



**Statement on behalf of the European Union**

**By**

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**President of the European Commission**

**Fourth UN Conference on the Least Developed Countries (LDC IV)**

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**(Opening Statement)**

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Your Excellency the Prime-Minister of Turkey,

Your Excellency the Secretary General of the United Nations,

Dear delegates,

Ladies and Gentlemen,

Today is Europe Day. And I think it is appropriate to commemorate it here in Istanbul, around the values of global solidarity. It gives me great pleasure to speak on behalf of the European Union on this important occasion. At this Fourth United Nations Conference on Least Developed Countries, the world is coming together to determine what we must do to accelerate development and eradicate poverty in the poorest members of the global community.

The 48 Least Developed Countries have a total population of more than 880 million people. More than half live in extreme poverty with less than a Euro a day. Their people face tremendous difficulties in coping with everyday life without adequate access to food, health services or education. Their economies remain marginalized. As the UN Secretary-General has said: “the LDCs are at the epicentre of a continuing development emergency”. This conference is about our dedication to making a change to the intolerable plight of the LDCs and their people.

Europe has been committed to helping developing countries ever since the European Community was first established. Today, our engagement remains as strong as ever. The European Union is the world’s largest donor, providing more than half of overall aid. Last year, aid by the EU and its Member States reached a total of €53.8 billion - about €4.5 billion more than 2009, making it the highest amount of ODA ever spent by Europe.

Europe is a dedicated member of the global partnership to reach the Millennium Development Goals and to eradicate poverty. It is our steadfast belief that in order to reach our ambitious global development goals, we need a strong and inclusive global partnership with mutual responsibility. Within this pact, partners must have different roles, but shared goals. This is even more important given the many global challenges the modern world throws at us, including climate change, lack of food security, problems in peace and security and the recent economic and financial crisis. While these challenges affect us all, they hit the poorest and most

vulnerable countries the hardest. That is why global action is needed to tackle the development challenge.

Despite the uphill struggle they face, some LDCs have achieved good economic growth and progress in development during the last decade. Yet, overall progress has been uneven and considerable work remains to be done. This is notably the case in Sub-Saharan Africa and in countries in post-conflict and fragile situations, where the MDGs are lagging behind.

The LDCs have ownership of, and primary responsibility for, their own development. The political commitment of the LDCs to implement the necessary policy changes is a strong and important signal that they are determined to do their part to sustain high growth rates, and to accelerate their graduation from LDC status.

Building on the main achievements of the major United Nations conferences, in particular the MDG Summit of September 2010, the European Union considers that it is important for the outcome from Istanbul to address three main issues. These are:

- Combating the vulnerability and fragility of LDCs and further enhancing their resilience to shocks;
- Creating a favourable environment for the sustainable development of LDCs; and
- Promoting inclusive and sustainable economic growth for LDCs.

The EU underlines the interdependence of progress in the LDCs with human rights, gender equality, democracy and good governance, as well as peace and security.

For each LDC to reduce its vulnerability, it must address sustainable development, adaptation to climate change and long-term equitable and inclusive growth - promoting, among other priorities, decent employment opportunities and effective social protection systems, as well as reducing inequalities.

The private sector has a crucial role to play in this regard, and can have a huge impact on people's lives through generating wealth and employment. The potential

of trade as an engine for growth and employment is critical. Trade policy and development aid, including technical assistance for trade, need to pull in the same direction and exploit synergies.

The EU has always led the international community's efforts to support the LDCs and is their largest donor. Over the past decade the EU has nearly tripled the amount of its aid to the LDCs, reaching an annual level of 15 billion euro in 2010 representing 0.13% of its GNI.

However, while aid must remain a linchpin in the continued efforts to lift LDCs out of poverty, it is not of itself a sufficient condition to do so. We need to create the right conditions and a favourable environment for the sustainable development of LDCs. Moreover, not only the quantity, but also the quality of aid is fundamental. We need to make sure that all policies are in line with the aid and development effectiveness agendas.

The EU has been fulfilling its commitments in this regard too. At the III UN Conference on LDCs in Brussels 10 years ago, the EU committed itself to giving duty free and quota free access to all imports coming from LDC countries. We have delivered on this through the 'Everything But Arms' Initiative. In January, the EU revised the rules of origin, making them simpler and more development-friendly. Indeed, duty free and quota free imports from LDCs is one of the most concrete and decisive measures to fight poverty in these countries.

The EU has made substantial progress on ODA and debt alleviation for LDCs, reaching the highest aid levels ever in 2010. We have also taken significant steps to improve aid effectiveness and policy coherence for development. Furthermore, we are working to assess the feasibility of innovative financing mechanisms with significant revenue generation potential. The important EU development initiatives in recent years, such as the Food Facility, the EU policy framework to assist developing countries in addressing food security challenges, the MDG Initiative and Vulnerability FLEX, all specifically target the poorest and most vulnerable countries lagging behind in the MDGs, struggling with food security or suffering from the negative impacts of the financial crises. These countries are mostly LDCs.

This is the reason why the EU remains committed to increasing its aid spending to reach 0.7% of GNI by 2015. I am confident that, despite the financial crisis, EU Member States will respect their commitments. The EU also remains committed, in the context of this overall ODA commitment, to meeting collectively the target of 0.15 to 0.20% of GNI to the LDCs and to channel at least 50% of collective aid

increases to Africa. Therefore, the EU remains firmly committed to continuing support for the inclusive and sustainable development of all LDCs, and calls upon other donors and development partners to match its commitments and ambition. The EU share of global aid, which is 56%, overshoots by far its share in the world economy, which is 20%. Therefore we call upon all countries, including the emerging economies, to provide their fair share of assistance to the LDCs.

