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on increasing the impact of EU development policy
(2011/2047(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on increasing the impact of EU development policy (2011/2047(INI))

The European Parliament,

- having regard to Article 208 of the Treaty on the Functioning of the European Union, which stipulates that ‘Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries’,
- having regard to the United Nations Millennium Declaration of 8 September 2000,
- having regard to the Monterrey Consensus, adopted at the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002,
- having regard to the European Consensus on Development¹,
- having regard to the Commission Staff Working Document on the EU Plan of Action on Gender Equality and Women’s Empowerment in Development 2010-2015 (SEC (2010) 0265) and to the Council Conclusions of 14 June 2010 on the Millennium Development Goals in which the relevant EU Plan of Action is endorsed,
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation² (the ‘Development Cooperation Instrument’ (DCI)),
- having regard to the EU Code of Conduct on Complementarity and Division of Labour in Development Policies³,
- having regard to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action,
- having regard to the Social Protection Floor Initiative, launched by the UN Chief Executives Board (CEB) in April 2009,
- having regard to the European Development Report entitled ‘Social protection for inclusive development’, launched on 7 December 2010,
- having regard to the ILO Decent Work Agenda and to the ILO Global Jobs Pact, adopted by global consensus on 19 June 2009 at the International Labour Conference,
- having regard to the report by the UN Special Rapporteur on right to food, Olivier De

¹ OJ C 46, 24.2.2006, p. 1.

² OJ L 378, 27.12.2006, p. 41.

³ Council Conclusions 9558/07, 15 May 2007.

Schutter, entitled ‘Agroecology and the Right to Food’, presented at the 16th Session of the United Nations Human Rights Council [A/HRC/16/49], 8 March 2011,

- having regard to the report entitled "The State of Food and Agriculture 2010-2011; Women in Agriculture – Closing the gender gap for development" by the United Nations Food and Agriculture Organization, Rome 2011,
 - having regard to the ‘Structured Dialogue – For an efficient partnership in development’ initiative launched by the European Commission in March 2010 to find practical ways of improving the effectiveness of civil society organisations and local authorities involved in EU cooperation,
 - having regard to the Commission Green Paper of 10 November 2010 entitled ‘EU development policy in support of inclusive growth and sustainable development. Increasing the impact of EU development policy’ (COM(2010/0629),
 - having regard to the Commission Green Paper of 19 October 2010 on the future of EU budget support to third countries,
 - having regard to its resolutions of 23 May 2007 on promoting decent work for all¹, of 24 March 2009 on MDG contracts², of 25 March 2010 on the effects of the global financial and economic crisis on developing countries and on development cooperation³, of 7 October 2010 on health care systems in Sub-Saharan Africa and Global Health⁴, of 15 June 2010 on progress towards the achievement of the Millennium Development Goals: mid-term review in preparation of the UN high-level meeting in September 2010⁵, of 25 November 2010 on the climate change conference in Cancun (COP16)⁶, and of 8 March 2011 on Tax and Development - Cooperating with Developing Countries on Promoting Good Governance in Tax Matters ⁷,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A7-0205/2011),
- A. whereas poverty reduction and eradication is the EU's primary development policy objective, as defined by the Lisbon Treaty,
- B. whereas the European Consensus on Development reaffirms the EU's commitment to poverty eradication and the pursuit of the MDGs, and to principles such as ownership and partnership, aid effectiveness and policy coherence for development, which continue to be crucial and should guide efforts to enhance the impact of EU development aid,

¹ OJ C 102 E, 24.4.2008, p. 321.

² OJ C 117 E, 6.5.2010, p. 15.

³ OJ C 004 E, 7.1.2011, p. 34.

⁴ Texts adopted P7_TA-PROV(2010)0355.

⁵ Texts adopted P7_TA(2010)0210.

⁶ Texts adopted P7_TA (2010)0442.

⁷ Texts adopted P7_TA(2011)0082.

