

REPORT NO. 35 TO THE STORTING (2003-2004) – SUMMARY

FIGHTING POVERTY TOGETHER

A COMPREHENSIVE DEVELOPMENT POLICY

DIGNITY FOR ALL!

We only have one world. The dignity of every individual is universal and indivisible. This conviction underlies our common struggle for human rights. Some of us would say that the most serious challenge to human rights in the world today is extreme poverty. Whereas people in the richer part of the world have experienced a phenomenal rise in living standards in the last 20 or 30 years, more than one billion people still live in abject poverty. They lack even the barest essentials and have no possibility of safeguarding themselves and their families against starvation and diseases that could otherwise be easily prevented and cured. This is the greatest challenge of our time.

Development policy is not about charity. Norwegian development policy is based on the fundamental principle that all people are equal in human dignity, and that development policy is therefore in essence a human rights agenda. Development policy is about the realisation of human rights for all. The Universal Declaration of Human Rights and the human rights conventions have all established that human rights are valid for each and every individual, without discrimination of any kind. Development policy is about all human rights – economic, social and cultural as well as civil and political rights. The fight against poverty is a fight for justice.

Norwegian development policy is based on a strong faith in the individual. It is the individual who creates development and a better future – alone and together with others. The development process must therefore focus on the individual. Development policy must help to create an environment, both nationally and internationally, that will enable and empower individuals to create their own future.

This is why it is so important to promote human resource development, health care and education. This is why it is so important to promote democracy, freedom of expression and equality before the law. This is why it is so important to safeguard natural resources and the environment – on which so many of the poorest depend for their livelihood. For precisely the same reason we must have international framework conditions that do not undermine poor countries' development opportunities, but expand them. This calls for political, social and economic reforms in the developing countries. It calls for debt cancellation and better access to markets in the North for goods from developing countries. It calls for more and better development aid. For a dynamic partnership with the private sector and non-governmental organisations (NGOs). It calls for help for self-help.

NORWAY'S RESPONSIBILITY

As one of the world's richest countries, Norway has a responsibility in this regard. We all have a moral responsibility to combat injustice and promote development wherever we can. We are actors in the history of world development. We can make a negative or a positive impact. Thus, we have a choice – and we must make a difference.

THE MILLENNIUM DEVELOPMENT GOALS ARE OUR COMMON CHALLENGE

Our efforts in the coming years will be guided and driven by the Millennium Development Goals (MDGs) for poverty reduction and development. There is international consensus, not only on the MDGs, but to a large extent also on how to reach them. Over the past 10 years, our ideas of what are the most important factors for promoting development have changed, as have our working methods and forms of co-operation. We can achieve the MDGs if we undertake a number of reforms in international framework conditions, in governance and in development assistance.

While some regions have made impressive strides forward, in sub-Saharan Africa most countries have only seen slow progress – some have even shown negative trends in relation to several of the goals. There is a need for an extraordinary effort on the part of both the North and the South to combat poverty in this region and in other countries that are lagging behind in their efforts to achieve the MDGs. Norwegian development policy is based on the poverty-reduction targets set out in these goals and on the objectives adopted at the Johannesburg Summit on Sustainable Development in 2002. Our development policy is not a means to promote national objectives, but a contribution to achieving these common international goals, which are inseparably linked and intertwined with the internationally established principles on human rights.

In this Report, which was submitted to the Storting (the Norwegian Parliament) on 30 April 2004, the Norwegian government describes the challenges facing us and outlines how it is contributing to the achievement of the MDGs.

