

**Statement to the Committee on Development
Cooperation, European Parliament, 24 January 2006**

**By Gareth Thomas MP, Parliamentary Under-Secretary
of State, Department for International Development**

**Reflections on the UK's Presidency of the EU and next
steps forward**

Max, Ladies and Gentlemen of the Committee on Development
Cooperation.

Thank you for inviting me here today to report back on the UK
Presidency and to look ahead into 2006. First of all I want to pass
on the apologies of Hilary Benn who addressed you at the start of
the UK Presidency – and he was very sorry he could not be here in
person today. As you said, I think the last six months has seen the
EU successfully advance the international development agenda.
The support of you and your Parliamentary colleagues has been
crucial to this success. Both Hilary and I greatly appreciated our
regular and constructive contact with members of the Development
Committee, EC and Commissioners during the Presidency. We
were particularly pleased that for the first time the EP and the EU-
ACP Joint Parliamentary Assembly were represented at the
Informal meeting of Development Ministers in October.

Going through our Presidency, our overarching objective was to
take forward the priorities in the 2004-2006 Multiannual Strategic
Programme, with a particular focus on the Millennium
Development Goals, Africa and HIV/AIDS. More specifically, we
wanted a successful World Summit; we wanted a comprehensive
and long-term strategy for Africa; and we wanted the main
elements of the successor arrangement to the 9th European
Development Fund. We also wanted further action on financing for
poverty diseases. We wanted too to get a revised Development

Policy Statement; and progress too on the Development Cooperation Instrument; and further measures on aid effectiveness and policy coherence.

By working closely together across the EU we have made significant progress during 2005 towards these objectives and our overall goal of eradicating global poverty. In May, as you will all be familiar, under the Luxembourg Presidency, Europe made a historic commitment to see the amount of aid the EU provides each year double by 2010 to 66 billion euros. At least half of this aid will go to Africa. 15 members committed to spend at least 0.7% of their national income on aid by 2015. And those commitments were all enshrined in the outcome of the World Summit in September. Without the EU having taken the stance it did, we wouldn't have seen the progress we did in September.

The EU's statement in September on Financing for Development reiterated the importance of innovative financing mechanisms such as the International Finance Facility and airline ticket levies as ways to provide aid more quickly to where it is needed most. The statement also supported the G8 multilateral debt relief initiative, And that was subsequently approved at the Annual Meetings of the World Bank and IMF, It's worth potentially over 50 billion dollars for up to 38 Heavily Indebted Poor Countries.

As part of the agreement on the 2007-2013 Financial Perspectives, the European Council agreed to establish a 10th EDF to provide development assistance to ACP countries. It will provide some 22.7 billion euros over the next 6 years; an increase of about a third on the value of the last EDF. 50 billion euros of expenditure was also agreed by Council for External Action under the financial perspectives.

The European Consensus on Development is important I think as a strategy document for how development assistance should be provided. For the first time, all three major EU institutions involved in development – the Council, Commission and Parliament – have an agreed set of shared objectives and principles for both Member State and Community aid should be spent. I would like to pay tribute to Anders Wijkman for his excellent work on delivering messages to us in our Presidency regarding what should be in the strategy.

The Consensus sets out a shared EU vision of development. This means poverty eradication, including meeting the Millennium Development Goals, is the primary and overarching objective of EU development cooperation. Least Developed and Low Income Countries will be given priority in terms of overall resource allocations. The clarification of the role and comparative advantage of the Commission we think should ensure better coordination, coherence and complementarity between Member States and the Commission.

The Consensus too will strengthen ongoing efforts to more broadly improve the effectiveness of European aid in line with the agenda agreed at the OECD High Level Forum in Paris in March. These efforts include improving joint donor coordination at country level, to opening joint donor offices in places such as Southern Sudan. The 21-22 November Council adopted the Regulation to further untie EC aid. That is important because World Bank estimates indicate that the value of aid can go up by 5% further if untied. I am grateful for Michael Gahler's work on the Regulation.

