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on the role of the European Union in the achievement of the Millennium
Development Goals (MDGs)
(2004/2252(INI))

Committee on Development

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT	14
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE.....	20
PROCEDURE.....	23

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the role of the European Union in the achievement of the Millennium Development Goals (MDGs) (2004/2252(INI))

The European Parliament,

- having regard to the Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria established jointly by the international community for the elimination of poverty,
- having regard to the successive Human Development Reports drawn up by the United Nations Development Programme,
- having regard to the Report of the UN Conference on Trade and Development (UNCTAD) - Least Developed Countries 2002: Escaping the Poverty Trap,
- having regard to the annual reports by the Secretary-General of the UN on the implementation of the United Nations Millennium Declaration, the latest of which dates from 27 August 2004,
- having regard to the report by the UN Millennium Project Task Force headed by professor Jeffrey Sachs "Investing in Development: a practical plan to achieve the Millennium Development Goals",
- having regard to the UNICEF's annual State of the World's Children reports and the 1989 United Nations Convention on the Rights of the Child,
- having regard to the final declarations and conclusions of international conferences, in particular the International Conference on Financing for Development (Monterrey, 2002), the World Summit on Sustainable Development (Johannesburg, 2002), the Third United Nations Conference on the Least Developed Countries (Brussels, 2001), the Fourth World Trade Organisation Ministerial Conference (Doha, 2001), the International Conference on Population and Development (ICPD) (Cairo, 1994), the UN General Assembly's 1999 special session to review progress towards meeting the ICPD goals ("Cairo + 5"), and the World Education Forum (Dakar, 2000),
- having regard to national reservations expressed by EU Member States in the final declarations and conclusions of the above-mentioned conferences,
- having regard to the commitments made by the EU at the Barcelona Summit in March 2002 in advance of the Monterrey Conference,
- having regard to Articles 177-181 of the Treaty establishing the European Community and Articles III-316 to 318 and III-321 of the Treaty establishing a Constitution for Europe,
- having regard to the European Commission Report on "Millennium Development Goals

2000-2004" (SEC(2004)1379),

- having regard to the Declaration of the Council and the Commission of 20 November 2000 on the European Community's development policy,
 - having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of 22-23 November 2004,
 - having regard to the Communications from the President of the European Commission in agreement with Vice-President Wallström "Strategic objectives 2005 – 2009: Europe 2010: A Partnership for European Renewal - Prosperity, Solidarity and Security" and "Commission work programme for 2005",
 - having regard to the Commission Communication concerning the proposal for a Council decision on the adoption of the position of the Community within the ACP-EC Council of Ministers regarding the settlement of all ACP HIPC LDCs' special loans remaining after full application of HIPC debt alleviation mechanisms and its resolution of 25 April 2002¹ thereon,
 - having regard to its resolution of 13 January 2005 on debt relief for developing countries²,
 - having regard to the World Food Summit's pledge in 1996 to reduce the number of hungry people by half by the year 2015,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and the opinion of the Committee on International Trade(A6-0075/2005),
- A. whereas the European Union provides more than 50% of development aid globally and considering that in September 2000 EU Member States and the President of the Commission signed the Millennium Declaration and in December 2001 the UN General Assembly approved the MDGs,
- B. recognising that the MDGs, which underscore efforts to meet poverty eradication objectives, must be considered as part of a broader agenda promoting sustainable development, justice, equity, governance and the rule of law,
- C. whereas according to the 2002 UNCTAD Report on LDCs, the number of people living in extreme poverty has more than doubled over the last thirty years, rising from 138 million in the 1960s to 307 million in the 1990s and if current trends persist, the number of people living on less than USD 1 a day will rise from 307 million to 420 million by 2015,
- D. whereas action against poverty requires above all a radical change of policy in both

¹ OJ C 131 E, 5.6.2003, p. 167.

² Texts adopted on that date, P6_TA-PROV(2005)0008.

industrialised and developing countries in order to address the structural causes of poverty, including unfair world trade rules, unaffordable debt payments by developing countries to international financial institutions, and unfair distribution of wealth,

- E. recognising that meeting the MDG targets implies a doubling of the current amount of aid and maintaining it at that level for at least a decade,
- F. recognising simultaneous efforts to identify additional innovative sources of funding, while recognising at the same time that the quality and content of aid is as important,
- G. regretting that two thirds of developing countries spend more on debt servicing than on basic social services,
- H. recognising that many heavily indebted countries require 100% debt relief and should reach 2015 without debt overhang,
- I. whereas the 2002 Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Peer Review criticised the European Community (EC) for the “lack of an overall Community strategy and the fact that the objectives of Community development policy are too numerous, too vague and not ranked in any way”, and whereas no real efforts have been made in the past to ensure that Community aid and aid through EU Member States complement each other,
- J. noting that just 10% of world’s health resources go to the needs of 90% of the world’s population and that 95% of the 38 million people with AIDS live in developing countries,
- K. acknowledging the importance of prevention, but also emphasising the need to provide antiretroviral drugs to 3 million people by the end of the year,
- L. whereas recently, major progress has been made with regard to the most harmful form of the four human malaria parasites, which will open the way for new treatments,
- M. alarmed that higher HIV/AIDS infection rates exist in Sub-Saharan Africa where expenditure on health and education has been drastically reduced,
- N. whereas some tropical diseases are treatable but the drugs are either unaffordable, no longer produced or lacking in quality or effectiveness,
- O. recognising that in Sub-Saharan Africa 57% of adults with HIV are women and deploring the pressures which exist to undermine progressive policies on sexual and reproductive health rights, with the resulting increase in unwanted pregnancies and unsafe abortions,
- P. whereas there are important links between environmental sustainability, trade and development policies and the eradication of extreme poverty and hunger, and whereas the livelihoods of the rural poor depend almost entirely on sound management of the natural resources base - forests, soils, range lands, marine resources as well as fresh water resources,
- Q. recognising the potential impact of the Doha Development Round and the need for fair