- C. whereas poverty has multiple dimensions, not only economic, but also human, socio-cultural, political, protective, gender and environmental, which need to be tackled by EU development policy,
- D. whereas gender equality, women's political and economic empowerment and women's enjoyment of human rights are essential for poverty reduction and sustainable development,

High-impact development policy

1. Welcomes efforts to develop European Country Strategy documents in order to achieve better coordination between the Commission and the Member States; emphasises that the programming process must ensure that the aid effectiveness agenda is implemented, and that Parliament's right to exercise democratic scrutiny, as defined by the Lisbon Treaty in Article 290, is respected;
2. Reiterates its call for incorporation of the EDF into the EU budget as an important step towards better coordination between the various EU aid instruments; insists that this must not lead to a reduction in the financing of either the future development cooperation instrument or the EDF (as compared to their present levels);
3. Stresses that great dividends in increasing the impact of EU aid could already be achieved through the full implementation of principles already guiding development action such as the poverty focus of EU aid, PCD, and the Paris and Accra aid effectiveness commitments; therefore calls on the Commission to take a leadership role on these issues, especially in the High Level Forum on Aid Effectiveness in Busan, and to ensure that this decisive process adheres to the previously outlined objectives with regard to the aid effectiveness framework towards 2015;
4. Considers that projects and policies funded by the European Union should be routinely assessed to determine which development actions are the most effective; calls on the Commission accordingly to formulate a comprehensive assessment policy based on clear-cut criteria and indicators; reiterates, however, that the quest for a policy with a strong impact should not lead to favouring a purely quantitative and short-term assessment of the results;
5. Believes that the MDG contracts provide a positive model for predictable and results-based aid, which should be further developed by the Commission and Member States;
6. Recalls through the Consensus on Development that accountable participatory governance is a key enabler of development; urges the Commission and Member States to monitor and report on governance practices in developing countries, which includes fighting corruption, improving public financial management, enhancing transparency and upholding human rights; supports the Commission proposals to enhance the promotion of good governance and the fight against corruption in beneficiary countries; stresses, however, that mechanisms using aid as an incentive for political reforms must be transparent, put particular emphasis on democracy and human rights and engage national development stakeholders;

7. Emphasises that in keeping with the concept of democratic ownership, parliaments, local and regional authorities, civil society and other stakeholders should be supported in their efforts to play their proper role in defining development strategies, holding governments to account, and monitoring and assessing past performance and development results; further insists on the fact that the territorial approach of development allows a better ownership by the beneficiaries;
8. Calls on the EU to meet its Accra commitments by providing funding and appropriate support to partner governments in order to enable meaningful participation for citizens in Civil Society Organisations;
9. Highlights the role played by local and regional authorities and their networks in increasing the impact of the European development policy; points out that national parliaments of recipient countries are best placed to play their proper role in identifying priority sectors, preparing and adopting Country Strategy Papers and multiannual budgets, as well as monitoring budget allocations, in consultation with civil society, prior to policy dialogue with donors in order to empower parliamentarians' role in decision making;
10. Emphasises the close connection between a high-impact development policy and capacity development; points out that capacity development should be seen as an integrated process to improve the capability of citizens, organisations, governments and societies to design sustainable development strategies; stresses that capacity development is a process that requires ownership by, and policy space for, the partner countries;
11. Points out, that support for capacity development, not only through the instrument of budget support but also by means of technical cooperation, is essential to high-impact development assistance; acknowledges that ownership of, and identification with, transformation processes by partner countries can increase over time when nourished by those instruments;
12. Stresses that the aim of increasing the impact of aid and obtaining more results/value for money should not lead to a risk-averse development policy that only focuses on 'easy countries'; insists that poverty eradication and needs must remain the crucial criteria for the allocation of EU development aid and that aid effectiveness must be improved by focusing on tangible results; calls on the Commission and the Member States to review the scope of financing instruments and to focus the disbursement of Official Development Assistance (ODA) on the poorest and most vulnerable countries and on reaching the poorest layers of society particularly those facing the greatest risks of social exclusion, such as women, children, elderly people and people with disabilities while taking into consideration the results achieved and the impact of aid; calls for programming of a phasing-out period of ODA allocations for emerging countries;
13. Stresses the need to distinguish between the development needs of the Least Developed Countries (LDCs) and those of the Middle Income Countries (MICs), especially the emerging donors; recalls that 72% of the world's poor live in MICs, and that cooperation and dialogue should therefore continue in order to address persisting poverty and inequality; reiterates that non-ODA cooperation with MICs and strategic partners must not be financed from the already scarce development budget;

