



**66th Session of the General Assembly  
Second Committee**

**Follow-up to and implementation of the outcome of the 2002 International  
Conference on Financing for Development and the 2008 Review  
Conference: Fifth High-level Dialogue on Financing for Development**

**United Nations, New York / 7 December 2011**

Mr President,

Excellencies,

I have the honour to speak on behalf of the European Union and its Member States.

First of all, we are pleased to participate in this 5th High-Level Dialogue on Financing for Development. Since the adoption of the Monterrey Consensus in 2002, the Financing for Development Agenda has been related to the achievement of the internationally agreed development goals, including the Millennium Development Goals. It is now time to complete the remaining business related to the MDGs.

Mobilising development financing from all available sources is crucial to fight poverty and achieve these goals. The most important source of development finance remains developing countries' state budgets. Other sources include Foreign Direct Investment (FDI) flows; ODA – complementary to and a catalyst for other international sources; migrants' remittances, private charities, investment loans, and the increasing amounts spent by the new economic powers.

Developing countries have the ownership and primary responsibility for their own development. An enabling domestic environment in developing countries, including stronger tax systems, and improved policy and governance frameworks, are vital for mobilising domestic resources. Aid alone will never be enough to sustainably address the development needs of developing countries.

International capital flows, remittances and to some extent foreign direct investment have been particularly volatile over the past four years. The renewal of confidence in global markets will help to increase and stabilize these international flows.

Considerable progress has been made since the Monterrey consensus in raising resources through innovative financing mechanisms. There is a clear need to mobilise more non-government contributions that are supplementary to traditional sources. The EU is

exploring new financing approaches that help to mobilise additional funding from new sources and partners, especially the private sector. In line with the G20 Declaration we acknowledge the initiatives in some of our countries to tax the financial sector for various purposes, including a financial transaction tax, inter alia to support development

The EU sees external trade policy as being of paramount importance. In difficult economic and political times, open trade and investment policies remain one of the most effective tools to promote sustained economic recovery. It is crucial that WTO Members advance the multilateral trade negotiations agenda at the Eighth Ministerial Conference of the WTO next week in Geneva

Mr President,

In 2010 global ODA reached a historical high as did the EU's collective ODA, to the amount of EUR 54 Billion. The EU also accounted for 65% of aid increases since 2004 and continues to mobilise more than half of global aid.

We have set ourselves the ambitious goal of increasing aid collectively to 0.7% of GNI by 2015. In 2010 our aid continued to increase by more than EUR 4.5 billion, however we were short of our intermediate collective target. In June 2011 the EU Heads of State and Government reaffirmed the EU commitment to achieve the development aid targets by 2015.

The EU Common Position for the Busan Forum of last week stressed that results and accountability, democratic ownership, transparency and reduced aid fragmentation are key aid effectiveness issues. We welcome the Busan Partnership, which for the first time establishes an agreed framework for aid and development effectiveness that embraces traditional donors and emerging economies as well as civil society and other development actors.

Mr President,

Policy coherence for development has been enshrined as an objective in the Treaties of the European Union: The EU takes development objectives into account in those of its non-development policies that are likely to affect developing countries. The European Commission Policy Coherence for Development (PCD) work programme 2010-2013 focuses on those policy challenges that are considered most relevant for meeting the MDGs, notably trade and finance, climate change, food security, migration and security.

In conclusion I would agree that we still face significant development challenges. The green shoots of change are there, but we cannot leave them untended. We need to do more and nurture them. My pride in what we in Europe have achieved in development is tempered only by a sense of frustration that there is much more for us to do. We will continue, with all our partners, to strive to achieve the internationally agreed development goals, including the Millennium development Goals.

Thank you very much.