Ladies and gentlemen,

The international development landscape is changing. And the EU is considering how we could refresh our development policy to make it fit for purpose in the 21<sup>st</sup> century. We want to make the best use of scarce resources and increase the impact of our development policy.

The EU is also looking at innovative ways of investing in our partner countries' futures, and how we can work hand-in-hand with emerging donor countries, the private sector, civil society and local authorities on the development agenda. We are considering how the EU can focus more of our aid in areas where the potential impacts are greatest. The EU is conducting this reflection on development policy together with all its partners, with the aim of providing support where it matters most. This will be of particular interest and benefit for the LDCs.

The EU is fully committed to the success of LDC-IV and is promoting a positive and ambitious outcome based on a global partnership for development, with the goal of accelerating poverty eradication and taking due account of the current global challenges, as well as changes in the global aid architecture.

We are encouraged by the excellent progress already realised in this sense, towards a balanced and action-oriented Istanbul programme of action. We urge all partners to conclude the negotiations rapidly, in a constructive spirit of realism and pragmatism.

We are encouraged to make the Istanbul Programme of Action a success; so that when we meet in this context ten years from now, far fewer countries would be referred to as 'least developed'.

I am deeply convinced that all of us, as political leaders, will be judged against our ability to lift people out of poverty. This is indeed the biggest challenge for mankind at the beginning of the 21<sup>st</sup> century. We need to rise to this challenge. Therefore the time to act is now.

Thank you.

Mr. President, honourable ministers, Mr. Executive Director, Excellencies, distinguished delegates, ladies and gentlemen,

I am honoured to speak on behalf of the European Union and its member states.

We are almost at the end of five exhausting days, but we can proudly say that these were productive and constructive days. First of all, the European Union wishes to congratulate the Executive Director for his successful first Governing Council. At the same time, we wish to stress the importance that the envisaged reforms will permeate the whole of UN-Habitat. The EU also wishes to express its support to Dr. Clos in the critical task of translating his vision into concrete results.

The High-Level Dialogue on sustainable urban development clearly underlined that UN-Habitat activities provide key steps towards sustainable development at large. Although the MDG slum target has been achieved ahead of time, the challenge remains. By furthering the agenda of sustainable urban development, we will progress towards a green economy and ensure that urban actors have a role to play in the institutional framework for sustainable development. The input from our discussions should feed into Rio+20.

We share the UN-HABITAT Executive Director's view that sustainable urban development must be guided by a development-based approach, taking into account efficient energy consumption, and planning for urban expansion that can accommodate new demand for access to land, housing, basic services and infrastructure. This should also enhance economic growth and job creation.

Thanks to the hard work and the spirit of cooperation on all sides, the Governing Council has managed to agree on a great number of resolutions. However, many of them were presented at a very late stage. To enable more in-depth discussions, we would like to invite member states to table resolutions well in advance. In the EU opinion, a proposed resolution should contribute to the work programme. This was also rightly acknowledged by the chair of the Governing Council yesterday. An early tabling of the draft resolutions would contribute to a more efficient functioning of the meeting. This would also enable the Governing Council to spend more time on UN-HABITAT's strategic work and direction.

We are ready to consider relevant amendments to the current rules and procedures of the Governing Council with a view to improve our working methods and efficiency thus creating options for shortening the next Governing

Council. Furthermore, we invite all interested parties to consider the most effective way of organizing the high-level discussions and the steering role of the Committee of the Whole.

The European Union considers that the following resolutions the Governing Council adopted are particularly important:

- The resolution on the Work Programme and Budget will guide UN-Habitat's work over the next two years in line with the Medium-Term Strategic and Institutional Plan's six focus areas. The European Union understands the financial constraints UN-Habitat faces and commends the Executive Director for his prioritization and early consideration of these challenges. We fully support the Executive Director in his efforts to conduct an organizational review. Furthermore, the EU looks forward to taking part in the elaboration of the new strategic plan.
- The resolution on the governance of UN-Habitat paves the way for a process that is inclusive, participatory and transparent. It is our hope that together we can come up with an option for the governance structure that allows UN-Habitat to better deliver on its normative and operational mandate and in a more dynamic and efficient manner adapt its strategic focus to evolving realities. The European Union will contribute constructively to this process and encourages all member states to do the same.
- The resolution on the coordinated implementation of the guidelines on decentralisation and access to basic services promotes the cross-cutting implementation of the guidelines within UN-Habitat, ownership among partners for better development assistance coordination, and the participation of local authorities in the guidelines' implementation.
- The resolution on safer cities confirms the added value that UN-Habitat has in this field and allows for the elaboration of guidelines as a global tool for improving a key aspect of the life in cities.

The European Union would like to take the opportunity to express its sincere gratitude to the departing Deputy Executive Director, Ms. Inga Björk-Klevby for her invaluable and tireless contributions to the work of the UN-HABITAT during her five years in office. We have especially appreciated her readiness to discuss how to improve the efficiency of the organization.

Finally, The European Union extends its sincere appreciation to all member states and Habitat Agenda partners for their constructive participation in this

Governing Council, as well as to the Secretariat and the Office of the United Nations at Nairobi for their invaluable support. Last but not least, we thank the Government of Kenya for its usual warm hospitality.

Thank you.