14. Takes the view that the EU's development policy should aim at eliminating obstacles to development, such as dumping of agricultural products, illegitimate debt burden, capital flight and unfair trade, and at creating an international environment conducive to fighting poverty, guaranteeing decent incomes and livelihoods and to the fulfilment of basic human rights, including social and economic rights;
15. Reiterates the principle of the universality of human rights and non-discrimination as the basis upon which to enhance the impact of EU development policy;
16. Underlines that tackling inequality – including gender inequality – reinforces the human-rights-based approach championed in the European Consensus on Development and can lead to faster poverty reduction;
17. Recognises the development setbacks resulting from conflicts and disasters, as well as the importance and cost-effectiveness of investing in prevention;
18. Invites the Commission, together with interested Member States, to give new innovative aid approaches, such as cash on delivery, output-based aid and results-based financing, a chance;
19. Stresses that Policy Coherence for Development (PCD) is crucial to the implementation of a high-impact development policy and to the achievement of the MDGs; calls on the Commission to define clearly responsibilities and leadership at the highest level with regard to enforcement of the Treaty obligation of PCD and calls for sufficient resources to be set aside for this purpose in the Commission, the European External Action Service (EEAS) and the EU delegations;
20. Believes that in order to guarantee high impact the EU development policy should have an incentive-based approach based on greater differentiation by rewarding those countries that are performing well and supporting those that are most off track;
21. Insists that targeted innovative financing mechanisms focused on wealth creation, property rights and the reduction of capital flight be duly taken into account in devising localised development directions, in accordance with the specific priorities of the recipients;

Meeting financial commitments

22. Reiterates its position according to which the collective target of devoting 0.7 % of the Union's Gross National Income (GNI) to ODA by 2015 must be met; urges the Commission and Member States to find new sources of development funding such as a financial transaction tax at global level, private-sector finance and market-orientated solutions; opposes any alteration or broadening of the definition of ODA, as set by the OECD Development Assistance Committee;
23. Urges the Member States to deliver on their outstanding financial commitments, including those made on maternal and child health as part of the G8 Muskoka Initiative;
24. Underlines that aid should be provided in a predictable manner that is aligned with

national plans and priorities and provides incentives for greater transparency and accountability from donor governments, NGOs, and partner states;

25. Takes the view that the added value of the Commission's development aid and the approaching MDGs deadline justifies a significant increase in real terms in the annual figures for ODA in the next MFF (Multiannual Financial Framework) period; stresses that the share of overall European aid channelled through the EU budget should not be reduced and should retain a poverty focus;
26. Recalls that aid under the future EU instruments for development cooperation must continue to be linked to the ODA criteria established by the OECD Development Assistance Committee;
27. Calls for increased efforts in the areas of development education and awareness-raising in Europe; emphasises that this should be seen as a means not only of increasing public support for development spending, but also of enabling every person in Europe to understand global development concerns; stresses that improving public awareness and reducing indifference to the plight of developing countries would help enhance EU development policy;
28. Notes that in order to increase public awareness and reduce indifference efforts must be made to improve the transparency of aid spending, enhance the dissemination of independent evaluation studies and apply stricter sanctions to those actors who have been found to be misappropriating development aid;