The UN Millennium Development Goals

- 1. Eradicate extreme poverty and hunger**
- 2. Achieve universal primary education**
- 3. Promote gender equality and empower women.**
- 4. Reduce child mortality.**
- 5. Improve maternal health.**
- 6. Combat hiv/aids, malaria and other diseases.**
- 7. Ensure environmental sustainability.**
- 8. Develop a global partnership for development.**

ACHIEVING THE MDGS – FOUR AREAS OF REFORM

We need a comprehensive development policy. Poverty must be combated on four fronts simultaneously. We need reform and mobilisation of resources in all four areas:

- Reform of international framework conditions, and policy coherence: the most important of the international framework conditions are those governing trade and debt. The developing countries need better market access and broader and deeper debt relief. Other policy areas where international framework conditions are essential to development include among other things migration, environmental and resource management,

knowledge and technology transfers, the fight against corruption and participation in decision-making in international fora.

- Reforms in national policies in developing countries: the most important prerequisites for development are sound policy and good governance in the developing countries themselves. Reforms are needed in the fields of democracy, human rights, public policy and public administration, for example in the management of public finances. Anti-corruption policies must also be improved in order to combat poverty in a broad-based, equitable and sustainable way.
- Reforms in international development assistance: we need more – and we need better – development co-operation. OECD countries need to double the amount of development assistance. We need to co-ordinate our efforts better and align them with the policies and strategies of the host countries. We need to reduce the number of small, unco-ordinated projects and move towards funding arrangements, for example budget support, that better support the efficient implementation of national poverty strategies.
- Mobilisation of the private sector and civil society: investments, jobs and trade are essential for growth and poverty reduction, and private sector development must be strengthened. NGOs are making an important contribution to poverty reduction. They provide services, give the poorest a voice, serve as a corrective and enrich the political debate that promotes development.

GLOBAL PARTNERSHIP AND POLICY COHERENCE

Our ability to forge a global partnership for development and poverty reduction will be crucial for reaching the MDGs. A global partnership is the key objective of MDG 8. In order to achieve such a partnership, industrialised countries' policies for promoting poverty reduction must be coherent. Norway advocates that the OECD countries should report on their efforts to support this global partnership, and will be publishing such a report. The Norwegian government supports the proposal that the OECD should be the arena for a peer review of the policy coherence of member states.

REFORM OF THE INTERNATIONAL FRAMEWORK CONDITIONS FOR DEVELOPMENT

Trade

Today there is broad consensus that trade is an important vehicle for development and poverty reduction. For a majority of developing countries, improved access to markets in the industrialised countries for their goods and services would make more of a difference than the development assistance they receive. World Bank estimates show that halving tariff rates in both developing and industrialised countries could contribute to an additional income in the order of USD 150 billion annually for the developing countries. By way of comparison, OECD member states provided a total of USD 68 billion in aid to the developing countries in 2003. Numerous analyses show that protectionism and subsidies in rich countries are detrimental to economic development and economic growth in developing countries. So far most countries of sub-Saharan Africa in particular have not participated in international trade to any appreciable degree. They have benefited very little from the integration that has

taken place in the rest of the world economy. Rich countries therefore need to change significantly their trade policies towards the poor countries.

It is very important for the developing countries that international trade is governed by transparent, binding and predictable rules that can prevent their interests in this area from being overshadowed by those of larger, more powerful countries. These rules must safeguard the developing countries' needs, particularly those of the least developed. Therefore it is very important for the developing countries that the WTO continues to develop stable, predictable conditions for world trade and safeguards against arbitrary action, protectionism and the principle that might is right.

The Norwegian government underscores that the developing countries need better market access in order to achieve a long-term, sustainable balance between expenditure and income, and to avoid the debt trap. This also applies to the poorest countries. As of July 2002 Norway opened up its markets to all imports, except arms, from the least developed countries without any other exception or transitional arrangement. We have also taken a leading role in eliminating all tariffs and quotas on textiles and clothing. But more needs to be done. Here the WTO negotiations will be important. The government will work to ensure better access to the industrialised countries' markets for exports from developing countries. As a supplement to the WTO negotiations, the government has decided to review the Norwegian application of the Generalised System of Preferences with a view to improving it and making it more readily accessible. Opportunities for importing agricultural products from developing countries will also be improved. Trade-related assistance is another priority area for the government. Norway is an important contributor to the Integrated Framework for Trade-related Technical Assistance.

