



Development Policy

Government
Resolution
5.2.2004

Ministry for Foreign Affairs of Finland

Contents

1. The new development policy	4
Common goals for the common good	4
Quality and effectiveness through coherent development policy	4
The UN Millennium Declaration provides a framework for Finland's development policy	5
Finland's responsibility and goals	7
Finland's strengths and the focus of activities	8
Implementing, monitoring and evaluating development policy	9
2. Achieving the goals by increasing coherence in development policy	11
The development policy perspective affects many areas of policy	11
Finland supports the multilateral system	11
Finland promotes policy coherence in the European Union	13
Development policy is also security policy	14
Human rights	15
Trade	16
The environment	18
Agriculture and forestry	20
Education, research and culture	22
Health, social and labour issues	23
The information society and information and communications technology	24
Migration and development	25
3. Achieving the goals through development cooperation	27
Bilateral development cooperation	28
NGO development cooperation	32
EC development cooperation	33
Multilateral cooperation	34
Humanitarian aid	35
Administration and resources of development cooperation	36
3. Towards a common development policy	37

Development Policy

Government Resolution 5.2.2004

Ministry for Foreign Affairs of Finland

The new development policy

Common goals for the common good

In today's world, people and states depend on each other and influence each other's well-being in many different ways. As a responsible member of the international community, Finland promotes development and a more equitable division of the benefits of globalisation. This is our responsibility, but in this way we also construct the security, economic growth and the fundamental well-being of our own society.

Since the beginning of the 1990s, the international community has been shaping a common understanding of development problems and of the means to solve them. This process culminated in the UN Millennium Summit and the resulting Millennium Declaration. The WTO's Doha ministerial meeting, the Monterrey International Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development further specified common goals and means and promoted implementation of the Millennium Declaration.

Developing countries themselves bear primary responsibility for their own development. The Monterrey Conference examined financing for development in a more comprehensive perspective than before. Development financing includes developing countries' domestic financing, private sector investment, trade, the question of debt, and conventional development cooperation funding. At Monterrey, the

developing countries committed themselves to economic and political reforms, and the industrialised countries, on their part, to improving access to markets for developing countries' products, to resolving the debt problem and to increasing development aid.

Joint commitment to the reduction of poverty means that the policies of the industrialised countries will have to be considered in a more comprehensive manner. New types of international indicators are being developed in order to compare different countries. This comparison is based on factors such as the level of development aid and the harmonisation of procedures, trade with and investments in developing countries, protection of the environment, immigration policy and contributions to the promotion of peace and security.

Quality and effectiveness through coherent development policy

Development policy refers to coherent activity in all sectors of international cooperation and national policy that have an impact on the status of developing countries, including security, human rights, trade, environment, agriculture and forestry, education, health and social, immigration, and information society policies.

Development cooperation is a key instrument of development policy. It can be used to promote the strengthening of an environment conducive to development in the poorest countries in order to improve the premises

for investments and trade and to achieve economic growth.

The following are the main principles of the new development policy:

- Commitment to the values and goals of the UN Millennium Declaration
- Broad national commitment and coherence in all policy areas
- Commitment to a rights-based approach. This means that the realisation of the rights of the individual as defined by international human rights agreements is taken as the starting point in Finland's development policy.
- The principle of sustainable development
- The concept of comprehensive financing for development
- Partnerships for development. Partnerships based on participation by the public and private sectors and civil society, both at the national level and internationally, are a *sine qua non* for development.
- Respect for the integrity and responsibility of the developing countries and their people. States themselves bear responsibility for their own development. Finland's contributions are directed towards supporting each country's own efforts.
- Long-term commitment and transparency. Finland adopts predictable long-term solutions, and communicates all activities and plans in a transparent manner. This applies both to the financing and the contents of policy.

Finland uses the instruments of development cooperation, trade and security policy, as well as other national policies in a coherent manner. The activities of the public sector alone are not sufficient; there is also a need for cooperation and partnerships with the private sector, civil society, expert organisations and interest groups. Finnish people give their strong support to improving the circumstances of people in developing countries. The best way to ensure this support also in the future is to continue to improve the quality, efficiency and effectiveness of Finnish development policy.

The foremost threats to security today are armed conflicts, crises and instability with all the eventual repercussions; terrorism, the spread of weapons of mass destruction, cross-border crime, drugs, HIV/AIDS, environmental destruction and uncontrolled migration. Development policy instruments can be used to help avert these threats.

In line with the Government Programme, Finland seeks to take the interests of developing countries better into consideration in the WTO's Doha round of trade negotiations, while also seeking to promote the position of developing countries with the instruments of trade policy. Trade is important for economic growth in developing countries, and thereby for the reduction of poverty. In bilateral and multilateral cooperation Finland stresses that improving the necessary conditions for trade should be one of the main components of poverty reduction strategies. All this is also in Finland's own long-term trade interests.

The UN Millennium Declaration provides a framework for Finland's development policy

In the UN Millennium Declaration Finland and other nations are committed to

- The values guiding international relations in the 21st century – freedom, equality, solidarity, tolerance, respect for nature and a sense of joint responsibility
- The central importance of peace, security and disarmament for the world community
- Development and the eradication of poverty
- Protecting our common environment
- Human rights, democracy and good governance
- Protecting the vulnerable
- Meeting the special needs of Africa
- Strengthening the United Nations and the multilateral system

As part of the Millennium Declaration, the world community is committed to common Millennium Development Goals. The Declaration specifies eight main development goals and their targets. Finland has committed itself to the achievement of these goals by 2015.

The first seven goals specify the agreed key factors of poverty reduction at individual and country level. The eighth goal specifies how the industrialised countries and the donor community will participate in ensuring the necessary resources and promote the creation of an environment conducive to development.

The development goals and targets of the Millennium Declaration:

1 Eradicate extreme poverty and hunger

- Halve the proportion of people whose income is less than one dollar per day by 2015
- Halve the proportion of people who suffer from hunger by 2015

2 Achieve universal primary education

- Ensure that all boys and girls have the possibility to complete a full course of primary schooling by 2015

3 Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels by 2015

4 Reduce child mortality

- Reduce by two thirds the mortality rate among children under five by 2015

5 Improve maternal health

- Reduce by three quarters the maternal mortality rate by 2015

6 Combat HIV/AIDS, malaria and other diseases

- Halt, and start to reverse, the spread of HIV/AIDS by 2015
- Halt, and start to reverse, the incidence of malaria and other major diseases by 2015

7 Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Halve the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015
- Achieve significant improvement in the lives of at least 100 million slum dwellers by 2020

8 Develop a global partnership for development

- Develop a fair and rule-based international trading and financial system
- Increase development cooperation with those developing countries that are committed to the reduction of poverty
- Address the special needs of the least developed countries
- Resolve the debt problems of developing countries by national and international measures so that debt becomes sustainable in the long term
- In cooperation with the developing countries, develop and implement strategies for the employment of young people
- In cooperation with the private sector, make the benefits of new technology especially information and communications technologies available to developing countries,
- In cooperation with the pharmaceutical industry, ensure the availability of essential drugs to the developing countries.

Finland's responsibility and goals

The main goal of Finland's development policy is to contribute to the eradication of extreme poverty from the world. Activities that help to achieve this goal include prevention of environmental threats; promotion of equality, human rights, democracy and good governance as well as increasing worldwide security and economic interaction, which originally became part of Finland's policy in development cooperation in the 1990s. Finland is committed to a rights-based approach and to the principles of sustainable development in its development policy. Finland bears its own share of the responsibility for creating the global partnership called for by the Millennium Declaration, in which developing countries are committed to the reduction of poverty and in which they themselves bear the main responsibility for developing their own societies, while industrialised countries are committed to supporting this process by means such as development aid, trade and private sector investment.

Thus, in practice, the Government of Finland will

- increase funds for development cooperation in accordance with its programme so that based on the present estimation of national income growth, they will be at the level of about 0.44% of GNI in 2007;
- develop the content, quality and administrative framework of development cooperation so that it will be possible to achieve a level of 0.7% of GNI by 2010;
- increase the efficiency, effectiveness and impact of development cooperation by concentrating activities and working for the harmonisation of donor procedures;
- encourage people in Finland to support the values and goals of the Millennium Declaration and the fulfilment of Finland's obligations;
- promote economic growth in developing countries together with an equitable distribution of income;
- support endeavours to help the poorest developing countries gain influence in international forums, particularly emphasising cooperation with African countries;
- work to strengthen the multilateral system and to increase the effectiveness of the UN;
- in accordance with the Government Programme, give more consideration to the interests of the developing countries in WTO trade negotiations and help to enhance the developing countries' bargaining position by improving their trading capacity and promoting the inclusion of trade issues in their own poverty reduction strategies;
- support the effective implementation of debt management programmes for developing countries, with special interest in ensuring the sustainability of debt and aid received by developing countries;
- improve cooperation between public institutions in Finland to increase the coherence and effectiveness of Finland's development policy;
- urge Finnish companies to participate in achieving the Millennium Development Goals, and encourage them to direct their interests and activities towards the poorest developing countries, and, with a view to this, promote cooperation and partnerships between the public and private sectors;
- promote the access of developing countries to new technologies including information technologies, and identify, together with the private sector, solutions in information and communications technologies which are appropriate for the poorest developing countries.

Finland's strengths and the focus of activities

Our own experience of the development of Finnish society in five decades from a poor country with small production capacity, and recovering from two wars, into one of the world's most competitive welfare and information societies, also provides a firm foundation for involvement in international development policies. Finns have learnt that security and stability, both inside the country and in the surrounding regions, are prerequisites for development. Respect for human rights, democracy and good governance create a social environment that enables well-balanced development. Equal participation of women and men in the functions of society is one of the ingredients of our own success, as is care for the environment. Responsible economic growth led by the private sector in conjunction with an equitable distribution of income provides society and its members with resources for economic development. Sustained long-term investment in education, health, social services and the well-being of children and young people has borne fruit in our country.

With regard to its own participation, Finland must consider the value that it can contribute to international development. On the one hand, this value added arises from Finland's own cultural history and experiences as outlined above, as well as the values rooted in them, and, on the other hand, from the special strengths and skills that Finland has acquired in certain sectors.

