

Arne Walther Ambassador of Norway Opening Speech

"Norway in the Forefront for Sustainable Development"

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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, where we are like-minded and co-operate closely bilaterally and on the multilateral scene. The linkage between energy, environment and economic development is crucial to sustainable development. So is disarmament. I will give special mention to Arctic developments, which bring together environmental concern, resources and commercial opportunity and which are drawing increasing international attention – also in Japan.

But first, let me first underscore that Norway shares the heightened international interest in developments in Japan. This is reflected by several political level visits from Norway after the summer. The Norwegian Parliament's standing Committee on Foreign Relations and Defence 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.

Visible Global Footprint

Norway is a small country, but has a large and visible footprint on issues of global sustainable development.

Active participation in, the **United Nations** system is a corner-stone of our foreign policy. As a small country, 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 appreciate the role that Japan is now playing in the Security Council. We support Japan being made a permanent member of the Security Council. Our two delegations to the UN co-operated to arrange a successful seminar on "Human Security and Health" in New York 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 Northern Atlantic, is now engaged also outside its original geographic scope, notably in Afghanistan, where Norway at this point in time has some 600 soldiers and policemen in ISAF. We have pledged more than Yen 10 million per year (2000-2012) in our assistance programme. The challenges to our security today are global.

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 the same rights and responsibilities as companies of European Union member countries and which ties us closely to EU developments in many fields.

As **industrialized** democracies, Norway and Japan are partners in the **OECD**. We are both dependent on international trade and share interests in the **WTO**, not least in maintaining a vibrant agricultural sector in our national economies.

Norway, with the 23rd largest GDP in the world, is not a member of the **G20**. We think we should be included in an appropriate way. An extra comment on the G20 after its recent Summit in Canada, if I may. 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. Of course, more representative than the G7 and G8 in that it includes the important emerging economies that expect an increasing say in world affairs. Our Foreign Minister Jonas Gahr 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 as a nation of peace 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 is playing in meeting the global climatic challenge and for his work for a world without nuclear weapons.

Domestic Nutshell

Norway is up north on the other side 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 - 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 as fared relatively well through the financial crisis. We expect 1.6% growth in GDP this year and 3.1% in 2011. Unemployment around $3\frac{1}{2}\%$.

Norway is a welfare state and nation of gender equality. Half of our Government Ministers are women. Over the last decade 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, led by the Social Democratic Party, with the Centre (Agrarian) Party and Socialist Left Party, and re-elected last September. We have a broad national consensus on the basic elements of our foreign policy and domestic policies and these are being carried further.

Sustainable development

Now down to the themes that I have been asked to address this afternoon.

What is sustainable development? It is defined simply, but 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."

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 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. Global sustainable development is about the linkages between equitable economic development, ecology, environmental protection and energy security. It is about sustainable harvesting of natural resources, not least living marine resources and that includes whaling. It is about human security in a world, where international efforts for disarmament, arms control and non-proliferation of nuclear weapons must be accelerated.

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 global sustainable development. I was greatly honoured to attend the commemoration ceremony and receive the award on behalf of Dr. Brundtland, especially so, since I had the privilege of working directly with her a couple of years, when she was Prime Minister, as Special Adviser on International Affairs from 1987, the year her Commission's Report "Our Common Future" was presented. And Dr. Brundtland is no stranger to the National Press Club of Japan. She spoke here as Prime Minister in 1992.

Environmental forefront

It is Norway's ambition to be a leading nation in environmental policy. Climate change is a major political challenge in 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 C02 emissions. COP 15 in Copenhagen last December did not fulfill our ambition. But we regard the Copenhagen Accord as a step in the right direction.

The poorest people in the world who will be hit the hardest 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 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% if a global agreement, where major emitters agree on emission reductions 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.

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Norway and Japan take leadership

Norway and Japan have taken 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 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. Reduced emissions from deforestation and forest degradation must be additional to, and not a substitute for, deep cuts in the emissions from developed countries. Norway has pledged to commit up to USD 500 million a year.

We are indeed happy for Japan's active support in these efforts, not least your hosting a follow-up meeting at Ministers' level in Nagoya on 26 October as a stepping-stone to the Climate Summit in Mexico. And as co-chair for the REDD Partnership along with Papua New Guinea, and with your increased support to the Forest Carbon Partnership Facility, Japan is, indeed, in the forefront of this important endeavour.

Your conference on REDD-plus 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 global sustainable development.

Let me also highlight the importance that Norway attaches to Carbon Capture and Storage (CCS). A potent tool to reduce global greenhouse gas emissions in a 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 reduction of CO2 emissions required up to the year 2050. 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.

