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REPORT

on defining a new development cooperation with Latin America
(2011/2286(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on defining a new development cooperation with Latin America

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The European Parliament,

- having regard to the declarations of the six Summits of Heads of State and Government of Latin America and the Caribbean and the EU that were held in Rio de Janeiro (28 and 29 June 1999), Madrid (17 and 18 May 2002), Guadalajara (28 and 29 May 2004), Vienna (12 and 13 May 2006), Lima (16 and 17 May 2008) and Madrid (17 and 18 May 2010),
- having regard to the declaration adopted at the 21st Ibero-American Summit of Heads of State and Government held in Asunción (Paraguay) on 28 and 29 October 2011,
- having regard to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol and the results of the 25th Conference of the Parties to the UNFCCC, held in Copenhagen, the 16th Conference held in Cancun and the 17th Conference held in Durban;
- having regard to the Monterrey Consensus (2002), the Conference on Financing for Development in Doha (2008), the Paris Declaration (2005) and the Accra Agenda for Change (2008),
- having regard to the Millennium Declaration of the United Nations of 8 September 2000, which set the Millennium Development Goals (MDGs) as the criteria jointly agreed by the international community for the eradication of poverty,
- having regard to the Declaration and Action Plan adopted at the Busan High-Level Forum on Aid Effectiveness in December 2011,
- having regard to the preparatory process for the United Nations Conference on Sustainable Development (Rio+20),
- having regard to the joint statement of the 14th ministerial meeting of the Rio Group and the EU held in Prague on 13 and 14 May 2009,
- having regard to Article 208 of the Treaty on the Functioning of the European Union (TFEU), which stipulates that ‘Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries’,
- having regard to the European Consensus on Development¹, in particular point 61 thereof, which recognises the importance of Middle-Income Countries in achieving the MDGs and shows the difficulties that these countries, as well as Middle-Upper Income Countries,

¹ OJ C 46, 24.2.2006, p. 1.

face,

- having regard to the Code of Conduct on Complementarity and Division of Labour of 2007,
- having regard to the conclusions of the Council of the European Union of 8 December 2009 regarding EU-Latin America relations,
- having regard to the Madrid Action Plan approved at the EU–LAC Summit of May 2010 and its 6 key areas: 1- Science, research, innovation and technology; 2- Sustainable development; environment; climate change; biodiversity; energy; 3- Regional integration and interconnectivity to promote social inclusion and cohesion; 4- Migration; 5- Education and employment; 6- Drugs,
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation¹,
- having regard to the Commission document on regional programming for Latin America (2007-2013) of 12 July 2007 (E/2007/1417), and the mid-term review,
- having regard to the communication from the Commission of 30 September 2009 entitled ‘The European Union and Latin America: Global Players in Partnership’ (COM(2009)0495),
- having regard to the communication from the Commission of 15 September 2009 entitled ‘Policy Coherence for Development – Establishing the policy framework for a whole-of-the-Union approach’ (COM(2009)0458) and the conclusions of the General Affairs and External Relations Council of 17 November 2009 regarding policy coherence for development (PCD), as well as the operational framework on aid effectiveness,
- having regard to the Commission Green Paper of 10 November 2010 entitled ‘EU development policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy’ (COM(2010)0629),
- having regard to the communication from the Commission entitled ‘Increasing the impact of EU Development Policy: an Agenda for Change’, adopted on 13 October 2011 (COM(2011)0637),
- having regard to the communication from the Commission to the Council and the European Parliament of 20 August 2009 entitled ‘GDP and beyond. Measuring progress in a changing world’ (COM(2009)0433),
- having regard to the communication from the Commission to the European Parliament and the Council entitled ‘Preparation of the multi-annual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period’ (COM(2011)0837, SEC(2011)1459,

¹ OJ L 378, 27.12.2006, p. 41.

SEC(2011)1460),

- having regard to the proposal for a regulation of the European Parliament and of the Council establishing a Partnership Instrument for cooperation with third countries (COM(2011)0843, SEC(2011)1475, SEC(2011)1476),
- having regard to the communication from the Commission of 29 July 2011 entitled ‘A Budget for Europe 2020’ (COM(2011)0500) and the Commission working paper of the same date, entitled ‘A Budget for Europe 2020: the current system of funding, the challenges ahead, the results of stakeholders consultation and different options on the main horizontal and sectoral issues’ (SEC(2011)0868),
- having regard to the joint communication to the European Parliament and the Council entitled ‘Global Europe: a new approach to financing EU external action’ (COM(2011)0865),
- having regard to the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation (COM(2011)0840, SEC(2011)1469, SEC(2011)1470),
- having regard to the resolutions of the Euro-Latin American Parliamentary Assembly (EuroLat), and specifically the resolutions adopted at the Fifth Ordinary Plenary Session held on 18 and 19 May 2011 in Montevideo, Uruguay, on the prospects for trade relations between the European Union and Latin America, and on employment protection and creation strategies, especially for women and young people, and on relations between the European Union and Latin America as regards security and defence,
- having regard to its resolutions of 15 November 2001 on a global partnership and a common strategy for relations between the EU and Latin America, of 27 April 2006 on a stronger partnership between the EU and Latin America, and of 24 April 2008 on the fifth EU-Latin America and Caribbean Summit held in Lima¹,
- having regard to its resolutions on the EU strategy for relations with Latin America², on EU-Latin America trade relations³, and on increasing the impact of EU development policy⁴,
- having regard to the study on a new EU development cooperation policy for Latin America: emphasis on social cohesion, regional integration and South-South cooperation (December 2011),
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Development and the opinion of the Committee on Foreign Affairs (A7-0159/2012),

¹ OJ C 140 E, 16.3.2002, p. 569.

² OJ C 81 E, 15.3.2011, p. 54.

³ OJ C 12 E, 15.1.2011, p.245.

⁴ P7_TA(2011)0320.

