

**ACP-EU Joint Parliamentary Assembly, 23 November 2005:
Statement by Mr Gareth Thomas, M.P. PUSS for International
Development**

Madam Co-Presidents,
Honourable Parliamentarians,
Distinguished Delegates
Ladies and Gentlemen,

It is an honour for me, in my capacity as UK Minister for International Development, to represent the Presidency of the EU Council at the 10th session of the ACP-EU Joint Parliamentary Assembly.

It is also a pleasure for me to participate in this session with my Ministerial colleague from Madagascar, representing the ACP Council.

I believe the JPA plays an important role in strengthening the ties between our countries and in helping to promote democratic principles and the importance of development. Parliamentarians clearly play a key role in giving voice to the people we represent,

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and ensuring governments implement policies and deliver on their commitments to encourage development and reduce poverty.

Despite progress, much more needs to be done if the Millennium Development Goals are to be met. Poverty remains widespread throughout many parts of the world. In many countries the MDGs will be missed not by one or two years but on current progress in some cases by 100 – 150 years. The need to step up our collective efforts to tackle global poverty is therefore undeniable.

Madam Co-Presidents. We set out to use our Presidencies of the G8 and EU to make 2005 a year of opportunity for development; and, in particular, for Africa; to begin to rebuild the political momentum to get us back on track to meeting the MDGs.

The reports of the UN Millennium Project and of the Commission for Africa helped build the political momentum that led the EU in May to create targets to double its aid by 2010; and for 15 Member States to commit to achieving the 0.7% UN target by 2015. I think this was a genuinely historic commitment demonstrating a new European resolve to galvanize anew action against global poverty.

This historic commitment was built upon by the G8 who agreed at Gleneagles in June to double aid to Africa by 2010, laying out a comprehensive package of support covering aid, debt, economic growth and trade, investing in people, peace and security and governance.

And then in September, the international community endorsed these agreements at the UN Millennium Review Summit, albeit recognising the need for more ambitious plans to meet the Millennium Development Goals.

Since then we have begun to turn our commitments this year into action.

- The International Finance Facility for Immunisation, was launched on 9 September, with support from UK, France, Italy, Sweden. It aims to provide \$4bn over the next 10 years for investment in life saving immunisation - saving the lives of up to 5 million children and 5 million adults by 2015. We hope other countries will sign up to this initiative.

- Agreement too was reached at the IMF and World Bank Annual Meetings in September on the G8 proposal for debt relief - worth potentially up to \$55bn for up to 38 Heavily Indebted Poor Countries (HIPC).

But we need to do more to monitor our progress. That's why we welcome the Africa Partnership Forum's decision to focus on monitoring the implementation of all commitments to Africa.

Let me now focus on the steps taken by the EU during the UK Presidency. We identified three development priorities: the MDGs, Africa and HIV/AIDS.

To support the ACPs progress towards achieving the MDGs, we are working to deliver the successor to the 9th EDF. The EU is committed to providing ACP States with more substantial assistance than provided under the 9th EDF taking into account inflation, growth and EU enlargement. This remains a priority for the Union and the European Council in December will seek to finalise agreement among Member States on a successor.

But it's not just about 'how much' we spend but also 'how well' we spend. Effective aid is about genuine partnership which is at the heart of the ACP-EU relationship. Effective aid is also about ownership. Thus the EU has agreed that wherever possible it should align its aid with partner countries' priorities and use their own systems. And it should increasingly provide its support in the form of budget support or sector-wide support.

As donors, we also have to change our behaviour. We are committed to better coordinate and to harmonise our work in the field. And that's why we agreed on Monday to untie all European Community aid to ensure that it represents genuinely the best value for developing countries.

And why, yesterday, the Council and Commission agreed a joint Declaration of Development Policy. This sets out a common EU vision on development, through shared objectives and principles. It reaffirms our commitment to poverty eradication as the overarching objective of development assistance, giving priority to the poorest countries, with specific focus on Africa. It includes specifically a renewed European Community Development Policy

that will guide community efforts. For the first time we have consulted the European Parliament at each stage and we hope they will endorse this by the end of the year.