The cross-cutting themes in the implementation of the Finnish development policy are:

- promotion of the rights and the status of women and girls, and promotion of gender and social equality;



- promotion of the rights of groups that are easily marginalised, particularly those of children, the disabled, indigenous peoples and ethnic minorities, and promotion of equal participation opportunities for them;
- consideration of environmental issues.

Finland's support for developing countries in implementing the Millennium Declaration in individual countries is guided by the poverty reduction strategies of the partner countries. Hence, Finland ensures that its inputs are channelled into development work that the partner countries manage themselves, and which is based on a deep understanding of each country's situation. Implementing the goals set requires creating an environment conducive to development.

Primarily, it is the developing countries themselves that are accountable to their own citizens for the socio-economic development programmes aiming at economic growth and reduction of poverty. Private-sector-driven economic growth and equality-promoting income distribution are fundamental to the reduction of poverty. Success requires true political will to create an operating environment that makes

development possible. Respect for human rights, promotion of gender equality, social equality and democracy, good governance and sound economic management are essential cornerstones of development. Peace and security are prerequisites for achieving sustainable results.

Eradication of poverty calls for an environment in which public resources can be put to work together with the skills and resources of the private sector and civil society. It is becoming increasingly clear that development in individual countries depends on global and regional environments.

Finland contributes on all levels and in all sectors to creating an environment that is favourable to development and to private sector operations. Finland particularly directs its support to strengthening democratic institutions and the civil societies in developing countries, to developing local government, and to helping to combat corruption. Finland promotes cooperation between government bodies and employers and labour organisations in creating jobs and improving labour market regulations. By participating in conflict prevention, peacekeeping and civilian crisis management we take part in creating the basic necessities for the reduction of poverty.

In the implementation of the Millennium Development Goals Finland focuses on the following areas and activities:

- Ensuring basic education for all, and especially promoting the education of girls; improving the quality of teaching and of learning results; increasing the demand for education; inclusive education;
- Developing health care systems, particularly for basic health care and sexual and reproductive health;
- HIV/AIDS as a development issue;
- Social security networks; promotion of employment and labour market regulations;
- Access to clean drinking water and sanitation services;
- Sustainable management and protection of natural resources; support to partner countries in implementing global environmental agreements and processes;
- Support for provision of staple foods and improving food security; support for the creation of enabling political and economic operating environments for rural development ; strengthening sustainable local livelihood strategies and supporting these aims by upgrading research, extension, training and services;
- Forestry as a part of rural livelihoods and a means of reducing poverty;
- Information society, information and communications technology; measures to bridge the digital divide and develop technological solutions appropriate for poor developing countries.

Implementing, monitoring and evaluating development policy

The goals set in this development policy are ambitious. To achieve them will require work in Finland, in the partner countries and within the EU, the UN and other international forums. The Ministry for Foreign Affairs has overall responsibility for implementing the policy and for the coordination this necessitates, but other key parties are also involved, including various other ministries, government agencies and institutions as well as the private sector and NGOs. Continuous and comprehensive monitoring and evaluation are needed to implement the policy.

Development policy is a part of Finland's foreign policy. The goals and implementation of the development policy are part of the strategy and operational plan of the Ministry for Foreign Affairs, in which the main tasks of the Ministry are seen as the promotion of the security and well-being of Finnish people, the creation of a common international sense of

responsibility and the reinforcement of peace, together with the responsibility for preparing and implementing Finnish foreign policy, including coordination of shaping the national principles of action. The implementation of the development policy is monitored as part of the Ministry's overall goals using the Ministry's internal monitoring systems.

Cooperation within the Ministry for Foreign Affairs and among the authorities will be further improved to promote coherence in the development and monitoring of the policy. The Ministry's internal systems for implementing and monitoring development policy will be consolidated. A separate action plan is to be prepared, specifying the targets and areas of responsibility. The Department for Development Policy monitors the implementation of the plan to ensure that the development policy is directly linked with framework and results budgeting and appropriation decisions.

The need for new strategies connected to certain sectors, themes or procedures is considered when the implementation plan is prepared. The implementation is guided by the approved Strategy and Action Plan for Promoting Gender Equality 2003-2007 and the Strategy for Rural Development.

In planning cooperation, more systematic use will be made of the results of independent evaluations. Exceptionally comprehensive and varied independent evaluation material that was produced by the Ministry's own evaluation and research services and by international bodies was available for the preparation of the

present resolution. Review and evaluation will be developed so that up-to-date information is always available to support policy and implementation.

The Development Policy Committee assesses the implementation of the policy. Its work is directed particularly to the achievement of policy coherence. The Committee reports annually to the Government on the implementation of Finland's development policy and the factors affecting it. The Committee's proposals are taken into account in the annual planning of the implementation of the policy. To help it in its tasks, the Committee calls on representatives from different ministries to serve as permanent experts.

The UN will review the implementation of the Millennium Declaration in 2005, when Finland will make its first interim review of work for the achievement of the goals. At the end of its present term of office, the Government will arrange for an independent assessment of the realisation of the aims of its development policy.

In international cooperation, Finland takes an active part in developing the contents, quality and effectiveness of the development policy especially within the framework of the OECD Development Assistance Committee (DAC). Finland's next OECD/DAC review of development cooperation is expected to take place in late 2006 early 2007. Use can be made of its conclusions for the development policy of the next government, particularly with regard to achieving a 0.7% share of GNI by 2010.

The main reviews include the OECD/DAC peer review of Finnish development cooperation (2003), the partner review "Improving Effectiveness of Finnish Development Cooperation – Perspectives from the South" (2003), the report of the Special Committee chaired by Councillor of State Harri Holkeri on the level and quality of Finland's Development Cooperation (2003), the country programme evaluation summary (2002) and the State Audit Office's report on controlling results in Finland's bilateral cooperation (2003).

2

Achieving the goals by increasing coherence in development policy

The development policy perspective affects many areas of policy

Achieving the aims of development policy requires improved policy coherence in national policies, multilateral cooperation and EU policies. Coherence in practical implementation also needs to be increased through better cooperation among authorities. The development policy perspective needs to be included in all the programmes and reports in which Finland's policies in issues affecting development are defined.

Together with the drafting of this policy, work was started in the Ministry for Foreign Affairs, amongst various public sector institutions, and with other stakeholders, to deal with the challenges posed by the need for coherence. This work shall be continued. Government officials are well acquainted with the Millennium Declaration, and its goals are considered important. This common commitment should lead to a systematic analysis of the challenges of coherence. The policy changes required in each area of activity are to be mapped out and specified with the aim of:

- Finding mutual interests of Finland and the developing countries and adopting effective ways to promote them; and
- Identifying potential conflicts. Awareness of the existing contradictions in the national policy will create opportunities to deal with them and to draw up new operational guidelines.

Exchange of information, cooperation and interactive mechanisms among officials must be strengthened further. There are already regular theme-based groups in which officials from different ministries work together. Such arrangements will now be made increasingly to deal with development policy issues which are inter-ministerial in nature. The Ministry for Foreign Affairs shall also investigate how the overall harmonisation of development policy amongst official bodies can be achieved effectively without unnecessarily increasing the administrative burden.

Finland supports the multilateral system

Part of Finland's development policy is to strengthen the multilateral system, to increase its operational capabilities and to improve the opportunities of developing countries to have an impact. Through the multilateral system, norms and guidelines are created for international cooperation, environments conducive to development are strengthened at global and regional levels, and support is given to the efforts made by developing countries themselves. The multilateral system secures the position of small countries and improves their prospects for exerting an influence.

The multilateral system provides the best forum for dealing with international development issues in a comprehensive, cross-secto-

ral and pluralistic way. The multilateral system has become increasingly significant through globalisation. There is a strong international consensus about the Millennium Declaration and the Millennium Development Goals. This consensus was further reinforced at the Doha ministerial conference and the Monterrey and Johannesburg summits.

Finland considers that the resources of the multilateral system should now be concentrated on activities to implement the jointly agreed goals. The credibility of the UN and of the multilateral system depend on the ability to fulfil joint commitments in practice. Naturally, responsibility for implementing decisions also lies with national actors

Finland strives to strengthen the operational capability of the multilateral system and supports the reforms set in motion by the Secretary General of the United Nations. The international financial institutions that work alongside the UN, and particularly the World Bank, also play an important part in carrying out the commitments of the Millennium Declaration. The Asian economic crisis showed how instability in the international economic system can plunge millions of people into poverty. Thus, the International Monetary Fund has considerable direct responsibility for the reduction of poverty through the maintenance of stability in the international economic system and the prevention of crises. Finland finds it essential that the UN, the international financial institutions and the WTO work even more closely together.

The chairmanship of the UN Economic and Social Council (ECOSOC) in 2004 offers Finland an excellent opportunity to address development issues in a coherent manner and to promote cooperation. Finland will also intensify its work in the OECD and its Development Assistance Committee. As a comprehensive organisation for economic cooperation and development, the OECD provides exceptional opportunities for dealing with cross-secto-

ral issues that promote coherence in development policy.

The Helsinki Process

In today's world, there is a clear need to facilitate and complement inter-governmental negotiations with open and equal dialogue between all stakeholders in seeking for new joint methods for managing globalisation.

The Government of Finland wants to improve the conditions for managing globalisation, to extend the benefits of globalisation more equally to all, and to mitigate its negative impacts. Finland continues to cooperate with Tanzania in the Helsinki Process, promoting broad-based international discussion about a more equitable management of globalisation. The Helsinki Process is a forum that brings together governments from the South and the North, international organisations, the private sector and civil society, and offers opportunities for open, unprejudiced and pluralistic dialogue. The aim is to develop concrete proposals and strategies for promoting the implementation of the UN Millennium Declaration and the results of the Doha, Monterrey and Johannesburg conferences. Finland is prepared to utilise the results of the Process in bilateral and international connections, including the EU. In the long-term, the process is to achieve a more balanced, democratic and rule-based management of globalisation within inter-governmental multilateral cooperation, particularly in international organisations.

The ILO World Commission on the Social Dimension of Globalisation

The development perspective is one of the main features of the World Commission on the Social Dimension of Globalisation that has been set up by the International Labour Organisation. The Commission is co-chaired by Finland's President Halonen and Tanzania's President Mkapa.