and equitable rules-based trade systems designed to correct the trading imbalances in global trade, especially where Africa is concerned,

- R. acknowledging that development cooperation in the past has been built primarily on sector strategies and whereas a more systems-based approach in addressing the MDGs would be beneficial because of the clear synergies that exist,
1. Welcomes the European Commission Report on Millennium Development Goals 2000-2004 and looks forward to the EU synthesis report proposing further measures to ensure that Community aid is fully directed towards the implementation of the MDGs;
 2. Emphasises that poverty reduction through the achievement of the MDGs and the Millennium Declaration must be recognised unambiguously as the overarching framework for EU development policy and that this must be reflected clearly in all relevant policy and legislative proposals; but believes that the MDGs should not be seen as a technical matter which will be resolved simply by providing more money without identifying and tackling the underlying causes of poverty;
 3. Regrets that whilst MDGs 1- 7 have clear deadlines, this is not the case for MDG 8;
 4. Stresses the link between the MDGs, nationally-owned poverty reduction strategies, macroeconomic policy, effective public expenditure management and harmonised aid in support of good governance and good policies;
 5. Is convinced that the Poverty Reduction Strategy Papers (PRSPs) and Country Strategy Papers (CSPs) could be important tools for achieving the MDGs but thinks that they need to be revised to better support the MDGs, and calls for the ‘quick wins’ to be enshrined in PRSPs and CSPs to make them part of a sustainable and structural approach; believes that the process of developing an MDG-based PRSP needs to be open and consultative, involving all key stakeholders, both national and international;
 6. Believes that national and regional development policies must be democratically set by the populations themselves and that their respective governments should be accountable to them through democratic institutions and not by conditionality geared to donors’ strategic interests;
 7. Believes that the fight against poverty includes the recognition of the right of a country or a region to democratically define their own policies, priorities and strategies to enhance sustainable food production and economic development by mobilising their natural and human resources and local know how;
 8. Stresses that all means must be used to attain the MDGs and that this necessitates the broadest possible partnership of relevant stakeholders, especially with national parliaments and civil society() to provide the innovation, resources and capacity needed;
 9. Takes the view that full recognition must be accorded to the right and duty of every country to guarantee the food security of its population and to protect itself as and where required for that purpose from other countries’ exports that could undermine it;

10. Considers that public services need to be consolidated and developed in order to remedy the great scourges linked to poverty, such as epidemics, illiteracy, drinking-water shortages, and the unavailability of sewage treatment;
11. Calls for an integrated approach - as opposed to a sector-based approach - in addressing the MDGs;
12. Commends those Member States that have reached or passed 0.7% GNI, whilst noting the worrying trend set by some to begin a process of decreasing aid levels, as well as abandoning previous commitments on timetables;
13. Stresses that although the EU seems currently on target for its intermediary objective of 0.39% of GNI for Official Development Assistance (ODA) in 2006, there are large disparities in the performance of its Member States and therefore calls on those Member States still lagging behind to commit themselves to a clear timetable and deadlines for reaching the 0.7% target before 2015;
14. Welcomes the progress already achieved by many of the 10 new EU Member States in dramatically increasing levels of ODA and looks forward to a continuation of this trend.
15. Stresses that the target of 20 % for basic education and health should be included in the budget of the EU and the European Development Fund, expanding on the existing target of 35 % for basic social services.
16. Supports the proposal for regular assessments of progress towards ODA targets to be made at the Economic and Financial Affairs (ECOFIN) and GAERC Councils, whilst calling for Member States to set annual targets for overall aid and aid to LDCs;
17. Urges the Commission to examine its own resource allocation to development and to commit itself to increase significantly its development spending over the course of the next financial perspective;
18. Calls on the EU to take concrete action against poverty by adopting a coherent policy between its trade, development cooperation and common agricultural policies to avoid direct or indirect negative impacts on the economy of developing countries;
19. Urges the Commission to explore innovative sources of finance and to examine all suggestions which have been put forward as alternative ways of securing funding for development programmes in addition to the commitment of giving 0.7% of GNI to ODA;
20. Calls for debt relief by phasing out the debts of heavily indebted countries, especially LDCs, for those countries whose governments respect human rights, the principle of good governance and give priority to poverty eradication;
21. Calls for targets for debt relief to be linked not only to debt export ratios but also to MDG-based needs;
22. Encourages the Commission and the Member States to strengthen their partnerships with developing countries in a way which encourages predictability, mutual accountability and

reciprocal obligations;