- A. whereas, as defined in the Treaty of Lisbon, the overall objective of development cooperation is to eradicate poverty and promote sustainable economic and social development, including the achievement of the Millennium Development Goals (MDGs) in 2015;
- B. whereas the region is part of the group of middle-income countries that have achieved notable successes in reducing poverty — from 44 % to 33 % in a single decade — and inequality through economic growth and political and social reforms, but nevertheless, one in three Latin Americans still lives below the poverty line – 180 million people, of whom 52 million live on less than EUR 2 a day – and 10 countries in the region remain among the 15 most unequal countries in the world¹; whereas some countries have malnutrition rates above 20 % and 28 million citizens do not know how to read or write, with 44 million people outside the welfare systems;
- C. whereas the IMF estimated an average level of GDP growth of 4.5 % for Latin America in 2011, and at present there are some prospects of a global economic slowdown in 2012, with a high degree of uncertainty continuing to persist with regard to the impact in the region of the global economic and financial crisis;
- D. whereas middle-income countries are a driving force for development and regional integration, and a crisis in these countries hinders the progress of low-income countries in their regions;
- E. whereas the slowdown in the countries of the region is unequal, and in Bolivia, Honduras, Nicaragua and Suriname external aid continues to be one of the most important funding streams for development, along with the contributions of migrants' remittances, which comprise between 6 % and 25 % of the GDP of those countries;
- F. whereas the definition of a new cooperation policy must take account of the specific priorities and needs of each country and the EU must collaborate with all Latin American countries, and especially with the MICs, when leading the South-South Cooperation and the fight against poverty and for development at the regional and global level;
- G. whereas social cohesion has been a main objective of the Strategic Partnership since its launch at the Guadalajara Summit in 2004, because of the importance to the region of achieving a better redistribution of income and wealth, by means of appropriate policies that promote sustainable development and greater justice and social cohesion;
- H. whereas human rights, democracy and good governance are of particular relevance in the Agenda for Change; whereas Latin America is a continent where democracy is generally established, with which Europe shares democratic values and principles, and where it is necessary to support the governance and institutional structure of the state, which is threatened by violence and insecurity;
- I. whereas in MICs it will be more appropriate to redirect aid to increasing institutional and regulatory capacities, public policy design, support for social partners, and the mobilisation of resources in addition to ODA;

¹ Data from ECLAC and OECD.

- J. whereas Latin America and the EU have formed a Bi-regional Strategic Partnership based on common values and respect for human rights and fundamental freedoms; whereas two of the EU's nine strategic partners in the world are in Latin America (Brazil and Mexico); whereas the EU is the principal investor and the second largest trade partner, as well as the principal donor of development aid, providing 53 % of the total Official Development Assistance (ODA) that the region receives;
- K. whereas most of the people in poverty around the world live in these Middle-Income Countries; whereas these countries often face significant inequalities and weak governance that endangers the sustainability of their own development process; whereas many middle-income countries play an important role in global policy, security and trade issues, producing and protecting global public goods, and acting as 'anchor countries' at the regional level; and whereas, beyond periods of economic prosperity, they remain vulnerable to global risks of an economic, environmental or security nature;
- L. whereas some countries of Latin America have begun to get involved in development cooperation efforts by means of regional cooperation and South–South cooperation (SSC) mechanisms;
- M. whereas Latin America cannot cease to be a priority for the EU, as is reflected in EU–Latin American bi-regional relations, where there have been considerable advances in recent years, such as the Association Agreements with Central America, Chile and Mexico, the multi-party trade agreement with Colombia and Peru, the negotiations with Mercosur, the Madrid Action Plan and the launch of the EU–LAC Foundation;
- N. whereas according to the European Consensus on Development, support for middle-income countries remains important in order to achieve the Millennium Development Goals;
- O. whereas the EU, by means of the agreements made with partners in the region, including the Association Agreements and its development aid, should continue to provide significant support for the development and stabilisation process in the region; whereas the possibility that it may no longer do so when the results of this process are consolidated is a cause for serious concern;
- P. whereas the Commission's current proposal on DCI provides for the reduction of bilateral aid from the EU to the middle-income countries in Latin America, and basic services have disappeared from the list of priorities for the region;
- Q. whereas the budget allocation of the current Development Cooperation Instrument (DCI) for Latin America reflects that it is the most financially neglected region in the structure of chapter IV of the EU budget in relation to other areas that receive European aid;
- R. whereas social cohesion has a broad dimension that involves combating poverty, reducing inequality, ensuring universal access to basic services such as health care, education, pensions and housing, the recognition and protection of social dialogue and labour rights; whereas there is a need for a fiscal compact that guarantees fairly the best distribution of resources;

- S. whereas China has become the third largest investor in Latin America and the main or even the only export market for certain products; whereas, therefore, the EU should play a more active role in order to strengthen its trade and investment relations with Latin American countries within the WTO system;
- T. whereas, regardless of the connotations that accompany the concept of social cohesion at European level or in Latin America, in both regions it can be understood as a guiding principle of public policies that permits development strategies to be oriented towards achieving the well-being of the entire population, thus avoiding polarisation, disaffection and loss of trust in democratic institutions;
- U. whereas the main challenges facing the donors in the region include policy coherence, as well as greater coordination and complementarity within the framework of a better division of labour, entailing greater concentration and predictability of aid;
- V. whereas wealth creation and the fight against poverty, inequality, exclusion and discrimination, especially against women, young people and minority ethnic groups, as well as the promotion of social cohesion and human rights, continue to be a key priority of the EU-Latin America strategic partnership;
- W. whereas the region offers disconcerting indicators in the fight against child and maternal mortality, and whereas gender equality and the political and economic empowerment of women are essential factors in order to reduce poverty;
- X. whereas the EU's Generalised System of Preferences (GSP) is a key instrument to enable developing countries to take a greater part in global trade and thereby generate additional export revenue to support economic growth and the implementation of development and poverty reduction policy strategies;
- Y. whereas the GDP index is inadequate as the sole indicator for measuring inequality and for making decisions on the allocation of EU development assistance with the main objective of eradicating poverty;
- Z. whereas Latin American countries export much less to their neighbours than do their counterparts in other continents; whereas the relatively low trade exchange is due to long distances, high tariffs, customs, separate trade agreements and inadequate infrastructure networks;
- AA whereas education and training, as well as universal access to public health services, are of vital importance in the fight against poverty and the promotion of social cohesion;
- AB whereas environmental degradation has a direct impact on the development of poverty; whereas Latin America is the planet's great environmental reserve, with Brazil, Mexico, Peru and Colombia among the world's most biodiverse countries, but at the same time is a continent particularly vulnerable to climate change;
- AC whereas the improvement of tax collection is fundamental in order to build a competent state capable of supplying its people with basic services such as health, public sanitation and education;