Let me turn now to Africa. The EU has a major role to play in supporting Africa's priorities for development. Yesterday, Development Ministers agreed Conclusions on the Commission's Communication that:

- Promotes African-leadership on peace and security issues, including supporting the AU, sub-regional organisations and national governments;
- Supports improved financial and political governance
- Supports national strategies for economic growth and poverty reduction, including through improving the environment for investment and trade;
- Supports the sustainable use of natural resources and supports African efforts in countering the effects of climate change and other environmental challenges
- Calls for further support for human development, including for health and education services.

The EU Council in December will adopt an EU-Africa Strategy that will set out what more the EU will do to help Africa achieve the Millennium Development Goals.

The Commission is also working on separate strategies for its relations with the Caribbean and Pacific. These will provide important frameworks for EU cooperation with these regions and we look forward to discussing these in due course.

The fight against poverty diseases and in particular HIV/AIDS was a priority for previous Presidencies and similarly is a priority for ours. Following agreement under the Luxembourg Presidency of a new EU Programme for Action on HIV/AIDS, in September, the UK hosted a replenishment conference of the Global Fund for AIDS, TB and Malaria, where \$3.7bn was committed for 2006/07. The ACP-EC Council's decision to allocate €62million from the conditional funds of the 9th EDF was welcomed. The amount pledged in total was substantial but clearly more is needed. We hope others will be willing to provide additional commitments.

To mark World AIDS day on 1st December, the UK will host a high-level event on 30th November to formally launch an EU Statement on HIV Prevention. This will bring together representatives of the EU, Africa, Asia and Latin America and will facilitate discussion on the EU response to the pandemic ahead of the UNGASS +5 meeting in 2006.

In the long-term, fairer and freer trade holds the key to improving the lives of poor people. The economic development that trade can bring is perhaps the single most important way to build economies and improve the lives of poor people. Liberalising trade reform could increase global income by as much as €300 billion, with roughly half of this accruing to developing countries; and lift 30 million people out of extreme poverty worldwide. A 1% increase in Africa's share of global trade would deliver much more income than it receives in aid. We therefore need to secure an ambitious outcome to the Doha round of trade talks in Hong Kong on 13-18 December. Together with our Partners, we are determined to do all we can to see this happen.

We also recognise the need for a substantive, comprehensive, and credible package on 'aid for trade' to help poor countries gain from the Doha round. The EC pledged at Gleneagles to increase 'aid for trade' to 1 billion Euros per year by 2010. Yesterday, the Council agreed that the EU should consider how best to match and complement the EC's pledge. The Council is aiming to agree a package of measures before the WTO Ministerial meeting in Hong Kong.

We recognise that agricultural and mining commodities are key elements of many of your countries' economies. I know that you debated this issue yesterday. I will therefore comment briefly on a couple, namely sugar and bananas.

The Council is keen to secure early agreement with the Parliament on a suitable package of transitional assistance for ACP Sugar producers to assist them to adapt to proposed changes in the sugar regime. Glenys Kinnock and I have discussed this many times. The Council hope it will be possible to reach early agreement with the Parliament on a sum for assistance in 2006. Long-term assistance will be agreed during the ongoing

discussions on an EC budget for 2007-2013. ACP countries need to produce their country plans for assistance as soon as possible to ensure that this process isn't delayed, and to provide evidence to help make the case for adequate levels of funding.

On bananas, the Council was disappointed that the WTO arbitrators did not agree to the EU's proposals to resolve the tariff issue. We will continue to push for an urgent resolution with our trading partners that balances the interests of EU, ACP and Most Favoured Nation (MFN) producers. We do want this to be resolved at an early stage.

In short, I believe major steps have been taken in 2005 to build support and momentum behind the MDGs again. We must continue to make progress. The ACP-EU partnership is and should continue to be a model for the EU's relations with other countries. It will continue to guide us in working together towards our common aim of reducing poverty in ACP countries and achieving the MDGs.

Thank you very much.