

Speech

BY COMMISSIONER NEVEN MIMICA

to the Policy Forum on Development

**Management Centre Europe,
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Distinguished guests,

Ladies and Gentlemen,

It is a pleasure for me to join you for the first time at a formal meeting of the Policy Forum on Development.

Although I have met many of you before, there are also some of you whom I am meeting for the very first time. I want to say how much I am looking forward to working with all of you as we push forward the new international cooperation and development agenda.

When this Forum last met in October 2014, there was a very useful discussion on the approach to be taken to the post-2015 development agenda and on the role of local authorities and civil society organisations in that process. I have paid very close attention to the points that were raised on issues such as the enabling environment, localisation, and the global partnership for effective development cooperation.

Since then, the Commission adopted at the end of October last year its implementing Decision on the Annual Action Programmes for 2014 for civil society organisations and local authorities. It also launched local calls for proposals by a number of Delegations. I also signed recently 5 strategic partnerships with 5 associations of local authorities. All these actions will closely involve civil society organisations and local authorities and should contribute to **a more prominent role these actors could play in development policy**.

Today's sessions deal with financing for development in the framework of the post-2015 agenda. It is clear that any discussion of future development goals and objectives must also deal with the means of implementation, including the question of financing.

The next few months will see an acceleration of negotiations at the international level. In July, we will have the third international conference on financing for development in Addis Ababa. In September, the UN Summit in New York should agree the new sustainable development goals. An ambitious outcome in Addis Ababa will obviously help a lot in implementing the post-2015 development agenda that will emerge in New York.

The European Commission therefore recently set out our vision of the global partnership and the means of implementation that are needed to deliver on the post-2015 agenda. As well as setting out the overarching principles – such as universality and shared responsibility – we drew up **a list of actions for all countries, and some specific suggestions** on the way that the European Union could make its own contribution.

We also set out proposals for monitoring, accountability and the review of the process. It is essential to be able to show the impacts and results of our actions.

There are three issues that I believe are at the core of the vision set out by the Commission: **comprehensiveness, universality and multi-stakeholder engagement**. Each of these elements should be at the forefront of the international community's approach to the crucial period of the negotiations.

It is obvious that the issue of financing for development cannot be addressed without reference to the surrounding policy environment. The global economic and financial contexts must also be taken into account. A clear and results-oriented policy environment is a necessary condition for any form of financing to have meaningful and lasting impact.

The Conference in Addis Ababa must therefore address all of the means of implementation required for the post-2015 development agenda: financial and non-financial, public and private, domestic and international. The outcome of the Conference should feed into the agreement in New York in the form of a 'means of implementation' pillar.

The Millennium Development Goals were adopted in 2000, but many things have changed in the world in the years since then. The post-2015 agenda will signal **a fundamental shift**, away from the traditional North-South divide, **to a universal sustainable development framework that applies to all countries**. Efforts to eradicate poverty, fight inequalities and achieve sustainable development within a generation will depend on all of us, according to our respective capabilities. We have to put all the tools at our disposal to good use.

We must also recognise actors other than national governments and international organisations have a key role to play in the success of the post-2015 development framework. We need to create a true multi-stakeholder partnership with the active engagement of the **private sector, civil society, parliaments and local authorities**. Strengthening partnerships between these different groups, sometimes with competing interests, will be one of our greatest challenges. I look forward to hearing how your discussions at this Forum can help us in meeting this challenge.

It is these general considerations that should guide us in making the critical choices on development financing – including the question on the role of Official Development Assistance in the post-2015 period.

International public financing will certainly remain very important – particularly for some of the Least Developed Countries. The European Union will continue to play its full part when it comes to Official Development Assistance. At the

same time, **it is necessary to raise the global level of ambition** – the European Union therefore wants to encourage others to step up their contributions.

Despite the economic and financial crisis, the EU collectively remains the largest provider of Official Development Assistance in the world. We are, however, still some way off meeting the target of 0.7% Gross National Income for Official Development Assistance by 2015.