AD whereas the most devastating effects of climate change and global warming affect Latin America and the Caribbean to a large extent, with the countries of the region being among the most vulnerable in the world; whereas natural disasters have caused a loss of 54 % of the regional GDP in Central America;

AE whereas the private sector is referred to explicitly as a key actor in the generation of sustainable development and the contribution to the social cohesion included in the Agenda for Change;

AF whereas the structured bi-regional and global dialogue on migration between the EU and Latin America is important, and it is important for the migration policies and practices of both regions to ensure respect for the fundamental rights of all migrants;

AG whereas some of the countries in Latin America are among the most violent in the world, and criminality associated with phenomena such as drug trafficking and organised crime, money-laundering, arms-trafficking and corruption, continues to be a serious problem in the region, posing a threat to its development;

AH whereas the Commission's proposal for the Partnership Instrument centres on the implementation of the EU 2020 Strategy in the region; whereas this proposal concentrates preferentially on its strategic partners and on emerging economies, while also having a global focus centred on global challenges and threats;

AI whereas the corruption linked to criminal networks that are specially dedicated to the distribution and trafficking of narcotics – and that penetrate institutions, distribute among themselves zones of territorial influence, and cause collateral damage – poses a threat to the democratic systems and the collective security of Latin America, giving rise to serious problems of instability and political governance;

1. Recalls that, although the effects of the global economic and financial crisis on Latin America have been less severe than in other regions, inequality indices and poverty rates continue to be very high, and insufficient progress has been made towards achieving six of the MDGs;
2. Stresses the need to enhance coordination between the European Union and Latin America in achieving the Millennium Development Goals (MDGs), particularly the actions aiming at combating poverty, at job creation and at the social inclusion of marginalised groups; stresses that the MDG aiming at a global partnership for development (MDG 8) should be at the centre of the EU's cooperation policy with Latin America, with areas being selected in which to implement the new strategy of 'inclusive growth' in these countries; emphasises that the EU-Latin America and Caribbean Foundation can play a significant role in achieving these objectives;
3. Considers that economic and technological advances in some Latin American countries make it necessary to rethink the EU's bilateral development cooperation objectives; calls for cooperation to be redirected where it is needed the most to address poverty reduction; stresses that we face common challenges that we must tackle by strengthening multilateralism; underlines that the links between growth, trade, development and poverty reduction are neither simple nor automatic; in light of this, encourages the Commission in

the context of the debate on the EU's future development cooperation policy to undertake a broad and deep reflection on the current development model, and to draw lessons from the past decades, with the aim of alleviating poverty and inequality effectively without reducing and limiting policy space;

4. Believes that the EU's cooperation and development policy should be defined in close consultation with Latin America in order to achieve a sustainable, fair and well-balanced development policy towards the region;
5. Points out that although aid can act as a leverage for Latin American countries, it is not enough to guarantee sustainable and lasting development; therefore calls on Latin American countries to strengthen and mobilise their domestic resources, set up transparent taxation systems and a form of fiscal governance that is exempt from corruption and fraud, involve the private sector, local governments and civil society effectively in the EU-Latin America agenda particularly through cooperation, technical assistance and the establishment of legal and fiscal training near local administrations, and boost their ownership of projects;
6. Considers that the strong Asian investment especially in the deposits of raw materials, hydrocarbons and agricultural resources of many Latin American countries should persuade the European Union to rapidly and effectively reinforce its sustainable development aid in the region;
7. Takes the view, given the need to balance the development policy between Latin America and the EU, that Latin America must make a special effort to promote its regional political, economic and trade integration;
8. Stresses the need to tie progress in relations with Latin America to a coherent development policy; therefore considers it necessary to draw up cooperation instruments and objectives for each country, concentrating resources on the most vulnerable countries and improving PCD;
9. Calls on the Commission and Council to maintain the volume of DCI cooperation for Latin America at one third of the total geographical amount for the period 2014-2020;
10. Welcomes the principle of differentiation and concentration of aid proposed by the Commission; stresses that differentiation must be carried out gradually in the programming phase, as regards both the beneficiary countries and the actual tools of cooperation, developing other forms of cooperation more suited to MICs; recommends that the criteria for application of the principle of differentiation be objective and common to all countries;
11. Notes that the differentiation approach should not result in a drastic decline in the region's importance in the outreach of the EU, which is and should behave like a global actor, being an active member of international society and not just the principal global donor; considers that otherwise the EU may condemn itself to irrelevance in entire regions, leaving a space open to the intervention of other global actors;
12. Stresses that any possible reallocation of funds must benefit the geographical programmes

for the eradication of poverty in the same region's LICs and LMICs;

