

ACP-EU JOINT PARLIAMENTARY ASSEMBLY

ACP-EU/100.587/09/fin.

RESOLUTION¹

on global governance and the reform of international institutions

The ACP-EU Joint Parliamentary Assembly,

- meeting in Luanda (Angola) from 30 November to 3 December 2009,
 - having regard to Article 17(1) of its Rules of Procedure,
 - having regard to the outcome of the London and Pittsburgh G20 meetings held in April and September 2009,
 - having regard to the communication by the European Commission of April 2009 on supporting developing countries in coping with the crisis²,
 - having regard to the Larosière report of February 2009 on financial supervision in the EU,
 - having regard to the World Bank's report on Global Development Finance 2009: Charting a Global Recovery,
 - having regard to the conclusions of the UN conference on the world financial and economic crisis and its impact on development, held in New York on 24-26 June 2009,
 - having regard to the report by the Committee on Political Affairs (ACP-EU/100.587/09/fin.),
- A. whereas the world is currently facing financial, economic, food, energy and environmental crises of unprecedented proportions,
- B. whereas the origins of these crises lie in industrialised nations and yet they hit developing countries hardest,
- C. whereas the world's global governance architecture, set up in a post-war, colonial era, still mirrors the geopolitical balance of the last century and no longer matches the realities of a globalised planet,

¹ Adopted by the ACP-EU Joint Parliamentary Assembly on 3 December 2009 in Luanda (Angola).

² COM(2009)0160 final.

- D. whereas we need to overhaul our political and financial global institutions to make them more effective, more transparent, more representative and more legitimate,
- E. whereas the worst excesses of deregulation, neoliberal capitalism and free market fundamentalism have conspired to wreck the world's financial system, destroy millions of jobs and increase poverty,
- F. whereas the state is responsible for promoting stability, sustainable, pro-poor growth and ensuring that wealth creation benefits the many and not the few and therefore needs to regulate and supervise the markets and play a redistributive role in the economy,
- G. whereas certain nations' rejection of multilateralism in recent years has led to confrontation, conflict and intercultural strife,
- H. whereas we must react to halt climate change in order to prevent devastating environmental damage and its harsh economic and social consequences,
- I. whereas governments from rich nations have found trillions to bail out financial institutions but some of them are backtracking on their MDG commitments,
- J. whereas only 1.6 % of the IMF's new lending since the London G20 summit has gone to sub-Saharan Africa,
- K. whereas ACP States are severely under-represented in institutions such as the World Bank, the IMF and the UN Security Council,
- L. whereas women are also under-represented in governance structures,
- M. whereas outflows from developing countries in the form of illicit capital flight, to a large extent facilitated by tax havens and banking secrecy, have been estimated at EUR 350-600 billion a year,
- N. whereas OECD countries' aid to poor farmers amounts to 1 % of their agricultural subsidies,
- O. whereas one of the prime tasks of the World Bank and the IMF is to reduce poverty,
- P. whereas the World Bank and the IMF continue to apply economic and policy conditionality to their loans,
- Q. whereas the G20, which has become the main forum for international economic cooperation, is more inclusive than the G8 but nevertheless excludes 85 % of the world's population,
- R. whereas the OECD Development Assistance Committee (DAC) is a forum of donor governments, while the new Development Cooperation Forum comes under the UN umbrella and offers developing countries voice and ownership,

- S. whereas it is urgent and essential to rebuild social trust in our global governance architecture,

Global governance – fairer and more democratic representation and participation for developing nations

1. Calls on the international community to make global institutions more representative, democratic and inclusive, allowing developing nations, in particular in Africa, to be more influential and to enjoy greater decision-making capacity;
2. Asks the G20 to give G77 members a seat at the negotiating table;
3. Welcomes the Pittsburgh G20's commitment to a shift in IMF quota share to dynamic emerging markets and developing countries; insists on fairer voting rights for developing and emerging economies on the IMF executive board and the World Bank board of governors; calls, therefore, for a new double-majority voting system based on one member, one vote, as well as on economic weight;
4. Calls for an end to the US right of veto at the IMF and World Bank;
5. Insists that the G20 upholds its pledge to open, transparent and merit-based processes for appointing the senior management of all international financial institutions;
6. Urges the UN Security Council to enlarge its membership;