Promoting pro-poor growth

29. Acknowledges that economic growth is a crucial driver of development; stresses, however, that growth is only one instrument among many, and that maximising growth is not equivalent to maximising development; notes in particular that the impact of growth on poverty eradication could be much higher if inequality were reduced and human rights respected; insists, therefore, that EU development assistance must be geared towards pro-poor growth through the adoption of measures which specifically focus on the poor and the marginalized in order to foster an increase in their share of national wealth and allow them to become a driving force for genuinely inclusive growth, such as micro-credit and micro-finance, as well as other market-derived solutions;
30. Observes that a policy based solely on economic growth has shown its limited ability to eradicate poverty and promote social cohesion, as demonstrated by the recent financial, climate, energy and food crises; advocates sustainable development based on fair trade and social justice which benefits current generations without endangering resource availability to future generations;
31. Stresses that economic growth policies cannot succeed without promotion of social and environmental standards and the implementation of social protection mechanisms;
32. Stresses that EU policies should facilitate growth in areas of the economy where the poor earn their livelihoods, such as agriculture, and pay more attention to the informal sector; calls on the Commission and the Member States to favour measures which provide

- security of land tenure and facilitate poor people's access to land, markets, credits and other financial services and skills development, without aggravating existing inequalities and without consolidating asymmetrical dependence structures;
33. Supports efforts to promote industrial development and the development of infrastructure that contributes to sustainable economic growth with full respect for social and environmental standards; notes that the most effective way to increase growth and lift people out of poverty is to enhance industrial and market development;
 34. Points out that industrial development has tremendous transformative potential for national economies and, unlike agricultural exports or natural resources extraction, which expose economies to shocks, is likely to offer enhanced scope for long-term productivity growth; calls on developing countries, therefore, to address this issue by designing and implementing industrialisation policies with a specific focus on manufacturing specialisation and trade-capacity building;
 35. Stresses the need for industrial growth to be energy-efficient, so that growth in GDP is decoupled from oil dependency and greenhouse gas emissions; urges the EU and its Member States to make every effort to facilitate the transfer to developing countries of energy efficiency technology and best practice;
 36. Considers that funding for large-scale export or infrastructure projects, while attractive in terms of delivering visible results, is not necessarily the best strategy to deliver benefits to the wider population and poor marginalized communities;
 37. Urges that the EU and its Member States support more systematically the ILO's decent work agenda in developing countries, in order to stimulate the creation of high-quality jobs and the protection of core labour standards;
 38. Emphasises that diversifying the economies of developing countries and reducing their dependence on imports need to be priority objectives for policies supporting growth;
 39. Stresses that investment projects supported by EU mechanisms for blending grants and loans must be subject to monitoring of their implementation and impact studies of internationally agreed social and environmental standards; insists that the decision-making process on the selection of projects must be transparent and ensure coherence with EU strategy papers, the principle of country ownership and the EU's commitment to untie its aid;
 40. Insists that blending should generate new funds, rather than leading to grants under the EU's ODA being replaced by loans;
 41. Stresses that development policy cannot become truly effective without the promotion of adequate legal frameworks, especially in the areas of property rights and contract law;
 42. Underlines that promoting gender equality will help to unlock the productivity of women and thus contribute to sustainable and pro-poor growth;