The Commission's point of departure is that globalisation is a process that should benefit people all over the world. The benefits and the disadvantages of globalisation should be evaluated expressly in terms of how they affect people's daily lives. Globalisation is a process that can be controlled and can be guided by national, regional and international measures

The measures proposed by the Commission in its report require monitoring. One option for this could be the Helsinki Process. The Government of Finland is prepared to promote in its activities the monitoring of the World Commission's recommendations on the social dimension of globalisation in fora appropriate for each issue. Multilateral development work is a particularly important sector of activity in this respect. The Government will assess which measures to use to bring to the fore internationally the themes raised by the report, and to promote the implementation of the Commission's recommendations.

Finland promotes policy coherence in the European Union

Many of the decisions that determine Finland's policy in development-related issues are made within the EU. Finland emphasises the coherence of different policy sectors in the national preparation of EU decision-making. Comprehensive preparation in Finland creates a good basis for achieving Finland's goal of influencing and increasing the coherence among the different areas of EU policies, and especially in its external relations and development cooperation.

The European Union has vastly increased the extent of Finland's contact with the countries of the world. As a member of the EU, Finland is involved in multi-sectoral dialogue with almost all countries, including developing countries. The EU is the major development cooperation

partner of the developing countries as well as a significant trade partner. The EU also has a significant role globally. Finland works increasingly through the EU, and the EU has a direct impact on our national policies. EU membership has increased Finland's potential to influence global development; it has also increased our visibility in the international arena and enabled us to contribute to the quality of the relations between the EU and developing countries.

Within the EU, attention has been devoted to policy coherence ever since the 1960s but it still remains a greatly challenging issue. Finland promotes increased coherence in EU's external relations, in relations with developing countries, and among different policy sectors. This requires increasingly close cooperation at the national level in order to find areas of convergence on the issues dealt within the EU, and in order to be able to include the development policy perspective in Finland's positions on decisions affecting global development. Since Finland joined the EU, domestic preparation in EU sub-committees has served to shape a coherent national strategy.

Coherence in EU activities, effectiveness of aid and improved quality are prominent features in the three-year programme for the EU presidencies, which Finland will implement during its presidency in the second half of 2006.

Along with the opportunities it offers, membership of the EU also guides Finland's scope for making independent policy decisions for the benefit of developing countries. Trade policy and agricultural policy, for example, mostly fall within the EU's competence. This means that Finland's influence on various matters is through the EU and that Finland respects the fact that EU positions are defined on the basis of negotiations among all the EU member countries. Finland contributes and is committed to the compromises sought between the national interests of the member countries and that of global development.

Development policy is also security policy

Finland is determined to increase the coherence of its security and development policy instruments in a persistent and assertive manner so as to increase global security and stability. Eliminating injustice and reducing poverty will serve to prevent conflicts, violence and crime. Along with long-term development cooperation, Finland targets support specifically at the prevention and management of crises and post-conflict recovery in developing countries.

Development policy is also a part of Finland's security policy. From the point of view of security policy, the task set for development policy is to bring about sustainable development that can deal with the causes of conflicts and violence and eradicate them. Development policy can also contribute to solving existing conflicts, and development work plays a key part in recovery from them. On the one hand, the question is one of starting and maintaining decade-long development processes, and, on the other, of reacting speedily to what happens in the world. At the same time, promoting security and stability is a key factor in trying to achieve the goals of development policy. Violent conflicts are the most serious obstacles to development in many developing countries. Poverty, injustice, the inequitable distribution of resources and bad governance are also breeding grounds for conflicts, violence and terrorism.

Finland works persistently for increased security and stability as well as for prevention of armed conflicts through development cooperation. As conflicts change increasingly from inter-state to intra-state, it is evident that the importance of reducing poverty and strengthening the structures of human rights, democracy, good governance and the rule of law in order to prevent them is enhanced. Broadly speaking,

all well-implemented development cooperation increases stability and diminishes injustices. Finland also carries out specific projects that promote security, tolerance and regional stability. Activities that promote countries' internal and regional security and prevent conflicts, such as resolving disputes on the distribution of natural resources as well as increasing tolerance and promoting confidence-building interaction, are to will be included more systematically than in previous development cooperation.

By means of crisis management, solutions can be found for acute situations, for controlling crises that have already escalated, for stabilising conditions and for the immediate requirements for post-conflict recovery. Finland offers its expertise in crisis resolution, peacekeeping and civilian crisis management, matching its input closely with the instruments of development cooperation. Prevention, management and resolution of conflicts and post-conflict recovery work will be increasingly emphasised during the term of this Government. It is also possible to include more early-warning systems in development cooperation and use them in crisis prevention. The complementary aspect of the working methods of development cooperation, humanitarian aid and crisis management will be developed.

Finland has increasing experience of civilian crisis management in developing countries. Various activities and their coordination are further developed. Finland participates in developing this field in the UN, the Organisation for Security and Cooperation in Europe (OSCE), the Council of Europe and the EU while also promoting internationally the coordination of crisis management actors.

With reference to its own experience, Finland considers the developing countries' own regional arrangements for increasing cooperation and integration to be the starting point for increasing stability and security amongst them. In Africa, the African Union and the New Partnership for African Development (NEPAD) are

promising examples of how increased cooperation opens up potential for dealing with security issues. Other cross-border endeavours – such as solving environmental and health problems and combating crime – also pave the way for increased regional integration and security cooperation.

The Government report on defence and security, due in 2004, will analyse the nature of the new security threats in more detail. In this connection, development policy will be included amongst the means of increasing security. In December 2003 the EU approved a strategy based on a broad interpretation of security. Within the EU, Finland also promotes the treatment of development and security as closely-linked issues.

Human rights

Finland strengthens democracy and the premises for development through an active human rights policy. One of the key issues in Finland's foreign, security and development policies is human rights and they are consistently promoted in bilateral, multilateral and EU cooperation.

Extreme poverty is one of the greatest human rights problems of our time. Human rights and development both depend on and support each other. A rights-based approach to development policy emphasises the rights of individuals to participate in society – as a counterbalance to exclusion from it. Increasing peoples' abilities to improve the quality of their own lives is an important key to the elimination of poverty. Finland promotes giving expression to the opinions of people, especially those in the weakest positions, in the Poverty Reduction Strategies of partner countries.

Finland's human rights policy is based on the universal nature of human rights. Even though



international human rights agreements leave some freedom of action for states in applying them, violations of human rights cannot be justified by appealing to such factors as culture or religion. This is particularly important where the rights of women and girls are concerned. Finland also emphasises that human rights are indivisible and interdependent. Well-balanced development requires the realisation of all human rights, traditional civil and political rights as well as economic, social and cultural rights. Freedom of speech, for example, is of little use if lack of education prevents participation in the functions of society.

From the point of view of the credibility of human rights policy, it is important that human rights are promoted by applying various methods of action coherently. Activities in bilateral, EU and multilateral contexts must form an integrated whole that supports the realisation of human rights.

In practice, Finland's development and human rights policies support each other in many different areas. The human rights policy focuses on groups that are more often discriminated against than others. These include women, children, minorities and indigenous peoples. The rights of the disabled are also emphasised.

Owing to its own experience, Finland has a lot to offer in dealing with these issues. The focal points of the human rights policy are directly linked with the preconditions for development. The education of girls is one example of a key factor in social development.

While emphasising the importance of personal security, attention must be directed to the rights of the groups who are in the most vulnerable position when these rights are not realised equally. Today, armed conflicts occur mostly within states and are usually linked with conflicts among ethnic groups. In such circumstances, widespread violations of human rights, and, for instance, discrimination of people belonging to minority groups undermine security. Bringing the perpetrators of such violations to justice is important from the point of view of human rights, and also crucial for the prevention of conflicts and for the sake of social stability.

The human rights policy aims to support democracy and strengthen the structures of constitutional states and good governance. Democratic institutions and services must be available to all the different groups in society, to women and men alike. This is made possible by, for instance, equality in education, health care and the justice system. Transparency is an important factor in a democratic society and the fight against corruption an important focal point of Finland's development policy.

In development cooperation, Finland promotes human rights, on the one hand, as a cross-cutting theme through a rights-based approach and, on the other hand, through specific projects for promoting human rights, democracy and good governance. NGO cooperation and local cooperation funds are particularly well-suited for such projects, as they make it possible to intervene in human rights violations in developing countries and also to support the improvement of human rights in other countries than the long-term partner countries.

The deepening dialogue with long-term partner countries will provide better opportunities to take up issues of human rights. Consequently, the agenda will include international human rights issues such as commitment to agreements and implementation of human rights. The criteria for cooperation set out in the Government's Decision-in-Principle of 2001 form the framework for political dialogue. The main issues on the human rights agenda include: use of the death penalty, occurrence of torture, restrictions on freedom of speech, transparency of governance and administration, and treatment of vulnerable groups and minorities.

Trade

Finland will increasingly take into account the interests of developing countries in the WTO's Doha round of trade negotiations. Strengthening the multilateral trading system requires the full participation of the developing countries. From the point of view of the poorest developing countries, it is important that issues such as better access to markets for developing countries' products, impartial rules that also observe the special needs of the poorest developing countries, and the promised technical aid to strengthen their trading capacity, will also be carried out. Finland targets its support towards creating an operating environment favourable to trade and to resolving supply-side problems in developing countries. Finland will extend the range of instruments in its bilateral trade and economic relations, including the promotion of import from developing countries.

The globalisation and liberalisation of markets poses great challenges for developing countries, particularly for those that are least developed. On the one hand, globalisation opens international markets, enabling a rise in the standards of living and a decrease in poverty. On the other hand, the possibilities of the poorest devel-

oping countries to keep up with international competition may deteriorate considerably unless they are able to change the basic structures and institutional capabilities of their economies and societies and develop internationally competitive products and production capacity. Integrating developing countries into the international trading system can only take place if that system supports their own development goals. Finland respects the right of developing countries to resolve trade policy issues in their own interests.

In the light of its own experience, Finland considers that well-managed integration into international economy, of which foreign trade is an essential part, promotes economic and social development in poor countries. Finland is prepared to support, by means of trade policy and development cooperation, the opportunities of developing countries to benefit from international trade. A universal, rule-based and open multilateral trading system which takes the interests of all parties into account equally, will create the framework and conditions necessary for freeing trade and enabling all countries to benefit from its favourable impact on economic growth, employment and development. The issue of integration into the international trading system should be taken up in the national development programmes or poverty reduction strategies of the developing countries so that the integration takes place in a controlled way and its impact on the reduction of poverty will be ensured.

