DRAFT OPINION

of the Committee on International Trade

for the Committee on Development

on the private sector and development (2014/2205(INI))

Rapporteur: Lola Sánchez Caldentey
SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the private sector’s role in development has increased to support political priorities in a period of diminishing aid budgets, and considers that the EU’s engagement with the private sector in the context of development must be subject to internationally agreed development effectiveness principles;

2. Recalls that, under Article 208 of the Treaty on the Functioning of the European Union, the EU’s common commercial policy must take account of the principle of policy coherence for development, and considers that this principle must be referred to explicitly in all EU trade and investment agreements;

3. Points out that current EU practices to leverage private finance with official development assistance (ODA) have proved ineffective owing to a lack of clarity as regards additionality, transparency, accountability, ownership, alignment with country priorities, debt sustainability and, consequently, development impact;

4. Stresses the need for EU trade policy to respect the policy space of developing countries so as to maintain robust import tariffs that facilitate the creation of skilled and decent jobs within local manufacturing and agro-processing industries as possible enablers of higher domestic value-added, industrial growth and diversification, which are a key component in economic and social upgrading;

5. Calls for measures to promote nationally owned development strategies that shape private-sector contribution to development by enhancing local micro, small and medium-sized enterprises and local procurement, which are essential for endogenous development and can strengthen the capacity of developing countries for mobilising domestic revenue, fighting tax fraud and tax evasion, and mitigating currency and commodity price volatility, which endanger access to value chains;

6. Calls for the review of existing trade and investment agreements in order to identify any areas, especially provisions on intellectual property rights, that may negatively affect development;

7. Urges the Commission to further promote initiatives for the responsible mining, logging and sourcing of commodities, together with private sustainability-bound schemes, throughout supply chains, and to step up product and process life-cycle analysis as regards environmental and social considerations;

8. Highlights the need for EU trade policy to promote good governance via a binding framework which ensures that EU companies are accountable for their actions in developing countries as regards standards in respect of human rights, gender equality, decent work, union rights, environmental protection, universal access to quality public services, social protection, public and universal health coverage, universal access to medicines, and food and product safety.