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. A few months later, our 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 to our efforts to reach the UN Millennium Development Goals. But production and use of energy is 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 new 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 across the board. We have much to learn from Japan in energy efficiency. Japan is the world leader.

Norway is an environment-conscious energy-exporting country. Japan an environment-conscious energy-importing country. 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 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 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 37 trillion Yen (USD 425 billion). All invested abroad to shield our domestic non-oil economy. 5% of the Fund, almost Yen 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.

Norway takes actively part in international energy co-operation. A major exporter of oil and natural gas, Norway co-operates with other industrialized countries, including Japan, in the International Energy Agency, the IEA, within the OECD Framework. But as a major producer and exporter of oil and gas, we have important interests in common also with other producers in and outside of OPEC with whom we have good relations. However, Norway is not a member of OPEC, nor do we have any formalized production agreements with OPEC.

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. 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 increasing energy security for both exporters and importers.

To support the political level dialogue in the IEF, Ministers set up an international secretariat in Riyadh, Saudi Arabia. I was elected the first Secretariat General with the support of Japan and served there for four years from 2003 before coming to Japan as Norway's Ambassador.

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, especially 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.

Arctic and High North

Now, let me take you to the "Top of the World" - the Arctic, where the ice sheet is melting at an alarming rate. More than one and a half times the area of Japan per decade. The great amount international scientific documentation is impressive and the broad scientific consensus compelling. Melting polar ice will raise sea levels and accelerate global warming. Norway's Foreign Minister Jonas Gahr Støre and Nobel Peace Prize Laureate Al Gore drew added attention to the challenge in their report "Melting Snow and Ice" presented at the Climate Summit COP 15 last December showing how ice is melting world-wide, not only at the Poles, but also mountains and permafrost.

Drawing attention to global warming in the Arctic, let me underscore that neither the causes nor the solutions lie here. The causes lie outside the Arctic. They 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

For the Norwegian Government, the High North is a foremost area of strategic focus, on land and on our offshore continental shelf. Safeguarding Norwegian economic, environmental and security policy interests by means of a coherent policy that integrates the three. Our policy is one 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.

On 27 April, during President Medvedev's state visit to Norway, 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 the approximately 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 countries. 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 a 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 adopted two years ago the Ilulissat Declaration, which reconfirms 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, in our view, 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 co-operation in the Arctic Council, which we want to see strengthened as the international arena for discussions of Arctic issues. Indeed, Norway attaches great importance to circumpolar co-operation in the Arctic Council. In addition to the coastal states of the Arctic Ocean, 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.

Norway supports Japan's wish 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 offer and 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 influencing global climate change.

In March this year, fourteen 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 our scientists along with those 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 taking part in the Oslo Conference. As a stepping-stone to that Conference, the Embassy hosted in April a Norway-Japan Polar Seminar that deepened our close cooperation in polar issues.

<u>Disarmament – A Global Challenge</u>

Disarmament and arms control is another area where Norway and Japan are in the forefront. Our Foreign Minister recently underscored how disarmament represents an opportunity to enhance security. We must eliminate weapons that weaken security rather than strengthen it. He also questioned institutionalized intergovernmental disarmament agendas that a handful of countries, or those who want to achieve the least, can dominate.

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 Convention on Cluster Munitions 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. Earlier this year, on 26 March, the Ministry of Foreign Affairs of Japan hosted in co-operation with the Embassy of Norway a timely international celebration of the necessary thirty ratifications having been deposited for the Convention to enter 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.

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.

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 with a view to reaching the overall political objective to eliminate these weapons. 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 succeeded in salvaging the credibility and relevance of the Treaty. 64 concrete actions to abolish nuclear weapons, to strengthen efforts for non-proliferation and to create conditions for all nations' peaceful use of nuclear technology were agreed upon.

Bilateral Co-operation

In conclusion, Ladies and Gentlemen, a word also about our bilateral relations more in general. Japan has been an important trading partner for Norway for generations. Today our second largest in Asia. 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. It was because of close maritime relations. We have strong traditions in bilateral co-operation in shipping, trade, sustainable fishing and whaling. We share interests also in the multilateral context.

Japan is an important market for Norwegian **seafood** products, such as mackerel, salmon, shishamo and King crab. Seafood exports account for more than a quarter of our total exports to Japan. We eat a lot of fish in Norway. I am 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 model and experiences, hoping that some can be of operational interest to you as you decide how best 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 a seminar in June on gender equality.

Our **cultural exchanges** are flourishing. Our famous playwright Ibsen will be staged a lot in after the summer, when the first international Ibsen Festival takes place in Japan with participation of the National Theatre of Norway. We are happy for your interest in our composer 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.