Human development

43. Stresses that poverty is not only measured in monetary terms and that in its wider sense it means being denied fundamental rights such as food, education, health or freedom of expression;
44. Emphasises that the provision of basic social services is crucial to pro-poor growth and reaching the MDGs; calls for 20% of all EU assistance to be earmarked for basic social services, as defined by the United Nations in the Millennium Development Goals (indicator 8.2 for goal 8: 'Develop a global partnership for development'), with a special focus on free and universal access to primary health care and basic education, taking into account the EU's support for the 'Education for All' initiative, and the 2010 Communication on the EU's role in global health; reiterates the need for specific attention to be paid to vulnerable groups and those with a high risk of social exclusion, such as people with disabilities;
45. Underlines that girls' education and the promotion of gender equality in education are vital to development, and that policies and actions that do not address gender disparities miss critical development opportunities; underlines that girls' education yields some of the highest returns of all development investments, yielding both private and social benefits that accumulate to individuals, families and society at large by reducing women's fertility rates, lowering maternal, infant and child mortality rates, protecting against HIV/AIDS infection, increasing women's labour force participation rates and earnings and creating intergenerational education benefits;
46. Stresses the importance of bridging financing gaps in health systems resulting from priorities such as sexual and reproductive health suffering cuts, and emphasises the importance of investing in the fight against HIV/AIDS and other diseases;
47. Recalls that investing in children and youth is a long-term investment in sustainable human development;
48. Welcomes the UN initiative for a Social Protection Floor; calls on the Commission and the Member States to enhance support for national social protection programmes in developing countries and to develop a comprehensive policy framework on this issue which includes gender equality and women's empowerment aspects
49. Would welcome EU efforts to address more systematically the linkages between the external dimension of its migration and asylum policy and other policies with a bearing on migration e.g. employment, education, rights and social protection;
50. Takes the view that tax revenues are essential to enable developing countries to meet the basic needs of their citizens, to be less dependent on foreign aid and to promote democratic accountability; reiterates its view that the EU must support partner countries in developing fair, transparent and effective tax systems to generate the revenues needed for social protection and pro-poor policies, and must at an international level continue to work for greater financial transparency and to ensure that partner countries share the benefits; underlines that the exchange of best practice and information-sharing in taxation policy is crucial to the creation of fair tax systems;

51. Underlines the intrinsic importance of human rights and the many avenues available to the EU to help build capacity for the respect of all human rights;

Involving the private sector

52. Acknowledges that the development of the private sector in developing countries is crucial to creating employment opportunities, delivering services and enhancing wealth creation; recalls that 90% of jobs in developing countries are in the private sector; stresses that, in keeping with the pro-poor agenda, EU development aid should focus on financing for domestic companies, leveraging of domestic capitals and encouraging recipient countries to create an environment conducive to the development of small, medium-sized and micro-enterprises and on the removal of barriers to formalisation, access to capital and affordable credit and that services and capacity-building should be targeted in particular on poorer entrepreneurs;
53. Reaffirms the role of a socially and ecologically responsible private sector in stepping up the pace of sustainable development; calls on the Commission to promote and support, among other things, social-economy enterprises that work in accordance with ethical and economic principles;
54. Underlines that it is important to clearly assess the possible risks of increasing the involvement of the private sector and that clear criteria for supporting private-sector projects should therefore be defined, as well as strong impact assessment mechanisms, which should be developed in order to ensure that private-sector investment is both sustainable, in line with agreed international development goals, and does not lead to a move back to tied aid;
55. Recalls that public investment in public goods, infrastructure and services is fundamental to sustainable growth and the effective reduction of inequalities;
56. Stresses that investment projects involving the private sector which are financed by the EU in developing countries should meet internationally agreed environmental, human rights, social and transparency standards and be consistent with beneficiary countries' development plans; objects to any kind of cooperation with private entities which would contribute directly or indirectly to any form of tax evasion or tax avoidance; asks the Commission to review its due-diligence mechanisms when deciding on funding for resource-extraction projects;
57. Is convinced that investment has a positive impact on growth and jobs, not only in the EU but also in developing countries; stresses that the industrialised countries have a responsibility to provide more support for investment in, and technology transfer to, indigenous undertakings so that emerging sectors of the economy in developing countries can implement quality standards as well as international social and environmental standards; also stresses the need for enhanced cooperation in order to help developing countries improve their institutional and regulatory capacity to manage foreign investments;
58. Calls on the EU to recognise the right of developing countries to regulate investment, to favour investors that support the partner country's development strategy, and to give

preferential treatment to domestic and regional investors in order to promote regional integration;