23. Firmly believes that by tackling together the problem of corruption and illegal financial practices under the provisions of the Cotonou Partnership Agreement, the ACP and EU countries stand to make a major contribution to the fight against poverty, crime and terrorism, and at the same time to generate political stability and promote social and economic development;
24. Stresses the importance of public financial management computerisation, within the wider framework of e-government, in order to better tackle inefficient bureaucracies and avoid lack of transparency;
25. Urges the Commission to significantly strengthen efforts for greater complementarity of the development cooperation activities of Member States with the activities of the Commission, based on the comparative advantages of each donor;
26. Welcomes initiatives such as the EU Donor Atlas, which attempt to coordinate development assistance across the Member States, and encourages the Commission to complete and refine this instrument so that it can be used to identify areas where progress in harmonisation can be made most quickly;
27. In this regard, calls for specific commitments and timetables on harmonisation and calls for the development of indicators and benchmarks intended to monitor the engagement of all partners at country level;
28. Emphasises the opportunities provided by the Information and Communication Technology (ICT) revolution to address specific poverty-related problems, such as ICT for education, ICT for improved health care, ICT for good governance etc;
29. Stresses the importance of access to modern energy services for the poor; recognises at the same time that developing countries do not have to repeat the mistakes of industrialised countries and hence should be given specific support to invest in energy technologies that are clean and efficient;
30. Calls on the Commission to increase funding and to set up a global plan for development education and information centred around the MDGs;
31. Urges all Member States of the EU to fully implement the Rome Declaration commitments to improve the delivery of aid and in principle to untie aid;
32. Urges the Commission to ensure that the EU is at the forefront of efforts to ensure that basic education is free and compulsory and insists that this must be combined with substantial new resources and more targeted spending of existing resources;
33. Believes that it is an illusion to achieve the MDG of halving poverty and hunger by 2015, providing free education for all and improving access to health care while developing countries spend four times more on repaying debts than they spend on basic social services,

34. Insists that, given that the major challenge facing the World Bank Education Fast Track Initiative (FTI) is the lack of external finance, the Commission should seek to increase funding for education and for the FTI;
35. Stresses the importance of paying special attention to the education of girls, since girls who have been educated go on to have smaller and healthier families and help to increase productivity and reduce poverty;
36. Calls for special attention to be focused on orphans and boys and girls suffering social exclusion, who are disproportionately hard hit by the consequences of inadequate access to education;
37. Urges the Commission to explore how an early and positive contribution can be made through the preparation of a package, including malarial bednets, immunisation through the Global Alliance for Vaccines and Immunisation (GAVI) and, not least as a measure in the fight against HIV/AIDS, the provision of condoms; Member States of the EU could collaborate with this venture at country level; stresses that these actions need to be embedded in a long-term strategy to make them part of a sustainable approach;
38. Calls on the Commission to take the lead in the fight against malaria, to pool resources and launch appropriate and comprehensive measures to control and eradicate this pandemic in the long-term, with particular emphasis on prevention;
39. Calls, in particular, for public research to be increased and private sector investment to be mobilised in order to accelerate research on vaccines;
40. Emphasises that the availability and affordability of basic health care services is an absolute condition for a successful implementation of all health policies in developing countries;
41. Supports the Commission's agreement on the need for available and affordable medicines and emphasises the need for careful scrutiny of the implementation of TRIPS;
42. Calls for funding to deal with health emergencies in developing countries and for country governments to make health a priority;
43. Points out that access to drinking-water and a balanced diet is vital for public health; maintains, therefore, that access to drinking-water is essential in order to combat poverty and the diseases which occur because there is no drinking-water to be had;
44. Calls on the developing countries to regenerate public services and basic health care systems and believes that European aid must serve above all to support the domestic efforts of developing countries to strengthen human, institutional, and infrastructure capacity;
45. Calls for a substantial increase in the number of health professionals because more are leaving than are being trained;
46. Calls for an increased EU contribution to the Global Health Fund, since money so far

pledged for 2005 is only 1/4 of the amount needed and that the EU and others should work to avoid duplication of efforts and promote national ownership of HIV/AIDS, TB and malaria policies;

