

EUROPEAN PARLIAMENT

1999



2004

Session document

31 January 2002

B5-0036/2002

MOTION FOR A RESOLUTION

further to the Council and Commission statements

pursuant to Rule 37(2) of the Rules of Procedure

by Margrietus J. van den Berg, Francisca Sauquillo Pérez del Arco, Karin Junker, Richard Howitt, Glenys Kinnock, Miguel Angel Martínez Martínez and Marie Arlette Carlotti

on behalf of the PSE Group

on the financing of development aid

European Parliament resolution on the financing of development aid

The European Parliament,

- having regard to the conclusions of the Development Council of 8 November 2001 with regard to the preparation for the UN Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002),
 - having regard to its resolution of 1 March 2001 on the European Community's development policy,
 - having regard to the obligations on poverty reduction already agreed at various levels, notably the 2001 Development Council, the respective G8 report and the UN Millennium Declaration, as further developed in OECD documents,
 - having regard to the long-standing UN target of committing 0.7% of GNP to official development assistance (ODA), as recommended in the 1974 UN Resolution on the New International Economic Order,
 - having regard to the barriers of protectionism, resulting in annual losses of 100 000 million dollars for the developing countries,
- A. whereas the need for adequate development assistance is more urgent than ever, since, according to the Commission and World Bank and UN estimates,
- 1.2 billion people have less than USD 1 per day to live on,
 - 800 million people are suffering from chronic malnutrition,
 - mean life expectancy in developing countries is 62 years (in the least developed countries: 51 years), as against 74 years in the industrialised countries; 40% of the world's population is affected by malaria and, in Africa alone, 2 million people die from AIDS each year,
 - more than 80% of global consumption is accounted for by 20% of the world's population, and the income of the richest 20%, 30 times that of the poorest 20% in 1960, was 82 times that of the poorest 20% in 1995,
 - the world's population is likely to increase by about 2.5 billion in the period 1990-2020, and almost 90% of this increase will take place in the developing countries,
 - in 1997, the one third of the world's population living in countries experiencing a shortage of water resources compared with consumption needs could rise to two thirds by 2025, causing continuous conflicts and wars and making any development efforts futile in the regions concerned; 60% of the poorest people in the least developed countries live in ecologically fragile areas,

- B. whereas the draft Monterrey Consensus does not contain a binding obligation with a compulsory timetable,
- C. whereas the marginalisation of economies, increase in poverty and environmental deterioration in many developing countries, as well as strongly increasing migration, armed conflict, terrorism and pandemics, will in the long term have severe destabilising effects on the EU and on the welfare of its citizens,
- D. regretting the fact that, since 1992, the 21 richest countries have cut their aid to the Third World by 24% and public development aid from the industrialised countries has fallen to an all-time low of 0.22% of their GDP, far below the target of 0.7% recommended in the 1974 UN Resolution on the New International Economic Order,
- E. noting that, as far as aid volume is concerned, the World Bank has estimated that a doubling of resources is required if the Millennium Development Goals are to be met,
- F. having regard to the great importance which the European Union attaches to the success of the International Conference on Financing for Development (March 2002, Monterrey, Mexico) and the World Summit on Sustainable Development (Johannesburg, September 2002),
- G. whereas the European Union, in its capacity as a major donor and in view of its recognised awareness of the aspirations of developing countries, is well-placed to make an important contribution to the success of the Conference on Financing for Development through the positive initiatives which it can take in connection with the process of the preparation of that Conference,
- H. whereas ODA and debt reduction are complementary resources, and reinforced debt relief or additional financial support for the highly indebted poor countries and other poor indebted countries is urgently needed, building on the existing HIPC initiative,
- I. whereas poverty will only be eradicated if poverty eradication becomes a priority not only as regards the increased efforts of the donor community but also as regards the internal policies of the developing countries concerned, and whereas the involvement of civil society in programming and implementation as an equal and essential player in development processes is a key factor for the success of development strategies,
- J. whereas EU development policy is currently funded through two separate instruments - the European Development Fund and the EU budget - an arrangement which, in combination with the poor reporting system for EU development cooperation activities, makes it very difficult to establish a clear picture of overall EU development efforts and to exercise democratic scrutiny and good governance involving recipient countries;
 - 1. Reaffirms its commitment to poverty eradication and achievement of the development goals as set out at the Millennium Summit and at major UN conferences;
 - 2. Calls on the Council to establish as a matter of urgency, in agreement with the Member States and in the course of the Spanish Presidency, a firm timetable for increasing each Member State's public contribution to development policy to 0.7% of its GNP, in

accordance with the timetable agreed by the Development Council in 2001;

3. Calls on all Member States to reach the 0.7% GNP target as soon as possible, to achieve concrete progress in this area before the World Summit on Sustainable Development, and to explore all possible steps towards fulfilling this commitment;
4. Reiterates its commitment to the UN Millennium Declaration to reduce poverty by half, to provide full coverage of basic education to all children and to reduce the mortality rate by two-thirds by 2015;
5. Notes the issues for consideration presented by the Commission in connection with the exchange of ideas which took place in New York in October within the framework of the Preparatory Committee for the Conference on Financing for Development, in particular with regard to the following points:
 - (a) the volume of official development aid;
 - (b) global public goods;
 - (c) innovative sources of financing, for example a Tobin-style tax;
6. Invites the Commission to clarify and expand these points on the basis of a dialogue with each of the Member States, in particular on the further steps to be undertaken by each of them with a view to reaching the 0.7% of GNP target, including the question of establishing specific compulsory timetables to be agreed in common and in parallel with the efforts of the other OECD partners;
7. Welcomes the Council request to the Commission to submit an interim report as a contribution to the forthcoming orientation debate at the General Affairs Council on the European Union's external action, and in the context of preparation for the Monterrey Conference, which should be linked to an overall strategy towards coherence in the global efforts for development; asks to be closely involved in these preparations;
8. Reaffirms that development policy is an essential component of EU external action, alongside trade policy and the political dimension;
9. Considers that in principle EU development assistance should be open to all developing countries, but that particular attention must be given to the poorest and least developed countries by ensuring that 70% of the EU development budget is aimed at supporting the poorest and the least developed countries;
10. Calls on the industrialised countries to explore new and innovative ways to promote technology cooperation and technology transfer with developing countries, notably LDCs, to bridge the digital divide and facilitate 'technological leapfrogging' in areas such as energy, transportation, waste management and water management, trade, agriculture and sanitary standards;
11. Stresses the limits of the initiative taken at the Cologne Summit in 1999, designed to cancel the debt of the HIPC's (heavily indebted poor countries), which represents a first step but is being implemented too slowly and concerns only a minority of countries; calls

on the Commission to frame a proposal for the conversion of debt involving contractual arrangements to promote useful and verifiable investments that will benefit the population; stresses the need for strengthened fiscal cooperation through a dialogue amongst national tax authorities;

12. Calls on the Council to support a more ample participation in the decision-making organs of international financial institutions, as well as in forums which manage the global governability of the economy and the FAO;
13. Insists that developing countries receiving support from the EU should give priority to agreed development objectives, especially poverty eradication;
14. Reaffirms the EU commitment to spend 35% of the EU development budget for 2002 on (basic) education and health;
15. Calls on the Council to agree to the integration of the European Development Fund into the EU budget, in order to establish a transparent overall financial framework for EU development assistance;
16. Instructs its President to forward this resolution to the Commission, the Council and the Member States.