STATEMENT

Statement by

Mr. Andris Piebalgs
Commissioner for Development
European Commission

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WORKING TOGETHER TO DELIVER THE MILLENNIUM DEVELOPMENT GOALS:

The European Union, even in a time of crisis, still accounts for about 60 per cent of world ODA. Development Policy remains at the heart of the Union's response to both global challenges and to addressing developing countries' needs.

The Lisbon Treaty has provided a renewed basis for the EU to speak and act as one which has been proved not only desirable but possible. Our collective commitment to increase aid levels to support the MDGs has been confirmed and we are currently taking action to streamline our external action financial instruments to deliver our aid more efficiently.

Given that we have only five years left until the MDG deadline of 2015, the international community must resolve to act with greater speed and renewed commitment. 2010 was a key year for the MDGs. The UN MDG Summit held in September last year in New York reconfirmed that the MDGs are still high on the agenda of the international community and reinvigorated political and financial commitments to accelerate progress by 2015. We must now deliver on what we have agreed. We must leverage all our available resources and know-how to combat the unacceptable levels of poverty that persist. It is time to deliver on our Millennium Commitment and achieve the MDGs. They are achievable: based on many years of experience of what works and what does not, developing countries – with donor support – can devise the right mix of policies to make it happen.

The MDGs are at the heart of EU development efforts and will remain our absolute priority for the years to come. Last year, the EU agreed on a series of concrete actions aiming at: increasing ownership by developing countries; focusing efforts; improving the impact and coherence of policies; mobilising more and more predictable financing for development; and making more effective use of development resources.

In that regard, the EU has notably reconfirmed its commitment to allocate 0.7% of European GNI to aid by 2015. We call on other development partners to match our ambition.

As part of the EU’s efforts on the MDGs, last year President Barroso announced in New York the EU’s willingness to spur policy dialogue on the MDGs, offering to that effect €1 billion to all ACP States committed to improving their situation regarding the most-off track MDG targets (reduction in child mortality, improvement in maternal health, access to drinking water and basic sanitation and food security). Our ACP partners have been informed at the highest level about this initiative; access to these funds will be decided on the basis of the quality of the proposals submitted.

Furthermore, global economic instability, climate change and environmental degradation, growing competition over strategic natural resources and energy, fragility and security are further complicating the global development context and call for enhanced efforts and innovative approaches to reach the MDGs.
At the same time, in many donor countries, both within the EU and internationally, the legitimacy of aid is increasingly open to challenge, as the general public and politicians question the value of development expenditure at a time when austerity measures at home are beginning to bite; visibility, transparency, accountability, value for money and results have become as central to the arguments for ODA as moral obligations were in less austere times.

Against this background, the European Commission launched a public debate last November on how to ensure that EU development policy has the greatest possible impact on development outcomes and in particular how it can act as a catalyst for the building up of developing countries' own capacities to generate inclusive and sustainable growth and mobilise their economic, natural and human resources in support of poverty reduction strategies.

In the next few months, I will be making policy proposals setting out the Commission's vision of the EU development policy framework to 2020. These will include the challenge of improving coordination and the division of labour, how to enhance partnerships with the private sector, other non-State actors and emerging donors, a greater policy focus on growth-supporting areas as well as a greater geographic differentiation depending on distinct partner country needs, capacities, interests and commitments.

RESPONDING TO GLOBAL FOOD PRICE VOLATILITY AND ITS IMPACT ON FOOD SECURITY:

Tackling global hunger and malnutrition is a challenge the EU has long demonstrated it remains strongly committed to. In 2011, this challenge remains all the more pertinent at a time when food prices have been rising in world markets, sparking fears of a repeat of the 2007/2008 food price crisis.

Although prices are high in world markets, the current situation differs somewhat from 2007/2008: weather events are playing a larger role and production in many developing countries has been good, particularly in many parts of sub-Saharan Africa. Nevertheless the effects of the recent food price rises differ markedly from country to country and across regions. We need to vigilantly monitor those countries deemed most vulnerable: here I am referring to poor net food importing countries which are dependent on imports from world markets and countries with considerably lower harvests than expected. We need to invest in adequate information provision and analysis, and encourage market transparency and predictability.

The cry to step up support to agriculture and food security must be answered. Record harvests will be needed every year in order to feed a growing population and pressures on natural resources require greater efficiency. The adverse impacts of climate change both add to the challenge and strengthen the case for greater investment by both donors and partner countries alike if we truly want to reduce hunger and achieve inclusive and sustainable growth in developing countries.

I am convinced that investing in sustainable agriculture and food security is critical if we want to accelerate progress towards the MDGs and reduce poverty. This is precisely why agriculture and food security have been singled out as one of the priorities to which the MDG Initiative funds should be allocated and also why it should be made a test case of the EU’s capacity to deliver high impact cooperation and promote inclusive and green growth.

However, such an investment calls for a concerted effort. The Commission is living up to the pledge made in 2009 in L’Aquila to support agriculture and food security with €2.7 billion in 2010-2012 but its impact will be limited if it is not joined by other key actors. I urge more effective coordination among donors and call for increasing engagement in public-private partnerships.
WORLD DEVELOPMENT REPORT 2011: "OVERCOMING CONFLICT AND FRAGILITY":

We are facing a number of difficult security and development challenges ranging from providing appropriate support to newly independent South Sudan to tackling long-drawn-out crises such as Somalia or Côte d'Ivoire. In this kind of fragile situation we are often confronted by a state that is not able or willing to ensure its basic functions and meet its obligations and responsibilities regarding service delivery, management of resources, rule of law, equitable access to power, security and safety for the population as well as protection and promotion of citizens' rights and freedoms. For donors, the above examples represent extremely challenging contexts, where needs are huge including crisis response, security provision and reinforcing weak institutions at national and local levels; and where interventions are challenging to sequence, with high risks and high volatility on the ground. Therefore the issue of addressing violent conflict and fragility should be a major concern for the international community.

This is why the European Commission in its first "European Report on Development 2009" addressed the complex issue of fragility with a specific focus on Sub-Saharan Africa, and now we very much welcome this year's World Development Report which deals with conflicts and fragility. The WDR findings and recommendations should give us valuable insights and help us to come up with better and more effective responses to country or regional situations. I share the WDR's call for a renewed commitment, in regional and global fora, to objectives and standards by which national and international actors approach peace and security, justice, inclusion and more attention to jobs and expanding economic opportunities. I hope the European Commission and the World Bank can work together to implement the WDR conclusions.

IMPLEMENTING CHANGE FOR MORE EFFECTIVE AND INCLUSIVE IFIs:

Last year we welcomed the adoption by the Bank of a new strategic framework as set out in the Post-Crisis Directions paper. We congratulate the Bank on progress made to date on the implementation of its ambitious reform agenda. The successful replenishment of IDA16 is a testament to the confidence that Bank members have in the institution as an effective global institution focused on supporting the development needs of the poorest and most fragile countries. We were also encouraged to see not only higher pledges from traditional donors but also substantial levels of funding from within the WBG as well as from current and former IDA borrowers.

In terms of the voice reforms, we greet the recent approval of the second phase of the reforms and we urge all concerned to ensure that the increases in developing and transition countries' voting shares, and other governance-related changes, are implemented swiftly. We look forward to progress being made on the issue of the selection process of the President.