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REPORT

on the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the regions entitled Towards a global partnership for sustainable development (COM(2002) 82– C5-0173/2002 – 2002/2074(COS))

Committee on Development and Cooperation

Rapporteur: Paul A.A.J.G. Lannoye

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PROCEDURAL PAGE

By letter of 14 February 2002, the Commission forwarded to Parliament a communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the regions entitled Towards a global partnership for sustainable development (COM (2002) 82– 2002/2074(COS)).

At the sitting of 11 April 2002 the President of Parliament announced that he had referred the communication to the Committee on Development and Cooperation as the committee responsible and the Committee on the Environment, Public Health and Consumer Policy, the Committee on Industry, External Trade, Research and Energy, the Committee on Economic and Monetary Affairs, the Committee on Agriculture and Rural Development and the Committee on Women's Rights and Equal Opportunities for their opinions (C5-0173/2002).

The Committee on Development and Cooperation appointed Paul A.A.J.G. Lannoye rapporteur at its meeting of 17 April 2002.

The committee considered the Commission communication and the draft report at its meeting of 17 April 2002 .

At its meeting of 18 April 2002 it adopted the motion for a resolution unanimously.

The following were present for the vote: Joaquim Miranda, chairman; Anders Wijkman, vice-chairman; Paul A.A.J.G. Lannoye, rapporteur; Richard A. Balfe, Maria Carrilho, Carmen Cerdeira Morterero (for Marie-Arlette Carlotti), John Alexander Corrie, Nirj Deva, Fernando Fernández Martín, Michael Gahler (for Tokia Saïfi), Richard Howitt, Bashir Khanbhai (for Luigi Cesaro), Glenys Kinnock, Karsten Knolle, Nelly Maes (for Didier Rod), Maria Martens (for Vitaliano Gemelli), Miguel Angel Martínez Martínez, Hans Modrow, Luisa Morgantini, William Francis Newton Dunn (for Marieke Sanders-ten Holte), Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco and Jürgen Zimmerling.

The opinion of the Committee on Industry, External Trade, Research and Energy is attached; the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Agriculture and Rural Development and the Committee on Women's Rights and Equal Opportunities decided on 4 March 2002, 27 March 2002, 20 March 2002 and 18 April 2002 respectively not to deliver an opinion.

The report was tabled on 24 April 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions entitled Towards a global partnership for sustainable development (COM(2002) 82– C5-0173/2002 – 2002/2074(COS))

The European Parliament,

- having regard to the Commission communication (COM(2002) 82– C5-0173/2002¹),
 - having regard to the communication from the Commission to the Council and European Parliament entitled Ten years after Rio: preparing for the World Summit on Sustainable Development in 2002 (COM(2001) 53 – C5-0342/2001),
 - having regard to its previous resolutions on sustainable development and especially its resolution of 28 February 2002² on a sustainable development strategy for the Barcelona Summit,
 - having regard to the Environment Council Conclusion of 8 March 2001 (6752/01) on the World Summit on Sustainable Development,
 - having regard to the Commission's Working Paper entitled Environmental Integration in the External Policies of the General Affairs Council (SEC (2002) 271) of 7 March 2002, endorsed by the General Affairs Council on 12 March 2002,
 - having regard to its Resolutions of 17 January 2001³ on the consequences of using depleted uranium munitions,
 - having regard to its Resolution of 25 October 2001⁴ on openness and democracy in international trade,
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on Industry, External Trade, Research and Energy (A5-0142/2002),
- A. whereas the WSSD represents an unrepeatable opportunity for world leaders to set the sustainability agenda for the next 10 years with a programme of work which would build on the agreements generated at the Earth Summit in Rio, but whereas certain countries appear reluctant to commit themselves to this process and progress in setting an ambitious agenda is slow,

B. whereas half of the world's population lives on less than \$2 per day and even if the UN

¹ not published yet

² Adopted text, item 15

³ OJ C262, 18.09.01, p. 167.

⁴ Adopted text, item 14

Millennium Summit goal to halve the proportion of people living in extreme poverty by 2015 is realised, there will still be 900 million people living in extreme poverty in the developing world. (UNDP Human Development Report 2001),