INTERNATIONAL DEBT RELIEF

For a number of years, Norway has played a leading role in international efforts to deal with developing countries' debt problems. The government will maintain the same high level of ambition and is presenting a Debt Relief Action Plan that upgrades and expands Norwegian debt relief measures. Norway was the first country to advocate cancelling 100 per cent of the debt of the poorest countries, and the only OECD country whose bilateral debt relief is not financed at the expense of the development assistance budget, but is additional to other development measures. Norwegian debt relief will be extended in ways that ensure that it benefits only the developing countries and not other creditors.

Norway attaches great importance to securing the long-term financing of the multilateral institutions' debt relief measures under the HIPC Initiative, preferably through regular replenishment negotiations for the HIPC Trust Fund. We also support the idea of a flexible topping up of debt relief under this initiative, so that countries that have experienced external economic shocks, such as a fall in the price of key exports, are given extra debt relief.

The new Norwegian debt relief action plan also introduces a number of other measures. It provides for the implementation of debt relief for post-conflict countries and debt-for-development swaps with certain middle-income countries. The liberated funds must be used to combat poverty. Norway also advocates the establishment of a new international forum for co-ordination and co-operation between all institutions that provide technical assistance to developing countries for debt management purposes. It is important to prevent new debt problems from arising in countries where debt is being cancelled.

OTHER POLICY COHERENCE ISSUES

The concept of policy coherence covers a number of policy fields where international action will be required or where industrialised countries must initiate policy changes in order to improve framework conditions for developing countries. The need for policy coherence applies to trade, debt and influence in international decision-making bodies, but also to migration, environmental policy, access to knowledge and technology and other issues. All these issues are addressed in the Report.

The issue of influence in international decision-making is an important one for developing countries. The Norwegian government is in favour of giving the developing countries more influence in multilateral fora, such as the multilateral development banks and the International Monetary Fund.

In order to further improve international framework conditions for the achievement of the MDGs, the Norwegian government will:

- continue its support of the WTO as a transparent, predictable and non-discriminatory multilateral framework for world trade, and work towards the successful completion of the Doha negotiations.
- seek to ensure that the developing countries, especially the least developed countries, are better integrated into the world trade system and gain better market access for their products.
- improve developing countries' market access to Norway and, as a supplement to the negotiations in the WTO, seek to simplify and improve the Norwegian application of the Generalised System of Preferences.
- seek to strengthen the multilateral debt relief mechanisms and make them more effective in order to solve the debt problems of low-income, debt-burdened developing countries.
- provide additional debt relief measures for post-conflict countries and participate in debt-for-development swap arrangements for middle-income countries.
- implement unilateral debt relief measures that will promote development and poverty reduction in the countries concerned.
- contribute to securing long-term financing of debt relief by the International Financial Institutions under the HIPC Initiative and ensure that all the debt relief benefits the indebted countries and not other creditors.
- advocate that the OECD countries report on their aggregate input towards MDG 8 and support the OECD in its efforts to take a lead in the scrutiny of policy coherence for the achievement of the MDGs in member states.

NATIONAL OWNERSHIP AND POVERTY REDUCTION STRATEGIES

It is the developing countries' responsibility to establish good national framework conditions and to pursue sound policies that will promote development and poverty reduction. An increasing number of countries are now developing their own coherent strategies for poverty reduction – Poverty Reduction Strategies. Norway supports these processes through its input to the international development organisations and in partner countries where Norway is engaged in bilateral development co-operation. It is important that developing countries take the lead in the processes leading up to the adoption of the strategies in order to ensure

ownership and implementation. It is also crucial that the Poverty Reduction Strategies have broad democratic legitimacy through the involvement of national parliaments and civil society. When Norway provides input to these processes, we generally also emphasise the importance of economic growth, investing in people (education and health), governance reform, women's participation, the fight against hiv/aids, the environment and sustainable development. Norway also supports the development of Poverty and Social Impact Analyses of the social implications of macroeconomic and other major policy decisions. The countries' own efforts as well as the international community's contribution in the form of development co-operation should be based on realistic strategies for poverty reduction and should be aligned with these strategies.