To complete successfully, the WTO's Doha round of trade negotiations, which started in 2001, particularly in terms of the consideration given to the poorest developing countries, is one of the main goals of Finland's trade and development policy during this Government's term of office. The strengthening of the multilateral trading system also requires the wholehearted participation of the developing countries. It is essential for the developing countries that, as acknowledged in the Doha Declaration, improved access of their products to



international markets and balanced rules are implemented and the assured technical assistance is exploited effectively.

Agricultural issues are among the most important topics of the WTO's Doha round of negotiations. According to the Doha Declaration, the negotiations aim at obtaining considerable improvements in ensuring access for agricultural products to international markets, a gradual reduction of export subsidies with a view to phasing them out in all their forms, and a substantial reduction in trade-distorting domestic support. The preferential treatment of developing countries is an integral part of the negotiations. Both agricultural and so-called 'non-commercial' concerns will be taken into account.

In the framework of the multilateral trading system, Finland works for improved consideration of the special needs of developing countries by promoting special benefits that support their integration into the trade policy system. Finland supports and finances initiatives that further implementation of the obligation to increase trade-related technical assistance

and facilities. Finland supports the WTO's work on technology transfer which aims to increase the production capacity and export product range of developing countries. Finland works on improving the effectiveness of interactive dialogue with the developing countries about trade policy issues bilaterally, through the EU, and in multilateral contexts. Finland seeks to consider the special circumstances of developing countries in the implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Over the past few years, the EU has improved the access of developing countries to its markets. Products originating from the least developed countries are allowed entry into the EU area duty-free, and many other developing countries also benefit from tariff preferences. For example, over 80% of Africa's agricultural exports come to the EU. In 2004 and 2005 the EU's Generalised System of Preferences (GSP) for developing countries will be revised. Finland is in favour of developing the system so that its benefits accrue better to the least developed countries, and is presently investigating how benefits of the type that have been granted to countries under the Cotonou agreement could be applied to all the least developed countries. Finland is looking for ways to promote its own imports from developing countries. Finland will also make use of the opportunities offered by the unit established in the EU to facilitate imports into the EU from developing countries.

While supporting development of the multilateral trading system, Finland uses development cooperation instruments to support the efforts of the developing countries to create an operating environment that promotes trade and investments. Trade that brings about an increase in sustainable economic growth, employment and productivity requires, among other things, stable and functioning basic social structures, infrastructure, a functioning financial sector and the possibility to develop production technology, product quality and mar-

keting. These form a key field of operations for development cooperation, in which the interests of trade and development converge and development cooperation acts as a catalyst for trade.

In order to increase imports and trade, Finnish business and industry are kept informed about the markets of the developing countries, production structures and rules affecting trade. Efforts are made to encourage the channelling of investment to developing countries by developing a climate and an environment favourable to investment, and, particularly through bilateral agreements, promoting and protecting foreign investment.

The environment

The prevention of international environmental threats is one of the main goals of Finland's development policy. Finland advocates change in production and consumption patterns and supports the reduction of poverty in developing countries in such ways that help avert the most serious environmental damage caused by economic growth. By promoting the implementation of multilateral environmental agreements, Finland seeks to safeguard the state of the environment. Finland includes consideration for the environment as a cross-cutting theme in all its development cooperation. Finland supports the inclusion of the principles of environmentally sustainable development in the poverty reduction strategies of its partner countries. Finland also supports specific environmental programmes and projects.

The challenges of development and of environmental sustainability are closely linked at both national and global levels. The future of Finland's own environment will also be decisively affected by the ways in which other countries in

the world, including the developing countries, take care of the environment. By implementing multilateral environmental agreements, the state of the environment can be controlled in Finland and in developing countries. The environment is a global public good and its protection is in everybody's interests.

It is impossible to achieve sustainable well-being and reduction of poverty unless the environment is taken care of. For this reason, environmental issues are a cross-cutting theme in Finland's development policy. Environmental issues are connected today with such issues as security, trade and finance. Cooperation among the various sectors of administration is essential.

Finland considers multilateral environmental agreements and the enhancement of international environmental governance a good means of ensuring that both industrialised and developing countries accept joint responsibility for the environment. Finland is party to more than a hundred multilateral environmental agreements, the aims of which include the prevention of climate change, the protection of biodiversity, combating desertification and the control of international trade in chemicals and control of transboundary movements of hazardous waste. The agreements include obligations binding on the developing countries and obligations to support the developing countries. The detrimental consequences of global climate change have the worst effects on the poorest countries and endanger their efforts to reduce poverty. The developing countries will therefore play an important part in the implementation and monitoring of the Kyoto Protocol.

Finland supports the developing countries in their capacity building to enable them to implement multilateral environmental agreements. Through international and development cooperation, Finland makes available to developing countries the benefit of its own expertise in managing global environmental problems and in promoting sustainable devel-



opment. Factors related to the environment are decisive in achieving many development goals, such as food safety, access to clean drinking water and progress in health care.

Access to affordable energy and sustainable energy solutions are of great importance in improving the standards of living and health conditions of the poor, in creating employment opportunities, but also in regard to the sustainable exploitation of natural resources and, for example, climate change. The Johannesburg Action Plan requires all countries to

draw up a strategy for sustainable development by 2005. In its development cooperation, Finland emphasises that environmental issues, and the fulfilment of the obligations set out in environmental agreements, are an integral part of poverty reduction strategies.

Agriculture and forestry

In its development cooperation, Finland emphasises the importance of promoting rural development and increasing the productivity of rural livelihoods. Finland supports the possibilities of the poorest developing countries to benefit from opportunities offered by international trade in agricultural products and recognises the special needs of the most vulnerable countries to protect and assist their farmers so that they will have sufficient time to adapt to a market-led production system. Promotion of the principles of sustainable forestry is in the common interests of Finland and of the developing countries. Exploitation of the opportunities offered by cooperation in forestry issues is to be accelerated to help achieve development policy goals.

Rural living conditions in developing countries will have a crucial impact on whether the Millennium Declaration Goals are achieved, since about two thirds of the people who live in extreme poverty live in rural areas. Finland emphasises the significance of the multiple role played by agriculture in rural areas and in society. Not only is agriculture a means of livelihood and a source of income, but it is also an essential factor in, for example, food security, regional politics and environmental issues. For almost all countries of the world agriculture is a sector of national importance, the future of which they seek to secure.

The exports of many developing countries are primarily agricultural products. Hence, the entry of developing countries' agricultural

products into industrialised countries' markets, and the subsidies of industrialised countries to agricultural production and exports, have caused disputes and disagreements between developing and industrialised countries. In this connection, the great differences among developing countries in their production and marketing capacities in agriculture and agricultural trade must also be taken into account. As a member of the EU, Finland promotes such trade policy solutions that improve the prospects of the poorest developing countries to benefit from agricultural exports and develop the competitiveness of their agriculture. The goal of greater coherence will also necessitate consideration of national perspectives on agriculture.

The EU, including Finland, has long made unilateral concessions in its trade policy which have eased access for specific groups of developing countries. Finland is in favour of developing these systems further. They include, for example, the Generalised System of Preferences (GSP) and the Lomé and Cotonou agreements with the countries of Africa, the Caribbean and the Pacific. The Everything But Arms (EBA) initiative applied since 2001 has made it possible to remove duties on imports originating from almost all of the least developed countries. Duties on sugar, rice and bananas will be phased out by 2009. Since the GATT Uruguay Round, the EU has also made cuts in domestic agricultural and export subsidies; these are expected to increase the competitiveness of developing countries' agricultural trade.

Both in the EU and bilaterally, Finland promotes measures that improve the status of poor producers in the poorest countries. The prospect of poor producers to benefit from world trade can be enhanced by adjusting the rules governing international agricultural trade, but this will not resolve the whole problem. In order to improve their living conditions, Finland will increase its efforts in bilateral and multilateral development cooperation to improve the political and economic operating environment, to

develop productive and income generating activities in rural areas, and to strengthen poor people's livelihoods.

Finland has many years' experience in developing rural livelihoods based on family farms and smallholdings. Finland's own agricultural sector has also gone through great structural changes to adjust to international competition. Both in development cooperation and in other international collaboration, Finland offers to developing countries the benefit of its own experience and expertise in, for example, establishing organisations of small producers, cooperative activities and extension services. Agriculture and forestry are the key sectors in development cooperation. Individual areas of focus include support for local rural livelihood strategies, the formation of farmer associations and producer organisations, provision of staple foods, food production and diversification of productive and income-generating activities. The international dialogue on forests in the 1990s resulted in a broad consensus on the principles of sustainable forestry. Recognition of Finland's influential role, both globally and in the EU, is based on the exceptional importance of the forestry sector in the history of the Finnish economy, regional development and society. In Finland, progress in sustainable forest management is based on decades of work in developing forest policy, legislation and private institutions that promote forestry. The EU and Finland have contributed significantly to the establishment of the UN Forum on Forests, which Finland continues to support as it does the Collaborative Partnership on Forests.

Finland and the developing countries share the same interests in promoting the sustainable use and conservation of forests. Forests are directly related to national economic potential and to a wealth of social and environmental benefits of local, national, and global importance. These benefits include the importance of forests for employment and for provision of livelihoods as well as their significance in terms of export earnings, carbon fixation, biodiversi-



ty, soil and water conservation, protection of indigenous peoples' ways of life, and recreational use. Sustainable forest management in developing countries can help the reduction of poverty in many ways. National forestry programmes should be seen as part of poverty reduction strategies. Finland supports national forestry programmes in developing countries through both bilateral and multilateral development cooperation. From Finland's point of

view, common rules and guidelines for good governance which promote sustainable forest management are becoming increasingly important with the globalisation of the forest industry and trade in forest products.

Two separate bodies of the same type work together in coordinating the strategies of Finland's international forest policy: the in-house working group on international forestry policy of the Ministry for Foreign Affairs, and the forest policy advisory board of the Ministry of Agriculture and Forestry. The division of labour between these two bodies is not unambiguous and requires clarification.

