATEMENT BY NORWAY**

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Mr. President,

The four years since UNCTAD X in Bangkok have brought a new, important momentum to the cause of international development. Each year now, millions of poor are working their way out of absolute poverty. The commitments made by all UN members through the Millennium Declaration and in Monterey are taking hold. Member countries face a new global accountability on whether they live up to their development commitments.

But we also know - one year before the 2005 stock-taking of progress towards the Millennium Development Goals that we are far from being on track in meeting the targets. The least developed countries, particularly in sub-Saharan Africa, are lagging behind. A major scaling up of efforts is needed if we are to reach the MDGs by 2015.

This is the major challenge. before UNCTAD XI. To strengthen the international consensus on the key development objectives. To give a serious boost to the efforts to reach the MDGYS. To prove the added value of UNCTAD to these efforts.

### **Achieving the MDGs - Four areas of reform**

To scale up the pace of progress in achieving the Millennium Development Goals, we need reform! We need progress in reforms within each of the sub-themes before this conference. Because poverty must be combated on several fronts simultaneously.

- Firstly, reform of international framework conditions. We need to see delivery in policy coherence. The OECD-countries should provide better market access and broader, deeper debt relief.
- Secondly, reforms in international development assistance: we need more- and we need better aid. Rich countries need to double their development assistance. We need to stop the donor circus and deliver on the Rome harmonization agenda.
- Thirdly, reforms in national policies in developing countries: we need to see better governance at all levels, delivery in fighting corruption and the willingness to govern more justly through pro-poor policies.
- Fourthly, we need to see reforms in the way we work with the private sector and civil society. Poverty cannot be reduced without the mobilization of the private sector and their investments, and important actors in civil society.

Only through reforms along all four fronts simultaneously can the MDGs be reached.

### **Reform in International framework conditions**

The first reform is crucial. For a significant number of developing countries, improved market access in the industrialized countries would make more of a difference than ODA. We need to promote the integration of developing countries into the world economy, and in particular the least developed among them. We need to make sure that the WTO Doha-negotiations deserve , called the Development Round - in real terms.

Many countries, including Norway, have a challenge in enhancing coherence between our development and trade policies. Within the framework of the ongoing WTO-

negotiations, better market access for and agricultural products is key. Here, Norway together with other industrialized will have to deliver. On our part, we have taken several important steps. All textile quotas were abolished by January 2001. All imports from the LDCs were granted duty and quota free access - without exceptions or transitional arrangements - to our market from July 2002. We are now reviewing improving our GSP with a view to market access under the scheme.

We need multilateral trade rules that allow for special and differential treatment of the developing countries. Rules that allow for the necessary flexibility or policy space in terms of phasing in of commitments and obligations. Rules that allow for the development of (infant) industries that in turn can spur exports. These are important, and they need to be strengthened.

Special consideration is given to the LDCs within the different WTO agreements, and rightly so. Today the share of LDCs international trade is low, even lower than in the 80s. To reverse this trend market access is not enough. We need to address supply capacity constraints, in particular related to productivity and quality, logistics and infrastructure. We need Aid for Trade. This is imperative! That is also why we are a major supporter of multilateral programmes for capacity building within UNCTAD, ITC and WTO.

Improved market access will not deliver alone, We need to see better policy coherence in a number of areas, Our commitment to do so is reflected in our new White Paper "Fighting need reform and more comprehensive measures. It is imperative that we fully complete the HIPC Initiative and ensure that more countries are granted broader and deeper debt relief HIPC must be extended (beyond the "sunset-clause"), and its long term financing must be ensured. This also includes the necessary financing for "topping tip" debt relief for countries going through external shocks A more robust debt sustainability framework that provides for more accurate assessment of countries' financing needs should be established. Last month, the Norwegian Government presented a "Plan of Action-Debt relief development", We will continue to cancel 100 % of the debt of the poorest countries and we will continue to finance debt bilateral relief outside the development budget. In addition, we will address the debt problems of countries coming out of conflict. And we will address the debt problems of middle income countries. Here, debt swap -arrangements and support n related international initiatives are included. This implies breaking one of the old debt relief taboos.

### **Reforms in ODA through more and better aid, - and Reforms in governance**

International estimates indicate that development assistance must be doubled if the MDGs are to be reached. We have witnessed a positive increase in ODA over the last two years, and in particular after Monterrey. But more money and more reforms are needed. Norway's development assistance in 2004 is at 0.94% of our GNI. The Norwegian Government is committed to reach the 1% level, and in the next parliamentary period 2005-2009 - we want to stay at least at that level. This implies that 1% will be the bottom line of our efforts.