The importance of MICs – the need for a differentiated approach

13. Expresses its concern about the lack of rigour in the implementation of the established eligibility criteria contained in the Commission proposal on the DCI, which withdraws access to bilateral programmes from eleven LAC MICs; recalls that some countries of Latin America are among the most unequal in the world in terms of per capita income and that persistent inequality occurs in a context of low socio-economic mobility; stresses that they are a group of very heterogeneous countries and that differentiated cooperation should therefore be maintained, based on coordination and political dialogue;
14. Considers that the message that the EU is sending to the region is very troubling, since, in practical terms, it is a declaration that it does not give it the importance that it deserves, in spite of the multiple political and trade commitments made and shared global interests;
15. Underlines the need, as expressed in paragraph 66 of the European Consensus on Development, to give appropriate attention to MICs, especially to lower middle-income countries, many of which face problems similar to those of low-income countries;
16. Calls on the Commission and Council to carry out an objective and transparent analysis within the framework of the differentiation principle with the aim of revising and broadening the indicators used to assess development, going beyond the income factor and interpreting the economic criteria in the light of other factors such as the poverty, vulnerability and ECHO crisis index, and the Gini and inequality coefficients; warns that the classification of countries according to level of income is based on calculations that conceal inequality and poverty;
17. Stresses, taking account of those indicators, that the EU should continue bilateral cooperation under the future DCI, at least with Colombia, Ecuador, Peru and Paraguay;
18. Asks the Commission to present a coherent strategy for gradual withdrawal of bilateral aid to MICs, which would permit them to strengthen their position as 'graduates' from aid, thus following the principle of predictability of aid recognised at the Forum on Aid Effectiveness in Busan;
19. Calls on the Commission to ensure that this gradual withdrawal of bilateral aid, commencing when the new DCI enters into force, incorporates the following criteria:
 - an explicit link between the objectives and the sectoral concentration of bilateral aid in order to strengthen social cohesion, especially through the co-financing of active policies and programmes to reduce inequality in terms of income and opportunities, as well as other more advanced programmes supporting competitiveness and promoting sustainable development, including the promotion of technological and scientific cooperation and innovation, as well as technical assistance, preferential access to regional and sub-regional thematic programmes, and to the Partnership Instrument that includes a guaranteed minimum amount; moves towards reimbursable aid and scholarship programmes;
 - the definition of priorities through bilateral and bi-regional dialogue with national

authorities and civil society;

- the continuation of bilateral cooperation during a transitional period adapted to the aid allocation indicators and the situation in each country, for a maximum transition period of four years;
20. Stresses the need to boost the Partnership Instrument by over EUR 1 billion to foster the new shape of cooperation with MICs and upper MICs, ensuring that funds can be planned, quantified and scrutinised; stresses the need to ensure that it is an instrument that intensifies the EU's response to global challenges such as the fight against inequality, climate change, security, and the fight against drug trafficking;

Social cohesion and the fight against poverty

21. Considers that the high levels of inequality and the lack of an effective social protection mechanism are the greatest obstacle to the consolidation of democracy and to fair and sustainable economic growth in the region, and therefore calls for greater attention to the link between democratic governability and social cohesion;
22. Takes the view that the EU-LAC partnership's objective of social cohesion will be achievable only insofar as it generates a high level of development and fairness of income and wealth distribution, and that this objective requires ensuring the eradication of poverty through more just and progressive fiscal policies, strengthening tax-paying capacity and the fight against fraud and tax evasion;
23. Stresses the importance of development aid through trade; notes that Latin America-EU trade exchanges are a crucial factor in alleviating poverty and ensuring wealth creation in both continents; warns against protectionist tendencies resulting from the current economic and financial crisis;
24. Emphasises the importance of maintaining the 20% target for education and health programmes and insists on the need to integrate gender equality into the labour market and into society in general; reiterates that education and investment in human capital are the foundation of social cohesion and socio-economic development; calls for the implementation of effective policies and adequate funding to fight illiteracy, the rate of which remains high in some countries in the region, in particular among girls and women, and for the promotion of access to non-fee-paying public education (at primary and secondary levels), which is often restricted owing to a lack of the necessary budgetary resources in some countries; in this context, supports the project drawn up by the Organisation of Ibero-American States (OEI), 'Educational goals 2021: the education we want for the generation of the bicentenaries';
25. Underlines that, although coverage and spending on education in Latin America have improved in a sustained way during recent decades, the quality remains low and access unequal; points out the work done by the European Union through the Erasmus, Alban and Alfa programmes and asks the Commission to maintain the budgetary appropriation made to date;
26. Stresses that the large differences in terms of academic performance in Latin America

have continued to increase in recent years if comparisons are made based on rural and urban areas, the type of school (public or private), gender or socio-economic status, thus worsening the problem of lack of social cohesion;

27. Stresses that social cohesion is closely linked to other policies such as trade, investment and finance; considers that the DCI must integrate social cohesion objectives more efficiently in its thematic, national and regional programming, mainly by supporting fairer fiscal, tax and social policies which promote equality, access to public services, decent work and the reform of the judicial system;
28. Notes the importance of such programmes as EuroSocial, URB-AL and AL-INVEST; COPOLAD, as well as programmes to further dialogue and cooperation between the EU and Latin America for the establishment of management models on migration and development policies; notes that in the new DCI these programmes should be strengthened, exploring their potential in terms of triangular cooperation;
29. Notes the need for the European Union, through the DCI, to provide the resources necessary for children to have better living conditions and to be able to fully develop their capacities and potential, primarily within nuclear families;
30. Reiterates the importance of the EU–Latin America forum on social cohesion and asks that it be strengthened as a space for bi-regional political dialogue on social cohesion, through the promotion of more ambitious mechanisms and mechanisms for the coordination of cooperation in this field, and that social cohesion be encouraged on the agendas of the main international forums;
31. Notes that the EU–LAC Foundation may play a relevant role in coordinating and supporting the actions and debates of civil society on the role of international cooperation in fostering social cohesion in the region;

Development policy coherence

32. Recalls the importance of development cooperation policy, laid down in Article 208 of the TFEU, for the eradication of poverty, the promotion of economic and social rights, protection of the environment, good governance, and sustainable and inclusive development;
33. Calls on the Commission to enhance the visibility of its projects conducted in the Latin American countries and make them more understandable to their citizens demonstrating the added value of cooperation with the EU;
34. Points out that the EU's Association/Free Trade Agreements must not conflict with the objective of Policy Coherence for Development; accordingly, urges the Commission to ensure that development needs and concerns are properly reflected in trade-related chapters such as financial services, government procurement and intellectual property rights, and ensure through a strong mechanism the fulfilment of common standards on social, labour and environmental rights in any ongoing negotiation process or at the time of its revision;

