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“Norway in the Forefront for Sustainable Global Development”

by Ambassador Arne Walther

Thank you for inviting me to the National Press Club to present Norwegian perspectives on sustainable development. I will highlight some issues that are important to both our countries. Issues, where we are like-minded, where we co-operate bilaterally and on the multilateral scene and where we make a difference. The linkages between environment, energy and economic development are crucial to sustainable development. So is disarmament. I will give special mention to Arctic developments, which bring together three issues important to sustainable development that are drawing increasing international attention: access to resources, commercial opportunity and environmental concern in the wake of melting ice.

But first, let me first underscore that Norway shares the heightened international interest in Japan. Our Parliament’s standing Committee on Foreign Relations and Defence will visit Japan in the second half of September. Our Minister for Environment and International Development at the end of October. Other political level visits to Japan are in the pipeline.

Global Outlook

Norway is a small country with a wide, global outlook. We are actively engaged in promoting sustainable and equitable development, as well as peace-building, for a better organized world community. Active participation in the **United Nations** system is a corner-stone of that foreign policy. We find our interests best served by strong multilateral institutions and an effective UN, a UN-led world order. Norway is the fifth largest contributor to UN operational activities, closely behind Japan. We support Japan being made a permanent member of the Security Council and appreciate the role that you are currently playing there as a non-permanent member. Norway’s and Japan’s delegations to the UN arranged a successful seminar on “Human Security and Health” in May this year.

Our security policy is anchored in the **North Atlantic Treaty Organization**. Like Japan, Norway has committed herself not to produce or store nuclear weapons. Like Japan, we are under an American nuclear umbrella. NATO, a defence alliance of countries on both sides of the North Atlantic, is now engaged also outside its original geographical scope. The challenges to our security today are global.

Some 600 Norwegian troops are in **Afghanistan**, in ISAF, along with those of our NATO allies to contribute to stability, security and development. They are there at the request of the UN Security Council and Afghan authorities. Norway is one of the biggest contributors to civilian reconstruction in Afghanistan providing more than Yen 10 billion per year. Norway’s Foreign Minister Jonas Gahr Støre is in Kabul today discussing the way forward with Foreign Ministers of other countries and Afghan authorities.

The countries of the **European Union** are our main political and economic partners. 80% of our trade is with EU countries. But Norway is not a member of the EU. Our people have in

two referenda, in 1972 and 1994, opted not to join. Norway is pursuing a pro-active policy towards Europe as member of the **European Economic Area**, where Norwegian companies have the same rights and responsibilities as companies of European Union member countries. The EEA ties us closely to EU developments in many fields. And Norway is part of the Schengen area.

As **industrialized** democracies, Norway and Japan are partners in the **OECD**. Our economies are dependent on international trade and we share interests in the **World Trade Organization (WTO)**, not least in maintaining a vibrant agricultural sector in our countries.

Unlike Japan, Norway is not a member of the **G20**. Our GDP is the 23rd largest in the world. Considering our financial and petroleum resources as well as track record for international development and environment as well as peace-building, we think we should be included in an appropriate way. We recognize the important role that the G20 is playing as a forum for efforts to stabilize the world economy, but we also see the self-appointed G20 as a challenge to principles of multilateralism and international legitimacy. Albeit, more representative than the G7 and G8 in that it includes the important emerging economies. Foreign Minister Støre has suggested, now that the worst of the financial and economic crisis has begun to fade, that the G20 should address the question of its own legitimacy and evolve to better reflect the interests of the nations that its actions affect.

Norway's international profile would not be complete without mention of the **Nobel Peace Prize**, perhaps the most coveted prize in the world. Last year, the Norwegian Nobel Committee, an independent Committee appointed by the Norwegian Parliament, awarded the prize to President Obama. For his efforts to strengthen international diplomacy, for the more constructive role the USA under his leadership was playing in meeting the global climatic challenge and for his work for a world without nuclear weapons – all of which are important for global sustainable development.

