

International Conference on Fuelling Poverty Reduction with Oil and Gas Revenues
Comparative Country Experiences
Phnom Penh, 26 – 28 March

Opening Remarks

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Excellencies, Ladies and Gentlemen,

It is with both pride and pleasure that I will provide a few remarks at the opening of the International Conference on Fuelling Poverty Reduction with Oil and Gas Revenue, Comparative Country Experiences. Pride because the Government of Norway is a co-sponsor of this conference, pleasure because Norway has experience that we are pleased to share with others.

I would also like to thank the government and people of Cambodia for the cooperation and hospitality extended in preparing for this conference.

The recent discoveries of oil off the coast of Cambodia represents a major opportunity for the Kingdom and its people. Just as Cambodia today has one of Asia's lowest GDP per capita, Norway was amongst the poor countries of Europe after the second world war. When oil and gas was discovered off the coast of Norway in the mid-1960s Norway was in many ways blessed by nature. But our government of the day faced many difficult choices on how to organise oil exploration and –production, as well as on how to make the income from oil and gas production a true blessing for the Norwegian economy and not a curse. In the same way, I believe Cambodia faces a challenging task in planning and developing its petroleum sector and developing policy and instruments for channelling the future oil and gas revenues in a best possible way for the benefit of the development of Cambodia. It is actually a momentous task.

When some of the large international oil-companies came to Norway in the 1960s believing there was oil to be explored on the Norwegian continental shelf, one of them actually “offered” to take the exclusive rights to all the oil resources on the entire continental shelf. The answer from the key government official at the time was a resounding “no”. No licences would be given until the Norwegian government “know what we are doing.” The international oil companies were given the challenge to use its expertise educate the Norwegians and it took about ten years from the exploration of oil started until the first tax-income from petroleum activity came in to the Norwegian coffers. Today the petroleum sector constitutes around 25 % of Norwegian GDP and around 33% of the total government income. The oil-income has greatly benefitted the Norwegian welfare society – because it has been carefully managed and invested in Norway's development. Today the establishment of an Independent Petroleum Fund, separate from the budget, is securing that income from the oil and gas sector will also benefit future generations.

Development cooperation on oil and gas resource management has been a priority issue in Norwegian development cooperation for many years. To focus our work on this subject the Norwegian government launched the Oil for Development initiative in 2005 – and it is through the budget allocations under this initiative that Norway supports the UNDP and the

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Cambodia National Petroleum Authority. The Oil for Development initiative is cooperating with more than 20 developing countries with petroleum resource in their efforts to maximize income and manage the resources in a way that generates economic growth and promotes the welfare of the population in general, and in a way that is environmentally sustainable.

I am nearing my time limit but I would like to add that in my view, and in the view of my government, sustainable oil and gas exploration and resource management to the benefit of attaining development goals demands transparency, involvement, knowledge sharing, capacity building, professionalism, experience and much more! It is as I said at the outset a momentous task.

I am confident that this conference will help provide important contributions to all these aspects of developing a petroleum sector and that it will inspire the people involved here in Cambodia. It is therefore – with pride and pleasure – I wish you all success in the days to come.

Thank you!