Education, research and culture

Development of the substance of education in Finland takes into account the growing importance of international cooperation, the increasingly multicultural nature of Finnish society and the principles of sustainable development. Finland is committed to promoting the Education for All process and supports education sector programmes in development cooperation, emphasising the development of basic education and exploiting the expertise of representatives of Finnish institutions. Finland also encourages the involvement of institutes of higher education and research in mutual cooperation with organisations in developing countries. Culture is to be regarded comprehensively as a noteworthy resource for development.

Investment in education has been one of the fundamental features of the construction of an information and welfare society in Finland. Education will also be an important means of meeting the challenges of globalisation in the future. In accordance with the Government Programme, in reviewing the substance of education the increasing importance of international cooperation and the increasingly multicultural nature of Finnish society shall be taken

into account. The importance of education as a means of promoting sustainable development is also emphasised in the Johannesburg Summit Programme of Action.

Education has an important role in the implementation of the Millennium Declaration. The UNESCO-coordinated Education for All (EFA) process is a key international process, particularly from the point of view of implementing the second and third Millennium Development Goals, which are directly connected with education. Finland is committed to the EFA process in various ways, including preparation of Finland's national EFA plan, which was jointly formulated by the Ministry of Education, the Ministry for Foreign Affairs, and the National Board of Education.

In development cooperation, Finland supports education sector programmes as part of its partner countries' poverty reduction strategies, emphasising basic education, gender equality and the point of view of the disabled. Active use is made of Finland's know-how in the education sector. Finland is studying the prospects for speeding up development in partner countries, for example, in the framework of the Fast Track initiative.

Cooperation between the Ministry for Foreign Affairs, the Ministry of Education and the National Board of Education will be increased. Finnish universities and institutes of higher education are encouraged to invest in the resources for the teaching and research of development issues. Institutes of higher education and research are encouraged to seek mutual cooperation with organisations in developing countries. The Centre for International Mobility (CIMO) develops mobility and exchange programmes to promote cooperation among experts in Finland and in the developing countries.

Culture should be regarded comprehensively as a significant resource for development ; it is a determinant of social values, customs and

social institutions, and the basis for security and experience. As a source of solutions to the challenges and problems that people encounter, it is, by nature, subject to continuous change. Respect for cultural plurality has been made one of the cornerstones of the Johannesburg Summit Action Programme and in the Final Declaration of the World Summit on the Information Society (WSIS). In the background lie UNESCO's general agreements on culture and the coming general agreement on the diversity of culture. Finland is committed to promoting and supporting the global strategy for world heritage, the aim of which is a more equal and representative protection of world heritage.

Health, social and labour issues

The Government emphasises the importance of the health sector as well as social and labour issues to development. Finland has much to offer owing to its own societal experience, and in development policy it concentrates on working on these broad themes in areas where it has particular strengths. The main focus of attention is on international work to combat global health risks, curb the HIV/AIDS epidemic, and to improve preventive primary health care in developing countries. The tools are multilateral cooperation, developing the management of globalisation and development cooperation.

Health is one of the most important factors affecting development. With increasing globalisation, diseases and health risks have also increasingly become common issues concerning all countries in the world. The same applies to social and labour-related issues. From our own experience, we know that social and health policies and labour regulations are important elements in any macro-level policy that aims at reducing poverty. The coherence of Finland's inputs and policy in these areas is thus essential for realising the goals of development policy.

Finland has a wealth of know-how and experience in the health and social sectors and in labour issues. Within these broad fields Finland concentrates its efforts on the areas where it has its own particular strengths. In order to increase the effectiveness of Finland's international activities, cooperation between public administration and expert organisations needs to be intensified. Finnish know-how needs to be developed further so as to make it useful for the needs of developing countries. Important established partners in Finland include the Ministry of Social Affairs and Health, the National Research and Development Centre for Welfare and Health (STAKES), Statistics Finland, and the Finnish Institute of Occupational Health. In international development cooperation Finland emphasises the development of developing countries' own primary health care systems, social services, social protection and labour market organisations. Primary health and social service systems must be of good quality, comprehensive and easily accessible to all.

Investment in health pays for itself many times over through economic growth. Finland focuses on making an impact through primary health care, mainly through preventive health care and health education. Antenatal and child welfare clinics have for a long time been a part of primary health care in Finland. We believe that strengthening mother and child welfare clinics is one of the most effective ways of reducing poverty in developing countries. In addition to primary health care services, women's rights and equality are a prerequisite for achieving the three health goals of the Millennium Declaration. Finland is active in promoting women's rights, and a broad perspective on sexual and reproductive health.

Finland participates in international cooperation in the health sector, where the normative role of WHO is more important than ever. The Ministry for Foreign Affairs works with the Ministry of Social Affairs and Health for the UN cooperation and channels aid through

WHO and the UNFPA. Along with these channels, bilateral health sector cooperation is also an important form of activity.

Finland emphasises the need for the prevention of HIV/AIDS on a broad basis, cutting across different sectors. The formation of networks among different ministries, organisations and groups is being intensified. Human rights, gender equality and health education, above all for young people, are some of Finland's main themes. HIV/AIDS is also a difficult problem for social security. Finland is keen to search for, and to support - in cooperation with others - new innovative forms of community-based and public social security. Along with the HIV/AIDS problem, hunger, diarrhoea caused by contaminated water, malaria and tuberculosis pose great challenges against which relatively inexpensive prevention methods are known. These problems, too, require on-going attention by the international community.

The development of work safety and occupational health is well known in Finland as being a good way to promote simultaneously the development of business activity and people's well-being. Community-based rehabilitation (CBR) programmes are the most inexpensive way to assist people with disabilities to find a way in which they will again be able to make their own contributions to the development of their societies. Prevention of disability is a priority. In all international cooperation Finland advocates the idea - based on Finland's own experience - that it is possible, often with only minor changes, to make society "obstacle-free" so that even permanently disabled people can live an independent life and do productive work.

For the social security of the poor people, the decisions with the greatest impact are often the ones that concern the general outlines of economic and social policy. One of these global macro-level issues is the question of how to manage globalisation so that its benefits could be shared more equitably than at present, which has been the main focus of the work of the ILO

World Commission and the Helsinki Process. While conducting a dialogue with, and monitoring the national poverty reduction strategies (PRS) of its developing country partners, Finland tries to promote patterns of economic growth that equalize income distribution and are based on the broad participation and assets of poor people and geographic areas.

The employment of school-leavers is a particular challenge and one of the Millennium Development Goals. Finland encourages its cooperation partners to intensify collaboration between government, employers' associations and labour unions in harmonising economic and social policy and promoting norms for employment and labour conditions. Finland opposes child labour, forced labour and trafficking in women and children. Finland also supports the development of insurance systems designed to offer protection against loss of income because sharing risks among large numbers of people is one of the least costly and most sustainable ways to improve the position of poor people.

The information society and information and communications technology

Finland supports developing countries' access to new information and communications technologies, works for bridging the digital divide, and, together with the private sector, seeks information and communications technology solutions for the poorest countries that will help to achieve the Millennium Development Goals.

The role of the information society in global development has been and will be considered at the two phases of the World Summit on the Information Society (WSIS) in 2003 and 2005. The aim is to harness information technology to serve the Millennium Declaration Goals, to reduce inequality, and to respond to new global challenges.

The first phase of the World Summit on the Information Society agreed on the principles on which to build a people-centered, inclusive and development-oriented information society based on human rights and the freedom of speech. Building information societies is a joint effort for all stakeholders; information and communications infrastructure and services must be made available to everybody and the ability for all to access information must be improved. Education is fundamentally important in the information society and each person must acquire the necessary skills and knowledge in order to understand, and participate in, the information society, and take advantage of the benefits it offers.

The diversity of cultural identities and languages and the production of content on the basis of local needs must be promoted. An environment conducive to the information society must be created, and people's confidence in it must be strengthened by improving data security. Information society services must be developed in accordance with people's needs in all areas of life.

The first summit meeting adopted a new action plan and a specific digital solidarity agenda as a framework for cooperation. Information and communication technologies and other elements of information society policies should be mainstreamed in bilateral and multilateral development cooperation, and partnership projects between public and private sectors should be established. Developing countries should incorporate information society strategies in their national development programmes, including their poverty reduction strategies.

Finland has been successful in building a competitive information society. Nevertheless, development is always based on national characteristics and, for instance, Finnish solutions cannot be transferred elsewhere as such, particularly not to developing countries. However, our own history provides a good starting point for sharing experiences with other countries.

Finland promotes information society development and the utilisation of new technologies globally and in its partner countries. Since it is a question of a new area of cooperation, there are opportunities for developing new and innovative forms of cooperation. It is essential to determine the responsibilities of the various stakeholders in building information societies, and to create a supportive environment for all stakeholders: the private sector, NGOs, and the public sectors of partner and financing countries.

Promotion of the information society and the opportunity offered by new information and communications technologies are to be taken into consideration as tools in achieving other goals. In addition, projects are needed that are connected with the information society in its fullest sense. At the first stage, Finland supports projects by means of which developing countries can obtain the basic capabilities to build an information society, such as the preparation and implementation of information society strategies and their linkages to national poverty reduction strategies.

Migration and development

The Government will consider issues relating to migration and immigration more coherently from the perspective of development policy. It aims to support the positive effects of migration and prevent harmful effects, especially trafficking in human beings, prostitution, and other crimes associated with illegal immigration.

Migration is a development issue. Most refugees, migrant workers, and emigrants leave their home country to search for safer places to live in and better economic prospects for themselves and their families. Through long-term development cooperation, we can help create conditions which will remove the main causes of migration.



Migration involves many negative aspects. In many countries, it results in the loss of skills and resources necessary for national development. Refugees often move in uncontrolled flows, frequently into another poor developing country, thereby increasing its problems. Negative side effects arise in connection with the large numbers of refugees and migrants, such as trafficking in human beings, prostitution, xenophobia and racism. In its refugee and development policy, Finland tries in the first place to help remedy the basic causes for exile. Finland supports the international organisations, and particularly the UN High Commissioner for Refugees (UNHCR), in their work to improve the rights and status of refugees and asylum seekers. Finland works and supports international measures to prevent human trafficking, prostitution and other crimes connected with migration. Finland promotes action against racism and xenophobia, both in Finland and internationally.