47. Urges the EU to continue to lead the way on sexual and reproductive health rights by maintaining levels of funding for the full range of sexual and reproductive health services, including family planning, the treatment of sexually transmitted diseases and safe abortion services where legal;
48. Calls for a target under MDG 5 of universal access to sexual and reproductive health services by 2015, with related indicators, ensuring the same or a faster rate of progress amongst the poor and other marginalized or vulnerable groups; calls also for related indicators to be appropriately identified under the remaining seven;
49. Stresses the need for a rights based approach to children in all Commission programming and evaluation, and that since children's rights are crosscutting issues, they should be systematically maintained across all instruments and programming;
50. Believes that gender specific priorities need to be refocused in the EC Development Policy as basic rights and part of the governance criteria applied under the Cotonou Agreement and elsewhere;
51. Maintains that women must cease to be marginalised, thus enabling them to play a central role in drawing up and monitoring poverty reduction strategies based on the MDGs and other vitally important general reforms, especially as regards regional and local government;
52. Welcomes and supports the Commission's intention to reinvigorate its relationship with Africa through working closely with the New Partnership for Africa's Development (NEPAD), the African Union (AU) and recent initiatives such as the Commission for Africa;
53. Reiterates the need identified in Article 178 of the EC Treaty for the Community to consider, if necessary through impact studies, whether its development policy objectives would be undermined by other policy actions;
54. Insists that adequate attention be paid to the environment at the country level, to contribute to the achievement of MDG 7, by explicitly including environment and sustainable development in the regional and country strategy papers;
55. Stresses that support for the protection and the regeneration of the life supporting systems, such as healthy soils, forests and marine resources, as well as the sound management of fresh-water resources, is an indispensable component of poverty reduction programmes and that such interventions must be given priority in EU development cooperation activities;
56. Asks the Council to call upon UNEP's Governing Council so as to ensure that the MDG Review summit in September launches a comprehensive review of the social and environmental consequences of the trade liberalisation policies implemented to date, in

order to ensure that these support poverty eradication as effectively as possible;

57. Recalls that trade with fair rules, although not an absolute remedy for world poverty, can positively contribute to the achievement of the MDGs through its impact on economic growth;
58. Takes note of recent studies by UNCTAD and other institutions that show that the extensive trade liberalisation in LDCs has been translated too little into sustained and substantial poverty reduction and has contributed to a decline of the terms of trade of developing countries, in particular of African countries;
59. Calls on the Commission to adjust its cooperation and trade policies as far as possible in order to help governments of developing countries to maintain and develop public services, particularly those guaranteeing access for the population as a whole to drinking water, health services, education, transport and energy;
60. Reiterates, with regard to discussions on the effects of liberalisation in the water sector, that water-related services should, as a matter of principle, stay fully under public responsibility and control, leaving it to the national, regional and local authorities to safeguard this principle, and urges the European Commission to stay in line with this opinion;
61. Regrets that there is no timetable in place for the elimination of agricultural export subsidies); considers, therefore, that the European Parliament should exert pressure for such a timetable to be drawn up;
62. Calls on leaders of the EU and other industrialised countries to take concrete action to achieve the MDGs by eliminating export subsidies which undermine local food production and economic development;
63. Calls on the Commission to enhance the development content of current WTO negotiations through a focus on food security and rural employment as among the most effective elements in poverty eradication, inter alia through the introduction of a 'Development Box' in the WTO Agreement on Agriculture to enable poorer countries better to address food security concerns and preserve rural livelihoods and through a complete end to subsidies for EU agricultural exports;
64. Welcomes the EC acknowledgement of the need for Special and Differential Treatment, hearing the concern of developing countries about the impact of liberalisation of trade and reciprocity ;
65. Calls on the Commission to promote urgent WTO reform in order to put sustainability and poverty eradication at the top of the trade negotiation agenda, and to enhance real special and differential treatment (S&D);
66. Asks the Commission to include in the priority actions of the MDG Synthesis Report action by the EU on the stabilisation of commodity prices, including the review of international supply management mechanisms, support for proposals to include commodity prices in the current round of WTO negotiations and participation in the

financing of the Task Force on Commodities proposed by UNCTAD;

67. Recalls that at the end of the Economic Partnership Agreements (EPA) negotiations no ACP country should in its trade relations find itself in a more unfavourable situation after 2007 than under current arrangements, and that there is no a priori guarantee or commitment that they will sign up to any EPA at the end of 2007;
68. Concerning the negotiations on Economic Partnership Agreements with ACP partners, calls on the Commission to ensure that they constitute instruments for ACP development and poverty eradication, inter alia through the continuation of non-reciprocity in market access with a view to ensuring a fair place for ACP partners in world trade, a focus on supply side constraints and safeguards for sensitive products and the strengthening of existing regional integration efforts, and to take the initiative to revise or clarify Article 24 of the GATT Agreement;
69. Urges that full account be taken of the fact that ACP countries are often heavily dependent on primary commodities, which are particularly vulnerable to price fluctuation and tariff escalation, and stresses the importance of diversification, the development of processing industries and SMEs in those countries;
70. Calls upon the Commission to support, in a transitional period, the principle of commercial non-reciprocity which must govern relations between the industrialised and developing countries, and to develop flexibility towards ACP countries during the EPA negotiations in view of their level of development, the relatively small size of their economies, and of their financial, development and trade needs, and to ensure that, in reality, EPAs become instruments for sustainable development in the ACP countries;
71. Calls upon the Commission to draw up valid EPA alternatives, such as extending the Everything But Arms initiative (EBA) to all non-LDC countries or improving the EU's GSP+ proposal, for those ACP countries that may express an unwillingness to enter into an EPA;
72. Stresses the importance of capacity building for trade and the need for additional resources from the EU to enhance the ACP's ability to identify needs and strategies, to negotiate and to support regional integration and assist this process, and in particular for diversification and to support regional integration and prepare for liberalisation by enhancing production, supply and trading capacity and offsetting adjustment costs as well as to increase their ability to attract investment;
73. Stresses that capacity building for local markets and for trade is at least as important as market access and that funding needs to be made available for this and for diversification and support, in particular for bananas, rice and sugar;
74. Stresses that the Council should take early measures to implement the WTO Decision of 30 August 2003 on the implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health and calls on the Commission to urge the Member States to implement fully the new regulation as soon as possible;
75. Stresses that the Council should speed up the decision-making process with regard to the

reform of EU trade policies on sensitive products;