More resources are needed. But that is not Reform is vital also in the way we provide aid. We have to end the "donor circus"! This has to be done through harmonization and a better division of labour. We need to ensure concrete results of our common development investments, Here, poverty reduction strategies are important tools. They will be the baseline for harmonizing

donor support. Several developing countries are starting their second generation poverty reduction strategies, with themselves squarely in the driver's seat. In this next phase country ownership must be further strengthened and participation ensured, both with regard to parliaments as well as civil society. Areas that were not well incorporated into the first generation of PRSP, such as trade and sustainable development - should be better integrated budgetary

But these efforts will never work, unless there is - and capacity to take on this leading role. The primary responsibility for improving the situation for the poor rests with the governments in developing countries. An effective public sector and good governance is key! We need sound policies, attracting investment and promoting development of the private sector, The fight against corruption must be reinforced at all levels. Corruption is a cancer on the economic development of poor countries. Corruption is stealing from the poor. It erodes confidence of investors and donors alike, We need to see pro-poor investments and pro-poor policies which can deliver in reducing poverty.

### **Reforms in mobilization of the private sector and civil society**

to generate growth and the resources necessary to reach the MDGs. public resources and ODA are far from sufficient. We need a more vigorous private sector providing job opportunities and stimulate trade and exports in be developing countries. Therefore, we need to see reforms in the way we mobilize the private sector. Much more needs to be done to mobilize foreign direct investment (FDIs) to generate growth and sustainable development in the poorest developing countries. Not only by providing capital, but also by bringing technology and knowledge that can accelerate development processes, We have to examine how ODA can be put to better use in facilitating and mobilizing such investments in the poorest countries.

Norway has established a special fund for investment in developing countries, NORFUND, that provide risk sharing, investment and expertise. Priority is given to investments in LDCs. We also believe strongly in mobilizing civil society to achieve results in poverty reduction.

### **The global and policy coherence**

Mr. President,

In Monterrey we agreed on a global bargain. If we are to reach the Millennium Development Goals all countries -indeed all actors - have to deliver. Rich and poor countries alike have to act. With MDG 8 we have made a commitment to this global partnership. We, as industrialized countries have committed ourselves to deliver better in trade, debt relief, other policy areas and development assistance. Norway firmly believes that all countries should be held accountable for the way they are living up to their commitments. We will therefore report on how Norway is doing in delivering on MDG 8. The report will be presented to the UN shortly. At the same time We developing countries have made a commitment to improve their performance, their governance, and to deliver on their part of the bargain. Only if we all keep our promises can we succeed.

But if we, as a global community we to reform along all those four fronts, there is no the UN-system can be exempted. We need reform also of the UN development agencies, and of UNCTAD itself

## **Reform of UNCTAD**

Let me therefore close with a few words on UNCTAD, potentially an important partner in the global efforts to reduce world poverty. I say potential, because the potential inherent in UNCTAD'S broad mandate is now - at best -only very partly realized.

UNCTAD faces important major challenges in what is the main theme of this Conference, coherence.

Firstly, UNCTAD needs to become more coherent within itself. As a donor to UNCTAD's programmes for technical assistance, we have for several years urged UNCTAD to develop more coherent, more focused strategies -for technical support. There is a strong need to improve coherence between the three pillars of UNCTAD's work; its consensus-building role, its research and analysis, and its technical co-operation activities. Without further steps in this direction, UNCTAD's program will remain small, almost marginal to the global effort. Let me add that we are thoroughly unimpressed by the way UNCTAD has been prioritizing its special responsibilities towards the LDCs.

Secondly, UNCTAD - as part of the multilateral development system - need to enhance coherence with the rest of this system i.e. through the UN Development Group. UNCTAD cannot and should not aspire to have a presence at country level. But to increase its relevance to developing countries in national capacity building, it needs to work much more closely with the organizations that form the nucleus of the UN Country teams. If UNCTAD tries to keep itself apart from the reforms of the UN development system, it will also distance itself from the political realities of the new development agendas. I hope this conference will ensure that that will not happen!

### **In Conclusion**

Mr. President,

The challenges of globalization and the new development agenda require reform by all development partners. Pooling of resources, harmonization and coherence are prerequisites for reaching the Millennium Development Goals by 2015. Only then can we - together - make a difference where it matters - on the ground and for the poor.

We do have the roadmap. We now have to link efforts and strategies at all levels; national, regional and global - in a just and effective way. The onus must remain on greater opportunity and equity for all. UNCTAD can contribute to the enhancement of this agenda. By working together we can achieve our goals. We have agreed on the way forward. We can deliver. We can keep our promises. We can win over poverty. But only if we push ahead, and deliver together. Now.