Properly managed migration can nevertheless be beneficial both for receiving countries and for developing countries. Transferring the results of the education and experience that migrants obtain in industrialised countries benefit the developing countries is a great challenge. Support for the return of refugees is especially important in connection with post-crisis recovery and reconstruction. The remittances that migrants send back to their home countries are an important source of foreign exchange in many countries and improve their balance of payments. Migration can also help, in many ways, to establish trade and investment links, and, more generally, promote interaction and learning processes between cultures and nations.

The ageing of the population in Finland and the threat of a labour shortage may create a need for immigrants. However, immigrants from the poorest developing countries are mostly uneducated and find it difficult to adapt themselves to Finnish circumstances. The Government emphasises the need to examine issues connected with migration and immigration from a more holistic perspective with regard to employment and development policy, and to look for solutions that would both satisfy the needs of Finnish society and result in benefits to developing countries. Immigrants are a source of cultural wealth and resource in Finland. Their experience and skills can also be used in development cooperation.

In the EU, the management of migration is considered in the framework of external relations. The framework was determined in the 1999 Amsterdam agreement and the Tampere summit. Migration issues have later been taken up in all the cooperation programmes that the Union carries out with other countries, and in the Cotonou agreement. The Tampere summit's conclusions pointed out the need for a comprehensive approach to the consideration of political, human rights and development matters arising in areas of origin and transit. The aims were renewed at the Seville summit of 2002 which also emphasised migration policy in EU relations with third countries.

3

Achieving the goals through development cooperation

The Government is committed to increasing development cooperation funds by some 220 million euros during its term of office. The increase means that at present GNI values, about 0.44% of GNI will be achieved by 2007. In accordance with the Government Programme, efforts will be made to reach 0.7% of GNI, as agreed in the UN, by 2010 considering overall economic development. Funds will be allocated in accordance with the following main principles:

- Finland directs most of the operational development cooperation funds into bilateral cooperation, focusing on its own strengths. By concentrating its activities, Finland tries to improve their effectiveness. From the partner country's point of view, aid coming from different sources constitutes an entity in support of poverty reduction strategies.
- Multilateral and European Community development cooperation are also part of Finland's development cooperation. Finland has a duty to exert an influence on the contents and quality of these modes of assistance and to participate in the funding of the main organisations and programmes on the same levels as peer countries.
- The Government will increase the proportion of funding to the poorest countries, the Least Developed Countries (LDCs), to 0.15% of GNI as total aid rises towards 0.7%.
- In bilateral cooperation, the long-term partner countries' share of country and regional grant-aid cooperation will be increased to 60%.
- The Government will increase funds for cooperation with Sub-Saharan African countries.
- The Government aims to increase the share of NGO cooperation gradually by 2007 to 14 % of operational development cooperation as NGOs increase their own capacity. The Government will also ensure that sufficient authorisations for funding and contractual commitments are available to safeguard sustained long-term activities in NGO cooperation. The Government is prepared to reduce the NGOs own minimum financial share to 15% during its term of office.
- Humanitarian aid will remain at the level of 10-15% of operational development cooperation funds.
- About 5% per year of the increase in operational development cooperation funds can be allocated to administrative expense appropriations, making it possible to strengthen the management of development cooperation.

Bilateral development cooperation

Bilateral cooperation is based on the partner countries' own development plans, or on those of the regional organisations. The appropriateness of Finnish inputs and the value that Finnish contributions in particular add, are examined in all cases in relation to the cooperation country's own priorities and in the framework of development cooperation as a whole. Finland seeks opportunities for cooperation and harmonisation with other donors and financing organisations. Finland concentrates its cooperation on fewer countries and larger cooperation entities in order to improve the effectiveness of cooperation.

Long-term partner countries

Finland's long-term partner countries are Mozambique, Tanzania, Ethiopia, Zambia and Kenya in Africa; Nicaragua in Latin America; and Vietnam and Nepal in Asia. Cooperation is based on their national poverty reduction strategies. In long-term partner countries, Finland will focus its support on three sectors or development programmes at most. Budget support may also be provided for carrying out a country's poverty reduction strategy.

The Ministry for Foreign Affairs monitors the situation regarding the preconditions for long-term cooperation continuously in all countries, using the criteria laid out in the Finnish government's resolution of 2001. The development of the necessary conditions is discussed regularly in the ongoing dialogue with the government of each partner country. The discussions make use of the possibilities offered by bilateral and multilateral cooperation negotiations, as well as those offered by negotiations taking place within the framework of the EU. The conclusions drawn from the monitoring and dialogue affect

decisions about appropriations and authorisations. Decisions are guided by the principles of long-term commitment and predictability.

Government-to-government grant aid will be increased with the long-term partner countries where the premises for cooperation develop favourably. Annual disbursements will be increased so that a minimum level of 10 million euros will be gradually achieved in all countries. The premises for an immediate increase in cooperation do not exist in Nepal at present. Grant-aid-based cooperation between governments is the basis for partnership, but various other forms of cooperation are also exploited, such as commercial and NGO cooperation, local cooperation funds, and so on.

When progress in poverty reduction is achieved, long-term cooperation can involve a gradual change from grant-based development cooperation towards more varied forms of interaction between countries. Amongst Finland's partner countries, Vietnam is within sight of such prospects.

From grant aid to more diversified cooperation

Egypt, Namibia and Peru are countries whose economic development gives Finland an opportunity to move from relations where the emphasis is on development cooperation to more diversified cooperation and interaction. The change will take place in 2004 to 2007 in a controlled and sustainable manner, with the help of the implementation of transition strategies.

In the future, Finland will also have special relations with these long-term partner countries to which considerable amounts of development cooperation funds have been directed. Finland and Finns have many links with these countries based on past cooperation, and a lot of knowledge and experience concerning them. This provides a firm foundation for building new kinds of partnerships.

Putting transition strategies into practice calls for new ways of thinking. New means and methods to be developed and used include promotion of trade, investment and private sector cooperation; development of public and private sector partnerships; institutional cooperation; and various exchange programmes (including cultural exchange). Even though the largest intergovernmental projects are being relinquished, grant aid can still be provided in the form of local cooperation funds and act as a catalyst for cooperation between institutions and for the participation of the private sector.

Other partner countries

Finland's participation in other partner countries is characterised by limited duration of involvement, participation as a committed member of the international community, and arrangements for joint financing. Cooperation is guided by the same principles and goals as cooperation elsewhere. Bilateral grant-based cooperation is adopted in projects that:

- Enhance peace and security
- Promote cooperation with the private sector from the point of view of comprehensive development funding
- Support the realisation of human rights, democracy and good governance

Cooperation of limited duration. Finland may engage in cooperation of limited duration in cases where participation is justified as part of the international community's efforts to prevent violent crises or to develop and rebuild countries recovering from crises. Finland's input is then based on the view that peace and security are prerequisites for the reduction of poverty. In such cases grant-based cooperation is meant to be short-term. Cooperation of limited duration is being undertaken in the Republic of South Africa until 2010, in the Palestinian Territories, in the Western Balkans until 2007, in East Timor until 2005, and in Afghanistan until 2008. Implementation of



the funding commitment given to Iraq is being planned at present. Limited-term funding is channelled as frequently as possible through joint financing arrangements and as part of a wider strategic entity. The Government devotes particular attention to the complementary nature of humanitarian aid and development cooperation.

Other forms of participation. In other partner countries Finland is involved mainly as a member of the EC and multilateral organisations, and by participating in the financing of their programmes. Local cooperation funds are the most suitable form of bilateral cooperation in these countries. In this connection Finland emphasises the importance of cooperation with Arab countries and the Islamic world. During the Government's term of office, Finland will reduce its bilateral grant-based development cooperation except for long-term partner countries and countries selected for cooperation of limited duration. The number of countries

and projects and the amount of funding will diminish. In other countries bilateral development cooperation will be carried out only when Finnish bilateral inputs add real value and the use of administrative resources is justified.

Regional cooperation

Finland is involved in regional cooperation primarily through the EU and intergovernmental regional institutions. In the case of regional cooperation, the strengths and complementarity of different forms of cooperation are also assessed when choosing the best means of contributing to the achievement of particular goals.

The Government mainly channels regional cooperation funds through regional institutions to projects that promote integration and stability or contribute to solving development problems that have regional dimensions, such as environmental threats, infectious diseases and crime. Regional projects should directly concern at least two countries in the region. At the same time, the Ministry for Foreign Affairs intensifies its dialogue both with the regional institutions and with the countries of the region. The Government considers the regions from a comprehensive point of view, including the security and trade perspectives.

Finland supports in the long term regional cooperation in Southern Africa, Central America and the Mekong river region. Other cooperation regions are the Horn of Africa, East Africa, The Middle East, the Western Balkans, Central Asia, and the countries of the Andes Community. In Africa, continent-wide cooperation is undertaken in the framework of the African Union and NEPAD.

Evolving instruments of bilateral cooperation

Programme-based cooperation. The Government increases programme-based cooperation. This refers to funding of poverty reduction strategies and sectoral programmes through

budget support or joint financing arrangements with other donors. Along with funding, dialogue and the means of influencing are an essential part of programme cooperation. Transparency in the budget process and sufficient financial management capacity in the partner country are prerequisites for programme cooperation. Arrangements for financial reporting and auditing will be agreed separately in each case so that Finland has an adequate basis for monitoring the use of funds. Finnish embassies must have staff with sufficient knowledge of programme-based cooperation so that the opportunity for making an impact can be made use of.

As a condition for disbursements, Finland uses the progress made in the achievement of objectives in the partner country's own poverty reduction strategy. Conditionality and monitoring mechanisms are agreed between the government and all the financing parties. In programme-based cooperation, Finland is committed to medium-term predictability of disbursements, and to transparency concerning criteria used in deciding the annual level of disbursement.

Project cooperation. Project cooperation is also based on the partner country's own poverty reduction strategy. Finland supports the harmonisation of procedures. The general guideline is to develop the partner institutions' own procedures and to strengthen their capacity so that they can take responsibility for managing the development process. In the promotion of harmonisation, Finland increases the flexibility of its own administrative guidelines and the openness of the information it provides about planning and decisions, and intensifies its cooperation with other donors.