- C. whereas poverty and environmental degradation are often directly linked; poverty and associated population growth increase pressure on natural resources and contribute to environmental degradation; by the year 2015, the world's population is estimated to rise to 7.5 billion people, i.e. a 50% increase compared with 1990,
- D. whereas the income gap between rich and poor is growing exponentially- in 1960, the world's richest 20% had an income 30 times higher than the 20% poorest, rising to 82 times higher in 1995 (UNDP Human Development Report 2000),
- E. whereas the World Summit on Sustainable Development should call for a better understanding of the relations between the environment, poverty, trade and the security of people, in order to ensure better integration of environmental protection and policies for poverty eradication and economic development,
- F. whereas the developing world still has 826 million undernourished people and each year 16 million people die of hunger and starvation and whereas local agriculture and rural development must be actively promoted as instruments for substantial and sustainable growth and poverty reduction (UNEP, FAO and UNDP Reports),
- G. whereas freedom from poverty and hunger are two of the most fundamental human rights and should therefore be the primary objectives of the WSSD,
- H. whereas nearly 1 billion people do not have access to clean water sources, 2.4 billion people live without access to basic sanitation and an estimated 3 million people die prematurely from water-related diseases every year, 34 million people live with HIV/AIDS, 2.2 million people die annually from indoor air pollution and in the next 15 years provision must be made for the 113 million children not receiving primary school education (World Bank and UNDP reports),
- I. whereas improving access to public and environmental health care, clean water, basic sanitation and primary education are therefore self-evident pre-requisites for the sustainable development agenda,
- J. whereas the narrow perspective offered by contemporary education systems on the horizontal linkages in society, notably the consequences of today's production and consumption patterns on the natural systems and the atmosphere, is one of the major causes behind the environmental crisis,
- K. whereas as economies have modernised, a combination of market and policy failures have been, and continue to be, the major causes behind the proliferation of unsustainable systems of production and consumption,
- L. whereas the UNEP Global Environmental Outlook for 2000 notes that *'the modern industrial economies of North America, Europe and parts of East Asia consume immense quantities of energy and raw materials, and produce high volumes of wastes and polluting*

emissions' and that *'the magnitude of this economic activity is causing environmental damage on a global scale and widespread pollution and disruption of ecosystems'* and whereas the Report concludes that *'the continued poverty of the majority of the planet's inhabitants and excessive consumption by the minority are the two major causes of environmental degradation. The present course is unsustainable and postponing action is no longer an option'*; whereas it follows that sustainable development cannot primarily be about economic growth but must be about restructuring the global agenda so that economic and trade policies are established in accordance with social and environmental objectives,

- M. whereas such environmentally damaging and unsustainable patterns of production and consumption whereby 20% of the world's population account for 86% of global consumption (UNDP Human Development Report 2000) cannot continue unchecked and new structural mechanisms and global instruments are needed, including the application of social, development and environmental criteria in lending and financing decisions by Export Credit Agencies,
- N. whereas framework agreements for Corporate Social Responsibility and Corporate Accountability are key elements in the search for sustainable solutions,
- O. whereas the contribution of wars and armed conflicts to the degradation of human welfare and environmental well-being cannot be ignored,
- P. whereas progress towards sustainability begins at home, as the Communication recognises, and therefore fundamental reform of the deeply unsustainable Common Agriculture and Common Fisheries Policies cannot now be avoided if the EU is genuinely to be committed to a global partnership,
- Q. whereas environmental governance remains fragmented at a global level and the co-ordination of multilateral environment agreements (MEAs), their administration and implementation and mechanisms for ensuring compliance with their provisions must be substantially improved,

Introductory Observations

1. Welcomes the Communication but warns that unless there is swift progress in the pre-Johannesburg preparations towards agreement on an ambitious agenda the WSSD risks being an embarrassing failure; the consequences of not setting the world on a truly sustainable path are grave;
2. Expresses its dismay, therefore, that the Third Preparatory Committee meeting in New York has failed to reach a consensus on producing viable proposals on the scope of the future work of the Commission on Sustainable Development or on strengthening the institutional framework, has failed to produce any working text to go forward to the Ministerial PrepCom IV and that proposals for extraneous partnership agreements are being promoted as replacements for, rather than as complements to, governmental commitments; calls on the Commission and the Council to press the WSSD Secretariat to ensure that PrepCom IV is better managed and structured so that the governments meeting in Johannesburg can deliver clear and positive global commitments;

3. Welcomes also the commitment by EU Member States made in Barcelona to seeking the entry into force of the Kyoto Protocol before the WSSD, and calls on all other signatory nations to ratify it before the Johannesburg Summit; welcomes the fact that various Council formations (in particular ECOFIN and the General Affairs Council) have presented their strategies for incorporating environmental issues; calls for as much as possible to be done within the EU institutions (with the full involvement of the European Parliament) in preparation for the launch of the Lisbon and Göteborg processes and the application of the Barcelona decisions; welcomes equally the Commission's recommendation to Council for EU ratification of the Cartagena Biosafety Protocol and urges speedy action to conclude this process before Johannesburg;
4. Wishes to see a re-balancing and restructuring of the international agenda to reflect the overwhelming priority which must be given to the alleviation of poverty and hunger, and to the sustainable and equitable use of natural resources;
5. Considers that such re-balancing and restructuring should be achieved under the auspices of the United Nations in the first instance and then be applied to the post-Doha WTO negotiations;
6. Deems it imperative that new impetus should be given to strengthening global environmental governance and corporate social responsibility and accountability;
7. Calls for a reconsideration of the organisation of both science and education in order to stimulate inter-disciplinary research and bring about greater awareness of the inter-relationship between human activities and the eco-systems;
8. Calls on the Commission to work for an agreement in Johannesburg on a thorough revision of the framework conditions of the market economy model, notably the fiscal instruments, subsidies, norms and standards, with the primary objective of promoting environmentally sustainable systems of production and consumption;
9. Strongly supports an international system of free and fair trade but insists that its framework must be in harmony with and support of sustainable development;
10. Deplores the fact that still today, GDP growth is viewed as the single most important indicator of progress in society; calls therefore upon the Commission to work for an agreement in Johannesburg to complement present-day national accounting with indicators that reflect social and environmental aspects of development;