35. Regrets that the Commission's proposal for a regulation on a scheme of generalised tariff preferences ignores the strategic nature of relations with Latin America in that it deprives a large number of countries in the region of this instrument, essential though it is for the region's development;
36. Asks the EEAS and the Commission to consolidate their efforts to pave the way towards a future, fully-fledged Association Agreement with the Andean Community, in the interest of the economic growth and social development of its constituent member states, and in line with the values, principles and objectives of the EU, which have always promoted Latin American integration;
37. Calls on the EU to ensure that resources earmarked for development are not diverted;
38. Considers that the conclusion of an EU Association Agreement with MERCOSUR could foster and increase cooperation and development between Latin America and the European Union, provided that it is based on the fair trade principle and the respect of international labour and environmental standards and the legal certainty principle for investments, and provided that partners also behave in a trustful way;
39. Emphasises that the new DCI should foster the regional integration process; in this respect, recalls that the Association and the Multiparty Trade Agreements, if correctly focused taking into account asymmetries, may be a powerful incentive in its development and regional integration, but argues that the lack of coherence between policies jeopardises this process; urges the EU to ensure that any agreements concluded bilaterally do not undermine Latin America's integration process; notes also that while interregional relations have decreased to the benefit of bilateral relations, this shift towards bilateralism tends to increase the fragmentation and rivalry within Latin America's regional blocs;
40. Stresses the need to establish within EU delegations focal points for PCD and the development of monitoring mechanisms in this field;
41. Emphasises the importance for the European Union of developing a commercial policy that is more coherent with its development policies in order to ensure that trade will also be a vector for promoting fair and equitable social standards, particularly by including social clauses respecting human rights in Partnership Agreements;
42. Underlines the importance of greater coherence in ODA and notes that the presence of the EU and of three Latin American countries in the G20 should contribute to a reconciling of positions that may make it possible for PCD to be implemented jointly;
43. Recalls the obligation to respect the principle contained in Article 208 on PCD and avoid negative effects on the region that would arise from the exclusion of 11 countries from the EU's bilateral cooperation and the elimination of the trade preferences based on the SPG Plus regime;
44. Recalls that civil society plays an important role in the consolidation of democracy and the shaping, implementation and scrutiny of development policies in Latin America; deplores the scant importance given to civil society in current cooperation programmes and the low level of resources allocated;

45. Emphasises that, in keeping with the concept of democratic ownership, parliaments, local and regional authorities and civil society should be supported in their efforts to play their proper role in defining development strategies, holding governments to account, monitoring and assessing past performance and achieved results; underlines especially the importance of empowering Latin American parliamentarians by enhancing their role in decision making processes;
46. Is therefore appalled that, in the newly negotiated Association Agreement and FTA with Latin American countries, civil society consultation is explicitly limited to issues related to the Sustainable Development chapter;
47. Notes that support for civil society should continue to be one of the priorities of the next DCI; underlines that this support should be included in its country strategies and in the regional programmes, thus highlighting its decisive role in the fight against inequality, corruption and the scrutiny of the use of financial resources;
48. Calls on the Commission to provide enhanced financial, technical and expertise support to the national parliaments' administrations of the Latin America countries within the regional strategy programmes in order to strengthen their efficiency, transparency and accountability, which is crucial if the parliaments are to play their proper role in the democratic decision making processes;
49. Recalls that the European Consensus on Development notes, in paragraph 18, that 'The EU will enhance its support for building capacity of non-state actors in order to strengthen their voice in the development process and to advance political, social and economic dialogue'; deplores the fact that the Green Paper on increasing the impact of EU development policy largely fails to explain how civil society will participate and be empowered in the EU's future development cooperation policy;

Violence and crime

50. Expresses its concern at the social impact of the high levels of crime and violence in the region, in particular femicide; considers it necessary to define a new, more efficient strategy that will tackle this phenomenon as well as its economic, social and political causes;
51. Asks the Commission to strongly support consultation processes of the local communities concerned by extractive projects; reiterates also, in this context, the importance of ensuring country-by-country reporting of extractive industries, as provided in the proposal for a directive on accounting and transparency, as a tool to clamp down on corruption, bribery and tax evasion;
52. Recalls that criminality and insecurity have a large impact on the trust that citizens have in public and democratic institutions, as well as on the safeguarding of human rights;
53. Recalls that one of the priority objectives of the European Union's external action is to encourage the strengthening of democratic systems and the defence of human rights around the world, and consequently in Latin America;

54. Is concerned about the marked impact of the gender-based violence that occurs in the region;
55. Asks the Commission to make the fight against impunity a priority of its development policy with Latin America, and to present by the end of 2012 a communication on that topic with chapters on judicial cooperation, on financial cooperation and information exchange, and on victims' protection;
56. Expresses its concern about increased violence against women; asks the Commission to establish clear responsibilities within the EEAS and coordinate relevant actions of EU delegations with those of Member States' embassies in the countries at stake to convert the Declaration of June 2010 by the High Representative Catherine Ashton on feminicide into concrete policies allocated with sufficient resources;
57. Asks the Commission to provide political and financial support to the work of the Inter-American System of Human Rights on the issue of feminicide and contribute to the implementation of its sentences;
58. Urges the Vice-President / High Representative for Foreign Affairs and Security Policy to consult with and debrief the European Parliament on the existing human rights dialogues, and to cooperate, in the context of the bi-regional partnership, in the search for remedies to eliminate feminicide and other forms of violence against women;
59. Invites the Commission to actively take part in and regularly raise the topic within political dialogues, and in particular the existing human rights dialogues, and offer cooperation in the search for remedies to eliminate violence against women and feminicide in the context of the bi-regional partnership;