76. Calls on the Commission to increase its trade-related assistance and to support capacity building, which is essential if the poorest countries are to be able to tackle the increased competition resulting from market liberalisation.
77. Calls for a revision of the statutes and the mandate of the European Investment Bank, which would allow for a specialised department operating on the basis of a genuine development mandate;
78. Believes that the MDGs will never be met without consistent policies benefiting women, children, the elderly and those with disabilities;
79. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the accession countries, the United Nations and the Development Assistance Committee of the OECD.

EXPLANATORY STATEMENT

INTRODUCTION

The Millennium Declaration was adopted by world leaders in 2000. It provides us with a blueprint for a global partnership for development and collective security. The Declaration identified 8 Millennium Development Goals (MDGs) to be achieved by 2015. The targets include halving extreme poverty, halting the spread of HIV/AIDS and providing universal primary education. In September 2005, a UN Special Session will assess progress. The G8 Summit and the Ministerial Conference of the WTO in Hong Kong will provide further opportunities to take stock.

The MDGs are comprehensive and widely supported. The achievement of the targets would lift 500 million people out of extreme poverty. 30 million children, who would otherwise die before their 5th birthday would be saved, as would more than 2 million mothers, who would otherwise not have survived pregnancy and childbirth. Hundreds of millions of women and girls would be educated and millions would have access to have clean water and safe sanitation. The world has the technologies, policies and financial resources. It is time to be constructive practical and positive.

Substantial progress is required especially in Sub Saharan Africa where countries are caught in a profound and pervasive poverty trap and where they are alarmingly off track. It is the region of the world most affected by HIV/AIDS and requires growth of more than double the current rate. Development efforts in Africa are frequently undermined by the absence of effective frameworks for peace and security. Attention must be paid to governance, democracy building and the rule of law. This will require continuing support for the AU and NEPAD. The proposal by the Commission to reinvigorate its relationship with Africa is welcome and the EP looks forward to being fully consulted.

For these challenges, there is no silver bullet, no vaccine and no miracle cure. The MDGs are not a technical matter which will be resolved simply by providing more money without identifying and tackling the underlying causes of poverty. Yet, there can be real progress if the right priorities are set. The UN Secretary General has confirmed that there has been unprecedented coordination. After the surge of compassion for the Asian victims of the tsunami, we must focus on the relentless silent tsunamis that afflict the world's poorest people. Alliances should be forged between governments, civil society, women's organisations, environmentalists, teachers, trade unions and elected politicians, especially parliamentarians. In order to globalise social justice, we must hold all of our governments to account in order to create the political will, which is essential for the successful realisation of the promise offered by the MDGs.

MEETING THE CHALLENGE OF MDG 8

The EP's contribution to the EU's preparation for the 2005 review of progress represents our continuing interest in ensuring that international summitry can contribute to reducing poverty. Reports by the EC and Member States will provide the basis for an EU-wide Synthesis to be

produced in time for Council discussions in April 2005. The EP will provide a clear verdict on action undertaken by the EU, whilst also laying down a framework for the future.

The EC document provides us with a good summary of progress and differentiates between those MDGs to which the EC can contribute and those which will need specific commitments by the Commission (MDG8 & part of MDG7). The means of implementation are dealt with in a detailed way and there is a partial and welcome emphasis on the importance of coherence. The EU has a responsibility to take an unequivocal position on MDG8 policies. The current review is an opportunity for all, including the EP, to lay down clear benchmarks and to assess the performance of donors on MDG 8.

The European Council adopted a number of commitments in Barcelona in March 2002, including the following

- To examine the means and timeframe for each EU Member State to reach the UN target of 0.7% ODA of GNI with an intermediary target of 0.39% ODA by 2006
- To explore innovative sources of financing
- To pursue efforts to restore debt sustainability in the context of the HIPC initiative
- To improve aid effectiveness through closer co-ordination and harmonisation
- To increase its trade related assistance

AID

The Millennium Project Report states that the overall ODA required to achieve the MDGs during the coming decade will be \$135 billion in 2006, rising to \$195 billion in 2015. These figures imply a doubling of donors' ODA to GNP ratios. The EU must honour its commitments

There are no set, clear deadlines for MDG 8, but issues related to the quantity of aid must be addressed. Only 4 Member States have already reached the 0.7% target. Others have set timetables. Austria, Germany, Greece, Italy and Portugal are all far off target and have regrettably made no commitment to improve their performance. A common binding commitment to the 0.7% target should be made without exception by Member States. The Council and Commission should re-examine its targets and ensure that there is close monitoring by ECOFIN and GAERC of annual intermediate targets. Certain Member states cannot be allowed to renege on what is their responsibility and moral obligation.