The Norwegian government will:

- actively support the efforts to develop national poverty reduction strategies, both through multilateral organisations and directly with our partner countries.
- help to enhance the quality of poverty reduction strategies and strengthen national ownership and a democratic basis for the strategies.
- ensure that international support is based on, and aligned with, poverty reduction strategies.
- support the development of Poverty and Social Impact Analyses of major changes in macroeconomic policy or other areas that are recommended by the International Financial Institutions.

DONOR REFORM. MORE, AND MORE EFFICIENT, DEVELOPMENT CO-OPERATION

International estimates indicate that development assistance must be doubled if the MDGs are to be reached. The total amount of development assistance increased from USD 52 billion in 2001 to USD 68.5 billion according to the provisional estimate for 2003. This is a positive trend, but it is not enough. In 2004 Norwegian development assistance was projected at 0.94 per cent of gross national income (GNI), and the Norwegian government's aim is to increase this figure to 1 per cent of GNI as a contribution to the international efforts to achieve the MDGs.

Development co-operation must also become more effective. The thousands of projects supported by different donors, unrelated to national plans and each with their own reporting and control procedures, have reduced the effectiveness and efficiency of development assistance and become a heavy burden on the administrations of developing countries. Donors therefore need to reform these procedures and co-ordinate their efforts better in order to make development co-operation more efficient. At the same time we need to ensure that donor efforts are systematically based on ownership by partner countries and aligned with their strategies and procedures.

Important reforms are currently being implemented in international development assistance. The Rome agenda for harmonisation and alignment has been adopted and should be implemented as soon as possible. The aim is to shift the emphasis from earmarked projects to ways of funding that are less taxing for partner countries' small administrative capacity. Consequently more support should be given through broad sectoral programmes with basket funding, joint follow-up arrangements and silent or delegated partnerships. In countries with credible public financial management, assistance should also be given in the form of budget

support. A key aim is to help create conditions in all developing partner countries that allow for the increased use of budget support.

Norway has acted as a driving force in the promotion of donor reform. The Norwegian government intends to continue both to be a driving force for donor reform and to promote harmonisation and alignment.

The multilateral development institutions, the UN agencies and programmes, the World Bank group and the regional development banks are vital for the fight against poverty. They play an absolutely central role, globally, regionally and at the country level, in development policy, in advancing the development of global norms, conventions and action plans, as providers of development finance and through their comprehensive advisory and technical assistance efforts. These actors also make important contributions to the efforts to strengthen public institutions and support governance reform in developing countries, aimed at enhancing the authorities' ability to deliver on poverty reduction and to deliver better services. Through its substantial engagement in the UN and the International Financial Institutions, the Norwegian government is actively seeking to ensure that we have effective organisations that can make a difference on the ground in assisting developing countries to fight poverty.

The Norwegian government is currently promoting three main areas of reform of the UN development system, in close co-operation with the Utstein network. We would like to see a UN development system with more coherent, integrated activities at the country level. We will contribute to better management and policy development at the central level of this system. We will also seek to ensure increased, more stable and more predictable resources and funding for UN development activities.

The government would also like to see a greater emphasis by the development banks on practical measures for poverty reduction.

Reforming the international development organisations with a view to making them an engine for harmonisation and alignment in the partner countries is a major challenge. We need to see greatly enhanced co-operation between the various actors involved on the ground.