Domestic Nutshell

Norway is located on the northwestern edge of the Eurasian landmass. In area about the same size as Japan. But our population is only 4.8 million. Our GDP per capita is the second highest in the world – JPY 7 million (USD 80 000). Foreign trade accounts for about half of our GDP. Norway is one of the world's largest exporters of oil and natural gas, the second largest seafood exporter and the sixth largest shipping nation in the world. Our economy has fared relatively well through the financial crisis. We expect 1.6% growth in GDP this year and 3.1% in 2011. Unemployment is around 3 ½ %.

Norway is a welfare state and a nation of gender equality. Half of our Government Ministers are women. Over the last decade, Norway has remained number one in the UN Human Development Index on the best country to live in. According to the magazine "National Geographic", the Norwegian fjords are the world's most spectacular tourist destination. We have Midnight Sun in the summer and Northern Lights, Aurora, in the winter.

Norway is a Constitutional Monarchy and Parliamentary Democracy. Governed by a Red-Green coalition government re-elected last September and led by the Social Democratic Party, with the Centre (Agrarian) Party and Socialist Left Party. We have a broad national consensus on the basic elements of our foreign policy and domestic policies.

Visible Global Footprint

Ladies and Gentlemen, Norway may be a small country, but we make a large and visible footprint on issues of sustainable global development. What then is sustainable development? It is defined simply and very comprehensively by the World Commission on Environment and Development in its report “Our Common Future” published a quarter of a century ago under the Chairmanship of Norway’s former Prime Minister Dr. Gro Harlem Brundtland:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

In February this year, Dr. Brundtland was honoured as the first inductee to the new prestigious Japanese environmental institution - the “Kyoto Earth Hall of Fame” - for her efforts to promote sustainable global development. I had the privilege of receiving the award on her behalf, a personal privilege having worked directly with her a couple of years as Adviser on International Affairs when she was Prime Minister. And Dr. Brundtland is no stranger to the National Press Club of Japan. She spoke here as Prime Minister in 1992.

The economic, social and environmental path that we find ourselves on today clearly does not fit that definition. Then again, no one is claiming that sustainable global development is an easy task. It is a global challenge. Well-off industrialized countries have a special responsibility and contribution to make. Norway fully supports the UN Millennium Development Goals. We provide 1% of our GDP as official development assistance. Sustainable development is about the linkages among equitable economic development, ecology, environmental protection and energy security. It is about human security in a world, where international efforts for disarmament, arms control and non-proliferation of nuclear weapons must be accelerated. It is about sustainable harvesting of natural resources, not least living marine resources and that includes whaling. With whaling recently in the news, let me add that Norway’s commercial whaling is clearly within the legal framework set by international law. Our catch of minke whales is based on findings of the Scientific Committee of the International Whaling Commission in line with our strong advocacy of sustainable and effective management of marine resources.

Environmental Forefront

It is Norway’s ambition to be a leading nation in environmental policy. We regard climate change as a major political challenge of our time. As we approach the UN Climate Change Conference in Cancun – COP 16, Norway and Japan are in the forefront pursuing ambitious targets for reducing CO₂ emissions. COP 15 in Copenhagen last December did not fulfill our ambition. But we nevertheless regard the Copenhagen Accord as a step in the right direction.

The poorest people in the world will be the hardest hit by the effects of climate change. Developed countries, with their financial and technological resources, must take the lead within a broad international framework. Norway’s Prime Minister Jens Stoltenberg was recently appointed Co-chair of the High Level Group established by UN Secretary General Ban Ki Moon on financing measures in developing countries to mitigate climate change. Norway attaches great importance to delivering on the promises made at COP 15 in Copenhagen through international co-operation and that with the support of Japan.

Norway will continue to press for a more comprehensive and legally binding climate agreement to succeed the Kyoto Protocol. We will reduce our emissions by 30-40% from 1990 levels by 2020. 40% as part of a global agreement, where major emitters reduce emissions in line with the objective to keep the rise in global temperature below two degrees. Our objective is to be “carbon neutral” by 2030. We will follow up our commitments and reduce emissions nationally and internationally through use of the flexible mechanisms under the Kyoto Protocol. All countries must contribute by reducing emissions in order to limit humanly induced climate change.

