

**Statement on behalf of the European Union by H.E. Ambassador Jan Grauls,  
Permanent Representative of Belgium to the United Nations, Economic and Social  
Council General Debate on "Follow-up to the International Conference on  
Financing for Development"**

**8 July 2010**

Mr. President,

I have the honour to address the Economic and Social Council on behalf of the European Union. The Candidate Countries Turkey, Croatia\*, the former Yugoslav Republic of Macedonia\* and the Countries of the Stabilisation and Association Process and potential candidates Albania, Montenegro, as well as Ukraine, the Republic of Moldova, Armenia, Azerbaijan and Georgia align themselves with this declaration.

In 10 weeks time the world leaders will gather here in New York to discuss and decide on policies and strategies on how to accelerate progress in achieving the MDGs by 2015. Since the adoption of the Monterrey Consensus in 2002, the Financing for Development Agenda is strongly linked to the achievement of the MDGs. The ECOSOC can provide a vital contribution for the preparation of the HLPM. The EU reaffirms its commitments to the Monterrey Consensus and the Doha declaration in its entirety, in its integrity and its holistic approach. Mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for sustainable development, including in support of the achievement of the internationally agreed development goals, including the MDGs. In this regard, EU also considers that all available financing for development needs to contribute to inclusive, sustainable economic growth and decent employment, which are key for achieving the MDGs. Mobilisation of domestic resources is crucial for the provision of public goods and central for the redistribution of wealth and for accountability of governments towards their citizens. This requires fair, effective and efficient tax systems, sustained commitment to address harmful tax practices and tax evasion, as well as increased international cooperation and enhanced transparency.

The EU has recently adopted new policies focusing on cooperation with the developing countries in building their capacities in this regard. Regional integration and trade are crucial for significant development benefits, growth and jobs. The EU will continue to work towards an ambitious, balanced and comprehensive outcome of the Doha Development Agenda, which should contain elements of real value for developing countries, particularly the poorest, as well as bilateral and regional trade agreements with a wide variety of developing countries, taking into account their different needs and development situations. Unilaterally, the EU has delivered on the commitment to provide duty-free and quota-free market access for all products from all LDCs and calls on other developed countries, as well as emerging economies and developing countries in a position to do so, to fulfil this commitment.

The EU and its Member States have already reached their collective target to spend €2 billion annually on Trade Related Assistance, and their total Aid for Trade (AFT) has reached record high levels of €10.4 billion. The EU is committed to sustain its efforts. Foreign direct investment, remittances and, in general, international capital flows need to be progressively replenished through the renewal of confidence in global markets. The EU will continue to encourage and to support the development of the private sector, through measures enhancing the overall investment climate. In addition the EU commits to increasing its efforts to mobilize the private sector to help accelerate progress towards the MDGs, including by promoting the UN Global Compact and the Corporate Social Responsibility principles.

Innovative public-private partnerships with the business and NGO community can enhance the effectiveness of our aid. The EU also believes that every effort should be made to recognize the essential contribution of women as economic actors and to unlock their full potential in this regard. ODA is an important element of a meaningful global development partnership. The EU accounts for almost 60% of global ODA and reaffirms its commitment to increasing its aid spending to reach 0.7% of GNI by 2015. The EU calls on all other international donors - including new and emerging partners - to raise their level of ambition and to contribute their fair share to the global development efforts. Regarding climate finance, in line with the Copenhagen Accord, the EU will implement its commitment to provide €2.4 billion fast-start funding annually for developing countries from 2010 to 2012. South-South cooperation represents around 10% of global ODA, though those amounts are not officially reported as ODA. Acknowledging South South specificities, the EU strongly encourages non DAC donors to officially report on their solidarity and assistance flows, in order to quantify the level of international aid and measure their impact on development.

The EU also supports the development of triangular cooperation. The EC and Member States are already involved in policy dialogues and operational projects with some emerging donors (e.g. China, Brazil) and wish to enhance in the coming years this form of cooperation. All resources available for development have to be used effectively. The EU calls on all donors, traditional and new or emerging, to spend their ODA in line with the principles of aid effectiveness contained in the Paris Declaration and the Accra Agenda for Action, in order to maximise its impact. The EU is firmly committed to deliver on aid effectiveness and has adopted an Operational Framework for Aid Effectiveness, focusing on practical implementation steps. Innovative financing sources and mechanisms complement other resources.

The EU seriously considers proposals for mechanisms with significant revenue generation potential, with a view to ensuring predictable financing for sustainable development, especially towards the poorest and most vulnerable countries. The EU welcomes the ongoing work by the Leading Group on innovative Financing for Development, and takes note of the ongoing work of the Task Force on International Financial Transactions for Development and of the Task Force on Innovative financing for Education. Debt relief remains important. The EU will continue supporting the existing debt relief initiatives, in particular the Heavily Indebted Poor Countries (HIPC) initiative and Multilateral Debt Relief Initiative (MDRI) and values the Evian approach as an appropriate flexible tool to ensure debt sustainability in times of financial crisis. The EU also calls for making the global development architecture

more effective and efficient. The crisis has revealed the necessity for better coordination and stronger coherence both inside the UN system and between the UN and the Bretton Woods Institutions, with an ongoing reform process aiming at achieving more inclusive and efficient institutions.

In this regard, the EU welcomes the dialogue that took place on the occasion of the High-level meeting on FfD and the new modalities for the Spring meeting of the Council, as well as your participation, Mr. President, in the Spring meetings of the BWIs. The EU also welcomes the role of G20 in the implementation of the global development agenda, including the internationally agreed development goals and targets, particularly those contained in the Millennium Declaration and the MDGs. It is clear for the EU that G20 has significant added value regarding global development efforts and we welcome that the G20 has expressly given its support for the UN and in particular for the UN processes on MDGs and LDCs.

The EU will also continue to support the ongoing One UN reform process by taking coherent positions at different UN governing bodies and by providing political, financial and technical support to the "Delivering As One" initiative at country level. The EU supports increasing UN system-wide coherence and effectiveness by progressively improving the functioning of agencies, and in this regard welcomes the recent adoption of a resolution establishing the new gender entity "UN Women".

\* Croatia and the former Yugoslav Republic of Macedonia continue to be part of the Stabilisation and Association Process.