

Ráðherrafundur DAC í París, 15.-16. apríl 2004

Aid Volume and Effectiveness: The Challenge of the Millennium Development Goals

Statement

Mr. Chairman,

Firstly, allow me to use this opportunity by thanking DAC member countries for agreeing at its meeting in January to begin the process of assessing Iceland's request for membership in the DAC. We consider a membership in DAC an important step in our efforts to increase development effectiveness and to enhance the accountability of Icelandic development co-operation.

The DAC membership is a part of Iceland's endeavour to assume increasing responsibilities within the realm of global development. The challenges in fighting poverty remain immense and the Millennium Development Goals will not be reached in many countries unless we reinforce our efforts to translate visions into actions. Development depends on many interrelated elements; sound macroeconomic policy, good governance, investment in human capital, private sector development, sustainable use of natural resources and respect for human rights. Last, but not least, the link between development and peace and security is clear, and calls for an appropriate balance between interventions on both fronts.

Iceland is currently developing a medium-term Policy Statement for Development Cooperation. The Statement is an integral part of Iceland's foreign policy and rests on four pillars – the Millennium Development Goals and poverty reduction, sustainable development, democracy and human rights, and peace and security. The strategy foresees that by 2008-2009 aid volumes will constitute some 0,35% of Iceland's GNI or almost a triple increase in nominal terms.

Mr. Chairman,

Our current endeavour in increasing our development assistance is a reflection of an ongoing process. Since 1999, Icelandic authorities have more than doubled official development assistance (ODA). In 2003, Iceland's ODA constituted USD 13,1 million USD or 0,17% of Iceland's GNI and this year aid volumes will increase further to 0,19%-0,20% of our GNI.

The Icelandic International Development Agency (ICEIDA) has, in recent years, substantially expanded its development programme in its four partner countries in Sub-Saharan Africa - Malawi, Mozambique, Namibia and Uganda – and, currently, the Agency is contemplating an increase in the number of partner countries, and preparatory work is underway.

Traditionally, Iceland's multilateral aid has constituted some two-thirds of our overall aid volumes and we have mostly concentrated our multilateral development efforts within the World Bank Group and the United Nations. We will continue to do so and continue our practices of providing untied bilateral development assistance in the form of grants.

Finally, let me say that we look forward to becoming a member in the DAC. The mandate of the committee makes it a key partner for Iceland in a further expansion and diversification of our development programme. The objective is to make it more effective and in line with the principles underlying the DAC partnership, namely to provide co-ordinated and harmonised development assistance. We look forward to co-operating with you.