59. Calls on the EU to meet its Aid for Trade Strategy commitments on development assistance specifically targeted at projects designed to help developing countries develop their trade-related skills, improve the supply chain and ultimately compete in regional and global markets;
60. Calls on the Commission to make a legislative proposal with a similar objective to the new US ‘Conflict Minerals Law’, namely to combat the illegal exploitation of minerals in developing countries, in particular in Africa, which fuels civil war and conflicts, and to ensure traceability of imported minerals in the EU market;
61. Calls for an analysis and assessment of Public Private Partnerships (PPP), which involve the private sector in development and are promoted by the Commission, in order to draw lessons from this experience before moving to a new policy concept of using public money for leveraging private sector financing;
62. Emphasises that support for the private sector must go hand in hand with assistance to the national, regional and local public authorities and parliaments in beneficiary countries to enable them to regulate markets effectively, to promote transparency, to implement equitable tax policies and good governance and to fight corruption, within both businesses and NGOs, as well as in governments and public authorities;

Climate change, energy and sustainable development

63. Welcomes the proposal to focus development cooperation on sustainable renewable energy; reiterates that access to energy is a prerequisite for achieving the Millennium Development Goals; insists that water supply and access to energy for the poor and in connection with the provision of public services and local development must be prime objectives of EU-supported projects;
64. Prioritises support for local and regional sustainable energy solutions, and decentralised energy production in particular, so as to bring development priorities in line with environmental concerns;
65. Notes the huge potential for renewable energy (solar energy, wind power, geothermal energy and biomass) in many developing countries; calls on the EU and its Member States to implement renewable energy projects in developing countries and to make available technology, expertise and investment opportunities, as this is vital for economic and social development, reduces these countries’ dependency on fossil fuels and decreases their vulnerability to energy price fluctuation;
66. Urges the Commission to ensure that EU ODA for improving access to energy supports local economic development, green jobs and poverty reduction and is not tied to, or used to subsidise, EU businesses; calls also on the Commission not to confuse policies to increase energy access for poor people with meeting the EU’s climate mitigation goals or own energy security needs;

67. Welcomes initiatives taken by developing countries to invest in food production rather than in production of biofuels, in order to secure their food supply;
68. Reiterates that developed countries have a duty to take the lead in building the low-carbon global economy needed to achieve the necessary emission cuts; encourages Member States to take the lead in cutting emissions and also to increase their emission reduction targets; underlines the importance of making emission cuts within EU's borders rather than in developing countries;
69. Recognizes that tackling climate change and achieving key development objectives are mutually supportive goals; emphasizes the need for more systematic efforts to mainstream ecosystem-based climate change adaptation and mitigation and disaster risk reduction measures, and calls, therefore, for a holistic approach which integrates the environmental dimension in development programmes and projects for example by improving regulations concerning waste transfer and illegal logging;
70. Calls on the Commission to assess the impact of 'climate migration', a phenomenon that some estimate will cause 200 million people to leave their homes by 2050 as conditions in their lands gradually worsen and emphasises that the European Union must contribute through its development policy to providing assistance and reducing the number of refugees, by investing in technologies, human resources and financial aid;
71. Reiterates its position that mainstreaming cannot replace the provision of new and additional resources which the EU and other donors have committed towards developing countries climate change mitigation efforts and adaptation needs; stresses that this approach must adopt a local and/or regional approach to addressing specific problems faced in these areas recalls that climate change financing – and public goods in general – is not to be financed from ODA and must therefore be new and additional to Member States' commitments of 0.7 % of GNI to ODA;
72. Stresses the importance of promoting sustainable urban development as a part of the international agenda as well as implementing it at local, regional and national levels, which would have a beneficial impact on the quality of the life of all people in the world and, in particular, in developing countries;
73. Notes that sustainable development can only be achieved by enhancing recipient countries' capacity building and by improving basic infrastructure;
74. Demands the inclusion and implementation of Article 8(j) of the Convention on Biological Diversity, which is a pillar of sustainable development, in country and regional strategy papers;
75. Recognises that deforestation and unsustainable timber import onto the EU market have contributed to natural disasters and the vulnerability of poor countries, and calls therefore on the EU Commission and Council to integrate in their new development policy strategy a full-scale ban on circulation of illegal timber in the EU;

