

*Check against delivery***Ladies and gentlemen, Professor Paul Collier, dear friends and colleagues,**

On the occasion of the fortieth Anniversary of Icelandic Development Cooperation it is a privilege to welcome our guest of honour, and the keynote speaker at this anniversary symposium, Professor Paul Collier. He is, as many of you know, a distinguished researcher and practitioner on development economics. Indeed, he has done more than most in shaping the international debate on the challenges of development. This he has managed through his tireless work for international institutions, his academic research, as well as his widely read books on poverty, conflict and the environment.

Professor Collier. I'm obliged to confess, that you have had considerable influence on the present government in Iceland, - as shown by the fact that your distinguished work in recent times fits excellently with our emphasis on development cooperation. Each of your three books addresses subjects that we have identified as the three main pillars of Iceland's new strategy on development: The sustainable use of natural resources, support to the most poor and vulnerable through education and health and peace building and reconstruction in poor and unstable countries.

I may add, that the present Opposition in our parliament, that to their credit have been very progressive in their views on the subject, may also be beneficiaries of your thoughts and work. I see in our audience today one of the most senior MP's from the Independence Party, Einar K. Guðfinnsson, a good friend, who I know for a fact has read your influential book on the Bottom Billion.

Ladies and gentlemen,

Forty years ago Iceland was still defined as a developing country. At that time we nevertheless had gained the confidence in our economic future to move from being on the receiving end, as one of the poor nations of Europe, to start contributing from our own growing wealth to the developing countries.

Iceland has changed a lot in those forty years. The world has however changed dramatically over the same time.

To be sure, we do have seen some important progress. Hundreds of millions of people have been pulled out of poverty. The majority of disadvantaged people now live in countries which are climbing the ladder from low to middle income. We see a lot of hope there.

Child mortality has been reduced by one-third in twenty years. Today, almost all children can attend primary school. More than a billion people have been given access to clean water

That is the good news. But the bad news is that there still is a lot to be done. Professor Collier wrote in the book I mentioned about the one billion people who have been left behind, desperately poor, without basic health care and little or no education. The “dirt poor”, who barely eke out an existence in countries that are usually characterized by extremely weak and corrupt governments, or in countries that suffer from conflicts or the aftermath of war.

It is the duty of countries like Iceland, that despite a banking collapse, despite everything, are nevertheless not only the happiest people on earth but also among the richest, to come to the aid of those that belong to the Bottom Billion.

I am therefore very proud that our Parliament earlier this year adopted a Resolution on a new four-year strategy for Iceland’s Development Cooperation. We now have a time-bound plan to increase our aid to the UN target of 0.7 per cent of the Gross National Income.

I’m proud of the fact that this was done unanimously, with strong support from the Opposition.

I can assure you, distinguished audience, that this is not an empty promise. Our common pledge is already being carried out in the new finance bill. We have reversed the trend of the last three years, when – sad to say - our development aid was hit hard by budget cuts. It is the only thing that I deeply regret consenting to, but at least today I feel free to say it won’t happen again. Maybe I’m so daring because this week I am also acting Minister of Finance.

However, every crisis entails an opportunity. We have used our difficult times to sharpen our focus, reform our internal work and to formulate a strategy in line with the objectives of the legal framework that guides our work. As Iceland’s economy gradually improves, I am very pleased that we are getting back on track with our development cooperation.

Dear friends.

Today we are also celebrating two other anniversaries. The Icelandic International Development Agency is thirty years old this year. It has been the heart and soul of our international cooperation on development. During this time hundreds of people have done a fantastic job for ICEIDA— both at home and in the field, not only the Icelanders but also the local staff in our partnering countries in Africa, South Asia and Latin America.

I want to pay tribute to their work and thank them for their contribution. ICEIDA's work is of great importance – it is rewarding, it fills us with pride - and it certainly makes a difference.

I want to use this opportunity to thank the two former leaders of this important institution who are unable to be with us today, Björn Dagbjartsson, an excellent pioneer, and my good old friend, Sighvatur Björgvinsson, who is responsible for molding what little I had of political talent in the beginning, for their tireless dedication to our development programs. They both did exceedingly well.

We now have a new director, Engilbert Guðmundsson, a man that is loaded with experience having spent almost his entire working life among the bottom billion and is very focused on sharpening, and strengthening, our work in Africa.

The third anniversary we are celebrating today is the Iceland Crisis Response Unit which was formally created on September 10, 2001, the day before the drastic nine-eleven.

Ladies and gentlemen.

The contribution that I myself know best, some parts for over 30 years, are the three United Nations University training programmes. Since 1979 more than 700 fellows from close to 80 developing countries have completed a six month postgraduate training course in the field of geothermal energy, fisheries and land restoration. These fellows have returned back home, empowered by new knowledge and experience that can be of great benefit to their countries. It was an experience for me to travel to Indonesia, to the Philippines, to Yemen, Djibouti and be greeted with considerable number of graduates from the geothermal programme, some that I had myself met at previous graduation ceremonies, and all fast becoming the leading lights of geothermal in their countries. Mind you, the research professor who has endured 38 years with me, my wife that is, has taught at the Geothermal programme from the beginning and a surprising number of students still remember her well. So do I, between

my travels. So you can guess what the pillow talk in my home is all about – not politics, only geothermal.

Dear friends.

UNICEF is also fresh in my mind as only last week I confirmed an agreement, still unsigned, on our future cooperation. Iceland works closely with the UN, where we have chosen to focus on children's rights through UNICEF. They really are doing a splendid jobs, here in Iceland and elsewhere.

Ladies and gentlemen.

I hope you will enjoy the rest of the program today and come away perhaps a bit wiser about the solutions - and also the pitfalls - of development cooperation.

I am happy to give you the distinguished guest of honour.

Professor Paul Collier.

The floor is yours. Thank you.