Statement by

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Check against delivery

Mr Chairman, Colleagues, Ladies and Gentlemen,

As the first policy session after Johannesburg, CSD13 sets a model for our future efforts to achieve sustainable development globally.

Furthermore, dealing with crucial and imperative issues like water, sanitation and human settlements, CSD13 enables us to make a strong, undeniable point on the importance of sustainable development to achieving the Millennium Development Goals, to end the poverty trap.

This is the message that needs to be submitted to the Millennium Review Summit in September, so that our Heads of State and Government can take the decision to develop a UN system that better governs environment and that is better equipped to answer, at all levels, with everybody's contribution, to the challenge of sustainable development.

But this message needs to be concrete, needs to be complemented and supported by actions. This CSD has proved that the international community is indeed ready to take the necessary steps to move from commitments to actions - and this is essential for our credibility and for our real success! It is very positive that we have been able to agree on several important policy recommendations and concrete measures that can bring us closer to achieving the goals of halving the number of people without access to safe drinking water and sanitation by 2015.

With the outcome of CSD13, we hope to have a clear blueprint that guides our work in the next years. It is now up to all actors - governments, regional and local authorities, international institutions, NGOs, private sector, UN organisations and international financial organisations - to make sure that these recommendations become part of their everyday activities.

How the EU is delivering

What is the EU doing to contribute to the achievement of the Millennium Development Goals? First of all, let me confirm once more that the EU is taking its global commitments very seriously.

We have taken a series of concrete actions to put into practice the Johannesburg Plan of Implementation. I will address mainly water, sanitation and human settlements, as this is what CSD 13 is concentrating upon, but I will also be touching upon our broader sustainability agenda, as I believe the title of this session encourages.

My main message to you is: the EU is delivering, both internally and externally.

Firstly, we are improving our governance systems so that we better incorporate WSSD goals and targets into our own policy making framework. This will be done in the context of **the review of the EU's Sustainable Development Strategy,** which will take place in the autumn of 2005.

In addition, already by now, 22 of the 25 of the EU Member States have also put in place and are implementing their own national sustainable development strategies.

One of the important steps we have taken to **improve the coherence between our internal policies and our international commitments** is the reform of the EU's Agricultural and Fisheries Policies. It indeed represents a great change for the EU to shift towards more sustainable models, moving away from trade-distorting production-based subsidies. Efforts will need to be intensified, much still needs to be done, but we are on the right track, and we are proud of the steps we have already taken.

We are also committed to tackle the pressures on the environment caused by **unsustainable patterns of consumption and production.** Several policies and tools to this end already exist in the EU, including, for example, the Integrated Product Policy and the Environmental Technologies Action Plan.

More is in the pipeline. This summer, in fact, we will be presenting a new strategy to promote the sustainable use of resources: the aim is to examine the whole lifecycle of natural resources and to identify those usages of resources where there is the greatest potential for environmental improvement.

We are however aware that we need to tackle better key sectors such as agriculture, energy or transport where increases in demand risk worsening environmental trends.

Last November, the Commission organised, together with UNEP and the Belgian Government, a European meeting on sustainable consumption and production, which came up with very interesting conclusions. We look forward to sharing our experience in this area in the future CSD sessions as well in international expert meetings.

Another issue that I want to briefly mention here is the new EU chemicals regulatory system, REACH, which we are developing and which - we hope - will be operational some time in 2006. REACH will make a decisive contribution towards meeting the WSSD goal to ensure the "sound management of chemicals".

Mr Chair,

Let me now turn specifically to the issues of water, sanitation and human settlements, which of course have been and are our focus here.

Internally, the **EU Water Framework Directive** is particularly innovative and ambitious, promoting a holistic view of water management. It is based on principles such as stakeholder participation and integrated river basin management. It is an example of best practice that is applicable also in our neighbouring areas. It is worth mentioning that countries that are part of the International Convention for the Protection of the Danube River are also already applying the Water Framework Directive - a living example that it indeed gives a "best practice approach".

Internationally, the EU collectively provides around €1.4 billion annually to water and sanitation, which makes it the world's largest donor in the field. This collective effort has great potential to generate significant results on the ground.

The **EU Water Initiative** is designed to bring together the European Community and its Member States, civil society and financial institutions with the governments and stakeholders of partner countries to achieve the water and sanitation MDGs and to develop an integrated approach to river basin management.

