

Brussels, 9 April 2008

## Commission: EU must stand by its promises and deliver on development aid if we are to meet the Millennium Development Goals

*Following last week's release of the OECD development aid figures, the Commission today urged Member States to go beyond rhetoric and deliver on their commitments. In its Communication "EU as a global partner for development", the Commission proposes a number of actions to encourage Member States to increase the volume and the effectiveness of aid as well as areas where EU policies could be better coordinated.*

José Manuel Barroso, President of the European Commission, said: "Europe is the biggest donor in the world. Both Commission and Member States have shown commitment and ideas on development aid - but if we want to remain credible. We have to deliver on our promises. We are doing well on aid effectiveness but we have to be honest and admit that our 2007 aid volume performance is simply not good enough. We have to get back on track at the European level if we are to continue to lead at the global level. So 2008 must be a year for action, not just words. For example, Member States should set out clearly what they are prepared to spend on aid, year by year, until 2015. This will be an important subject for the European Council in June and for the G8 in July."

Louis Michel, Commissioner responsible for Development and Humanitarian Aid, said: "This year we mark the half-way point towards reaching the UN Millennium Development Goals of 2015. We know what we must do: increase our aid spending to meet targets and then make every euro count. Today's communication maps out just how we can achieve that. It also shows how our investment in others is an investment in ourselves since any solution to the global challenges - such as climate change or migration - requires a significant improvement in the living conditions of those people who live in developing countries."

The Communication adopted today by the Commission looks at four different areas where Commission and Member States pledged to improve aid for poor countries:

**More money:** The Commission calls on Member States to raise more money for development aid to keep their promises to increase aid to 0,56% of GNI in 2010 and 0,7% in 2015. Each Member State should come forward with a multi annual plan, indicating the exact increases planned per year. This call is necessary, given that in 2007, the volume of European aid decreased to € 46,1 billion (€ 2006: 47,7 billion).

**More effective aid:** the EU leads this debate, and tremendous progress has been made. With new actors and new challenges, we need to accelerate the pace of reform and make it happen on the ground. The Communication sees four main areas of progress - namely division of labour, aid predictability, use of budget support and management of results. Positive examples include joint programming and coordination. In Somalia, six Member States as well as Norway coordinated their development aid. Aid effectiveness will be at the centre of discussion at the High Level Forum in Accra in September.

**More coherent policies:** our development policy is key for poor countries but we need to ensure that we are not inadvertently undermining this effort with other policies. In the coming years, special attention will be given to the effects of trade, environmental and migration policies, e.g. the impact of EU bio fuel policy on developing countries as well as the "brain drain" in sensitive sectors.

**Better trade capacity (Aid for Trade):** Member States are called on to finance their share of the aid for trade programme which foresees altogether €2 billion by 2010. Under the programme, roads and other infrastructure will be financed to connect regional markets.

Background:

The EU is still the biggest donor in the world, with Official Development Assistance amounting to € 93 per citizen (Japan: €44, US: €53). Europe accounts for around 90% of worldwide commitments to scale up aid levels. Around 90% of the increase in aid to Africa comes from the EU.

With € 8,6 billion in 2007, the European Commission is the second largest individual donor in the 22 member strong group of donors organized in the OECD, in the so called Development Assistance Committee (DAC).

At the European Council in 2005, Member States pledged to increase the volume of aid to 0,56% of GNI in 2010 and 0,7% in 2015.

The EU Code of Conduct on the Division of Labour, adopted in 2007, fosters an increasing use of developing countries' own system for managing aid.

Discussions based on the Communication should prepare a common EU line for two major international conferences later this year: the Doha Financing for Development Conference in December and the High Level Forum on Aid Effectiveness in Accra in September.

[http://ec.europa.eu/development/index\\_en.cfm](http://ec.europa.eu/development/index_en.cfm)

<http://www.un.org/millenniumgoals/>