Fighting poverty and promoting social development

11. Gives a cautious welcome to the outcome of the Monterrey Conference on Financing for Development but considers this not as a solution but as an incremental step in the desired direction and notes that the commitments made in Monterrey still fall substantially short of the funds required to meet the Millennium Goal of reducing world poverty by 50% by 2015; insists that the EU Council should in preparation for the WSSD take a decision establishing a binding calendar for all EU member countries with a view to attaining, as soon as possible, an aid threshold equivalent to the EU average of 0.39%, rising to 0,7%

GNP by 2010;

12. Stresses the emphasis on the role which the governments of the countries receiving development aid themselves have to play in efforts to reduce poverty;
13. Calls on the EU Council to initiate an EU regulation for the untying of all EU and Member States' aid in order to create the necessary flexibility for the developing countries to favour the most environmentally and socially friendly development solutions; calls for that regulation to include features which will make it possible to introduce a set of result indicators enabling the effectiveness of aid management to be measured;
14. Calls on the EU Member States to agree on an immediate moratorium on debt servicing for all those countries belonging to the group of HIPC and/or LDCs and to waive all remaining bilateral debts for those countries;
15. Welcomes the proposal in the Monterrey Consensus for an international debt workout mechanism as a first step in the direction of a much needed fair and transparent arbitration procedure for indebted countries and calls on the EU to come forward with a concrete initiative for the WSSD;
16. Demands that the criteria for acceptable debt relief be redefined in order to give priority to meeting the financing requirement of national poverty eradication programmes and only residual state revenue then be used for debt servicing and repaying loans;
17. Stresses the vital importance of micro-finance and credit for micro and small enterprises, in particular to give economic independence to women, who can then make a major contribution to food security and the provision of goods and services that are daily necessities;
18. Advocates joint EU representation on the board of directors of the international financial institutions and calls for enhanced transparency and accountability through parliamentary scrutiny of these bodies;
19. Supports the Commission's view that an effective poverty reduction strategy requires an integrated approach and that access to affordable nutritious food, locally produced where possible, and to adequate, safe and affordable supplies of drinking water and sanitation facilities is paramount;
20. Expresses concern over the fact that poverty eradication strategies in general have largely overlooked the vital role played by natural resources such as forests, soils, range lands, fresh-water and marine resources in the daily life of the rural poor; hence calls for massive programs of afforestation, soil conservation, water development, etc., to strengthen the livelihoods of the poor, and consequently for the merger of Agenda 21 and the Social Summit Agenda so as to fully integrate work in the fields of poverty eradication and natural resource management;
21. Agrees that this approach should be extended to all global public goods including access to health, environment, education, financial stability and security and peace; calls therefore for an EU initiative for the WSSD on refining and developing this concept;

22. Takes note of the mandate by the Ecofin Council to the Commission to seek out alternative sources for development financing and draws attention to the need for a more extensive debate (particularly at multilateral level) and for more thorough analysis regarding the suitability and the feasibility of the various existing proposals for alternative funding instruments, some of which have been analysed in Commission Communication (2002) 81 final; suggests that the new Spahn report to the German Government on the introduction of a currency transaction tax provides the basis for an EU initiative on this subject to be presented at the WSSD;
23. Emphasises that, in developing countries, women bear a substantial share of the responsibility of meeting the basic needs of their families and the local economy and society, and calls for greater efforts to ensure legal equality of women, equal access for women to basic education and training, the protection of reproductive health, protection against personal (often domestic) violence, guaranteeing sexual self-determination and equal participation in all decision-making processes, for which the Platform for Action established by the World Conference on Women in Beijing in 1995 sets out the generally recognised criteria;

Harnessing globalisation: trade for sustainable development

24. Considers that EU policies, notably trade liberalisation, agriculture, fisheries, environment and public health, should be re-examined in the light of their impacts on poverty and sustainable development and their inter-relationship; where such policies undermine poverty reduction and sustainability, the latter should take precedence and trade rules should be reformed accordingly; in particular, pressures on developing countries to open up their markets to EU food imports should be ended, if such liberalisation has a negative impact on small producers and food security;
25. Considers that trade rules and their implementation should support rather than contradict the effective implementation of environmental, social, gender equality, educational and health objectives and that trade should actively promote ecologically sustainable production of and trade in goods and services by providing positive incentives, technical assistance and capacity building in developing countries, and draws particular attention in this connection to the forthcoming negotiations between the EU and the ACP States on trade issues under the Cotonou Agreement; insists that the EU reaffirm the authority and autonomy of multilateral environmental agreements and clarify that the objectives, principles and provisions of MEAs must not be subordinated to WTO rules;

