



Position of European Union for the purpose of the conference held by the Forum for 21st Century on 29 November 2011

The European Union would like to thank the Forum for 21st Century for initiating the discussion and organizing the conference on global economic issues. At the same time we express our full support towards solving the challenges occurring in the new global scenario. After an in-depth analysis of the draft proposed by the Forum for 21st Century let us annotate it and include our suggestions as well. The European Union stresses that it supports all efforts to take part in making the development aid more effective.

In the section *Notes*:

▢ Facing new global challenges, close to the 2015 target for achieving the Millennium Development Goals (MDGs) and in the phase of preparation the Multiannual Financial Framework (MFF) the European Union feels strong need to determinate the right policies and tools to be effective and efficient in solving the problem of poverty in the context of sustainable development. Therefore we welcome the initiative of the Forum for 21st Century to establish the coordinated model of cooperation in current development aid. In addition, we would like to stress that we feel our share of responsibility in providing aid to developing countries to help them to fight the poverty and integrate them in the world economy. As it is stipulated in the Lisbon Treaty, supporting developing countries' efforts to eradicate poverty is the primary objective of development policy and a priority for European Union external action in support of European Union's interests for a stable and prosperous world. Furthermore we would like to stress that stable and secure environment with adequate and predictable legislation is needed to succeed in long term eradication of poverty.

In the section *Proposals*:

▢ European Union agrees with the Forum for 21st Century that the problem of current development assistance is in its ineffectiveness, more precisely in insufficient communication among donors and also between donors and recipients. We realize that the coordination of development aid is necessary as it is stipulated in the Article 210 of the Lisbon Treaty:



“In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes including in international organizations and during international conferences.” Therefore European Union welcomes the idea to strengthen the development aid cooperation on the multilateral level among donors and also between donors and recipients. Paris Declaration and Accra Agenda for Action try to reform the way of providing the development aid in order to increase its effectiveness. However, truly effective coordination of development aid has been still an exception than a rule.

According to what has been already mentioned European Union supports the idea to coordinate the flow of development aid and to create the Platform for Development Assistance (PDA). It's essential for not only donors to eliminate duplication of efforts and rationalize activities to make them as cost-effective as possible. Coordinated international effort could additionally speed up the progress to achieve the MDGs by 2015. We appreciate that also private sector will be participating at PDA. European Union suggests creating a group of experts at the PDA level and then working groups at the national level of each recipient's country, in which both donors and recipients would participate and meet on regular basis. Regarding the financing of PDA we propose to establish Fond of PDA, in which all the financial development aid of donors would gather and from which recipients could draw the financial aid but in accordance with the exact given rules. In addition, European Union recommend to create a comprehensive database of all relevant actors (mainly recipients, donors and NGOs), which would be a tool to search partners for projects and cooperation and for exchange of experience and views on development aid issues.

The impact of development aid is affected by a whole range of factors including the recipients own policies. Therefore we find it extremely essential to set up exact rules of system of providing development aid through PDA since the effort should not be just required from donors. The participation at PDA should depend on the recipient's commitment to universal values of human rights, democracy and the rule of law; commitment to better public sector management, to good governance in its political, economic and environmental terms and also commitment to ability to conduct reforms. Additionally, the European Union emphasizes the



importance of determination recipient's own development strategy, in which the recipients determine their own needs.

- The European Union intends to target its resources where they are needed the most to eradicate poverty and where they could have the greatest impact. There are more advanced developing countries that are already able to generate economic growth and their own resources, but on the other hand there are still developing countries depending on external support. This large variety of developing countries requires a differentiated approach to aid allocation to get the maximum impact of development aid. The European Union recognizes the particular geographic regions of importance of supporting development, more precisely the region of Sub-Saharan Africa and so called The European Neighborhood Region that comprises Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the Occupied Palestinian territories, Syria, Tunisia and Ukraine. The partnership between the donors and the particular recipient country should develop on the basis of its particular needs, capacities and reform objectives. European Union delivers aid through a set of financial instruments with a focus on ensuring quality and its effectiveness. In this framework we would like to participate at PDA.
- European Union supports the idea of the Committee for Environment and Sustainable Management of Scarce Natural Resources and recommend the developing countries (especially in Africa) to create this committee since the coordination of resource activities in the region would contribute to effective allocation of resources and sustainable growth.