But even in these times of budgetary and fiscal constraints, the EU and its Member States have gradually increased our contribution to reach 0.43% of Gross National Income for Official Development Assistance in 2013 – this is close to 57 billion euros on an annual basis.

But we do not just want to be the biggest aid donor. We also want to be **the most effective and efficient** donor.

I want to be very clear in what is expected of developed countries. The EU - along with all high income countries - should meet the 0.7% UN target for Official Development Assistance – as well as the target of 0.15% of Gross National Income for development assistance to least developed countries.

In addition, emerging economies and upper middle income countries should continue to increase the support that they are giving to development through South-South cooperation. I welcome this development very much. In a post-2015 world, their support will be even more needed to contribute systematically to the development of the poorest countries.

I am well aware that it will be difficult to pursue this ambitious path in the upcoming discussions at both EU and international level. But it is reassuring to know that public opinion is on our side, as shown by the findings of the last 'Eurobarometer' special report, which was published in

January. I know that key stakeholders such as you will continue to press us to maintain a strong position.

We also need to reflect more on how to use these resources. Of course, we will not turn our back on the poorest members of society in the poorest countries. We need to continue our assistance in areas such as health, education and job creation. However, we must also consider **how, in addition, Official Development Assistance could better be used to leverage other resources**. This can take the form of blending with the private sector, strengthening domestic tax systems, or promoting markets in sustainable goods.

This broad agenda implies that Official Development Assistance alone is clearly not sufficient. We need to make the best use of all resources available. A greater focus on innovative financing instruments or on private sector engagement can help to deliver assistance more effectively, so we need to pursue it with conviction. And this does not mean compromising on development principles. Our assistance to the poor will always be based on serving their best interests.

By combining grants with public and private financing in a strategic manner, the European Union has already been able to unlock investments worth 40 billion euros in partner countries. Financing small and medium-sized enterprises, infrastructure and productive investments is one of the main challenges for the future. A number of facilities have been set up in Asia, Latin America and Africa to promote investments and key infrastructure in sectors such as energy, transport and the environment. These are the sort of initiatives that we will need to develop further.

Together with our partner countries, we must make more efforts to **improve the mobilisation and the effective use of domestic resources**. Implementation really starts with the resources that are already available in the partner countries.

They are the only means to ensure long-term sustainable development.

This means that it is necessary to create systems to manage public resources efficiently and transparently, to increase tax revenues, reduce tax evasion and avoidance and combat illegal financial flows. We also need to ensure equality of treatment in taxation for local and international companies. Here, the strengthening of institutions and the adoption and implementation of the necessary national regulations are issues that need to be addressed.

Ladies and gentlemen,

We have been given a **once-in-a-lifetime opportunity** to redefine and strengthen the way the international community works together – and to change our development paradigm for the benefit all – rich, poor, north, south, men, women and children. It is absolutely essential that we reach agreement on a truly transformative universal agenda in September, and provide the means required to implement it. We do not have any alternative.

The agenda before us is complex, interconnected and challenging. In order to respond, we need to use development cooperation in **innovative ways**. We need to take account of – and complement – other sources of finance for developing countries, whether it be South-South cooperation or new private investment. New kinds of partnerships are needed, which can bring the advantages of different stakeholders into play, rather than hindering them. We need to measure, monitor and publicise what we are doing.

I do not underestimate the challenge. But this special year provides the necessary impetus to find the solutions that the world and its people need. I am absolutely committed to finding those solutions.

Let me conclude with a final word on the importance of ongoing dialogue and exchange with forums such as this one. It is only by discussing with you that I will have a firm understanding of your priorities and concerns. And it is only then that we will be able to move forward together to encourage all international players to reach an ambitious agreement in these few short months.

I look forward to the outcome of the discussions in the sessions and working groups today and tomorrow. I hope that you will generate some great ideas on all of the issues on the agenda in this crucial year.

For now, I wish you all an excellent meeting.

Thank you very much.