Half of Norwegian development assistance is currently channelled through multilateral organisations and institutions. In the choice between channels for development assistance – bilateral assistance, assistance through multilateral organisations and assistance through NGOs – the deciding factor will be the comparative advantages of the channel and its ability to meet the need for co-ordination, quality and performance on the ground.

The UN is advocating that additional funding should be targeted towards those countries that are lagging behind in their efforts to achieve the MDGs. Sub-Saharan Africa is a region of particular concern in this respect. In addition to increasing the total amount of development assistance, the Norwegian government intends to increase the share of total Norwegian bilateral development assistance that is allocated to poor countries that are lagging behind and that will not be able to achieve these goals without considerable assistance. In addition to the current target of allocating 40 per cent of our bilateral aid to the least developed countries, which has now been reached, the government will develop a concrete target for the enhanced concentration of our bilateral assistance to low-income countries. The targets that the UK and the Netherlands have already set for low-income countries and Africa respectively are indicative of the general direction of this initiative.

In many partner countries Norwegian bilateral development co-operation is spread over too many sectors. The government has therefore decided that bilateral co-operation is normally

to be limited to two to three sectors in each country. This will ensure a better use of resources and will contribute to alignment and harmonisation. The choice of sectors will be made in close co-operation with Norway's partner countries and with other donors, and on the basis of the partner country's own Poverty Reduction Strategy.

Education, health, the fight against hiv/aids, sustainable development and resource management, and private sector development, including agriculture, are among the sectors that will be given priority in these more concentrated development co-operation activities. Special strategies have been developed in several of the priority areas. At the same time, in our co-operation we place special emphasis on governance reform, human rights in general and strengthening the rights of the poor and of marginalised population groups in particular. Special emphasis is therefore given to strengthening the rights of women and children through mainstreaming, and to making special efforts for disabled persons and indigenous peoples. We have drawn up concrete plans to promote the rights of women, disabled persons and indigenous peoples, and we are in the process of preparing a new development policy framework for promoting the welfare of children and securing and protecting their rights.

The Norwegian government will act as an engine for reform in international development co-operation, among other things by

- basing development co-operation on ownership by the developing countries and on their own priorities,
- seeking to ensure the harmonisation of donor co-ordination and the alignment of development co-operation with the developing countries' own Poverty Reduction Strategies, procedures and reporting routines,
- scaling up the use of new forms of assistance such as silent or delegated partnerships, sector programmes and budget support,
- focusing Norwegian bilateral assistance on normally not more than two to three sectors in each partner country,
- establishing a target for increasing the share of bilateral Norwegian assistance to be allocated to countries that are lagging behind in their efforts to achieve the MDGs,
- increasing development assistance to 1 per cent of GNI and maintaining this level throughout the parliamentary period 2005-2009.

GOVERNANCE REFORM

The importance of good governance for economic growth and development is now recognised by the whole development community. As part of MDG 8, the industrialised countries have committed themselves to increasing assistance and enhancing policy coherence, while the developing countries have committed themselves to establishing good governance.

Although an increasing number of countries now elect governments according to democratic principles, there is a need for substantial reforms in the political and governance systems in many developing countries. Several countries are facing major challenges in areas such as democracy, human rights, the rule of law, efficiency and transparency in the public administration and security of life and property. Others have made considerable advances in these areas. When considering the allocation of Norwegian development assistance funds, a country's willingness to undertake reforms is one of the factors that is considered.

Supporting governance reform is a central feature of Norwegian development policy. In our partner countries we help to strengthen democratic institutions and promote respect for human rights. We contribute to public administration reforms, enhancement of the country's ability to deliver services, capacity building and the strengthening of control functions such as the office of the auditor general, ombudsman schemes and free media. High priority is given to financial management. Norway supports reforms and institution building by providing expertise, by supporting the efforts of multilateral organisations and through political dialogue.