26. Stresses

- the need for countries to continue their efforts to achieve a transparent, stable and predictable investment climate,
- the need to sustain sufficient and stable private financial flows to developing countries with economies in transition,
- the importance of liberating capital flows in an orderly process consistent with development objectives;

27. Welcomes the decision adopted in Gothenburg and reinforced at the Barcelona Council that Sustainability Impact Assessments (SIAs) must be undertaken for all major policy initiatives and notes that this will require an analysis of the impact on sustainable development of all trade negotiations at multilateral, regional and bilateral levels; wishes to see transparent and participatory SIAs become a mandatory pre-condition for all EU trade agreements and programmes so that the possible social, environmental, and economic consequences are clearly calculated and regulated;
28. Repeats its demand for the Commission to produce an evaluation of those WTO mechanisms which are not compatible with poverty reduction and sustainable development and which discourage local employment, and to make concrete reform proposals within the context of the ongoing WTO negotiations; in particular expresses its concern that the pressure on developing countries to liberalise their public service industries within the on-going GATS negotiations will have a detrimental effect on their domestic infrastructure;
29. Considers that in the build-up to the WSSD a debate should be promoted around the activities of the Bretton Woods institutions in order to promote a new model of economic growth for LDC's that is based on securing sustainable livelihoods, including through investment in health and education and which provides for food security and protection against unrestricted external competition;
30. Calls on the industrialised countries to explore new and innovative ways to promote technology co-operation and technology transfer with developing countries, notably LDCs, to bridge the digital divide and to facilitate 'technological leapfrogging' in areas such as energy, transportation, waste management and water management, trade, agriculture and sanitary standards; calls also on the industrialised countries, through the intelligent use of ICT - including greater application of non-grid technology such as solar energy - to provide economic, environmental, scientific, social and democratic added value, cheap access being required to allow wide take-up even in remote areas;
31. Calls on the Commission to initiate a programme specifically targeted at eradicating rural poverty as well as promoting renewable energy use in developing countries by funding technology for converting biomass, either directly into electricity, or into methanol and/or hydrogen, for use in fuel cells;
32. Considers that new technologies should also be assessed for their impact on sustainable development;

Sustainable Management and Conservation of Natural Resources

33. Considers that the conservation of natural resources and regulation of their access and equitable use represents a permanent challenge to the global community; fully endorses the Commission's proposal to launch initiatives at the WSSD for sustainable water resource management, forestry law enforcement and governance, the development of renewable energy sources and sustainable and environmentally friendly modes of transport but regrets that there are as yet no specific detailed proposals on the table;
34. In addition calls for the Johannesburg Summit to develop specific initiatives, building on work undertaken since Rio, in areas such as: oceans and seas (including coral reefs), coastal zones, mountains, tropical forests and forests of other types in developing countries, land use, desertification, biodiversity, waste, chemicals, air pollution, biosafety, minerals and metals;
35. Welcomes the entry into force in December 2001 of the UN Fish Stocks Agreement, which was called for in Agenda 21; urges those Member States that have so far failed to complete their ratification procedures to do so before the Johannesburg summit, and further calls on the EU Council to support the Antarctic and Southern Ocean Coalition demand for a moratorium on all toothfish fishing in the Southern Ocean, which is currently decimating the main fishery (Patagonian toothfish) as well as impacting upon birdlife;
36. Calls on the EU to support developing-country governments' demands for any amendments to TRIPS Agreement Article 27.3(b) to safeguard relevant provisions under the Convention on Biodiversity and the International Undertaking on Plant Genetic Resources. TRIPS amendments should support, rather than negate, efforts to ensure that living organisms and their parts should not be patented; that the right of traditional farmers to use, exchange and save seeds is protected; and that indigenous and local farming community innovations are likewise protected;
37. Considers that problems with Flags of Convenience need urgent attention and should be addressed at international level, particularly under the aegis of the World Maritime Organisation (WMO), and urges the European Union to define in concrete terms the link between the Flag State and its vessels, as well as the obligations of Flag States, as a necessary step in the fight against uncontrolled fishing;
38. Recognises the need for developed countries significantly to reduce their use of resources and generation of waste and calls for a programme and timetable to achieve this aim; recognises also that newly industrialising countries which face the same problems need technological support and that governments of both North and South have a responsibility for public education in this field;
39. Considers that reaching global agreement on such initiatives in Johannesburg will be one of the litmus tests of a successful outcome;
40. Agrees with the Commission that effective implementation and management of multilateral environment agreements (MEAs), including the Kyoto Protocol, is a key

policy priority for Johannesburg;