Financial perspective

The ability to achieve targets for ODA will depend on the financial perspective for development assistance from 2007-2013. Under the current proposals, the EC will fail to make the progress required to meet international aid commitments as less and less money is spent on development. Development spending is being squeezed by other categories, as well as within the external relations category itself. As the situation stands, from 2007 - 2013, we will see progressively less money for development.

The Commission must back up proposals to increase Member State ODA with a commitment to significantly increase its own development spending over the course of the next financial perspective. In particular, with reference to the proposed Development Cooperation and

Economic Cooperation instrument, it is necessary to insist that a clear distinction be made between our cooperation undertaken in developed countries and that which takes place in developing countries.

INNOVATIVE SOURCES OF FINANCING

There are a number of suggestions for alternative sources of funding, including taxation on international transactions and on carbon emissions.

Chancellor Browns International Finance Facility (IFF) proposal involves selling government bonds on the capital markets in order to double money available globally for aid. One example of the benefits which could accrue relates particularly to the research and development of vaccines, including for AIDS. A pilot version of the proposed IFF could create a purchase mechanism, leading to the immunisation of 90% of children against common but lethal diseases by 2015.

The IFF does not represent a solution to the need for grants rather than loans and should not be seen as a substitute for substantial increases in ODA. There is an acknowledged danger that when the facility ends in 2015, donor countries might reduce development budgets in order to finance IFF repayments. We need more information about how the IFF would be administered and also assurances that funds will be used effectively for poverty reduction.

DEBT

The EC should seek to broker a Member State position on debt because as the Report acknowledges the HIPC Initiative has failed to deliver sufficient progress on achieving debt sustainability in the poorest countries. According to Jeffrey Sachs, "debt sustainability should be redefined as the levels of debt consistent with achieving the MDGs".

Countries should reach 2015 without debt overhang and many heavily indebted countries require urgent 100% debt relief. We should support the creation of an independent debt arbitration panel, likely to assist poor countries with their efforts to finance vital social services.

A new debt initiative should provide a speedier phasing out of debt for those countries whose governments respect human rights, the principle of good governance and give priority to poverty eradication. At the same time, the EU should take the lead on the cancellation of bilateral debt, setting targets for the EU as a whole as well as for individual Member States.

AID EFFECTIVENESS

The Barcelona Commitments underline the need for the EU to improve harmonisation and co-ordination. As a multilateral donor, the EU faces a number of specific problems, exacerbated by the frequently competing priorities of its 25 Member States. Europe has too many agencies and categories of funding and poor countries often can't deal with the pressures they face from donors. Demands for transparency and additional safeguards have resulted in the EU being slow to deliver aid and unable to provide long-term commitments.

The OECD DAC reviews give useful information and recommendations, to which the EP Development Committee pays particular attention. We see that too often aid is given for geopolitical reasons, with donor exporters in mind or simply to gain visibility. The MDGs are the tool, which should guide our policies and the EP should develop, as is the case with the JPA, ways of ensuring promises are kept. For the EP, and parliaments across the world, the way we target aid should be an issue of concern. We must hold our governments to account.

Member States should collaborate and co-ordinate with the Commission in a coherent way. Initiatives such as the EU Donor Atlas, which attempt to coordinate development assistance across the Member States, should be used to identify areas where progress can be made.

The Commission increasingly understands that developing countries should have ownership of their priorities and strategies. The introduction of budget support is key to the achievement of the MDGs. Naturally donors hold recipient governments to account and need to give support to often overstretched Ministries.

Individual Member States should end the practice of tied aid, which according to the World Bank reduces its effectiveness by 25%. The proposal for a Regulation on access to Community External Assistance is positive, but we should call for specific measures to encourage greater involvement of developing country suppliers to guarantee aid is truly untied. The European Commission should press for the untying of EU aid amongst Member States and should seek agreement on OECD-wide untying.

Moves to increase aid effectiveness can and must go beyond harmonisation and tackle the question of how aid can be put to best use to fulfil the MDGs.

Developing countries should be assisted by donors, including the EU, in their efforts to develop a national strategy designed to meet the MDGs. As has been recognised in the current discussions taking place during the Mid-Term Review of the Cotonou Partnership Agreement between the EU and 77 ACP countries, we need to make better and more systematic use of political dialogue. Indeed, this dialogue should be seen as an opportunity to make assessments and share ideas between partner countries on the MDGs.

We must ensure that none of the areas meant to be covered by the MDGs are neglected. Human rights, gender, the environment and children's rights have all been identified as mainstreaming issues by the Commission, but mainstreaming so far seems to have never gone beyond good intentions. The role of women should be better understood by the Commission and better reflected in policies and programmes. Similarly, a rights based approach to children is lacking. In policies and action plans on HIV/AIDS, poverty, and food security, children have few references and in documents on trade and debt they are virtually invisible. If these are crosscutting issues, we should know why they are not systematically mainstreamed across all instruments and programming.

Health and education

Access to basic social services of good quality is central to the achievement of the MDGs. The EC meets the 35% target for social sector spending set by the EP. However, this figure includes the total amount of EC budget support, even though it is too early to predict, at this stage, the impact of budget support for basic social services. Moreover, just 2.3% of social

sector spending in the 2003 EDF Budget was allocated to basic education and 5.2% to basic health.