Climate change

60. Expresses concern at the impact of climate change on sustainable development, protection of biodiversity, deforestation and agricultural production in Latin America;
61. Insists that the EU should not promote or support large scale agrofuel production through its development cooperation, due to its negative impacts on food security, deforestation, access to land and the environment;
62. Calls on local authorities of Latin American countries to pay special attention to the growing investments which can hinder the sustainable development and ecosystems of a country, especially in the framework of the negative impact of climate change;
63. Recalls that climate change represents an additional burden for Latin America and that there is an urgent need to finance actions to combat, mitigate and adapt to climate change;
64. Asks that the exchange of experience and information between the EU and Latin America be promoted within the framework of the EuroClima programme and of South-South cooperation, as agreed in the Madrid Action Plan; recalls the importance of education to environmental sustainability;

65. Notes that although it has 30% of the planet's water resources, the distribution of water in Latin America is very irregular and unequal; urges the Commission to maintain its assistance to partner countries in support of a better management of the supply and sanitation of water resources;
66. Recalls the EU's commitment to contribute to increasing the role of sustainable energy as one of the vectors of sustainable development;

Private sector and infrastructure

67. Notes that mechanisms such as the Latin American Investment Facility are meant to become increasingly important in EU development cooperation, the priorities of which are energy efficiency, renewable energy, transport, protection of biodiversity and support for SMEs, and underlines the potential importance of its role in promoting regional integration and the region's international competitiveness agendas; highlights the fact that civil society has a central and proper role to play in the scrutiny of development policies, but notes that there is no mechanism foreseen within the LAIF structure to ensure civil society representation and participation; accordingly, calls on the Commission to ensure that representation and participation by parliaments and civil society is guaranteed in order to ensure effective monitoring and follow-up of EU development cooperation funds;
68. Emphasises the need to study further experiences with LAIF and insists that future projects must be subject, for their implementation, to clearly established and transparent monitoring mechanisms and to social and environmental impact studies;
69. Points out in particular the importance of support for small and medium-sized enterprises because of their contribution to development, to the region's economic growth and to social and economic consolidation; underlines that SMEs are the main sources of job generation; expects that advancement of the corporate social responsibility activities of its European partners will also be necessary in order to further the objectives of the EU's inclusive growth policy;
70. Underlines the urgent need to foster the construction of infrastructure in Latin America in order to sustain the current high rates of growth and encourage social inclusion; recommends the use of instruments such as the LAIF to support transportation, energy and telecommunications infrastructure projects, since the current investment by Latin American countries in these areas is very far below what is necessary; recalls that the use of ODA for these projects must be justified based on their contribution to reducing poverty, fostering social cohesion and the provision of high-quality public services for the population;
71. Insists that the Commission needs to develop clear guidelines on a transparent decision-making process on the selection of projects and ensure coherence with the European Consensus on Development, the principle of country ownership and the EU's commitment to untie its aid;
72. Calls on the Vice-President / High Representative for Foreign Affairs and Security Policy and the European External Action Service to ensure the unity, consistency and effectiveness of the EU's external action vis-à-vis Latin America, as stated in the Treaty

of Lisbon;

73. Insists on the need to focus grant and loan blending facilities on areas such as small scale and local energy and agriculture production and in favour of SMEs and private sector micro-enterprises in developing countries;

Differentiated cooperation: scientific and technological research

74. Calls for cooperation with some MICs to be strengthened in the area of science, technology and innovation within the Horizon 2020 programme;
75. Hopes that opening a rigorous dialogue on science, higher education and training, technology and innovation will boost the creation of a Euro-Latin American area of innovation and knowledge and help to boost competitiveness;
76. Takes the view that temporary mobility of researchers and support for universities and research centres in such areas as health, food security, marine and maritime research, renewable energies and the fight against and adaptation to climate change should be promoted;
77. Recalls that the European Union should better consider and exploit the major advantage represented by the geostrategic position of certain outermost regions of the Union located close to Latin America;
78. Notes that enhancing the current work of research institutes on agriculture practices is fundamental for the development of the continent;

Promotion of Regional Cooperation, South-South Cooperation (SSC) and Triangular Cooperation

79. Calls on the Commission to give more in-depth consideration to incorporating SSC into cooperation policy;
80. Recalls that Latin America is the most dynamic region of the world as regards SSC, thus showing the important role of MICs as promoters of regional integration and international development objectives;
81. Recalls that the EU does not have at present a clear strategic definition of SSC¹ that permits it to develop a more active policy in this field; underlines the need to establish indicators that show the social and economic impact of the various SSC and triangular models;
82. Reiterates the importance of intra-regional trade exchanges and triangular cooperation and its key role in the achievement of the MDGs, the eradication of poverty, the promotion of employment and of gender equality, education, social cohesion, agriculture and sustainable development;

¹ Recalls that guidelines exist on this topic in relation to emerging economies, but it is a somewhat fragmented approach.

83. Takes the view that bi-regional, SSC and triangular cooperation initiatives should be expanded in such sectors as science and research, sustainable development, the environment, climate change, energy, social cohesion, education and employment;
84. Stresses the need to widen the EU-Latin America political dialogue at different levels, such as the Summits of Heads of States and the EUROLAT Parliamentary Assembly, as important tools for the development of political consensus; calls for measures to ensure that the political commitments undertaken at EU-Latin America Summits are accompanied by the allocation of the necessary financial resources;
85. Recommends to the Eurolat Assembly and the EU–LAC Foundation that they grant SSC and triangular cooperation their due strategic importance in their work agenda;
86. Considers that SSC and triangular cooperation should be one of the central themes of the 7th EU-LAC Summit in Chile, giving a clear response to the final conclusions of the Summit in Madrid;

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88. Instructs its President to forward this resolution to the Vice-President/High Representative of the Union for Foreign Affairs and Security Policy, to the Council and the Commission, and to the Governments and Parliaments of the Member States and of the countries of Latin America and the Caribbean, the EU–LAC Foundation, the Euro–Latin American Parliamentary Assembly, the Latin American Parliament, the Central American Parliament, the Andean Parliament and the Mercosur Parliament.

EXPLANATORY STATEMENT

The Treaty of Lisbon defines that the actions of the Union on the international stage shall be based on, among others, the principles of the universality and indivisibility of human rights, respect for human dignity and the principles of equality and solidarity. It also indicates that the Union shall attempt to develop relations and create associations with third countries, supporting sustainable development at the economic, social and environmental levels of the developing countries, with the fundamental aim of eradicating poverty.