41. Calls on the Commission and Council to take an initiative in favour of the stabilisation of export earnings in developing countries, in particular in sectors which have important effects on the environment, such as cash crop production or forestry products;
42. Notes the careful reference to the continued 'adaptation' of EU policies on the Common Agricultural Policy and the Common Fisheries Policy to reflect the objectives of sustainable development; wishes to see an acceleration of this process to produce tangible moves towards a radical re-structuring which favours rural and regional development; This should include a new partnership on third-country fisheries access agreements that takes full account of the social and environmental interests in the region, and respects the right of developing countries to exploit and benefit fully from their own natural resources;
43. Recognises the need for mechanisms to evaluate the external impact of the EU's policies, and urges that these should be included within the list of structural indicators being developed for evaluation of sustainable development as part of the Spring Summit and Lisbon Process review;
44. Welcomes in principle the EU's commitment to replenishing the Global Environment Facility (GEF) by at least 50% this year but insists that the integration of additional tasks such as the Persistent Organic Pollutant (POP) Convention, land degradation, deforestation and possibly desertification, can only be accepted on condition that substantial supplementary resources are made available;
45. Demands in addition that the scope of application of the GEF should reflect an adequate balance between the needs of developing and developed countries to avoid the bias towards issues motivated by the industrialised countries;

Changing Production and Consumption patterns

46. Welcomes the growing emphasis on the need to change our unsustainable production and consumption patterns; considers that this too requires an integrated approach at EU and global level;
47. Underlines that one of the most important changes that will have to take place is an efficiency revolution in the way we use energy and materials; therefore calls upon the Commission to work for an agreement in Johannesburg on undertaking a thorough review of the incentives structure of the economy so as to promote at least a factor-4 increase in resource efficiency by 2025;
48. Understands that a major campaign will be required to raise public awareness at consumer and media levels of the need for such changes;
49. Notes that as well as such educational initiatives, new technological and legal frameworks will be necessary; in this context urges the Commission to promote new rules in the WTO to allow discrimination based on process and production methods, if the environmental damage caused by production is transboundary, the measures are not arbitrary, and are proportionate to the environmental damage caused;

50. Expects the Commission before Johannesburg to develop stronger proposals on global public goods including financing and the development of economic instruments and incentives for reducing or internalising external costs; cites the lack of an aviation fuel tax as an example of the need for action;
51. Considers that further measures for substantial increases in energy and resource efficiency are indispensable; calls on the EU to take the lead in considering the possibility of setting a target of 25% of all energy supplies to be from renewable sources by 2020, taking into account the serious obstacles to the achievement of the target stated in the Green Paper on security of energy supply, namely 12% of total energy consumption to come from renewable energy sources by 2010; calls in this context for the establishment of a target for the reduction of the energy intensity of the EU economy of 2,5 % annually;
52. Calls on the international community at the WSSD summit to make available the finance and the infrastructure to bring basic sustainable energy services to two billion people within ten years and to agree on an international energy-efficient standard initiative;
53. Further calls on the EU to advocate the establishment of institutional, regulatory and subsidy frameworks that promote renewable energy and access to energy in the international financial institutions and export credit agencies;
54. Notes with appreciation the proposed action by the Commission to implement common approaches to 'Environment and Export Credits', and stresses that such action ought to lead to common binding environmental and social guidelines for Export Credit Agencies and the European Investment Bank, including common measures to increase the transparency of their decision-making processes; hence expects the Council to make the EIB's planned capital increase dependent on the adoption of such guidelines;

Better Governance at all levels

55. Believes that good governance, including respect for human rights, the rule of law, democracy, transparency and combating corruption, forms part of the necessary foundation for sustainable development in all countries; international decision-making bodies, notably the G7/8, the Bretton Woods international financial institutions, the EIB and regional development banks, the WTO and its dispute settlement system, should lead by example and adopt inclusive, transparent and accountable decision-making processes;
56. Supports the Commission call for improved international environmental governance to be a key factor in the Johannesburg process, building on the existing UN structures, notably UNEP, and calls for enhanced coordination and resource management between the various MEA Secretariats as well as more effective implementation of and compliance with MEAs; in this connection, reminds the Council and the Commission of the need for greater coordination of the EU Member States' and the Commission's external activities, particularly in multilateral bodies, and calls for all opportunities for a common environmental external policy to be explored;
57. Regrets that the Commission Communication devotes little attention to the necessary contributions of local and regional authorities to sustainable development, despite Agenda

21's defining of local government as one of the key partners in this regard; insists that co-ordinated efforts at local and regional level will be a vital element in implementing the outcomes of Johannesburg;

58. Agrees with the need to enhance global capacity to enforce International Labour Organisation (ILO) core labour standards and wishes to encourage the ILO to play a more active role in social governance and social policy;
59. Calls for a legal framework of corporate economic, social and environmental accountability for EU private corporations to be established by 2004, requiring private investors to comply with core labour and environmental standards defined in national legislation and international law and including measures on right to know, human rights, liability and full disclosure regarding financial transactions with national governments; as a first step, calls for a directive on mandatory reporting on social and environmental performance in all countries in which they operate; at global level calls on the WSSD to strengthen existing guidelines for multi-national enterprises, leading to adoption of a legally binding instrument supportive of corporate economic, social and environmental accountability, which includes measures on stakeholder right to know, human rights, liability and full disclosure regarding financial transactions with national governments; all MEAs should include provisions relating to natural resource use and investment controls;
60. Instructs its President to forward this Resolution to the Council, Commission, the Governments and Parliaments of Member States and to the Secretary-General of the United Nations.