130 million children are not in school. 2/3 are little girls and it is clear that the gender equality in education target which is due this year will not be met by 70 countries. The EU should be at the forefront of efforts to put the spotlight back on free and compulsory education otherwise the target will not be met until 2129. A commitment to abolish fees and other costs must also be combined with substantial new resources for teacher training and better spending of existing resources. While the Commission Report states that it has been a strong supporter of the Fast Track Initiative (FTI), the EC has so far made no financial commitment to the mechanism.

Developing countries endure enormous rates of avoidable illness and premature death. Health systems, especially in Africa, require substantial investment, especially in primary care and first level referral hospitals. There is a severe shortage of health professionals. More are leaving than are being trained. Drugs treatments, including anti-retrovirals for HIV/AIDS are relatively scarce.

The EP should propose to the Commission that a practical response would be to prepare a package of measures, including the provision of malarial bednets, immunization programmes organised through GAVI and increased and improved provision of condoms. In addition, the Commission should continue to work in a positive and supportive way with the Global Health Fund.

The elimination of user fees for essential health services is critical as is the need to involve local communities.

There is, it is claimed, a missing MDG which recognises that empowering women is not only about obstetric care for mothers-to-be, but it is also about providing the full range of family planning services, including abortion, and that empowerment of women and combating HIV/AIDS can be helped by widespread access to condoms as well as increasing research on microbicides.

The debate on access to medicines has brought some agreement, but the effect on the actual levels of access to treatment needs to be monitored. Patent systems may have been working as an incentive for R&D in developed countries but this has not been the case as far as the neglected diseases affecting the poor. The Commission should identify mechanisms designed to set R&D priorities and to identify sustainable long-term funding.

TRADE AND THE DRIVE FOR POLICY COHERENCE

Within the drive for policy coherence, there are two EU policy areas that deserve particular attention: environment and trade.

Environmental sustainability is included in MDG 7 and the EU must not neglect its obligations.

Trade is the policy area where developing countries have potentially the most to gain. If Sub-Saharan Africa could increase its share of global trade by 1% it would earn over \$60 billion more in exports. With the European Union negotiating as a single trading bloc at the international level, it is also the area where the EU has the greatest capacity to bring about change.

Trade liberalisation does not automatically generate self-sustaining growth and human development. Reciprocity is a key issue and there is an understanding amongst developing countries that the same level of commitment cannot and should not be expected from them. The conditions of market access, including meeting sanitary and phytosanitary regulations and other technical barriers need to be addressed, as do capacity constraints, especially institutional capacity. Poor countries' exports are locked out by high tariffs. Reducing tariff peaks on products that are of export interest to them will be essential. Even when Europe's preferential market access opportunities are available, poor countries find it extremely difficult to profit from them because of restrictive rules of origin.

The EP should press all Member States to set a date for removing agricultural subsidies and call for rigorous reform of the CAP. EU Member States must tackle practices which depress world prices distort poor country markets and undermine earning opportunities for their farmers.

It is within the framework of the WTO, that the EU's bargaining power can be put to best use. The EC report highlights the necessity for Special and Differential Treatment and this is welcome. To the extent that special provisions cannot be provided within the WTO, the EU must provide additional support to help less developed countries adapt to the erosion of trade preferences, providing assistance to increase the competitiveness of industry or to support diversification.

CONCLUSION

The review of the EU's Development Policy Statement this year presents an opportunity to centre the EU's development policy more effectively on the MDGs. The Statement, which in 2000 established a single overall framework to guide Community development policy and co-operation, was drafted before the final signing of Millennium Declaration and therefore, does not refer to the MDGs. The primary objective of the Review must be to accord the MDGs a central role in the definition of EU Development Policy. Areas related to goals 1- 7 that will require more direct support from the EU should also be specified in the review.

Turning the MDG targets into realities has led to a call for a Marshall Plan for Africa. In the 1940s Europe faced similar challenges. Then, the US transferred 2% of its national income to assist our efforts. The world's poorest and neediest people now require just such a response from us.

23.2.2005

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Development

on the role of the EU in the achievement of the Millennium Development Goals (MDGs)
(2004/2252(INI))

Draftswoman: Caroline Lucas

SUGGESTIONS

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

1. Recalls that trade with fair rules, although not an absolute remedy for world poverty, can positively contribute to the achievement of the MDGs through its impact on economic growth;
2. Takes note of recent studies by UNCTAD and other institutions that show that the extensive trade liberalisation in LDCs has been translated too little into sustained and substantial poverty reduction and has contributed to a decline of the terms of trade of developing countries, in particular of African countries;
3. Asks the Commission to include in the priority actions of the MDG Synthesis Report action by the EU on the stabilisation of commodity prices, including the review of international supply management mechanisms, support for proposals to include commodity prices in the current round of WTO negotiations and participation in the financing of the Task Force on Commodities proposed by UNCTAD;
4. Concerning the negotiations on Economic Partnership Agreements with ACP partners, calls on the Commission to ensure that they constitute instruments for ACP development and poverty eradication, *inter alia* through the continuation of non-reciprocity in market access with a view to ensuring a fair place for ACP partners in world trade, a focus on supply side constraints and safeguards for sensitive products and the strengthening of existing regional integration efforts, and to take the initiative to revise or clarify Article 24 of the GATT Agreement;
5. Calls on the Commission to adjust its cooperation and trade policies as far as possible in

order to help governments of developing countries to maintain and develop public services, particularly those guaranteeing access for the population as a whole to drinking water, health services, education, transport and energy;

