

**State secretary Anne Stenhammer, Norway**

**Plenary session 4, 2 Oct 2007**

**Strengthening donor-donor partnerships: Panel discussion and dialogue with participants**

Dear friends,

Aid for trade is a practical tool to integrate developing countries in the global trade system. It is one important element in our development effort. Aid for trade is neither a part of nor a substitute for the Doha round of WTO negotiations. Norway is a strong supporter of a rules-based and open trade regime based on the WTO, and aims at contributing constructively to a good and balanced result of the Doha round. Aid for trade is our tool to help in particular the least developed and other vulnerable countries to take full part in the rules based system and to benefit from new trade opportunities.

It is important that we provide sufficient financial resources to aid for trade efforts. This is obvious. But personally, I don't think we have to worry too much about that, at the moment. There are already made very important commitments. Last week's donor conference for the new, enhanced Integrated Framework showed a great will to contribute.

Now, the fundamental objective must be to come up with good projects and programmes, so that commitments can materialize. If the real value of project proposals and the project performance to promote trade, growth and welfare is dubious, -- if the effects and results of the projects and programmes are hard to find and to measure --, the taxpayers and the authorities will be less willing to contribute.

**So, the crucial question is:** how can we now ensure that the resources are used in the best possible manner?

And by the way: For Norway, and for the other partners in our cooperation, efficient use of resources does not only mean that we can observe increased and more efficient trade activities, but also that the increase in trade leads to employment, growth and welfare in particular for the poorest people – and to take up a key issue that I raised yesterday: the benefits should not least lead to a stronger role for women in trade and in society.

To achieve the results we wish, close cooperation between all development partners is fundamental. And speaking about development partners, I also think of the international organizations: The development banks, the ITC, UNIDO etcetera.

In Norway, we have decided to channel our new, additional resources mainly through these multilateral organizations. I would urge others to do the same. The active use of these organizations, and of the new, enhanced Integrated Framework would facilitate the donor coordination that we are seeking and that is so important.

However, we should of course not let the multilateral organizations in peace with our taxpayers money. All participants in our cooperation should be though with them. We must be demanding, and generous with both praise and criticism – in a constructive way. I would also urge the organizations to be though with us.

On the Norwegian side I must admit that we not always have been very active in the discussions. For example, being the biggest donor to the old IF we could no doubt have been more active in the discussion. But we are a small country with limited resources in our administration.

And here I come to an important part of donor coordination: Donors should cooperate closely in the governing bodies of the organizations. In our case we appreciate the active role of our European neighbors - and others – for example in the IF and in the WTO task force, where countries like Sweden and Denmark have

taken on important responsibilities. We will try to be more active in this particular part of donor coordination, and also aim at involving the African countries, and in particular the LDCs in this work.

Then, I will also challenge the multilateral organizations – both at headquarters and at country level. The new drive on aid for trade would be an excellent opportunity to contribute to UN reform aiming at one UN at the country level, as recommended by the group co-chaired by the prime ministers of Mozambique, Norway and Pakistan.

Our development partners in Africa are, of course, key partners in our coordination efforts. The African countries are in the driver's seat, and must show leadership here.

We are currently in the process of finalizing a plan of action on aid for trade. Norway can not do everything. We have decided to concentrate our efforts.

In order to ensure impact, three broad areas for future action have been chosen; *Good governance and fight against corruption* (comprising trade policy, trade facilitation, technical barriers to trade, and ethical trade); *regional trade*; and *women and trade*. In addition, we remain committed to the new generation of the Integrated Framework; the EIF.

Our concentration on these issues stresses even more the need for cooperation and coordination so that all important objectives can be achieved.

Reality and challenges at country level are always different from what we expect when sitting in Geneva or in our respective capitals. I therefore appreciate this opportunity for dialogue here in

Africa with our partners in our common aid for trade efforts. I have found this meeting extremely inspiring. Tomorrow I will have the possibility of visiting two trade related projects here in Dar es Salaam; an ITC project on women in trade, and a trade facilitation project of UNCTAD. I am sure these visits will contribute to deepening our understanding of the challenges in the aid for trade agenda.