EXPLANATORY STATEMENT

The United Nations World Summit on Sustainable Development (WSSD), Rio +10, will take place in Johannesburg from 26 August to 4 September 2002. In preparation, the Commission has issued two Communications: COM (2001) 53 Ten Years after Rio dated January 2001 and Towards a Global Partnership for Sustainable Development dated 13 February 2002. Further input is contained in the Commission Report on Responses to the Challenges of Globalisation: A Study on the International Monetary and Financial System and on Financing for Development. Additional proposals are contained in the Commission's Working Paper: Environmental Integration in the External Policies of the General Affairs Council SEC (2002) 271 of 7 March 2002, which was endorsed by the General Affairs Council on 12 March.

With the adoption at the 1992 Earth Summit of Agenda 21, the Rio Declaration on Environment and Development and the UNCED-related conventions, world leaders at that time defined a clear agenda for sustainable development. The UN Secretary-General's evaluation was that the Rio Summit was a 'landmark event to secure economic, social and environmental well being for present and future generations'. Ten years later, the world takes note that man-made climate change is unabated, vital biodiversity resources such as water, forests and fisheries are being further and dangerously depleted and the abyss between rich and poor within and among states opens wider every day. The spirit 10 years after the first Rio summit therefore seems to be in opposite proportion to the expectations at the time.

In large measure, the North has not honoured its obligations. The enormous potential for increased energy efficiency has been lost in the rush to liberalise energy markets and by the immense subsidies on fossil and nuclear energies (estimated 180 billion Euro world-wide). Renewable energies remain marginalised at less than 2%. The potential of technological innovation for resource conservation continues to be sidelined by the neo-liberal economic growth model. Deeply unsustainable patterns of production and consumption continue unchecked by any mechanism.

The industrialised countries are, however, not the only ones to blame. Governments of the developing countries lack alternative visions and proposals. Improvement in the living conditions of the poor has been a priority neither for the one nor for the other.

In the countries of the South, the existence of large areas of abject poverty is one of the main obstacles to implementing sustainable development and environmental protection. The eradication of poverty is therefore an absolute priority to which the industrialised countries, including the European Union, must give top priority, and not just in words. A key issue is that of the debt. Current policy towards the heavily indebted countries is inadequate to achieve convincing results. Structural adjustment measures, which result in cuts in resources for social policy, health and education and boost exports, are incompatible with the aim of sustainable development. Creditor countries must introduce new and ambitious initiatives to remove the debt burden. It is also crucial to relieve pressure on export revenue by campaigning for the introduction of price stabilising mechanisms at global level because some cash crops make a vital contribution to the exports of many poor countries.

The preparatory process for the WSSD, both within the EU and in the UN is slow and uncertain.

The commitment made last year in Gothenburg that each Spring Council be dedicated to sustainable development has already effectively been abandoned and little time or energy was devoted to this subject in Barcelona in March 2002. The 2 UN Preparatory Committees held so far have failed to produce even an outline agenda. Instead there is a Chair's paper simply listing over 180 options for action. Further PrepComs will be held in New York 25 March-5 April and in Bali 27 May-7 June.

The UN Conference on Financing for Development (FfD) held in Monterrey, Mexico 18-22 March was viewed as an essential preliminary to the WSSD, but has made only slow progress towards the UN Millennium Goal of reducing world poverty by 50% by 2015. In 2002, Official Development Aid (ODA) is at an historic low of 0.22% GDP in the OECD countries. However the EU has now for the first time committed Member States to achieving an average of 0.39% GDP allocated to ODA by 2006 as a minimum step in the desired direction, although this agreement sets no timetable for the further substantial actions required to meet the UN target of 0.7%.

There is a strong emphasis in the final Monterrey Consensus Declaration on international trade and the WTO Doha trade liberalisation agenda as the engine for development. This matches the EU's vision for Johannesburg. However sustainability is not primarily about economic growth but about restructuring the global agenda so that economic and trade policies serve social and environmental objectives, and not the other way round. Without this fundamental change in perspective, neither the EU nor the WSSD itself will contribute anything of substance to the future well-being of the planet.

The Commission's latest Communication "Towards a Global Partnership for Sustainable Development" is long on description and short on action. Critics have pointed out that, with some exceptions, it lacks measurable targets and deadlines. As a 'strategy for a global deal' in Johannesburg it is curiously lacking in strategic thought. As a partnership, it lacks partners. As a prescription for sustainability, it lacks strong medicine.