The initiative has five key objectives: reinforcing political commitment, promoting better governance, improving coordination, encouraging regional cooperation, and catalyzing additional funding.

The horizon of the EUWI is 2015. While a great deal of attention was paid over the first two years to setting in place the mechanisms that will ensure swift delivery, some important early results have also already been achieved. The most significant successes of the EUWI to date are:

- 1) the development of a new approach to addressing the water and sanitation challenge by pooling EU resources to increase efficiency;
- 2) the adoption of some essential steps to mobilise a critical mass of funding for water;
- 3) the idea of convincing partners that the water supply and sanitation objectives can only be met within the overall context of an integrated approach to water management at the basin level.

The EUWI has become emblematic of the EU's drive to pool resources to increase the efficiency of EU external action.

Through the EUWI, the EU has also been able to mobilise a critical mass of funding capable of having a global impact. In 2004, we established the **EU-ACP Water Facility**, which could be worth up to €500 million in its first phase. With the EU-ACP Water Facility, the EU provides the flexible source of funding, which is often the missing link in the financing of sustainable water-related programmes. No other donor so far has made a commitment which matches the EU-ACP Water Facility.

The first call for proposals under the Facility, launched in autumn 2004, received proposals worth more than €5 billion. The amount requested from the facility is some £2.75 million, which suggests that more than €2.25 billion of other funding for projects could be mobilised. This is an impressive commitment for change. Moreover, this clearly makes the ACP-EU Water Facility a role model for future action, complementary to more conventional bilateral assistance.

Moreover, in order to focus on the specific needs of Africa, the European Commission, with support of the Member States, has decided to give a £20 million contribution from the ACP-EU Water Facility to the African Water Facility, targeted specifically at the African water and sanitation sector, and a €18 million contribution to the Nile Basin Initiative.

As the EU is also keen to share with partners its extensive experience from the implementation of the Water Framework Directive, a joint process between the EU Water Initiative and the Water Framework Directive was successfully started in 2004. Thus, the innovative concepts of the Water Framework Directive, which is widely recognised as a breakthrough in water policy,

can be adapted to the context of the EU Water Initiative.

We'll have the opportunity to discuss the EU Water Initiative further at a side event on the EU water initiative tomorrow evening - I would like to invite you all to this event.

On **human settlements**, the EU is active at home and abroad. Internally, we are finalising a strategy on the urban environment to be launched this summer. It aims to improve the quality of the environment in cities and to reduce their adverse environmental impact.

Internationally, we are working together with UN Habitat. One particular area of focus is to help Sub-Saharan countries to upscale urban issues in the global development agenda. We are supporting local authorities and other relevant urban actors.

Some words also on how the EU is delivering its commitments on **financing.** Collectively, being the world's largest donor, the EU provides 50% of global Official Development Assistance (ODA). Nonetheless, our levels of ODA are increasing. The European Commission is closely monitoring the progress of Member States towards the Monterrey commitments and our latest report shows that we are on track, as the EU average ODA ratio compared to gross national income remains above the effort of most OECD countries.

But we are also trying to do more. We are in particular trying to spend aid better. This is done in a variety of ways including by putting high on our agenda the improved coordination of development cooperation policies, by untying of aid, by participating in the Heavily Indebted Poor Country Initiative aimed at debt reduction, increasing trade-related assistance as well as working further on innovative sources of financing and the reform of international financial institutions.

Mr Chair,

In Europe, there are some that voice concerns that sustainable development might be detrimental to competitiveness and growth. Understandably, this concern might be even stronger in developing countries, where poverty eradication is an overriding priority. But competitiveness and growth are based on the sustainable use of natural resources. That is why we need an integrated approach to policy making, and mainstreaming of sustainability in all policy areas.

We must make sure we include sustainability requirements in national sustainable development strategies and, in developing countries, in poverty reduction strategies. The response lies therefore in the right policy mix, addressing in a mutually supportive way social, economic and environmental objectives, as well as balancing short term and long term requirements.

So, much is being done. But obviously, more is needed. The challenges ahead of us are immense and the obstacles are legion, but I believe that this CSD session has proved that by concerted action of all key actors the goals can be reached.

Many thanks.