Corruption is a transnational challenge and one of the most serious obstacles to development. Combating corruption is an integral part of the reform process and must be given high priority in our co-operation with partner countries. Norway intends to play a leading role in anticorruption efforts. The UN Convention against Corruption, which was adopted in October 2003, is a milestone in this regard. We will implement the provisions of the convention in Norwegian law as soon as possible and help our partner countries to do the same. We will ensure that our national legislation and implementation are robust, and will support our partner countries in their efforts to take similar action. We also support initiatives such as the Extractive Industries Transparency Initiative, which involves important and challenging issues for governments and companies alike.

The Norwegian government will:

- support governance reforms in partner countries through bilateral and multilateral co-operation and will take account of governance aspects in decisions on the allocation of development assistance funds.
- play a leading role in efforts to combat corruption at national level and in international fora, as well as through development co-operation.
- place emphasis on good governance and reform in the allocation of bilateral Norwegian development assistance.

Mobilising the private sector and civil society

Private sector development

The MDGs cannot be reached without the mobilisation of the private sector and foreign direct investment. A dynamic private sector is a precondition for growth, development and poverty reduction. Stable and predictable framework conditions for the private sector are essential in order to release growth potential, stimulate private sector development and create new jobs.

Norwegian efforts to promote private sector development in developing countries are based on the "Strategy for Private Sector Development in the South" of 1999. The strategy emphasises measures that contribute to the establishment of favourable framework conditions, facilitate the supply of venture capital and assist in capacity building. Priority is being given to intensifying these efforts. In co-operation with the Norwegian private sector, a study has been made of several of Norway's partner countries to identify potential areas for private sector co-operation. The government welcomes the higher priority being given to private sector development by the UN, the World Bank and other multilateral organisations.

Norway is playing a leading role with regard to untying bilateral aid and has gone beyond the OECD/DAC recommendation of untying all aid to the least developed countries apart

from some forms of technical assistance. Norway has also untied such aid to all other developing countries. The government is now urging other OECD members to fully implement the organisation's recommendation. In addition Norway is advocating common standards for health, environment and safety in international tender and bidding processes, among other things to create a level playing field for all actors in the development market.

Agriculture plays a dominant role in economic growth and employment in the poorest countries, and often accounts for as much as 80 per cent of export revenues. Too little priority has been given to agricultural development in many poor countries and in development co-operation in general. The Norwegian government will increase its support to agricultural development and is therefore presenting an action plan for supporting agricultural development in spring 2004. The plan will outline a broad-based approach involving measures to increase productivity, stimulate private sector development and enhance trade.

In the developing countries, a large proportion of the population working in agriculture and more than half of the labour force working in other sectors are part of the informal economy. The lack of formal rights to assets such as property and title to land contributes to uncertainty, lack of access to credit and to underinvestment, which particularly hurts the poor. Norway supports institutions that spearhead international efforts to formalise the rights of use and property rights of the poor. Microcredit is also an important tool in this regard.

Civil society

Partnership with civil society in both the North and the South is an important element in the efforts to reach the MDGs. In many developing countries, non-governmental organisations play an important role by providing basic educational and health services that are essential in the fight against poverty. These organisations are also important driving forces in political efforts to safeguard human rights in general, and to ensure that poor, marginalised groups in particular attain a better standard of living and are able to realise their rights. Civil society organisations contribute to the political dialogue and to the general effort to monitor government policies.

The Norwegian government maintains that the NGOs' role as supplier of services must be part of the broader development efforts to implement national Poverty Reduction Strategies, and must be in line with harmonisation and alignment efforts. In cases where NGOs from donor countries provide social services, their efforts must be adapted to the recipient countries' poverty reduction strategies and plans for the various sectors if they are to receive Norwegian support.

The Norwegian government channels a considerable share of the development budget through Norwegian NGOs, and gives high priority to co-operation with these organisations. An important aspect of the partnership is supporting the co-operation between NGOs and their sister organisations on strengthening civil society in the South, as such organisations also have important roles to play as watchdogs of government activities.

