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on an Agenda for Change: the future of EU development policy
(2012/2002(INI))

Committee on Development

Rapporteur: Charles Goerens

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

On an Agenda for Change: the future of EU development policy (2012/2002(INI))

The European Parliament,

- having regard to the Commission communication of 13 October 2011 entitled ‘Increasing the impact of EU Development Policy: an Agenda for Change’ (COM(2011)0637 – SEC(2011)1172 – SEC(2011)1173),
- having regard to the Commission communication of 13 October 2011 entitled ‘The future approach to EU budget support to third countries’ (COM(2011)0638),
- having regard to the Joint statement of 20 December 2005 by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament, and the Commission on European Union Development Policy: ‘The European Consensus’¹,
- having regard to the ‘Paris Declaration on Aid Effectiveness of 2 March 2005: Ownership, Harmonisation, Alignment, Results and Mutual Accountability’²,
- having regard to the ‘Accra Agenda for Action’ of 4 September 2008³,
- having regard to the ‘Busan Partnership for Effective Development Cooperation’ of 1 December 2011⁴,
- having regard to the Commission communication of 28 February 2007 entitled ‘EU Code of Conduct on Division of Labour in Development Policy’ (COM(2007)0072),
- having regard to the commitments made by the international community in terms of development and cooperation within the United Nations and other relevant international organisations, to which the EU and the Member States have subscribed,
- having regard to its resolution of 8 June 2011 on Regulation (EC) No 1905/2006 establishing a financing instrument for development cooperation: lessons learned and perspectives for the future⁵,
- having regard to its resolution of 5 July 2011 on increasing the impact of EU development policy⁶,
- having regard to its resolution of 5 July 2011 on the future of EU budget support to

¹ OJ C 46, 24.2.2006, p. 1.

² <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

³ <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

⁴ Final Declaration of the Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November – 1 December 2011.

⁵ Texts adopted, P7_TA(2011)0261.

⁶ Texts adopted, P7_TA(2011)0320.

developing countries¹,

- having regard to the opinion issued by the Committee of the Regions on 16 February 2012²,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A7-0000/2012),
- A. whereas, in accordance with the Treaty of Lisbon, the primary aim of the development policy of the European Union is the reduction and, in the long term, the eradication of poverty,
- B. whereas the European Consensus for Development, signed by the European Commission, the Council and the Parliament is an *acquis*,
- C. whereas the Agenda for Change should provide answers for a world that has fundamentally changed and in which the gap between the rich and the poor in every country continues to widen, particularly in developing countries,
- D. whereas the Commission communication states that respect for human rights and good governance continue to be preconditions for development, which does not exclude the possibility of finding the rhythm best suited to the circumstances of each country,
- E. whereas, in accordance with the Treaty of Lisbon, the implementation of development policy should be cohesive, and the measures aimed at encouraging economic growth in developing countries should contribute, first and foremost, to combating poverty and exclusion,
1. Considers that the Agenda for Change is innovative in that it focuses, *inter alia*, on harnessing budgetary resources, combining subsidies and loans and promoting the private sector; considers that the use of these mechanisms should contribute, principally, to lifting the inhabitants of developing countries out of extreme poverty and dependence;
 2. Notes the Commission's intention to promote 'inclusive and sustainable growth in the service of human development', but emphasises that, from a development perspective, this new instrument should have no objective besides that of the economic and social advancement of the most deprived;
 3. Reaffirms its commitment, in this regard, to social inclusion, and the decision to allocate at least 20 % of EU aid to basic social services as defined by the United Nations in the Millennium Development Goals (MDGs);
 4. Invites the Council to play a leading role in the interinstitutional dialogue with the Commission and Parliament, and to do so in the spirit of the European Consensus on Development;

¹ Texts adopted, P7_TA(2011)0317.

² Document CIVEX-V-025, adopted during the 94th plenary session, 15–16 February 2012.