Local cooperation funds. Finnish embassies and roving ambassadors are responsible for local development funds, which are used primarily for the development of the partner country's civil society. These funds can be used to support a variety of civil societal institutions, such as NGOs, interest groups repre-

senting industry and commerce, business associations, and labour organisations. In Finland's long-term partner countries and in countries in transition to more diversified cooperation, local cooperation funds can also be put to work to strengthen bilateral cooperation and used as a flexible complementary instrument.

Cooperation between institutions. The Government supports the participation of Finnish institutions in development cooperation. Cooperation among local authorities will continue. Ministries and public sector institutions in Finland have expertise and experience essential to programme-based cooperation. Efforts need to be made to make this know-how available to the corresponding institutions in partner countries. Interaction between institutions is also an important means of promoting cultural relations and cooperation. This form of cooperation is also suitable for institutions in the field of trade and economy for the development of the private sector.

The Government encourages universities, institutes of higher education, research institutes, and similar bodies to cooperate with organisations in developing countries. One of the ways in which it supports this is through mobility and exchange programmes for institutions of higher education in Finland and developing countries.

Improving the premises for well-functioning parliaments and party systems in developing countries lays the foundations for the development and consolidation of democracy. The Government is examining the prospects for making better use of the experience and participation of Finnish MPs and political parties.

Cooperation with the private sector. New methods for cooperation with the private sector are being developed and projects can be implemented in partnership with the private sector in order to enhance the development impact of trade and investment and to promote both Finnish development cooperation and business activity. The participation of Finn-

ish companies must contribute to the development of the private sector in our partner countries while market distortions in the partner countries' own private sector must be avoided. Activities financed by development cooperation funds must have a tangible impact on societal development.

The existing instruments of cooperation - including concessional credits, economic, industrial and technical (EIT) appropriations and grant-based cooperation - can be used in the promotion of partnerships with the private sector and they will be developed further to reach out to new partners in the private sector. In addition to private sector companies, partnerships can be established, for example, with Finnvera and Finnfund.

Concessional credits are an instrument in the Finnish development cooperation serving primarily commercial and economic cooperation. The use of concessional credits is made more effective and more diversified. Based on the demand from the participating companies, efforts will be made to cooperate with more countries than at present. The previous policy of focusing mainly on environmental and social sectors will be discontinued. The impact of the individual project on development will be the determining factor, regardless of the sector involved.

Particularly in long-term partner countries and countries where transition strategies are applied, the links between concessional credits and other development cooperation will be strengthened as appropriate. When preparing and evaluating projects, compatibility with the partner country's own development plans needs to be ensured.

Technical assistance in project preparation will be increased to ensure the desired impact on development. The assessment of the impact of the development project and fulfilment of the OECD criteria for concessional loans is strengthened in decision-making and monitoring. The Ministry for Foreign Affairs needs to

improve project management and harmonise it with the administration of other cooperation activities, and invest in training of personnel.

Finnfund. In line with its new strategy, Finnfund directs most of its investment to low and lower-middle income developing countries. Finnfund's opportunities to finance projects with high development impact under demanding conditions, will be improved by supporting project preparations and creating openings for enhanced risk-taking, for instance, in private sector projects using renewable energy and improving the state of the environment.

NGO development cooperation

The Government values the diversity and creativity of NGO development cooperation and emphasises its importance, especially in supporting the civil society in developing countries and creating democratic societies. The Government will secure the involvement of NGOs in the various sectors of development policy. Partnerships between the Ministry for Foreign Affairs and NGOs need to be based on continuous dialogue and clear working arrangements and on procedures in which both parties are committed to the goals concerning the substance and quality of development cooperation.

Of the changes that have taken place in the field of Finnish development cooperation, one of the most striking is the great increase in the number and capacity of organisations engaged in development cooperation. The growing significance of NGOs is closely connected with Finland's development policy goals – poverty reduction, creation of democratic societies, human rights and conflict prevention. Civil society is a resource, the strengthening of which creates the basis for both the achievement of the development policy goals and understanding and unity across national borders.

The Government is strengthening NGO partnerships in which both parties are jointly committed to agreed goals concerning content and quality while respecting the independence and autonomy of the NGOs. Quantitative and qualitative indicators must correspond with the different resources, capacities and objectives of the NGOs. Opportunities for smaller NGOs to participate are also ensured. The organisations are encouraged to increase their mutual cooperation and coordination.

Quality criteria will ensure that the value added by NGOs also complements Finland's bilateral cooperation better than previously. With its own voluntary work, experience and expertise, civil society is a remarkable resource and a source of innovation both in Finland and in partner countries. The central goal in NGO cooperation must always be the promotion of civil society in developing countries.

The growth in NGO development cooperation and changes in its contents present challenges to project management and personnel resources both in the Ministry for Foreign Affairs and in the NGOs themselves. The project support system will be developed to respond to the changes in cooperation. The Ministry increases training and a civil-society orientation in different departments and units to ensure the quality of service to its partners, and to respond to development challenges. At the same time, advisory services on projects and training for NGOs, including the EU's NGO programme, are to be improved.

Finland supports international NGO (INGO) projects when they are considered to be best suited for promoting the goals of Finland's development policy. However, Finland will concentrate on fewer organisations and will conduct active dialogues with them.

EC development cooperation

EC development cooperation is a considerable and integral part of Finland's development cooperation. Finland aims to improve the quality of Community aid and improve the effectiveness of its delivery, as well as to ensure that its aid is directed to reducing poverty. Finland promotes the coordination and complementarity of Community aid and member states' bilateral aid as well as the coherence between different policies.

EC development cooperation is the responsibility of the European Commission and is financed through the Union budget and the European Development Fund. EC development cooperation represents a considerable share of Finland's development aid and is part of Finland's development cooperation as a whole. Thus Finland also bears responsibility for the quality of the Community's development cooperation.

The Ministry is improving its impact on EC development cooperation through a strategy that will take effect in 2004. The approach is based on Finland's overall EU policy and the coherence of Finnish activities including a development policy perspective. When Finland joined the EU in 1995, Finland's development policy objectives and strategies were already seen to be very similar to those of the EU. They reflect the present orientation of international development policies, so that there are no pressing needs to change the EC policy. Finland focuses its efforts on improving the quality of aid and the effectiveness of delivery, directing aid in accordance with the goal of reducing poverty, the coordination and complementarity of aid from the Community and its members, and coherence between different policy sectors.

There are also several new challenges to be met. These arise with the enlargement of the EU, which also affects the commitment made in connection with the Monterrey International Conference on Financing for Development to reaching an average level of EU development cooperation of 0.39% of GNI in 2006. Finland supports the strengthening of the new member countries' development cooperation administration. Other current issues include the harmonisation of development cooperation financing and the simplification of procedures.

Finland plays an active part in promoting the above goals in the work of the Council working groups, committees and expert meetings. Finnish embassies in Finland's partner countries participate in planning and monitoring EC development cooperation. In its own preparation process, Finland stresses the importance of coordination between different working groups, for example, between those dealing with development and with trade. Within the Ministry for Foreign Affairs, weight is placed on training staff in EU affairs.

To increase effectiveness and avoid overlapping and duplication, Finland seeks to improve EU coordination in international forums such as the UN and OECD/DAC. Finland also supports more coherence in the activities of the international financial institutions.

Finland will make better use of EC development cooperation instruments to achieve its own development policy goals. The EC's development cooperation network is a counter-balance to the increased concentration of bilateral aid. Finland will use EC development cooperation instruments more effectively to complement Finland's own instruments, for example in economic and commercial cooperation and NGO development cooperation.

Multilateral cooperation

Finland is committed to long-term and predictable cooperation with the UN organisations and financial institutions involved in the implementation of the Millennium Declaration. Finland's starting point is to strengthen the capacity and effectiveness of the multilateral system. This is done by directing the majority of funding to non-earmarked, core-funding and working with the guidance of clear objectives in the decision-making bodies of the organisations.

The effectiveness of the multilateral system can be improved by increasing its internal cooperation and by avoiding overlapping, especially at the country level. Finland emphasises cooperation between the UN specialized agencies and the international financial institutions, and a clear division of labour between them, particularly when supporting poverty reduction strategies at the country level.

Finland will continue to develop the forms of partnership with multilateral organisations that have been adopted in recent years. Through them, Finland supports the goals and fields of specialisation of the programmes, organisations and financial institutions that are important to Finland and to which Finland can offer know-how and experience. Such multilateral partnerships also strengthen Finland's own skills in development cooperation.

Finland continues to allocate most of its UN development cooperation funding to four UN bodies : the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Food Programme (WFP). Finland will make multi-year funding commitments, except in the case of the WFP whose activities are increasingly directed towards humanitarian aid.

In addition to working with the above organisations, Finland is developing long-term cooperation with multilateral organisations, programmes and funds that are particularly important for achieving the Millennium Development Goals and monitoring them. These include in particular UNESCO, WHO, ILO, FAO and UNEP. Finland supports programmes of these organisations with a direct link to the implementation of the Millennium Development Goals. In situations where there is a need to provide special support for developing some particular sector of activity, Finland gives thematic funding or supports the organisation in another way. Such areas of focus either relate directly to Finland's special skills, are important areas of development cooperation, or require strengthening of the respective organisation's operational policies. Finland develops its thematic cooperation so that it becomes more systematic and predictable.

Mandates are to be prepared for the replenishment negotiations with the international financial institutions. These should include Finland's policy goals with regard to financing, an assessment of the focal areas of the institutions' operational policy and the effectiveness of their activities together with a well-justified estimate of the level of Finland's financing. In directing the increasing funding, the primary channel to be used among the international financial institutions is the International Development Association (IDA), which belongs to the World Bank group and issues 'soft credits' - and to an increasing degree also grant-based aid - and is the world's biggest single body for development financing.

Finland's effectiveness in multilateral development cooperation is determined not only by the level of finance it provides but also on the basis of assertive and prioritised efforts in making an impact. Finland has good experience in focusing on areas where it has special skills and know-how and this prioritisation of activities should be further developed. Finland will

improve the effectiveness of its contributions by a more coherent approach in the UN's operative development organisations, specialised organisations, regional organisations, international financial institutions, and also the governing bodies of international conventions. The Ministry for Foreign affairs will formulate action plans for this during 2004.

Finland is open to the adoption of new and innovative sources of development financing, but has reservations about establishing new multilateral financial organisations or institutions. The performance and effectiveness of existing organisations and financial institutions must be improved.

