



20 December 2010

### **MEETING BETWEEN COMMISSIONER FOR DEVELOPMENT, ANDRIS PIEBALGS AND BUSINESSEUROPE DIRECTOR GENERAL, PHILIPPE DE BUCK**

**20 DECEMBER 2010**

#### A. Key messages

- EU development policy should assist developing countries in putting in place the conditions for economic growth and job creation.
- A well-functioning administration in developing countries is immensely important to provide predictable and stable conditions for economic growth and development.
- The EU should engage with resource-holding countries on raw materials, including the management of resources, transparency and geological knowledge.
- The EU should put in place policies that encourage and leverage private sector investment in developing countries.

#### B. Background

##### **Green paper development policy**

Development policy should focus on economic growth and job creation through collaboration with the private sector. Key elements of the EU strategy should therefore be the promotion of a better business climate (good governance, stable regulatory framework, regional integration etc.) to promote investment and putting in place specific instruments to leverage private sector activities. To be more effective, EU development policy should be devised in closer cooperation with business. The business community can provide useful insight into ways to support private sector development. In addition, leveraging private sector investment will require better cooperation on EU rules for procurement in development aid projects to promote quality, long term investments.

##### **Trade and regional integration**

BUSINESSEUROPE is supportive of the Economic Partnership Agreements. New political momentum is needed to move the negotiations forward – especially to support regional development (customs and other rules). Other important elements for BUSINESSEUROPE are: the conclusion of the WTO Doha Round, and developing



strategies with the private sector to tackle counterfeiting and illicit trade. Companies in developing countries are asking for support to implement EU technical standards that to enable them to export to our markets. In addition, more formal platforms for dialogue with business should be put in place in developing countries. BUSINESSEUROPE can provide advice to African regions on how to interact at a regional level with business to support regional economic integration.

### **Economic governance**

A well-functioning administration in developing countries is immensely important to provide predictable and stable conditions for economic growth and development. The European Union's main instruments for promoting good governance are direct budget support and 'Governance Action Plans'. The EU and the developing should include business climate criteria in the country-specific Governance Profiles assessing the country's level of governance. The EU should consider incentivising positive business climate reform with additional sums of direct budget support.

### **Raw materials**

In the context of the EU Raw Materials Initiative, the EU has to engage in partnerships with resource-holders. The EU's external policies should be better aligned to foster cooperation with developing countries on raw materials issues. The European Union and African Union (AU) should identify linkages between the 2008 Raw Materials Initiative and the African Mining Vision 2050 (adopted in February 2009). The EU should contribute to the AU's vision for sustainable and well-governed mining sector in Africa through concrete capacity building projects, facilitating investments in infrastructure and promoting good governance and transparency.

### **C. What does BUSINESSEUROPE aim for?**

BUSINESSEUROPE would like to see:

- Stronger focus of EU development policy on growth and job creation through improving the business climate and working with the private sector.
- Better governance through involvement of local stakeholders (e.g. business organizations), also in establishing and monitoring the Governance Profiles.
- A new political momentum for concluding Economic Partnership Agreements.
- Concrete actions by EU donors and banks (Member States, Commission, European Investment Bank) to promote private sector engagement and investment in developing countries (e.g. public guarantees for risk-sharing at an early stage of the investment process).
- Follow-up of the European Commission to their commitments in the raw materials Communication (e.g. training programs for mining and minerals ministries).
- Strengthening of public-private partnerships in development cooperation and on existing initiatives such as the EITI.