

Speech for EU Budget Review, 10 June 2008

Good morning, I would have liked to have been with you today, but I am not in Brussels. Nevertheless, I'm really pleased to be able to send you a message.

You may recall that last time I was at a meeting by Europe External Policy Advisors, I had just returned from Nepal and we were discussing its future. Who would believe that today we would have a republic. So my congratulations to everybody on this development and to all of you for getting involved.

On the budget review, most of you probably know that I was on the budgets committee for 8 years, and totally appreciate how significant this review is. But what is vital is your input and hands on experience if we are going to achieve a meaningful review.

We have a unique opportunity. Europe today is not the same Europe that it was twenty years ago when the first financial framework was agreed. Not only have we had several treaties since then and had dramatic change within our institutions, we also more than twice the size! Back in 1988 Europe was just 12 countries, we have gradually enlarged to 27.

We are now a very different European Union. So, it is no doubt clear; reform of the EU budget well overdue. We need to change our direction and take a fresh look at the bigger picture. How can we ensure the budget reflects best the EU's policy commitments? How can we guarantee that the budget is used to create a fairer Europe, and help meet the challenges we face today and in the future, not only within Europe but also globally?

Although the EU is now the world's largest aid donor and is doing some extremely credible work in developing countries, sadly this remains a little known fact.

The fact that the EU is committed to development and the extent of its work in eradicating poverty, developing infrastructure and improving health and education in developing countries is not common knowledge. Therefore more needs to be done to communicate this.

The Lisbon Treaty, which we hope will soon be ratified, is an important start to this. The treaty has a strong focus on strengthening the EU's role in development cooperation.

It clearly states that the reduction and the eradication of poverty is the primary objective of the Union's development cooperation policy. This goal must be respected when the Union implements policies which will affect developing countries. This implies also that development policy is a policy in its own right, and not an accessory of common foreign and security policy.

Therefore, there should be no reason why, in the EU budget there should not be a specific budget heading for development cooperation, covering all developing countries and not just ACP countries as is currently the case.

Vital development cooperation instruments such as the European Development Funds (EDF), financing instrument for development cooperation (DCI) and the developing countries in the European Neighbourhood and Partnership (ENPI) should not be hidden away within budget heading for Common Security and Foreign policy.

I happen to believe that development cooperation should not be mixed in with other political matters. There is a danger here towards treating countries unequally. Therefore, this creates yet another case to have a separate budget heading for development cooperation.

Having chaired the South Asia delegation and also being a member of the ACP joint parliamentary assembly, I have seen first hand the needs and challenges of countries within both these regions, and do not believe that we can prioritise any country or region over another. The last thing that we want is any regional bias on matters as grave as poverty and development.

Although, countries within Asia, like India and China are on the rise, and are now regarded as emerging economies, they still suffer from mass poverty. In India, 300 million are still living well below the poverty line. Therefore, we have a real responsibility towards countries within Asia and development cooperation with them should not be sidelined, and should be a priority, and at the very least be on an equal footing with anywhere else in the world.

To conclude, the budget review needs to change the status quo to reflect today's Europe: This is for three key reasons:

1. To bring the budget in line to better reflect EU policy as outlined in the Lisbon Treaty
2. To highlight the importance of EU development policy and its instruments as significant tools in their own right and not one part of EU external relations. This will also go a long way in increasing visibility of the EU as a major donor worldwide
3. To avoid any possible misinterpretation that there is any regional discrimination, and that all developing countries are entitled to development cooperation

I wish you a fruitful discussion today and I hope you will come back to us with some important feedback and suggestions. Thank you.