



**Statement by His Excellency Dr. Leonardo Santos Simão,
Minister for Foreign Affairs and Cooperation of the Republic of
Mozambique**
**at the International Conference on “Europe and the South: A new Era of
European Development Cooperation: Towards Political Renewal and New
Commitment”**
September 28, 2004, The Hague

Senator Jos Van Gennip, President of the Society for International Development
Dr. Jan Nico Schoelten, President of AWEPA,
Honourable Members of Parliaments,
Dear Participants,
Ladies and Gentlemen,

Allow me at the outset to congratulate the Society for International Development (SID) and the Association for European Parliamentarians for Africa (AWEPA) for convening this meeting, and for inviting us to share our views on the impact of the European Union enlargement on the South, in particular for Africa.

I also wish to express my appreciation to the people and the Government of the Netherlands, as the current President of the EU, for hosting this conference and for the kind hospitality extended to us, since our arrival in this beautiful and inspiring city. Indeed, the enlargement of the European Union has created a new scenario that has the potential of a tremendous impact not only for the EU itself, but also for Africa as a major trading, development, economic, political and cultural partner. It is therefore quite fitting that we debate the issue to fully understand the extent of such impact, in order to take appropriate action to minimize its negative consequences, as well as reap the eventual benefits.

Mozambique, in its capacity as current president of the ACP group, wishes to focus its intervention on the challenges faced by the group as a whole, in particular by Africa. The impact of EU enlargement on the South is yet to be fully evaluated. But there is an increasing fear that the South, in particular Africa is set to lose, as the enlargement will force the EU to give priority to financing the integration of new members, thus committing less resources to Africa and the South. The concentration of attention and finance on the EU new members will not be out of bad faith or a deliberate act of neglecting Africa, but rather a situation dictated by the new realities that compel the EU to quickly address the challenges brought into the Union by the new members, mostly of socio-economic development nature, in order to ensure their effective integration. Otherwise, these problems would pose serious political and security risks to the whole of the European Union.

Mr. Chairperson,

The countries of the South and the EU enjoy an historic, affective and cultural partnership, basically pursued in three main areas: development assistance, private investments and development initiatives conducted by NGOs. This partnership aimed at eradicating poverty

Europe and the South: A New Era
The SID European programme in cooperation with EADI and Euforic
as a part of joint EDC2010 Project
C/o Eisenhowerlaan 120-II, NL-2517 KM THE HAGUE
T.: +31-70-338.32.85; F: +31-70-338.32.80;
E: g.stankovic.sid@socires.nl; W: www.euforic.org/sid-europe



and promoting sustainable development in the South, entails significant EU financial flows to our countries to fund critical development endeavours.

However, this flow of fundamental financial resources will be significantly affected by the necessity to address the pressing needs of the new members that are at a lower development level, compared to the average all the EU development level, requiring huge investments in infrastructure, productive capacity and social development.

This is so because failure to develop the new members and elevate them to EU standards could mean the transfer of their socio-economic challenges into the EU mainstream, ultimately becoming political and security problems. Therefore, the EU will be under pressure to focus on the effective integration of the new members, with priority funding being allocated to them, to the detriment of other development partners, like Africa. Consequently our continent will definitely see its development assistance broadly reduced, may not be in budgetary terms, but in terms of potential for that assistance.

At the business level, the picture will be all the same, with EU business community compelled to invest in new member states, given the existing incentives related to lower costs of production, as a result of cheaper but highly skilled labour force, coupled by other incentives to invest, such as the short distance from headquarters. There is no doubt that Africa, overall can not compete with the new member as an attractive destination of investments and is likely to lose out to EU new members.

With regard to trade with the south, in particular Africa, the South can hardly compete with new members that produce almost the same commodities as the countries of the south. The new members will therefore dominate the EU market, by benefiting from free trade within the European Union and other facilities. This will definitively erode the theoretical gains from the progress made in the last WTO round in Geneva.