Norway and Japan take Global Leadership

Norway and Japan have taken global leadership in efforts to reduce emissions from deforestation and forest degradation in developing countries – REDD+. Norway’s Prime Minister hosted two months ago the “Oslo Climate and Forest Conference”, where Heads of State and Governments, Ministers and other representatives of some 50 countries concluded a Partnership Agreement on reducing greenhouse gas emissions from deforestation. These emissions account for 17% of global emissions. Action in this field can be a quick and effective deliverable to combat climate change that will boost international confidence in the climate change negotiating process as well. Norway has pledged to commit up to JPY 43 trillion (USD 500 million) a year. Reduced emissions here must be additional to, and not a substitute for, deep cuts in the emissions from developed countries.

We are indeed happy that Japan will host a follow-up meeting at Ministers’ level in Nagoya in October as a stepping-stone to the Climate Summit in Mexico. And as co-chair for the REDD Partnership and with your increased support to the Forest Carbon Partnership Facility, Japan is, indeed, in the forefront also of this important endeavour. Your conference on REDD+ takes place the day before the 10th Conference of the Parties to the Convention on Bio-Diversity in Nagoya. Norway’s Environment Minister is looking forward to participating in both these major international conferences. Norway and Japan can, indeed, work purposely together to promote sustainable global development.

Let me also highlight the importance that Norway attaches to Carbon Capture and Storage (CCS). A high-level international conference hosted by Prime Minister Stoltenberg in May last year put the spotlight on CCS as a key climate technology and mitigation tool in our world, where fossil fuels – oil, coal and natural gas - dominate the energy mix. The development and large scale commercial deployment of CCS technology has great potential and can account for 25% of the reduction of CO₂ emissions required up to the year 2050. This is important considering the increasing number of coal-fired power plants that we will see not least in China and India as their economies continue to industrialize and grow. CCS should be included as a project activity under the Clean Development Mechanism. Our Tokyo Embassy hosted a bilateral seminar for Japanese and Norwegian experts on the Carbon Value Chain last fall with special emphasis on CCS.

Environment Conscious Energy Producer

The world will need more energy for economic and social development. Energy is crucial for our efforts to reach the UN Millennium Development Goals. But production and use of energy are also at the core of global environmental, not least climate change, concern. We need cleaner energy, used in a more efficient way, accessible and affordable to a larger share of the world’s population. This means new and innovative technologies for environmentally

better use of fossil fuels. This means accelerated development of alternative, renewable sources of energy, such as solar, wind, tide, thermal and bio-fuels. All combined with improvements in energy efficiency. The world has much to learn from Japan, the world leader in energy efficiency.

Norway is an environment-conscious energy-exporting country. Japan an environment-conscious energy-importing one. The challenges of energy security and climate change are interlinked. Measures to meet the climate change challenge should not jeopardize energy security. And policies and measures for energy security should not exacerbate climate change.

In Norway, we produce ten times as much energy as we use ourselves. Almost 100% of our electricity and 60% of our total energy mix is generated by emissions-free and renewable hydro-power. Our reliable exports of substantial amounts of offshore oil and natural gas contribute to the security of energy supply of our trading partners. Norway is the world's second largest exporter of natural gas, only Russia exports more, and sixth largest exporter of oil. We have vast offshore areas yet to be explored and resources yet to be tapped.

The petroleum sector now accounts for almost a quarter of Norway's GDP, half of our total exports and more than a quarter of total government income. We have established an Oil Fund, "the Norwegian Government Pension Fund – Global", now the second largest sovereign wealth fund in the world with assets of around JPY 37 trillion (USD 425 billion). All invested abroad to shield our domestic non-oil economy. 5% of the Fund, almost JPY 2 trillion is invested in Japanese bonds and equities – shares in more than 1 300 Japanese companies. Japan is the Fund's 6th largest investment destination.

Oil has been a "blessing" for Norway. But it has been a "curse" for some oil producing developing countries. We are sharing our experience in a special programme "Oil for Development" with some twenty-five resource-rich developing countries, mainly in Africa. We support them in their efforts to maximize income and manage their petroleum resources in an environmentally sustainable way that generates economic growth and promotes the welfare of the population. Catchwords are good governance, transparency, anti-corruption in resource and revenue management along with environmental protection.

