

Mr ambassador Hersey Kyota, Mr Vice President, Alfred Nickesen, Your Excellencies, ladies and gentlemen.

I would like to express my pride at standing here today, putting my signature on this document. For the Faroes, this is an historic moment. Not only is it the first time the Faroes have signed any kind of agreement with the World Bank, but it is also the first time we have entered into this kind of cooperative agreement with another country with the purpose of sharing our knowledge and experience in a particular field.

And I have to say, it is a particular pleasure for me that this partnership we are entering into is with another island nation. Even though there are thousands of miles between the Faroes and Palau, as islanders, we have a great deal in common. Our smallness and remoteness from the rest of the world is one thing. Our dependency on natural resources as well as the often harsh weather conditions are other similarities. It is also said that islanders share a stronger love of and sense of belonging to their islands of birth than do people from continental countries.

Palau and the Faroes are small countries with only 20.000 and 48.000 inhabitants respectively. In an increasingly globalised world, I believe it is a major priority for both our countries to enhance our role and capacity to participate as active members of the international community in all relevant areas.

In the early 1990's the Faroes found themselves in the same situation as Palau does today. Hydrocarbons were believed to be found in our offshore territory and international oil and seismic companies were lining up to get into business. It was a completely new challenge with which we had no previous experience. But we managed to create a reasonable and balanced administrative framework to manage the exploration phase and also the production phase. At this very moment, the Norwegian oil company Statoil is drilling the fifth well in Faroese waters. Commercial quantities still remain to be found, but oil companies are still interested and optimistic about the potential in our area.

We look forward to entering into this cooperation with the World Bank and with Palau and we shall do our utmost to fulfil your expectations and give Palau qualified assistance in the challenges they are facing. We also hope that this will not be the last time we enter into a cooperation agreement with the World Bank.