Food security and agriculture

76. Reiterates its position that the EU should focus its development assistance on safeguarding the food security of developing countries and promoting sustainable, local, small-scale and organic agricultural production; emphasises the need to ensure, in particular, access for small farmers to the means of production (land, secured title deeds, seeds, training, credit, consultancy and advisory services), to processing and marketing opportunities and to local and cross-border markets;
77. Calls, in accordance with the IAASTD report, for support for a switch to organic and ecologically sustainable farming, which both takes account of the experience of small-scale farming and constitutes an effective means of adjustment to climate change;
78. Stresses the importance of specific support to women in agriculture, since research shows that closing the gender gap in agriculture could raise the total agricultural output in developing countries by 2.5-4 percent and that women spend a larger portion of income on food, health, clothing and education for their children; calls for the elimination of all forms of discrimination against women and for agricultural policies and programmes to be gender-aware; underlines that women must be seen as equal partners in sustainable development for agricultural development and food security;
79. Insists that the EU should also address the root causes of food insecurity, including weak accountability for the right to food, food-price speculation and 'land grabbing'; reiterates that the reform of the Common Agricultural Policy must take into account the Treaty obligation of PCD strengthening, fair competition, supporting developing countries' ability and their own productive activity; calls for action aimed at eliminating land grabbing, unsustainable use of land and water, securing the property rights of smallholders and indigenous farmers and their access to farm land, and ending seed monopolies and dependency on specialised pesticides;
80. Notes that, in order to feed a world population expected to surpass 9 billion in 2050, agricultural output will have to increase by 70 % between now and then, using less land, less water and fewer pesticides; notes that global food security is a question of the utmost urgency for the European Union and calls for immediate and consistent action to ensure food security both for EU citizens and at the global level;
81. Underlines that tackling food insecurity means implementing many measures in diverse sectors, such as the management of local natural resources, the reinforcement of production and manufacturing, training, the structuring of professional organisations, the implementation of a safety net for the most vulnerable, the education on nutrition and also the diversification of rural jobs beyond agriculture to enhance the income of rural families, who are the first victims of hunger;
82. Points out that it is necessary to introduce better agricultural production methods, including low-cost technologies, provide research in agriculture and strengthen the productivity-efficiency ratio in developing countries in order to enhance sustainability;
83. Calls on EU and developing countries to promote land ownership as a tool for reducing poverty, by strengthening property rights and facilitating access to credit for farmers,

small businesses and local communities;

84. Expresses its deep concern about the current farmland acquisition by government-backed foreign investors, particularly in Africa, which risks undermining local food security and causing unforeseen and far-reaching social unrest if it is not properly handled;
85. Underlines that the EU's Fisheries Partnership Agreements (FPAs) should help consolidate the fisheries policies of partner countries and strengthen their capacity to guarantee sustainable fishing in their own waters and local employment in the sector;
86. Stresses that adequate protection from water-related disasters and diseases, as well as access to a sufficient quantity and quality of water at affordable cost without compromising the sustainability of vital ecosystems, in order to fulfil the basic food, energy and other requirements essential to leading a healthy and productive life, should be a pivotal aspect of development policy;

Transparency

87. In order to increase transparency and public acceptance of development projects funded fully or partially by the EU or the Member States, calls for creating an electronic data base that provides information on ODA; believes that this data base should enable users to track all EU donors' and, if applicable, United Nations Agencies' projects and programs in all recipient countries, who finances them, and which organization implements them; takes the view that it should be user-friendly and accessible to all through the Internet and that it should have a function which makes it easy to search for specific information through a set of predefined criteria (donor, DAC sector, location, project status, funding type and MDGs) and offer tables and geographic maps for analysis; notes that this kind of data base is also essential for strengthened coordination and harmonization among donors and alignment with the government of the recipient country;
88. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Introduction