Global Energy Dialogue

As an industrialized, energy exporting country, Norway takes actively part in international energy co-operation. We co-operate with other industrialized, mainly petroleum importing countries, including Japan, in the International Energy Agency, the IEA. But as a major producer and exporter of oil and gas, we have important interests in common and good relations also with other producers in and outside of OPEC. However, Norway is not a member of OPEC, nor do we have any formalized production agreements with that organization.

Norway and Japan co-operate in the International Energy Forum, which was set up following an initiative by Dr. Brundtland. The objective was to start a much-needed dialogue among Ministers of oil-exporting and oil-importing countries to reduce the political distrust and conflict potential often associated with oil and to address the links between energy and environment. Information sharing and policy discussions in the IEF have contributed to greater understanding and awareness of long-term common interests. That again provides for calmer energy markets and increased energy security. That means security of energy supply

for energy-importing countries and security of energy demand for energy-exporting countries. To support the political level dialogue in the IEF, Ministers set up an international secretariat in Riyadh, Saudi Arabia in 2003. I was elected the first Secretariat General with the support of Japan and served for four years before coming to your country as Norway's Ambassador. One result of special interest to Japan was the process of biennial Roundtables of Ministers of Asian countries that was initiated within the IEF framework reflecting the increasing global importance of Asia. The 3rd Roundtable was held in Tokyo last year bringing together Ministers of the petroleum-exporting countries of West Asia – the Gulf - and Ministers of the petroleum-importing countries of East and South Asia to discuss issues of common interest.

Arctic and High North

From the hot deserts of Saudi Arabia, let me now take you to the Arctic, where the ice sheet is melting at an alarming rate, being reduced by an area more than one and a half times that of Japan per decade. The great amount of international scientific documentation and the broad scientific consensus are compelling. Melting polar ice raises sea levels and accelerates global warming. Foreign Minister Støre and Nobel Peace Prize Laureate Al Gore showed in their report “Melting Snow and Ice” presented at the Climate Summit in Copenhagen last December how ice is melting world-wide, not only at the Poles, but also in mountains and permafrost. Drawing attention to global warming in the Arctic let me underscore that neither the causes nor the solutions lie there. The causes lie outside the Arctic. The causes are global and the solutions must be found in global co-operation.

As the Arctic ice sheet is getting smaller and smaller, international interest in the Arctic is getting bigger and bigger. The melting of Arctic ice opens long-term perspectives for exploiting huge reserves of oil and natural gas. More than a fifth of the yet-to-be-discovered reserves of oil and natural gas in the world could be found in the Arctic. State-of-the-art technology is called in this challenging and high-cost environment. Norway is already producing and exporting oil and natural gas from our part of the Arctic. Idemitsu has been awarded interests in licences in the area. We are closely following petroleum developments in the Russian Arctic as well. Our state company Statoil is in partnership with Russian GAZPROM and French Total in developing the enormous Shtokman gas field.

Melting of Arctic ice can also open new routes for maritime transport that will substantially shorten sailing routes from Asia to Europe. The Northeast Passage brings Norway and Japan closer together and reduces the distance from Yokohama to Rotterdam by 40% as compared to the southern route through the Suez Canal. This also has geo-political and security policy implications as it connects the North Atlantic area to North East Asia.

Strategic Focus

The Norwegian Government has the High North as a foremost area of strategic focus. Our policy is to safeguard Norwegian economic, environmental and security policy interests by means of a coherent policy that integrates the three. It is a policy of dialogue with the states that have interests in the region. It is a policy of strengthening institutionalized multilateral co-operation, such as that we have in the Arctic Council. Our policy underscores the importance of intensified co-operation with neighbouring Russia.

During President Medvedev's state visit to Norway in April this year, it was announced that the negotiating delegations of Norway and Russia had reached agreement on the maritime

delimitation line in the Barents Sea and the Arctic Ocean – after 40 years of talks. Some technical details remain before the final treaty is ready for signature. After that it will be considered by the parliaments of the two countries. The agreement divides the former disputed area 175 000 km², half the size of Japan, into two parts of approximately the same size. The delegations recommend adoption also of provisions regarding co-operation in fisheries and petroleum activities.

