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PRESS RELEASE

**EU should play a decisive role in
mitigating effects of the crisis on
ACP countries**

*Committee on Economic Development, Finance and
Trade*

Directorate-General for Communication
EUROPEAN PARLIAMENT

ECONOMIC CRISIS

Debate: 01.12.2009

Vote: 03.12.2009

EU should play a decisive role in mitigating effects of the crisis on ACP countries

Co-rapporteurs: Joseph K. Mugambé (Uganda) and Hans-Peter Mayer (Germany)

The impact of the economic and financial crisis jeopardizes advances made, as well as the achievement of the Millennium Development Goals, says the ACP-EU JPA in a resolution. The EU is required to play a decisive role in mitigating the immediate and long-term effects of the crisis on ACP countries. The effects of the crisis should also be taken into account in the negotiations of the Economic Partnership Agreements (EPAs).

The Assembly encourages donor countries and ACP countries to direct short- and medium-term spending towards the poorest population strata and key sectors (health, education, agriculture and rural infrastructure, job creation, water for drinking and for production sectors).

The ACP countries are dependant on commodity exports earnings which account for 50% of their foreign exchange, and the crisis has led to a drop in export earnings for many developing countries, the transfer of funds to these countries, foreign direct investment, and official development assistance, states the resolution.

The impact of the economic and financial crisis jeopardizes advances made, as well as the achievement of the Millennium Development Goals, says the Assembly, asking the EU to play a decisive role in mitigating the immediate and long-term effects of the crisis on ACP countries. The effects of the crisis should also be taken into account in the negotiations of the Economic Partnership Agreements (EPAs).

According to the committee, donors' contributions are still USD 35 billion per annum short on the promise they made on annual aid flows at the G8 meeting in Gleneagles in 2005, and USD 20 billion per annum short on aid to Africa.

The Assembly urges donor countries to further explore existing possibilities in terms of additional and innovative sources of financing for development, and to identify new ones. On the other hand, it calls on ACP countries to increase good governance and transparency in national finances in order to improve budget predictability, implementation and control.

The resolution calls on the EU Member States and on rich countries to cancel the foreign debts of all impoverished countries, without onerous economic policy conditions.

EU Member States should also consider and implement measures outside the financial sector, especially cutting-edge technology transfers, in areas as environmental protection.

Link to website of the ACP/EU Joint Parliamentary Assembly
http://www.europarl.europa.eu/intcoop/acp/60_18/default_en.htm

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