Non-Governmental Organizations and other non-state actors may in turn focus more of their attention on the new members, as the prevailing challenges in these countries are more compelling from a political, economic, social, cultural point of view. The logic shows that you would rather address problems next door, to prevent them from spilling over into your backyard, before addressing those that are far away, thus being less appealing and unlikely to affect you directly soon.

Given the reasons outlined above, it is our view that the potential for assistance to the south, mainly for Africa, will be broadly reduced. Even if the European Union manages to maintain or slightly increase development aid, it would be below what it would otherwise be, had there not be any focus on new members.

The picture is clear. New members are at a development stage that is below EU standards and there would be pressure for the EU to address the prevailing development gap. New members will thus compete with Africa for resources in a contest they enjoy huge advantages. Africa is thus set to lose with EU enlargement.



Mr. Chairperson,

Given the rather bleak picture presented above, we need to look at ways of limiting the negative impact of EU enlargement on Africa and the South in general. We believe that the ACP-EU partnership has a tremendous potential for improvement and widening. It has many opportunities as well as formidable challenges.

Although EU enlargement may reduce the availability of resources for supporting Africa's development, it may also provide interesting opportunities for the South, as the acceding countries have in the past been cooperating partners of African countries. That may ultimately prove to be a new window for furthering Africa-EU cooperation that is worth exploiting.

In order to support ACP countries, the EU must fulfil the commitments made in all major International conferences and summits including the last ACP summit held in Maputo, last June. We therefore need a better and increased aid, both in qualitative and quantitative terms. Aid must increase in volume, while being untied and predictable. On the other hand, recipient countries must have a greater say on their needs.

One major commitments and challenge is the attainment of the MDGs that undoubtedly provide the appropriate framework for ACP-EU partnership. The MDGs having been agreed upon and adopted at the highest political level, with a clear set of goals and benchmarks, put all of us under close scrutiny by the public opinion and represent a clearly measurable form of our achievements and commitment to improve the lives of our peoples.

In order to tackle the prevailing trade imbalance between the South and EU, particularly difficulties of access to the EU markets, there is a need to continue addressing the supply side concerns of the South and realize the full potential of our economies. Aid and other financial flows should be made available for infrastructure development, boosting productive capacities and improving the competitiveness of the economies of the South. We feel encouraged by the recent results achieved at in Geneva, addressing subsidies and other trade barriers that undermine access to European markets by ACP products.

Mr. Chairperson,

There is a need to adapt ACP-EU relationship to the socio-economic and political realities of the current world, in line with the aspirations of our peoples and recommendations of all major conferences. I am of the view that one of the biggest challenge our world is faced with today is the forging of a true partnership based on a win-win approach.

In that partnership, and particularly with regard to Africa, the EU should provide resolute and comprehensive support to NEPAD as a whole, rather than a selective and targeted focus in some areas, such as the African Peer Review Mechanism (APRM), peacekeeping or governance. African problems are not simply limited to governance. Governance is a problem, but Africa's challenges are much deeper and require a comprehensive approach to address them.



SID

Society for International Development

The EU must embrace NEPAD. The African Union and NEPAD are the tools that Africans have resorted to in order to address the challenges faced by the continent, towards African renaissance. NEPAD is the African Union's programmatic vision which seeks to guide the collective action of African nations to combat poverty and generate balanced and sustainable development of the continent. On the other hand, the European Union must also continue to support regional arrangements like SADC that constitute the backbone for regional integration and operationalization of NEPAD.

Ladies and Gentlemen
Distinguished participants

I am coming from the United Nations general Assembly in New York where several industrialized countries, including members of the European Union, pledged substantial increases in their Official development Assistance. We hope to see these pledges materialized.

I wish to conclude by saying that the Africa-EU partnership should be based in shared principles and dialogue: frank, open, permanent and effective. The prevailing difficulties in the political dialogue since the Cairo Summit shows that much work remains to be done for establishing a common political agenda. But dialogue and commitment are a must for a successful partnership, particularly where differing views do exist.

In pursuing Africa-EU partnership, the civil society has a pivotal role to play. We must promote further the interaction between our civil societies, so as to ensure the sustainability of that partnership.

Looking forward to a fruitful debate, I thank you for your kind attention.