Orderly Development

The core of the Arctic is an ocean surrounded by the land masses of five countries, all of which have continental shelves extending even further north as recognized by international law. Norway is one of these five Arctic coastal states. The others are Russia, the USA, Canada and Denmark, because of Greenland. The Arctic Ocean is not governed by an area-specific regime or treaty. This, however, does not leave the Arctic in a legal vacuum. On the contrary, the Arctic benefits from principles and regulations enshrined in the United Nations Convention on the Law of the Sea (UNCLOS) to which more than 150 nations, including Japan, are party, and other international agreements. Norway is leading work in the International Maritime Organization (IMO) for an updated and mandatory Polar Code.

The Convention stipulates that a coastal state has sovereign rights on its continental shelf, including the exclusive right to explore for and exploit its natural resources. The special UNCLOS Commission on the Limits of the Continental Shelf accepted last year that our shelf stretches northwards beyond 200 nautical miles to around the 85th parallel. Not far (550 km) from the North Pole. The distance between Tokyo and Osaka by the Shinkansen.

Ministers of the five Arctic Ocean coastal states reconfirmed in the Ilulissat Declaration two years ago their commitment to the extensive international legal framework that applies to the Arctic Ocean and their commitment to the orderly settlement of any possible overlapping claims. There is no need to develop a new comprehensive international legal regime especially to govern the Arctic. The coastal states surrounding the Arctic Ocean have internationally recognised sovereignty over land and, as a consequence, jurisdiction over maritime zones and continental shelves. On this basis, they exchange in on-going dialogue views on responsible management of resources in the areas under their national jurisdiction and scientific co-operation related to this.

Arctic Council

This dialogue among the five Arctic Ocean coastal states does not replace or contradict the wider circumpolar co-operation in the Arctic Council, which we want to see strengthened as the international arena for discussions of Arctic issues. In addition to the five coastal states, it also includes Iceland, Finland and Sweden as well as Arctic indigenous communities. In the words of our Minister of Foreign Affairs, the Arctic Council is “the obvious institution through which to shape more of the policy that we need for the Arctic area”. It is a policy-shaping, not decision-making organisation. It now meets annually at political level. Important focus is on sustainable development and environmental protection in the Arctic.

Norway supports Japan’s application for permanent observer status in the Arctic Council. We want to co-operate even more closely with Japan as you take active part in Arctic developments related to research, energy and shipping, not least because of what you can share in terms of Arctic and Antarctic research competence and activity.

Co-operation with Japan in the Arctic

Japan is one of thirteen nations with permanent research bases in our Arctic Archipelago Svalbard – half way between the Norwegian mainland and the North Pole. Our Embassy last year hosted the First Norway – Japan Workshop on Arctic Space Research with Sounding Rockets. The co-operation between the Norwegian Space Centre and the Japan Aerospace Exploration Agency (JAXA) in launching sounding rockets from the Norwegian Arctic helps us learn more about atmospheric conditions that influence global climate change. In March this year, Japanese experts were in Norway to participate in the Norway-Japan Joint Workshop on Arctic Climate and Global Warming.

Norway and Japan have both contributed actively to the Fourth International Polar Year 2007-2009. An extraordinary effort of scientists of some sixty other countries that pooled their efforts to increase our common knowledge about the Arctic and Antarctica. In fact, one of the largest international science collaborations ever undertaken. Norway followed up the 4th IPY by hosting the International Polar Year Oslo Science Conference in Oslo last month, which highlighted the global impact of the changes observed in the Polar Regions. Sixty distinguished Japanese scientists were among the some three thousand scientists that took part. As a stepping-stone to that Conference, the Embassy hosted April, in co-operation with the Ministry of Foreign Affairs of Japan, a Norway-Japan Polar Seminar that deepened our close co-operation in polar issues.

A New Farewell to Arms

Disarmament and arms control is another area where Norway and Japan are in the forefront. We co-sponsor Japan's proposal in the UN every year to eliminate the world's nuclear weapons. A **world free of nuclear weapons** is a longstanding aim of Norway's foreign policy. We are calling for concrete steps to reduce the role of nuclear weapons in security policies. President Obama's speech in the Prague last year gave the vision of a world free of nuclear weapons more political clout. We see the signing of a new Strategic Arms Reduction Treaty (New START) by Presidents Obama and Medvedev in April as the start of a broader disarmament process, which will include all types of nuclear arms, and which in the end will lead to a world without nuclear weapons.