The rapporteur is convinced that the EU development cooperation policy, and especially coherence between Union policies, plays a fundamental role in achieving the Millennium Development Goals and in the fulfilment of international commitments to human rights, food security and environmental sustainability.

While the European Commission and the European Parliament are working on the negotiation process of the next DCI and the 2014-2020 Financial Framework, your rapporteur, with the necessary anticipation, proposes making a contribution to this process regarding the new channels of development cooperation between the European Union and the Latin American region.

The global economic and financial crisis is aggressively affecting European economies. However, we have observed that the crisis has not been as serious for Latin America, and that it even has a perspective of growth during 2012 of about 4.5 %. But the IMF is also clear when it mentions that the uncertainty with respect to global recovery could also affect the growth of Latin America. Despite the positive economic predictions, we are alarmed to observe that this is a region in which 180 million people live below the poverty threshold and that ten countries in the region remain among the fifteen countries with the greatest inequality in the world, according to data from the UNDP.

The EU is the principal donor of development aid, the principal investor and the second trading partner in the region. The rapporteur is convinced that the collaboration and aid that the EU has granted to Latin America throughout these years by means of the signed Association Agreements and, mainly, by means of development aid, have contributed positively to the efforts of each country to consolidate their Rule of Law and to reduce their pressing poverty issues. Now is not the time to abandon them: it is the time to set in motion an incentive framework, to continue supporting those countries that need it most and not punish with the withdrawal of aid those countries that have obtained better results, but that continue with intolerable poverty and inequality indices.

In a context where we have done nothing more than advance our bi-regional relations through the signing of the Association Agreement with Central America, the beginning of the EU-LAC, creating a Latin American Investment Facility and very important dialogue concerning climate change, innovation, drugs and immigration, we cannot disregard our commitments, which would put the very coherence of our foreign policy in question.

Your rapporteur insists that, for the EU, reinforcing our presence in Latin America could provide a new impetus towards the way out of the crisis. Therefore, the rapporteur believes in

the necessity of a redirection of our development aid policy. Coordinated and customised cooperation is necessary, that gives due regard to the situation of each country and that is based on broader indicators than those that measure income level. The EU must continue to collaborate with the MICs for them to develop to their full potential as leaders in the fight against poverty and for development at regional level.

We cannot forget that our Strategic Association is based on common values and on respect for human rights and fundamental liberties. It shall be insisted that we have common challenges such as the food crisis, the fight against climate change, and the social way out of the crisis that we must confront by means of the reinforcement of multilateralism. Therefore, the rapporteur requests that the European Commission present a coherent strategy for the gradual withdrawal of bilateral aid to the MICs, and that it reinforce aid to the LICs. In short, the rapporteur requests that the new DCI be invested with true added value.

The proposal of the next DCI must bring added value

The economic crisis cannot be the executioner of Official Development Assistance, and those who would end up suffering from these cuts are the world's poorest. We cannot allow the 63 % of children and adolescents living in poverty in Latin America – according to data from the ECLAC – to be victims of the exacerbated speculation that is dragging our economies down.

Essential services such as education, health and sexual and reproductive health cannot suffer reduced resources when the financial and banking sectors gain weight. It is not acceptable that basic services have disappeared – explicitly – from the list of priorities in the current proposal of the EC regarding the DCI. Therefore, the rapporteur insists on maintaining the current commitment of directing 20 % of aid to the key sectors of education, training and public health.

The current cycle of growth in Latin America has generated significant social and economic advances, but in most countries, this did not imply rational changes in the guidelines for distribution of income, nor in the policies for improving social cohesion or for granting more importance to knowledge and innovation. The rapporteur believes in the need to grant added value to the new proposal for the DCI, not only by means of a quantitative increase in aid, but mainly by means of a qualitative improvement of the instrument, with a firm pledge to redistribution policies and to the strengthening of social cohesion.

Combating poverty also means combating inequality and exclusion, and this is where the new DCI should put more emphasis, encouraging regional, fiscal and tax policies, while boosting basic social services and investment in the areas of science, technology and innovation, the fight against insecurity, and against the production, consumption and trafficking of drugs, as well as the promotion of gender equality.

We cannot forget that women and minority ethnic groups are those that experience the greatest inequality and exclusion. Ecuador, for example, has nearly 5 million people living in poverty – 36 % of its total population –, nearly 2 million of which are women living in extreme poverty, meaning that they are able to eat only once a day. Furthermore, according to reports from the WHO, 70 % of Ecuadorian women between the ages of 15 and 44 are victims

of domestic violence.

Likewise, with an annual average of approximately 25 homicides per 100 000 inhabitants, Latin America is among the most violent regions in the world. In 2010, more than 18 000 people were victims of homicide in Central America alone, and the UNDP found that Central American governments spent USD 4 billion on security and justice. The new DCI may grant priority not only to this fight against violence, but also to the beginning of a new strategy against corruption, as well as strengthening corporate social responsibility.

The new programming of the DCI must continue to fight against climate change, with specific funds and programmes, especially for the adaptation of vulnerable Latin American countries. Conserving biodiversity and fighting against deforestation are crucial matters for the sustainable development of the region.

It is essential to fully involve national authorities and civil society in the definition of priorities, as well as in monitoring the programmes.

The EU must continue rising to the current global challenges and improve the efficiency of its aid, but at the same time it must commit the necessary resources so that millions of children do not grow up without the possibility of developing their capacities and improving their living conditions. This objective is a goal for everyone and is brought before the EU and all Europeans, despite the crisis, as the most compassionate and humane project ever developed, a responsibility that must be shared and supported by the countries of the region, encouraging regional cooperation and strengthening South-South cooperation.