5. Notes that the Commission makes poverty a central issue in its new policy of 'differentiation'; observes, however, that 70 % of people whose income is below the poverty threshold live in middle-income countries, and hence deplores the fact that the poor in those countries continue to be deprived of the benefits of economic growth;
6. Believes it essential for middle-income countries to commit an increasing proportion of their revenue to social purposes, thereby enabling the European Union to gradually scale back its current development programmes;
7. Requests the Commission, therefore, to negotiate a roadmap for the gradual reduction of Official Development Assistance (ODA) with middle-income countries;
8. Considers it essential that an international conference be held with the BRICS countries which would focus, on the one hand, on the future financing of the MDGs, and, on the other hand, promote triangular cooperation arrangements involving one northern country donor, one emerging country and one developing country;
9. Supports the Commission's desire to allocate budget aid to partner countries as soon as they have made a commitment, as part of a political dialogue, to refocus their budget priorities onto development objectives in basic social sectors;
10. Believes that the conditions for the use of ODA in general, and budget support in particular, must go hand-in-hand with the democratic oversight of budgets by parliaments, budgetary control organisations and civil society in partner countries;
11. Considers that the Union should fully assume the responsibility incumbent upon it as the world's leading donor of development aid and turn its political potential to better effect and further develop its leading role at international level on development issues by making resolute use of the powers conferred on it by Article 210 of the Treaty on the Functioning of the European Union to take every appropriate initiative to foster the coordination of the development cooperation policies of the EU and its Member States and to synchronise their aid programmes;
12. Regrets that the Agenda for Change tends to alter the *acquis* that made for cohesive development policies that sought to satisfy the common interests of the EU and its partners;
13. Recalls that an active civil society is the best guarantee – in the countries of the North and of the South – of good democratic governance, private sector responsibility and an improved capacity to distribute the benefits of economic growth;
14. Would like the Agenda for Change to specify the important and independent role of civil society and regional and local authorities, not only in implementing development programmes and projects, but also as fundamental players in the process of developing development policies;
15. Demands that any support provided to the private sector in the form of ODA, whether as a gift or in combination with loans, come within the framework of the national plans and/or strategies of the partner countries, and that the amounts allocated be focused on the

development of human resources, decent work, the sustainable management of natural resources and the development of high-quality inclusive public services for the benefit of the population;

16. Instructs its President to forward this resolution to the Council, the Commission and the EEAS, and to the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

Development policy and the dynamics of change

Since the Millennium Development Goals were adopted in 2000, the major changes already apparent at the time have become more evident.

In *economic terms*, the impressive rise of China, India and Brazil is effectively displacing the centre of gravity away from mature economies towards *emerging countries*, which, despite their impressive economic growth, are still unable to bring poverty effectively under control. Globalisation, boosted by a more liberalised world trade and now an impressive source of wealth creation, is effectively the source of a very curious phenomenon: on the one hand, it reduces inequalities between countries, while, on the other, increasing inequalities inside all of them, including the industrialised countries.

In *demographic terms*, should the growth curve persist, the population of our planet, which has increased from 6 to 7 billion human beings in less than 10 years, will exceed 9 billion by 2030, despite the tendency towards demographic contraction in *billion-figure countries*. This population growth neutralises a significant part of the economic growth of their countries.

Borders have certainly become more permeable to products, while becoming insurmountable for people from developing countries who wish to travel to industrialised countries.

As for the *African continent*, it should be noted how, overall, it is showing a genuine desire for change. The major institutional platforms launched by the African Union both at a continental and regional level are a testament to this. Intra-African collaboration — largely inspired by European integration — aim to organise responses to security-related, economic and political challenges at regional level. A growing number of Sub-Saharan African countries are holding free elections and accept the principle of political alternation. While the *price instability* for basic foodstuffs is becoming a destabilising factor for whole societies, some real progress has been seen in terms of access to healthcare. However, attainment of the Millennium Development Goals by 2015 remains an unrealistic prospect.

Commission communication

In his speech ‘*An agenda for change*’, Commissioner Piebalgs announced significant changes regarding development cooperation by Europe, without however abandoning the practices, approaches and principles that have proved themselves in the past. It is to be especially commended that the Commission remains attached to the basic tenets embodied in the European Consensus for Development.

With ‘*Agenda for change*’, the Commission intends to place particular emphasis on the *quality* of the assistance. Moreover, it believes that greater selectivity is called for when it comes to choosing partner countries. This would result in the long-term elimination of emerging countries from the list of beneficiaries of European Official Development

Assistance (ODA), since their difficulty no longer lies in the creation of wealth but in its distribution.

With ‘*Agenda for change*’, the EU — already the leading donor — also seeks to become the greatest. For this purpose, Commissioner Piebalgs points out three areas in which the EU should excel: governance, ‘sustainable and inclusive economic development’, and the development of social protection systems in developing countries. Lastly, the Commission intends to propose more *common programming* to other sponsors.

Proposals

In adopting the report ‘*On the increasing impact of European Union development policy*’ by Filip Kaczmarek, the European Parliament has already given its very detailed response on a number of aspects of future EU cooperation with developing countries.

The aim of this report is in fact to refocus the discussion on certain priority aspects which are essential for the success of EU development policy.

(1) Reliable figures: a demand for sincerity

Funds allocated for fighting poverty are eligible under ODA. However, expenses for other purposes should not be eligible.

For the sake of clarity, this means that a loan agreed for a developing country, which is not reimbursed and cancelled by the donor country, should not be assimilated as part of ODA unless an ex-post assessment can confirm that the loan in question has in fact helped to reduce poverty. Current practice, however, entails artificially bloating ODA-related statistics and accordingly distorts the perceived effective capacity of a donor country to finance development.

(2) Inclusive growth, yes, but...

