



Delegation of the European Union

**ECOSOC High-Level Segment
Development Cooperation Forum**

Keynote address by

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Mr President,
Mr Secretary-General,
Ministers and Heads of Delegation,
Your Excellencies, Ladies and Gentlemen,

I would like to thank the President for inviting me to address this morning Development Cooperation Forum. Today I will use this opportunity to outline some of the challenges faced by the international community related to the development policy and shortly introduce you with approaches how European Union is addressing them.

Since less than a year European Union is organised according to new – so called Lisbon Treaty, providing new bases for development cooperation in terms of legal provisions as well as institutional setup.

Under the Lisbon Treaty, the reduction and the eradication of poverty has been established as the primary objective of the European Union's development cooperation policy.

This is an enduring and deep commitment on the part of European citizens, to show globally the solidarity that has been the foundation of Europe's own development into a region of peace, stability and prosperity. European Union's understanding of solidarity goes far beyond its geographical borders.

The European Union is also evolving institutionally as the Lisbon Treaty outlines new institutional architecture providing strong coherence between foreign and development policy. One of the main cornerstones of this new architecture is European External Action Service, which should be operational by the end of this year and will be instrumental to deliver more coordinated, stronger, more visible European foreign policy with strong development component.

Ladies and gentlemen,

Institutions and legal provisions alone do not serve for any purpose. There is a need for policy and political commitments to turn global visions into reality.

Ten years ago global vision of Millennium Development Goals has been created with clear benchmarks, timelines and objectives - vision for all and everyone. European Union shares it and is ready to deliver its commitments to turn this vision into reality.

I see important role for the Europe Union to play to ensure that the United Nations High Level Panel in September is indeed a stepping stone towards reaching the MDGs in 2015. With only

five years remaining before the agreed MDG deadline, it becomes imperative for the EU, and for all development partners, to strengthen political engagement and take concrete actions.

EU development assistance has almost doubled since the adoption of the MDGs, reaching over 49€ billion in 2009, and we provide almost 60% of global ODA.

Just two weeks ago Heads of States and Governments of the European Union reaffirmed their political commitment to reach the 0.7% Official Development Aid target for 2015. Even more – European Union leaders took decision to evaluate progress achieved on aid targets every year.

However, we do not have unlimited resources at our disposal. One of the key challenges that we face in the coming years is to squeeze the maximum effect out of every Euro spent on ODA, in terms of real and lasting change. We need to focus on Real Aid; aid that will have a high impact on improving the lives of the World's poorest.

Ladies and gentleman,

I am convinced that the MDGs are achievable with the right policies, strong local political commitment, adequate levels and quality of investment and international support

Last week European Union and ACP countries signed revised Cotonou agreement on cooperation and adopted two important declarations outlining our approach and political commitment to work jointly on MDG's and climate change issues. I would like to stress that key for EU-ACP cooperation is true partnership.

The EU has already committed to providing very significant funding to assist developing countries address climate change, will continue to do, and will press other developing countries to follow its lead.

European Union recognises that while implementing its policies related to MDG's particular attention should be paid to fragile states and Least Developed Countries – those are the countries where our development efforts should be concentrated.

Ladies and gentleman,

Together we need to consider development policy more and more as a catalyst to boost growth and employment, while ensuring good governance, in developing countries.

Therefore EU and international community need to concentrate on the fundamental pre-requisites to get people to the first ladder of development.

In my opinion official development aid alone, even with 0.7% of worldwide GNI, we will not succeed in bringing those challenges to the reality so long as aid is seen as a gift. Once said that, I am not one of those thinking that aid is dead, wasted or useless.

I do believe that official development aid does make a difference when used as a catalyst, as a seed to boost growth through supporting the creation of new markets, generating industrial activity or building capacities such as improved tax systems.

A 1% increase in GDP in a developing country will be far more effective than an increase in official development aid.

In addition, we need to look at innovative resources of financing and make optimal use of them in addressing today's global challenges. Supporting developing countries in mobilising domestic revenues is key for their growth.

I also strongly believe in good governance. It is key in Europe. It was a precondition for my own country in its process of joining the EU. It is also a precondition for any developing country in the world. Without the rule of law, security or sound public finances, aid will never succeed in giving people a long term future. We need to think carefully how to make a real difference in this respect; insisting on good governance is nothing more than supporting the citizens of our partner countries, even if not a particular government.

Indeed, if we ignore these facts, we will succeed only in poverty management, not poverty alleviation. I don't think any of us would simply be satisfied by trying to keep poor people alive. It is certainly not my objective.

Ladies and gentleman,

But we have even bigger challenges ahead of us, which we won't achieve without further improving the efficiency, effectiveness and policy coherence of our actions. New paradigm of development policy requires clear parameters for input and output of delivered aid, and less fragmentation.

Another important aspect of aid effectiveness concerns mutual accountability. As donors we should all be held accountable for our aid commitments. At the same time, partner countries should themselves be held accountable for development results and aid management.

All those elements are very closely interlinked and require genuine political will and strong partnership between donors, institutions and recipients to address them and find a workable mechanism to deliver.

European Union is ready to embrace other innovative methods of cooperation, for instance - triangular cooperation, where several northern and emerging donors work together to take full advantage of each other's strengths.

In addition North-South and South-South cooperation should complement each other for successful implementation of MDG's all over the development world.

Even more – I do believe that such method as Public Private Partnerships should be considered as the significant triggering element to stimulate growth by mobilising the ideas and resources of governments, businesses and civil society.

I think that international and regional development institutions should facilitate increasing blending grants and loans, in order to create preconditions for large scale projects of regional importance.

Ladies and gentlemen

The world is evolving. In order to confront the intensifying challenges thrust upon us, we should take a look at the people sitting around us and recognise what we all really are – partners and neighbours.

No one said our work for MDG's, climate change, policy coherence or effectiveness would be easy. There will always be people who say no, people who say it isn't possible. But as Nelson Mandela said, "It always seems impossible until it's done".

Thank you very much for your attention.