Another priority for our Presidency was Africa. In December, the European Council agreed a new EU Strategy for Africa. The Strategy sets out the steps the European Union will take with Africa between now and 2015 to support African efforts to build a peaceful, democratic and prosperous future and of course meet the Millennium Development Goals. The work of bodies such as the ACP-EU Joint Parliamentary Assembly I think plays a vital role in turning these ambitions into action. So I was very pleased to participate at the JPA in Edinburgh in November and I'm grateful to Glenys for her ongoing work with the JPA.

On AIDS, TB and Malaria, the EU provided over 60% of the more than 3 billion euros in new money pledged at the September 2005 replenishment conference for the Global Fund. To mark World AIDS Day, the UK Presidency hosted a high level meeting on HIV and AIDS, which adopted the first ever EU-wide consensus policy position on HIV prevention and which provides I think a strong basis for EU engagement and future support for HIV prevention measures at country and international levels but also at international levels too. And Member States were instrumental in launching the International Finance Facility for Immunisation which will prevent, we estimate, some 5 million child deaths over the next ten years.

On trade, clearly we made some progress but nothing like what we'd hoped to. In December the External Relations Council agreed to strive to increase EU trade related assistance to 2 billion euros per year by 2010. That will clearly help developing countries trade themselves out of poverty, by tackling supply side constraints to help them in taking advantage of improving market access.

And in November we agreed to reform the EU sugar regime, combined with transitional assistance for ACP sugar producers which should help them adjust to these changes. But much more remains to be done in 2006 to secure adequate assistance for those countries most affected.

As we all know, we needed to secure an ambitious outcome to the Doha round of trade talks in Hong Kong in December. True we came away disappointed. There was progress in some areas; for example, conditional agreements on ending export subsidises and on increased budgets on aid for trade. The upside if you like.

But we did not resolve quite clearly the key area of agricultural reform and we have not unlocked the enormous potential trade has to help drive development. There is much more we have to do this year if we are determined to secure a truly pro-development round.

So what about 2006? The Austrian and Finnish Presidencies will continue to implement the Council's 2004-2006 Strategic Programme. Thanks to the agreements reached in the course of last year the EU now has a much clearer financial and political framework for development. In 2006 the challenge is to start **implementing** this framework to ensure maximum impact and effectiveness.

Obviously amongst most important challenges will be securing agreement on the Financial Perspectives and the external actions instruments. We think the Development Cooperation Instrument will be among the most important tools for translating the words in the new European Consensus for development into real tangible action on the ground in developing countries. The UK Presidency strove to turn the Development Instrument into a more poverty-focused tool, based on best development practice, which I hope you will agree met many of your concerns. We are confident

that the Austrian Presidency can build on this work and on the ongoing effort of your rapporteur Gay Mitchell. We also hope that the Commission will allocate significant sums from the External Relations budget to humanitarian assistance as well as development assistance and we look for your help in meeting those objectives.

On trade, we need to build on the progress made in Hong Kong and push for a significant breakthrough that really makes trade work for the poor. We need to agree long-term transitional assistance for ACP sugar producers.

We also need to continue learning lessons from our response to the tsunami and the Pakistan earthquake. In December, I led joint a review with the Commission, of relief and ongoing reconstruction efforts for the tsunami affected countries, following on from the review hosted in June by the Luxembourg presidency. On balance I think the Commission and fellow Member States can be proud of our swift and effective response, but all of those present agreed that there were lessons to be learned to improve future responses to disasters. One particular thing highlighted was that the Commission and Member States could and should provide adequate funding and support for the new UN Central Emergency Response Fund (CERF).

Finally, we need to continue to provide the global political leadership on development. Much of the EU's statement to the World Summit in September was reflected in the final outcome document of that summit, keeping the focus on the MDGs. But we must continue to make the case for aid with our colleagues from non EU donor countries. As a pro-European and someone who believes in social justice, we can be proud in my view of the many things we achieved in 2005. Council, Commission, Parliament and civil society – all working together towards a common goal: reducing global poverty. The European Parliament, this Committee – reflecting the voices of those you represent – has been at the heart of making progress last year. It has been a pleasure and an honour working with you during our Presidency, and I am sure that we will continue to do so in our shared objectives in the future, even though we don't hold the Presidency any longer.

Thank you very much.