The same demand for sincerity calls upon us to tackle financial incentives in support of inclusive growth. ‘*Agenda for change*’ rightly insists on the role of economic growth in developing countries as a potential driving force for social progress. However, some are concerned about the likelihood of seeing the resources earmarked for inclusive growth, where necessary, diverted towards purposes other than the fight against poverty. On account of this risk, it appears wise to plan for *safeguards*. Firstly, any project earmarking substantial funding for inclusive growth must be subject to an assessment aimed at informing us about its real impact in terms of reducing poverty. Most of the poorest citizens of developing countries depend on it for their means of subsistence. Inclusive growth cannot be allowed to become a barrier to the *informal economy*.

(3) The EU: its comparative advantages

Particular attention should also be paid to the *new actors* — particularly China and India — in terms of their impact on the circumstances of the poor in the countries of the south. Since EU and Member State development policy is already subject to multiple checks and evaluations, we would finally be in a position to gain a better appreciation of the comparative advantages of various partners if the impact of the emerging countries also became the object of a critical study.

(4) Some thoughts regarding the birth rate

Another problem relates to the *extremely high birth rates* in developing countries. Niger, with its annual growth in birth rate of 3.3 %, requires an extremely high economic growth rate, since per-capita GDP would only increase if economic growth were higher than this percentage. Yet birth control remains a sensitive issue. Measures for family planning, where necessary, must be accompanied by a certain number of precautions that respect the principle of human dignity and the individual rights of every citizen. With all the caution appropriate for tackling the birth rate problem, solutions must be found in consultation with actors of proven experience, ability and skill, as is the case with regard to the United Nations Population Fund (UNFPA), for example.

(5) The case for independent strategic reflection

For all of these reasons, the European Union, as the leader in the field, has a very particular responsibility in the international donor community. It is up to the EU to impose its mark and its method on the whole of international cooperation with developing countries. In demonstrating a wish to be not only the first but also the best among all the development actors, the EU must also select the means to achieve its ambitions. To this end, it should equip itself with the best advice in terms of its approach to the situation on the ground and develop a capacity for strategic reflection. In short, your rapporteur considers that we can no longer dispense with the creation of an *independent study unit*, working for development cooperation actors while being responsible — in administrative terms alone — to the Commission. This study unit would have the mission to provide added value for all relevant existing organisations in the EU Member States. It should be made clear that the mission of a study unit of this kind would consist of consistently developing the capacity for analysis and advice of the development actors in order to generate added value with the help of by a well-coordinated policy at EU level.

(6) An improvable institutional system

Every adaptation takes time and requires a new point of political balance which is, however, far from being achieved. The demands of coherence, efficiency and sustainability for cooperation require a flawless commitment from each actor — the Commission and the Member States alike — complemented by long-sightedness and the right working methods. One of the legislative branches of the EU, the Council, representing the Member States, is also responsible for seeking complementarity between the national policies and the Commission. While the implementation of over 80 % of EU ODA, is still the direct responsibility of the Member States themselves, the proper coordination of all efforts,

including those of the Commission, remains elusive, given the lack of greater involvement by Member States in European development policy.

In 2005, the Commission, Parliament and Council had fully defined the groundwork for EU development policy within the framework of the European Consensus for Development. Anything that tends to widen the gap between European development cooperation and these established principles must be viewed with circumspection. EU capacity to analyse the situation and make proposals in the service of this policy are continually being challenged by attempts to deviate EU development action from its foremost objective, namely, fighting poverty. The centre of EU development — the Commission, Council and the EP — should be capable of thwarting these attempts, especially since the creation of the External Action Service (EAS).

Equated by some with integration and by others with supervision, the dissolution of the Commission development services within the External Action Service — still under construction according to Lady Ashton — is no trivial matter. Your rapporteur considers it necessary to remain vigilant, as long as other EU foreign policy departments are casting covetous glances in this direction. In a free, frank and open dialogue, the European Parliament, among others, should be in a position to detect from an early stage any risk of drift on this matter. At the current rate of one meeting per year of the EP Committee on Development with the High Representative for EU foreign policy, we are well short of the mark. While there are no grounds for questioning the sincerity of the EAS representatives, who actively participate in all meetings of the Committee on Development, the true political dimension of the dialogue between this service and the EP is conferred solely by the presence at this committee of the High Representative who, is not exactly making her pressure felt to any excessive degree.

As for the Council meetings, what continues to distinguish the meetings of the Permanent Representatives Committee (COREPER) is the attendance of three or four ministers responsible for development who still take the trouble to travel to these meetings in Brussels, which in theory last no longer than three hours. More than 20 ministerial absences from the Council meetings verges on zero political commitment.

It serves no purpose to mask the structural weaknesses of the decision-making processes of EU development policy, however it is important to find a solution in order to enable Europe to act, in keeping with its ambition to ensure that the foremost world donor becomes the greatest.