Economic governance — learning the lessons of the recent past

7. Asks the international community to ensure a tighter, more transparent, more accountable regulatory framework for the world's financial markets, with increased oversight, as demanded by the G20;
8. Strongly supports overhauling the IMF so it can play an enhanced surveillance and supervision role and issue early warnings in the event of global market imbalances or macroeconomic risks;
9. Invites all relevant actors to ensure better coordination between the Bretton Woods institutions, the G20 and regional development banks;
10. Urges G20 members, the EU and ACP countries, to take speedy action to eradicate tax havens and combat banking secrecy, stepping up international cooperation, automatic information exchange, country-by-country reporting standards for multinationals and capacity building in countries affected by capital flight; looks forward to the G20's promised countermeasures against tax havens as of 2010;
11. Exhorts governments to cap executive pay to avoid obscene levels of remuneration, and to regulate incentive schemes in the financial sector that threaten the stability of the system; welcomes the Pittsburgh G20's support for increasing financial stability and aligning compensation and remuneration with long-term value creation and not with excessive risk-taking;

Multilateralism – essential to meeting global challenges

12. Calls on all states wholeheartedly to support multilateralism and the UN system;
13. Recommends that the UN Development Cooperation Forum is taken into account, together with the OECD DAC, as the two high-ranking forums for development cooperation and for analysing and monitoring global aid trends, including the aid effectiveness agenda;
14. Welcomes the fact that the US has decided to re-engage with the UN Human Rights Council and has at last taken up its seat; calls on the EU, ACP and other partners to ensure this Council defends all victims of human rights abuses;

Aid and trade

15. Salutes the G20 commitments of USD 1.1 trillion to kick-start the world economy but regrets that only a fraction is earmarked for the poorest countries; warns against crippling developing countries with sizeable new debt;
16. Calls on EU Member States to live up to their MDG aid commitments;
17. Recognises the importance of trade but stresses that free markets alone do not guarantee an end to poverty;
18. Urges all WTO members to work towards an equitable outcome for the Doha Development Round which curtails protectionism but reflects the different capacities and levels of development that exist between stronger and weaker economies, and allows ACP states to protect their most vulnerable industries;
19. Asks the EU, in the context of the economic partnership agreements, to respect those ACP countries that decide not to move to a full EPA or choose to renegotiate controversial areas of interim EPAs; insists on a full role for the JPA in all planned EPA parliamentary follow-up structures;
20. Calls on the EU to reduce significantly its agricultural subsidies and eliminate all agricultural export subsidies;
21. Asks the EU to keep its aid-for-trade commitments and to continue to help bolster ACP countries' trade capacities;

Social and environmental issues

22. Calls on the international community to implement high standards of social and environmental protection and workers' rights, including the 'decent work' agenda (as defined by the International Labour Organisation (ILO)), and to support developing countries in applying these standards;
23. Calls on all governments to respect the right to free bargaining and collective agreements and to guarantee the right to strike mentioned in the constitution of the ILO;
24. Exhorts the UN to mainstream gender equality and women's empowerment;

25. Invites the UN to upgrade ECOSOC, with a view to promoting lasting solutions for economic, social, employment, cultural and health issues;
26. Calls on the World Bank to attach higher priority to development issues, climate change and promotion of health and education, in line with the Pittsburgh G20 conclusions;
27. Urges all governments at the December Copenhagen climate summit to strike an ambitious, fair and sustainable deal, sharing the burden equitably between industrialised and developing nations and taking into account countries' different degrees of responsibility for climate change;
28. Urges EU States to respect their G20 commitments to assist developing countries in fighting climate change; insists that these funds must be additional to existing development aid;
29. Calls on the EU to invest massively in research, education and the environment, and increase funding and technology transfer for developing countries;

A role for parliaments

30. Asks all states to embrace greater parliamentary scrutiny to make governments' action more transparent, democratic, accountable and effective;
31. Calls on the UN and WTO to attach higher priority to parliamentary input;

Involving civil society

32. Calls on policy makers, particularly in ACP countries, to engage with civil society and to provide CSOs with basic resources to operate;
33. Instructs its Co-Presidents to forward this resolution to the ACP-EU Council of Ministers, the Commission of the African Union, the Pan-African Parliament, as well as to national and regional parliaments in ACP States, the European Commission, the UN and regional organisations, the World Bank, the IMF, the WTO and the EU and African Union Presidencies.