The government will appoint a committee to assess the results of the development co-operation carried out through Norwegian NGOs in relation to the need for a coherent overall effort to combat poverty and reach the MDGs.

The Norwegian government will:

- support efforts to promote private sector development in the South by facilitating an enabling environment and providing venture capital and technical assistance.

- intensify efforts to promote agricultural development in developing countries and submit an action plan for agricultural development.
- assist in moving the formalisation of poor people's rights of use and property rights higher up on the international development agenda and assist in such efforts at country level.
- continue supporting Norwegian NGOs in their co-operation with sister organisations in developing countries.
- ensure that Norwegian NGOs will only receive funding if they align their work with poverty reduction strategies and other national policy frameworks in partner countries in cases where they provide social services and other essential development services.

The four enemies of development: conflict, hiv/aids, corruption and environmental degradation

The deadline for most of the MDGs is 2015 – a deadline that is not far away. In addition to the shortfall in development assistance, there are many risk factors that still have to be dealt with. Four of these are especially significant and are addressed in the white paper.

Conflict

Peace and security are fundamental to development and to the achievement of the MDGs, and peace-building is an important aspect of development policy. Thus it is sound development policy to contribute to preventing war and conflict, to promote peaceful solutions, and to help ensure that peace is lasting. Norway is actively assisting a number of post-conflict countries and has a separate budget chapter for transitional aid that is earmarked for bridging the gap between humanitarian aid and long-term development co-operation.

The Norwegian government is preparing a strategic framework for Norway's contribution to international efforts for peace-building and development.

Hiv/aids

The hiv/aids pandemic is one of the most serious threats to development. And hiv/aids is an economic, social and security threat to weak states. The Norwegian contribution to combating this disease aims to ensure that international efforts are based on the hiv/aids-affected countries' own strategies and that donors give priority to the alignment and harmonisation of their efforts. The emphasis is on combining prevention, treatment and care.

Corruption

Corruption undermines development economically, socially and politically. Dealing with the problem of corruption is an international responsibility. The Norwegian government will continue its strong commitment to combating corruption and money laundering in its national policies, through its development co-operation and in international fora.

Natural disasters, climate change and environmental degradation

Environmental degradation is an important obstacle to poverty reduction efforts. In many of the least developed countries poverty reduction and economic development are largely dependent on the use of natural resources. These countries are also among the most vulnerable as regards environmental challenges. The government gives priority to promoting

sustainable development in international fora, and has made it one of its priority sectors in development co-operation.

Development efforts must deliver results.

Only through joint efforts, both by the developing countries themselves and by bilateral and multilateral donors, will we achieve results. The development of poverty reduction strategies, the consensus on the MDGs and governance reform, and a greater emphasis on donor reform, will make it easier to assess our efforts as a whole, to see where we stand and to decide what should be done to achieve the overriding goals.

The donor community must become more result-oriented. Results must be achieved in the developing countries and for the benefit of developing countries. Thus it is essential to build up the capacity for quality assurance and to ensure a greater focus on performance in the developing countries themselves and to use this as a basis for donor co-operation and joint reporting of results. We will be judged by our ability to deliver measurable results.

Development co-operation does deliver.

- During the last 40 years life expectancy in the developing countries has risen by 20 years. This is the largest increase in the history of mankind.
- In the same period adult illiteracy in the developing countries has been almost halved. This is remarkable progress.
- The average income of people in the developing countries has more than doubled.
- In the last 10 years child mortality has dropped considerably.
- Almost 1 billion people have obtained access to clean water, and vaccination programmes are saving the lives of 2.5 million children every year.

These figures are testimony to the fact that development co-operation does deliver. But we are lagging behind in our efforts to reach the Millennium Development Goals. We need to speed up the reforms, allocate more resources and pool our efforts to fulfil our obligations and meet these goals. The Norwegian government is ready to do its share.