The **Non-Proliferation Treaty** Review Conference in May had a successful outcome, though we would have welcomed a more ambitious result. It fell short of timelines for eliminating existing nuclear weapons. But it salvaged the credibility and relevance of the Treaty. Concrete actions were agreed upon to abolish nuclear weapons, to strengthen efforts for non-proliferation and to create conditions for peaceful use of nuclear technology by all nations.

Norway recognizes disarmament as a humanitarian and developmental imperative, in addition to being a security issue. We pushed for the Mine Ban Convention and later the **Cluster Munitions Convention**. The latter concerns safe destruction of stockpiled cluster munitions and prohibition on their use. Cluster munitions cause unacceptable harm to civilians in conflict zones before and after use. These humanitarian consequences prompted an "Oslo Declaration" that led to the Convention signed in Oslo in December 2008. Norway and Japan were among the first to sign. The Ministry of Foreign Affairs of Japan hosted in co-operation with the Embassy of Norway in March this year an international celebration of the Convention. It enters into force a few days from now, on 1 August. We appreciate the very

useful further efforts Japan is making to encourage other states in Asia to sign and ratify the Convention on Cluster Munitions.

More than two thousand people die every day as a result of armed violence. Targeted efforts to address armed violence are beginning to bear fruit. Norway and the United Nations Development Programme (UNDP) hosted a meeting in Geneva in May this year, where more than 60 nations endorsed the so-called **Oslo Commitments on Armed Violence**.

Bilateral Co-operation

In conclusion, Ladies and Gentlemen, a word about our bilateral relations. Japan was one of the first countries to recognize Norway as a new and independent state in 1905, after centuries of Union with Denmark and Sweden. Japan was the first country in Asia with which we established diplomatic relations. We have strong traditions in co-operation in shipping, trade, sustainable fishing and whaling. Japan has been an important trading partner for Norway for generations. Today our second largest in Asia.

Japan is an important market for Norwegian **seafood** products, such as mackerel, salmon, “shishamo” (capelin) and King crab. Seafood exports account for more than a quarter of our total exports to Japan. The 8th Annual Norway-Japan Seafood Seminar that we hosted in co-operation with the Fisheries Association of Japan end of May gathered more than 200 Japanese experts. Let me add that we eat a lot of fish in Norway. And that I am very impressed that Japanese eat on average three times as much fish a year than Norwegians do.

We have a vibrant bilateral co-operation in **science and technology** that focuses on energy and environment, nano-technology and seafood safety. Last year our bilateral Commission added space, atmospheric and polar research as focus areas. Leading universities in the Kyoto region and in Norway co-operate in the Kyoto International Forum for Energy and Environment (KIFEE). Norway is a global leader in technology areas of interest to Japan such as the carbon value chain, including carbon capture and storage (CCS) and emission trading, production of materials for the solar and photovoltaic industry and offshore wind energy.

Japan is showing interest in Norway as a **Welfare State**. We are happy to share our experiences, hoping that some can be of operational interest to you as you decide how best to address these issues in the years ahead. Our Tokyo Embassy hosted in co-operation with your Cabinet Office in April an interesting seminar on “Work-life Balance and Corporate Social Responsibility. And we were co-organizers of an international seminar in Tokyo in June on gender equality.

Our **cultural exchanges** are flourishing. The famous Norwegian playwright Henrik Ibsen will be staged a lot in Japan after the summer, when the first international Ibsen Festival takes place here with participation of the National Theatre of Norway. We are happy for your interest in the music of our composer Edvard Grieg and our special Norwegian jazz, folk and contemporary music and not least Japanese appreciation of our artist Edvard Munch. Idemitsu has for more than 20 years now been a key supporter financially of the Munch Museum in Oslo. An agreement to bring three Munch paintings for display at the Idemitsu Museum each year has recently been extended.

Ladies and Gentlemen, there is much more to say. I will stop here and am looking forward to your questions and comments.