16 April 2002

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Development and Cooperation

on the Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions: "Towards a global partnership for sustainable development"
(COM(2002) 82 – C5-0173/02 – 2002/2074 (COS))

Draftsman: Caroline Lucas

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Caroline Lucas draftsman at its meeting of 25 March 2002.

It considered the draft opinion at its meeting of 16 April 2002.

At the last meeting it adopted the following conclusions by 42 votes to 1, with 7 abstentions.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Yves Piétrasanta, vice-chairman; Caroline Lucas, rapporteur; Sir Robert Atkins, Luis Berenguer Fuster, Mario Borghezio (for Marco Cappato), Felipe Camisón Asensio (for Werner Langen), Massimo Carraro, Giles Bryan Chichester, Elisa Maria Damião (for Gérard Caudron), Willy C.E.H. De Clercq, Harlem Désir, Carlo Fatuzzo (for Guido Bodrato), Concepció Ferrer, Francesco Fiori (for Umberto Scapagnini), Colette Flesch, Christos Folias (for Christian Foldberg Røvsing), Glyn Ford (for Reino Paasilinna), Cristina García-Orcoyen Tormo (for Jaime Valdivielso de Cué), Per Gahrton (for Claude Turmes), Neena Gill (for Gary Titley), Norbert Glante, Michel Hansenne, Roger Helmer (for Peter Michael Mombaur), Peter Liese (for Godelieve Quisthoudt-Rowohl), Hans Karlsson, Bashir Khanbhai, Rolf Linkohr, Patricia McKenna (for Nuala Ahern, pursuant to Rule 153(2)), Eryl Margaret McNally, Erika Mann, Marjo Matikainen-Kallström, Elizabeth Montfort, Angelika Niebler, Paolo Pastorelli, Elly Plooij-van Gorsel, Samuli Pohjamo (for Nicholas Clegg), John Purvis, Daniela Raschhofer, Imelda Mary Read, Mechtild Rothe, Paul Rübig, Ilka Schröder (for Roseline Vachetta), Konrad K. Schwaiger, Esko Olavi Seppänen, W.G. van Velzen, Alejo Vidal-Quadras Roca, Dominique Vlasto, Myrsini Zorba, and Olga Zrihen Zaari.

SHORT JUSTIFICATION

In anticipation of the Rio+10 World Summit on Sustainable Development (WSSD) which will take place in Johannesburg in August 2002, the Commission published its Communication "*Ten years after Rio - Preparing for the World Summit on Sustainable Development in 2002*" in January 2001. A much delayed Communication "*Towards a Global Partnership for Sustainable Development*" on the *external dimensions* was finally made available in February 2002.

This delay is extremely regrettable, since it means that Parliament and civil society will have no opportunity to influence the External Strategy before it is presented at the Barcelona Summit in March 2002 – just as happened in preparation for the Gothenburg Summit in 2001. Such cavalier disregard for the democratic process is unacceptable. If the Commission genuinely wants a “partnership” approach, it must treat its partners with more respect.

Moreover, the External Strategy is hardly a strategy in any serious sense of the word, since it contains very few objectives which are either measurable or timebound. Given that the Commission has itself frankly acknowledged that many of the expectations of the Rio Earth Summit have not been fulfilled (*Ten Years After Rio*), it should approach Rio Plus 10 with a far greater sense of urgency. Pressure on the environment and on the natural resource base have grown since Rio, and poverty has continued to increase globally.

In *Ten Years After Rio*, the Commission suggests that the reasons for this are a failure to change unsustainable patterns of production and consumption, a shortage of financial resources, insufficient response from international institutions and weaknesses in domestic governance and capacity. In its External Strategy, the Commission builds on this analysis by rightly identifying a “global governance gap”, with global market forces running ahead of efforts to achieve global governance and reform political institutions. Yet the very measures which the Commission proposes to close that gap are woefully insufficient. Your rapporteur points in particular to the lack of political will to create binding international legal measures to effectively implement already established agreements and to meet already set targets which would further ensure liability, accountability and transparency in governments and corporations.

What should be an important signal to the rest of the world on just how seriously the EU will take its commitment to sustainable development is now in danger of becoming a pretext for promoting a trade-oriented agenda at the coming WSSD. The Commission’s disproportionate emphasis on free trade and investment as engines for development in its External Strategy should be balanced with far stronger commitments to binding frameworks for corporate social and environmental accountability, together with rigorous sustainability and gender impact assessments for all bilateral and regional economic agreements, with a commitment to revise such agreements as necessary to maximise their potential to promote sustainable development.

One of the most serious obstacles to achieving sustainable consumption and production patterns is the WTO’s prohibition on discrimination between products on the basis of the way in which they have been produced (PPMs). Your rapporteur suggests that there is scope for devising new rules on PPMs which would not be open to abuse.

Achieving sustainable energy supplies is one of the most important challenges on the sustainable development agenda. Specific strategies, targets and timetables are needed both for

promoting renewable energy sources and to achieve the Kyoto commitments, and beyond.