6. Calls on the Commission to enhance the development content of current WTO negotiations through a focus on food security and rural employment as among the most effective elements in poverty eradication, *inter alia* through the introduction of a 'Development Box' in the WTO Agreement on Agriculture to enable poorer countries better to address food security concerns and preserve rural livelihoods and through a complete end to subsidies for EU agricultural exports;
7. Reiterates, with regard to discussions on the effects of liberalisation in the water sector, that water-related services should, as a matter of principle, stay fully under public responsibility and control, leaving it to the national, regional and local authorities to safeguard this principle, and urges the European Commission to stay in line with this opinion;

8. Calls on the Commission to promote urgent WTO reform in order to put sustainability and poverty eradication at the top of the trade negotiation agenda, and to enhance real special and differential treatment (S&D);
9. Asks the Council to call upon UNEP's Governing Council so as to ensure that the MDG Review summit in September launches a comprehensive review of the social and environmental consequences of the trade liberalisation policies implemented to date, in order to ensure that these support poverty eradication as effectively as possible;
10. Stresses that the Council should take early measures to implement the WTO Decision of 30 August 2003 on the implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health and calls on the Commission to urge the Member States to implement fully the new regulation as soon as possible;
11. Stresses that the Council should speed up the decision-making process with regard to the reform of EU trade policies on sensitive products;
12. Calls on the Commission to increase its trade-related assistance and to support capacity building, which is essential if the poorest countries are to be able to tackle the increased competition resulting from market liberalisation.

PROCEDURE

Title	The role of the EU in the achievement of the Millennium Development Goals (MDGs)
Procedure number	2004/2252(INI)
Committee responsible	DEVE
Committee asked for its opinion Date announced in plenary	INTA 13.1.2005
Enhanced cooperation	
Drafts(wo)man Date appointed	Caroline Lucas 18.1.2005
Discussed in committee	2.2.2005
Date suggestions adopted	22.2.2005
Result of final vote	for: 29 against: 0 abstentions: 0
Members present for the final vote	Kader Arif, Françoise Castex, Giulietto Chiesa, Jan Christian Ehler, Christofer Fjellner, Glyn Ford, Sajjad Karim, Alain Lipietz, Caroline Lucas, Erika Mann, David Martin, Javier Moreno Sánchez, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Bogusław Rogalski, Tokia Saïfi, Peter Šťastný, Robert Sturdy, Johan Van Hecke, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski
Substitutes present for the final vote	Margrietus van den Berg, Danutė Budreikaitė, Albert Deß, Saïd El Khadraoui, Anna Elzbieta Fotyga, Maria Martens, Antolín Sánchez Presedo, Jonas Sjöstedt
Substitutes under Rule 178(2) present for the final vote	

PROCEDURE

Title	The role of the European Union in the achievement of the Millennium Development Goals (MDGs)			
Procedure number	2004/2252(INI)			
Basis in Rules of Procedure	Rule 45			
Committee responsible Date authorisation announced in plenary	DEVE 13.1.2005			
Committee(s) asked for opinion(s) Date announced in plenary	AFET 13.1.2005	INTA 13.1.2005	ENVI 13.1.2005	FEMM 13.1.2005
Not delivering opinion(s) Date of decision	ENVI 2.2.2005	AFET 8.12.2004	FEMM 25.1.2005	
Enhanced cooperation Date announced in plenary				
Motion(s) for resolution(s) included in report				
Rapporteur(s) Date appointed	Glenys Kinnock 2.12.2004			
Previous rapporteur(s)				
Discussed in committee	19.1.2005 21.2.2005			
Date adopted	16.3.2005			
Result of final vote	for: 21 against: 6 abstentions: 4			
Members present for the final vote	Alessandro Battilocchio, Margrietus van den Berg, Danutė Budreikaitė, Nirj Deva, Fernando Fernández Martín, Michael Gahler, Hélène Goudin, Jana Hybášková, Filip Andrzej Kaczmarek, Glenys Kinnock, Wolfgang Kreissl-Dörfler, Ģirts Valdis Kristovskis, Maria Martens, Miguel Angel Martínez Martínez, Gay Mitchell, Luisa Morgantini, Józef Pinior, José Ribeiro e Castro, Toomas Savi, Pierre Schapira, Frithjof Schmidt, Jürgen Schröder, María Elena Valenciano Martínez-Orozco, Anna Záborská and Jan Zahradil.			
Substitutes present for the final vote	Marie-Hélène Aubert, Ana Maria Gomes, Fiona Hall, Manolis Mavrommatis, Miloslav Ransdorf, Anne Van Lancker, Gabriele Zimmer.			
Substitutes under Rule 178(2) present for the final vote	Javier Moreno Sánchez.			
Date tabled – A6	23.3.2005		A6-0075/2005	
Comments	...			