28.3.2012

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Development

on defining a new development cooperation with Latin America
(2011/2286(INI))

Rapporteur: Laima Liucija Andrikienė

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Stresses the importance of close relationships with Latin American countries and the need to develop new forms of cooperation with emerging and middle-income countries in Latin America through the Development Cooperation Instrument and the new Partnership Instrument, with mutual respect, as equal to equal;
2. Regrets that the Commission's proposal for a regulation on a scheme of generalised tariff preferences ignores the strategic nature of relations with Latin America in that it deprives a large number of countries in the region of this instrument, essential though it is for the region's development;
3. Underlines the fact that a clear and decisive commitment from the EU to greater cooperation with Latin America (LA) is needed in order to fight poverty in middle-income countries with significant social differences;
4. Believes that the EU's cooperation and development policy should be defined in close consultation with Latin America in order to achieve a sustainable, fair and well-balanced development policy towards the region;
5. Takes the view, given the need to balance the development policy between Latin America and the EU, that Latin America must make a special effort to promote its regional political, economic and trade integration;
6. Underscores the fact that social cohesion should remain a key principle of the development cooperation strategy towards Latin America, on account not only of its socio-economic implications, but also of its importance in terms of consolidating the

democratic institutions in the region and the rule of law; stresses the importance of expanding EU's regional cooperation programmes in support of social cohesion, including through poverty reduction;

7. Underlines that education and investment in human capital constitute the basis for social cohesion, generation of employment and socio-economic development; stresses also the importance of developing new infrastructures in order to reduce absolute and relative poverty and differences among regions and social groups, and of supporting SMEs as an important pillar for sustainable economic development;
8. Stresses the need to enhance coordination between the European Union and Latin America in achieving the Millennium Development Goals (MDGs), particularly the actions aiming at combating poverty, at job creation and at the social inclusion of marginalised groups; stresses that the MDG aiming at a global partnership for development (MDG 8) should be at the centre of the EU's cooperation policy with Latin America, with areas being selected in which to implement the new strategy of 'inclusive growth' in these countries; emphasises that the EU-Latin America and Caribbean Foundation can play a significant role in achieving these objectives;
9. Stresses the positive regional integration synergies deriving from comprehensive Association Agreements between the EU and the various sub-regional groups; calls for new visions for bi-regional cooperation with a view to the 7th EU-LAC Summit of Heads of State and Government, to be held in Chile in January 2013;
10. Welcomes the significant progress in the relations between the EU and Peru and Colombia, and expects that the Trade Agreement concluded under the Spanish presidency in 2010 will be ratified by the European Parliament in the near future, given that this agreement will contribute to the development of these two countries;
11. Asks the EEAS and the Commission to consolidate their efforts to pave the way towards a future, fully-fledged Association Agreement with the Andean Community, in the interest of the economic growth and social development of its constituent member states, and in line with the values, principles and objectives of the EU, which have always promoted Latin American integration;
12. Stresses that the European Union must do everything possible to conclude the Association Agreement with Mercosur, underlining that it would significantly foster and increase cooperation and development between Latin America and the European Union;
13. Notes that experts and international organisations, in particular the Economic Commission for Latin America and the Caribbean (ECLAC), estimate – on the basis of current trends – that by 2015, China's trade with Latin America will surpass that of Europe;
14. Underlines the importance of EU support for integration within Latin America; emphasises the absence of a comprehensive EU policy and a regional approach to Latin America in support of South-South cooperation (SSC), and the lack of clear EU policy guidelines in regard to SSC and interregional association aiming at the creation of autonomous spaces for coordination and political cooperation among Latin American countries, without European or North American involvement;

15. Stresses the need to widen the EU-LA political dialogue at different levels, such as the Summits of Heads of States and the EUROLAT Parliamentary Assembly, as important tools for the development of political consensus; calls for measures to ensure that the political commitments undertaken at EU-Latin America Summits are accompanied by the allocation of the necessary financial resources;
16. Urges the Vice-President / High Representative for Foreign Affairs and Security Policy to consult with and debrief the European Parliament on the existing human rights dialogues, and to cooperate, in the context of the bi-regional partnership, in the search for remedies to eliminate femicide and other forms of violence against women;
17. Calls on the Vice-President / High Representative for Foreign Affairs and Security Policy and the European External Action Service to ensure the unity, consistency and effectiveness of the EU's external action vis-à-vis Latin America, as stated in the Treaty of Lisbon;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.3.2012
Result of final vote	+: 38 -: 3 0: 1
Members present for the final vote	Franziska Katharina Brantner, Jerzy Buzek, Tarja Cronberg, Michael Gahler, Ana Gomes, Richard Howitt, Anna Ibrisagic, Liisa Jaakonsaari, Tunne Kelam, Eduard Kukan, Vytautas Landsbergis, Krzysztof Lisek, Barry Madlener, Mario Mauro, Willy Meyer, Francisco José Millán Mon, Alexander Mirsky, María Muñiz De Urquiza, Annemie Neyts-Uyttebroeck, Raimon Obiols, Pier Antonio Panzeri, Alojz Peterle, Bernd Posselt, Cristian Dan Preda, Fiorello Provera, Libor Rouček, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, György Schöpflin, Werner Schulz, Marek Siwiec, Charles Tannock, Kristian Vigenin, Sir Graham Watson
Substitute(s) present for the final vote	Laima Liucija Andrikiienė, Elena Băsescu, Reimer Böge, Emilio Menéndez del Valle, Nadezhda Neynsky, László Tőkés, Renate Weber
Substitute(s) under Rule 187(2) present for the final vote	Peter Jahr

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.4.2012
Result of final vote	+: 21 -: 3 0: 0
Members present for the final vote	Thijs Berman, Michael Cashman, Ricardo Cortés Lastra, Véronique De Keyser, Leonidas Donskis, Charles Goerens, Catherine Grèze, Filip Kaczmarek, Gay Mitchell, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Ivo Vajgl, Anna Záborská
Substitute(s) present for the final vote	Agustín Díaz de Mera García Consuegra, Santiago Fisas Ayxela, Judith Sargentini
Substitute(s) under Rule 187(2) present for the final vote	Sergio Gutiérrez Prieto, Emilio Menéndez del Valle, Katarína Neved'alová, Claudiu Ciprian Tănăsescu