Through multilateral cooperation Finland can also reach out to countries to which its bilateral cooperation does not extend, for example, because of limited resources. In all countries, Finland considers its participation within the framework of the totality of its bilateral and multilateral cooperation financing.

Internal cooperation within the Ministry for Foreign Affairs will be developed so that the planning and monitoring of bilateral and multilateral development cooperation are as mutually supportive as possible. At country levels, Finnish embassies will monitor and report more actively than before on all multilateral activities to which Finland makes a financial contribution.

Finland has played an active part in handling the poorest countries' debt problem and improving their ability to manage debts, particularly through the Highly Indebted Poor Countries (HIPC) programme. Finland will continue to contribute to HIPC financing, and is prepared for increasing financing needs following the principle agreed at the foundation of the HIPC that financing would not be taken from multilateral or bilateral development cooperation.

Humanitarian aid

Finland provides humanitarian aid for saving people's lives, relieving human suffering and helping those who are in the most vulnerable positions. Aid is focused on the poorest developing countries. Finland promotes an improvement in the effectiveness of humanitarian aid and the adoption of aid standards, and will improve the harmonisation between humanitarian aid and development cooperation.

The basic aim of humanitarian aid is to save people's lives, relieve human distress and help those who are in the most vulnerable positions. Aid is given to victims of armed conflicts and natural catastrophes, while respecting the principles of neutrality, equality and humanity. The basic principles of humanitarian assistance are defined in international humanitarian rights agreements, of which the most important are the Geneva agreements, the Convention on the Status of Refugees, and international human rights agreements.

Humanitarian aid is channelled through Finnish and international humanitarian aid organisations on the basis of their needs assessments. Finland recognises the independence of humanitarian organisations, but, at the same time, requires their activities to be open and responsible. In allocating aid, consideration is given to the overall aid requirement and to the country's own economic circumstances and prospects for coping with the situation. While the focus of humanitarian aid is thus on the poorest developing countries, given the basic purpose of humanitarian aid, it can be granted to other areas as well. The choice of the channel for aid is made on the basis of the organisation's mandate and its capabilities in the crisis area in question. Finland's and other donors' experience of working with the organisation is also taken into account. The great majority of humanitarian aid is provided as specifically targeted aid for particular crisis situations. Humanitarian aid is also used to provide core funding to the main international humanitarian organisations.

During the Government's term of office, Finland will work to increase the effectiveness of international humanitarian aid and promote the wider adoption of humanitarian aid standards. Particular attention must be paid to the views of the people who receive aid. Finland plays an active part in coordinating humanitarian aid through Nordic and EU cooperation as well as in different management bodies of humanitarian aid organisations and the UN. In Finland, efforts will be made to increase the capacity to participate in international humanitarian aid operations.

During the Government's term of office, Finland will also devote particular attention to harmonising development cooperation and humanitarian aid so that the transition stage between these forms of aid is as smooth as possible. In post-conflict situations it is particularly important to link humanitarian aid with the work of reconstruction in order to prevent the conflict from escalating. With humanitarian aid, it is possible to support the transition stage, particularly through humanitarian mine-clearing operations and other demobilisation activities. Crisis prevention and support for early-warning systems can be promoted through development cooperation.

Administration and resources of development cooperation

Development cooperation is an integral part of the administration of the Ministry for Foreign Affairs, and its planning, implementation and supervision are conducted as part of the management of relations with developing countries by the Ministry. The extensive range of development policy issues and the evolving forms of cooperation increasingly underline the need for administrative integration. The administrative reorganisation in the Ministry facilitates greater coherence between the different areas of foreign policy.

The management of increasing funds for international development cooperation requires adequate human resources and expertise in the

Ministry. The tasks related to development policy and development cooperation in the Ministry and the Finnish embassies, require both a high degree of overall expertise in development issues and in-depth specialisation in several fields. The continuous and long-term personnel development is a special challenge, particularly in the field of development. Competence profiles have already been mapped out systematically in the Ministry's own Competence Project.

Five per cent of the annual increase in operational development cooperation funds can be allocated to the administrative expenses of the Ministry for Foreign Affairs for the administration of development cooperation. The plan is to integrate the use of these funds to the Ministry's administrative development. The personnel strategy that the Ministry will draw up in 2004 is to include long-term measures to strengthen in a sustainable manner development cooperation administration within the framework of the human resource policy. For this purpose, the Government is to arrange for an investigation of the needs for the development of administrative procedures and resources.

Along with the development of personnel resources and skills, it is essential to improve the efficiency of procedures. Greater concentration of cooperation will also free resources and reduce administrative burdens.

The change in development cooperation towards programme-based cooperation, the harmonisation of aid, and the support for ownership of processes by the partner countries, requires Finland to have an even stronger presence in partner countries. In the next few years, Finland must work to strengthen its embassies in long-term partner countries and to delegate decision-making. The Government's term of office will witness the launching of a pilot scheme whereby development cooperation administration is delegated to two or three Finnish embassies in long-term partner countries. The need for personnel and other resources will be clarified in this context.

Towards a common development policy

It is impossible to achieve international development goals just through measures taken by the government and public authorities. Finland's development policy can only be realised if it is also backed up by the general public, civil society and the business world. The Government invites all parties to join in a national partnership for carrying out Finnish development policy, and will support their participation through its own actions.

Development policy and development cooperation enjoy wide support in Finland. In order that this should continue, Finnish citizens must be sufficiently well-informed about developing countries and development issues, so that they have a comprehensive basis of knowledge on which to form their own opinions. The Ministry for Foreign Affairs supports the dissemination of development-related information through communications and development education. During the Government's term of office, special attention in information and communications is to be given to improving people's knowledge of the Millennium Declaration and the Millennium Declaration Goals.

Another prerequisite for continued support from the general public is the effectiveness and quality of Finland's development cooperation. The basic purpose of the Government Development Policy is improvement in these respects. Information about successes and setbacks in Finland's development policy and cooperation is to be provided openly and objec-

tively. In the field of communications, interaction with different social and interest groups will be intensified, and support will be given to facilitate the participation of citizens in discussions and preparatory work on development policy. By incorporating communications and information within the Ministry, the coherence of information on the various aspects of Finnish foreign policy will be improved.

The objective is to include development education, global issues and issues related to multiculturalism systematically in educational programmes. The Ministry for Foreign Affairs extends information on Finnish development policy in schools and educational institutions in cooperation with the education authorities. A useful way of combining information and development education is to arrange campaigns and events aimed at the general public. The campaign for 2004 deals with Arab countries and development.

Civil society has always played an important part in Finland's relations with developing countries. Interaction among people increases understanding and solidarity across national boundaries. Extensive interaction between interest groups and individuals is one of the most important positive aspects of globalisation. NGO activities in the sphere of development policy and development cooperation strengthen Finnish people's knowledge about global and social responsibility. The Government will increase interaction and cooperation amongst officials, politicians, interest groups and NGOs.

Churches and missionary organisations have a long tradition of cooperation with developing countries. They also play an important part in shaping values and attitudes. Along with them, the importance of different NGOs and activist movements has increased in recent decades in development cooperation, development policy and in the influence they exert in Finland itself. The Government supports the maintenance and development of non-governmental resources. It also wants to strengthen the presence of civil society in all areas of development policy. Non-governmental bodies are encouraged to seek new kinds of partnerships, for example with the private sector and other institutions.

The role played by the private sector in creating jobs, in investment and trade is a cornerstone of sustainable development. It is essential that companies behave in a socially responsible way as such behaviour is for the long-term benefit of the companies themselves. Finland's development policy is also designed to ensure the creation of favourable operating environments for companies in developing countries.

Finnish companies can help to achieve development policy goals in many ways. Investments and production activities in developing countries are beneficial with regard to economic development, foreign trade, foreign exchange earnings, employment and technical skills that produce resources for the development of the society in question. Responsible behaviour by countries that import products from developing countries also increases the benefit of trade to the developing countries. Finnish companies have much to give in propagating sound corporate, management and environmental practices. Private sector cooperation also offers much quicker and more effective ways of promoting best practices than intergovernmental agreements.

From the companies' point of view, development cooperation has offered considerable opportunities for participation in developing countries for decades. With the changed nature of development cooperation, the increase in developing countries' own responsibility and the internationalisation of aid, the competitiveness of Finnish companies depends more than ever on how they can offer internationally competitive products and resources that are suitable for poverty reduction strategies. The most important advantage of development cooperation for companies is that it helps to create safe and stable conditions for business operations and investments. At the same time, instruments are actively sought in development cooperation to promote the participation of the private sector and partnerships between the public and private sectors.

Finnish companies have been active of their own accord in committing themselves to good corporate practices and they also seek to adapt these practices to their operations abroad. The Government encourages Finnish companies that work in cooperation with developing countries to adopt internal action plans for corporate social responsibility. They should cover business ethics and responsibilities, human rights, the basic principles of employment, the environment, social investment, responsibility for personnel, and health and safety practices.

Social investment by companies is a good way to build partnerships between the business world and civil society. It is encouraging to see that Finnish companies have become more active in these matters in recent years. The Government will look for means of promoting dialogue and cooperation in this field. The availability to companies of information about issues concerning development and corporate social responsibility in developing countries can be ensured by means of improved communications.



In the future, Finland can play an influential and credible role in global development only if it has a sufficient amount of know-how and experience necessary for solving international development problems. A wide range of means for cooperation and interaction with developing countries provides the basis for accumulating such skills and experience.

The Government promotes the broadening of Finnish competence by including more development issues in educational and training programmes; by encouraging universities, institutes of higher education, and other educa-

tional establishments to offer development-oriented courses; by starting a national dialogue about developing skills and competence among the officials concerned, educational institutions and the private sector. In addition, the access of Finns to international development posts will be promoted whenever possible. An important form of work is to send young Finns abroad as junior professional officers in the UN organisations and the international financial institutions.



MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
Development Policy Information Unit

Street address: Kanavakatu 4 a, 00160 Helsinki

Postal address: Box 176, 00161 Helsinki

Telephone: + 358 9 1605 6370

Telefax: + 358 9 1605 6375

Exchange: + 358 9 16005

E-mail: keoinfo@formin.fi

Homepage: <http://global.finland.fi>