The Commission should also use this opportunity to examine the impact of all of its policies on the potential for sustainable development in developing countries, and to revise those policies in the light of that examination as necessary. It should also take care not to “export” unsustainable practices. For example, it should call for the adoption of the principle both North and South that agriculture should be both sustainable *and humane*: industrial animal farming not only imposes suffering on animals, but also – crucially – is detrimental to poverty eradication as it undercuts small-holder farmers and leads to the loss of rural jobs and livelihoods. Moreover, industrial agriculture also threatens food security, leads to environmental pollution and degradation, and endangers human health and food safety.

Finally, new and innovative ways of promoting technology co-operation and transfer to developing countries are urgently needed to bridge the digital divide and to facilitate "technology leapfrogging" in areas including energy, transport, and waste and water management. The Commission should take a lead in this vital area, and in the area of research into greater resource-use efficiency.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Development and Cooperation, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Asks the Commission to develop clear targets and achievable goals by 2003, and this should include a systematic assessment of how the EU's external policies can contribute to greater achievement of sustainable development in developing countries. This should encompass all areas of policies, and result in a Communication to the Parliament;
2. Confirms at the same time, however, that backwardness is also, as African countries noted in connection with the WTO conference in Doha, attributable to corruption, wars and poor governance – as recently underlined by the scandalous proceedings in Zimbabwe. Points out that cooperation with industrialised countries should therefore, following the independent African initiative, be tied to standards of democracy and the rule of law;
3. proposes that sustainability and gender impact assessments and the precautionary principle become an integral part of the mandate and conclusion of all international trade agreements between the EU and third countries; calls on the Commission to strengthen environment and social governance in EU bilateral and regional Association Agreements, and to identify and include environmental provisions and safeguards in the Economic, Trade and Investment Chapters of the Agreements, in line with Article 6 of the EC Treaty;

4. urges the Commission to promote new rules in the WTO to allow discrimination based on process and production methods, if the environmental damage caused by production is transboundary, the measures are not arbitrary, and are proportionate to the environmental damage caused;
5. Calls for a legal framework for corporate social responsibility for EU corporations to be established by 2004, with a directive on reporting on social and environmental performance as the first step;
6. Considers, in view of the growing pressure on natural resources and the environment, that there is a need for responsible concentration on the development of infrastructure and expansion of establishments to take account of environmental requirements; calls on the Commission to assist the organisation of working partnerships with industry to raise awareness of and encourage a culture of environmental responsibility and the application of good practice;
7. Considers that to secure sustainable world development there is a need to encourage the growth of small local businesses, creating productive centres capable of promoting the local economy and consolidating social progress in depressed regions;
8. Agrees with the World Energy Council that further use of nuclear energy, including the building of new nuclear power stations, should at least remain an open option, not least out of responsibility to parts of the world still short of energy resources and to future generations;
9. Asks the Commission to undertake further research into greater resource-use efficiency; and to explore new and innovative ways of promoting technology co-operation and transfer to developing countries to bridge the digital divide and to facilitate 'technology leapfrogging' in areas including energy, transport, and waste management, incorporating the aspect of sustainable water and forestry management and combating desertification and to consider a programme specifically targeted at eradicating rural poverty at the same time as promoting renewable energy in developing countries, by funding technology for converting biomass either directly into electricity or into methanol and/or hydrogen for use in fuel cells;
10. Supports the Commission's efforts to make progress in the areas of technology transfer and resource creation, facilitating greater market access and increasing participation by LDCs, universities and research centres;
11. Calls on the Commission to take steps to restart the dialogue within OECD in order for environmental guidelines for export credit agencies to be established. Recalls in this context the statement of the G8 Environment Ministers at Trieste 'to quickly develop and implement common binding environmental guidelines for export credit agencies [...] based on the practices of other internationally recognised, publicly supported multilateral finance agencies such as the European Bank for Reconstruction and Development and the International Finance Corporation of the World Bank. Export credit agencies should also adopt common measures to increase the transparency of their decision-making process, including public access to

environmental information, public consultation and consideration of relevant elements of the recommendations of the World Commission on Dams (WCD)';

12. Considers that, if the aim is to redress the regional imbalances that globalisation can cause, there is a need to support local and regional development models, with production systems capable of long-term continuity, based on the complementary nature of economies, and to seek formulas that permit the use of human resources and serve to stimulate local potential in a specific region;
13. Calls on the Commission to make a thorough revision of the incentives structure in the economy – including fiscal instruments, subsidies, norms and standards etc. – with the objective of promoting environmentally sustainable systems of production and consumption;
14. As part of the forthcoming IGC, asks the Council and Commission to secure increased transparency of trade policy making within the EU, in particular in relation to the 133 Committee of the Council. Priorities are the development of a more effective system of consultations with other Council formations; opening up consultation with stakeholders; and strengthening the role of the European Parliament in EU trade policy;
15. Urges the Commission to seek out alternative sources for development financing, such as taxation of currency transactions, and expects the EU to present the conclusions of its analysis at the latest for the WSSD;