

**Louis Michel**

European Commissioner for Development and Humanitarian Aid

**« The European Union Development Policy  
at a crossroads »**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

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## **THE EUROPEAN UNION**

### **DEVELOPMENT POLICY AT A CROSSROADS**

#### **Introduction: Changes and challenges for a new Millennium**

Earlier this month, Nelson Mandela addressed the Make Poverty History campaign in Trafalgar Square with the following words:

*Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.*

As a former Foreign Minister myself, I can think of no finer way to introduce the challenges which face the development policy of the European Union. The EU itself is a unique international construct based on rule of law and prosperity through cooperation.

In my first official visit to London since becoming Development Commissioner, it is no accident that I asked to make this ODI event for the development community the keynote public part of my programme. I hope through these brief remarks to put the European Commission back on your map. The EU is the biggest donor in the world. The EU is the biggest importer of products from developing countries. Whether you campaign for trade justice or for more and better quality aid, I hope to contribute ideas to this debate – but also to take from it key messages which can guide us as we formulate a new development policy for the EU.

### **The starting point is of course that the world has changed....**

Already in the new Millennium, the world has changed almost out of all recognition. Nine Eleven: this simple combination of numbers carries a meaning that reaches far beyond development issues. The new security situation and the threat of international terrorism affects development policy just as so many other areas of our lives. Add to this the HIV/AIDS pandemic has been spreading from the South and the East back to the North and the West. And over the same period, global warming has been presenting its first bills. Conflict prevention and reconstruction have replaced cold war concepts. And just as the international community starts to learn to cope, a human disaster of pan-regional proportions brings new challenges. But one thing has not changed. That is the injustice of poverty. The Millennium Development Goals remain as relevant today as they were.

### **Just as important, the development agenda has changed....**

Developing countries, development ministries and the development community represented here deliver a stark, cogent three-pronged message: trade justice, debt relief and more aid – more in terms of quality as well as quantity. The last few years has seen the launch of the Doha development round, the changes already made to make the Common Agricultural Policy less distortive of trade and, most recently, the entry into force of the Kyoto climate change convention.

### **And thirdly, the European Union has changed....**

Far from being static, the EU is showing itself to be a dynamic framework for European to work together. Most obviously, the EU has got bigger – welcoming 10 new Member States in May last year reunited a continent. The EU – through the draft Constitutional Treaty – aims to become simpler to understand, more

efficient in its operations and more democratic in its governance. But nowhere is the dynamism of the EU better demonstrated than in international relations. And, my job is to make sure that we do this with a new development policy.

So, since the last EU development policy statement, laid out in November 2000, the world has changed, the development community has changed and the EU has changed. What then are the elements of our new development policy?

### **A new development strategy:**

Obviously, compared with 25 separately negotiated, separately procured and often competing national aid and development programmes, the European Union offers significant advantages. The EU can present a coherent and co-ordinated position. The impact of financing at the level of EU is much greater than it ever could be when split 25 different ways. We are working hard to develop a real strategic approach that would cover the European Union as a whole, and not just the programmes financed by the European Commission. But for that we need all the Member States to co-operate, and we welcome the support of DfID in this regard. Looking to the future, I see three issues emerging:

### **Issues for the future of EU development policy**

The **first issue** is the place of **development in the external action of the EU**. Development policy has to be seen in the context of the common foreign and security policy and, more importantly at present, EU trade policy. The development and security nexus as well as the link between development and migration are increasingly important elements of the debate. My goal is coherence among objectives, rather than a hierarchy of objectives.

This brings me to the **second major issue: partnership**. Too often in the past we in “the North” have set the priorities for developing countries. Too often, cooperation has been reduced to disbursement-driven aid, adding to the problems of the poor the feelings of being indebted, if not in debt. As regards our partners in the development countries, the principles of partnership, ownership and participation should be strengthened, in line with the most recent recommendations by the DAC to align donor policies and practices to those of the beneficiaries.

And “partnership” starts at home. Within the EU, although we have pioneering improvements in terms of transparency and untying aid to include developing countries themselves, we are still far from effective co-ordination. Renewing partnership among international development actors is also a priority. But in this audience, I also want to stress the importance of partnership with NGOs. In Europe, we have a unique expertise in the shape of the many organisations represented here today. Tapping in to that pool of expertise is a further crucial element in development policy-making.

Finally, the **third issue is effectiveness**. As you know, the Commission has strived to apply this important principle in order to improve aid efficiency by selecting six focal sectors of intervention. We propose to focus on the link between trade and development; regional integration and co-operation; support for macroeconomic policies and equitable access to social services; transport; food security and sustainable rural development; and institutional capacity building, notably good governance and the rule of law.

However, in practice this has been complicated by the multiplication of new initiatives (for instance the EU water and energy initiatives) and political

priorities (e.g. integration of migration concerns). Cross-cutting issues have been most integrated in programming documents and sometimes lip-service has been paid by doing so. In future better and deeper dialogue will be needed with the partners in order to avoid defining focal sectors a priori and to agree the best mix of policies and actions according to the local context.

The EU can add value in a number of key themes (for instance the development of human capacities and citizens rights, or economic growth and development) could provide the basis for achieving the right mix. Different Member States could contribute to identifying our specific approach and to providing their expertise under the various themes. But let's try and keep it simple.

### **Concluding remarks:**

Commission President Barroso has already said he wants to make Africa one of the flagships of his period in office. I will put that goal at the heart of my proposal for a new EU development policy. This is a key year for development, with the G8 Summit in July and the MDG Summit in September. Both the European Commission and the British Government have a major role to play in shaping that agenda. The challenge we face is enormous – we have seen that from the Sachs report. But we cannot afford to fail. We must invest in development, and invest NOW. My aim is to find the best way to do this, by working closely with all key partners, such as you gathered here today. And for that reason, I have set out my proposals for the future of the EU development policy. And I'm keen to debate that future policy with you now.