It is a timely moment for a broad debate at the EU level on the future of the EU development policy. It is important that the EU defines its vision, its ambitions, objectives and appropriate instruments, before deciding about the place of development aid in the upcoming multi-annual financial framework (MFF).¹ On some of the issues raised in the Commission's Green Paper on EU Development policy in support of inclusive growth and sustainable development, Parliament has an established position or is currently preparing reports.² The rapporteur will therefore focus this working document on the elements which suggest a change of orientation, in particular the proposals for "high impact aid", the concept of "inclusive growth" and the involvement of the private sector. The future shape of the EU aid policy and the role of the Commission, rather than the Member States, will be at the centre. In evaluating the Commission proposals, we have a clear benchmark, which is Article 208 of the Treaty on the Functioning of the European Union (TFEU). The primary objective of EU aid must be the reduction and, in the long term, the eradication of poverty. The European Consensus on Development also provides important common values, such as human rights and democracy, and common principles, such as ownership and partnership, which are still valid.

1. High impact development policy

Aspects of quality

In order to enhance the impact of EU development policy, the Commission proposes three criteria for choosing interventions: (1) added value, (2) EU prior coordination, and (3) potential of leverage on reforms and/or other funding sources. Parliament has always called for better coordination, and the efforts to develop European Country Strategy documents can therefore only be supported. Parliament should encourage the Commission in all efforts to play fully its coordinating role as set out in the Lisbon Treaty (Art. 210 TFEU). Improvement of coordination and harmonisation should focus on the principle of ownership. Incorporating the EDF into the EU budget would be one important step for better coordination between different EU aid instruments. This must not lead, however, to an overall reduction in development spending, or to a loss of predictability for the ACP countries.

Aiming at high impact may not lead to a risk-averse development policy which only focuses

¹ The Commission's Green Paper on EU development policy in support of inclusive growth and sustainable development (COM(2010)0629fin.) can thus be seen in conjunction with the consultation launched by the Commission on funding for external action after 2013.

² See, for example European Parliament resolution of 25 November 2010 on the climate change conference in Cancun (T7-2010/0442), as well as the (upcoming) DEVE reports on the Green Paper on the future of EU budget support (2010/2300(INI)), on an EU policy framework to assist developing countries in addressing food security (2010/2100(INI)), and on Tax and Development - cooperating with developing countries on promoting good governance in tax matters (2010/2102(INI)). The upcoming report by Gay Mitchell on Regulation (EC)1905/2006 establishing a financing instrument for development cooperation: lessons learned and perspectives for the future (2009/2149(INI)) will deal with the specific parliamentary demands regarding the successor instrument of the DCI.

on "easy countries". "Best value added and value for money" cannot be the only yardstick for choosing interventions, but needs must remain a crucial criterion. EU aid should continue to focus on the poorest countries, and on reaching the poorest layers of society.

If already existing commitments on aid effectiveness and policy coherence for development were truly fulfilled, then the impact of EU aid would benefit greatly. Four years after the publication of a Code of Conduct on Division of Labour in Development Policy, too little progress has been made in clarifying and strengthening the European Commission's areas of comparative advantage. The Paris Declaration and the Accra Agenda for Action should be included into the programming process, and EU and Member States should continue to play a leading role in the preparation of the Busan High Level Conference on Aid Effectiveness 2011. Predictability is an important factor of aid effectiveness. The EU's MDG contracts approach provides a positive model which should be further developed.

The Green Paper recognises the importance of Policy Coherence for Development (PCD) for a high impact of aid, and for avoiding negative impacts from other policy areas, but lacks to discuss the challenges resulting from the creation of the EEAS. The institutional architecture must ensure that the Treaty obligation of PCD is enforced and the distinctive nature of development policy be preserved. To this end, a specific unit or service could be created under the control of the Commissioner for Development, with explicit horizontal competences for PCD not only in relation to the Commission, but also in relation to the EEAS.

Good Governance is essential for positive development impact, and the EU has a strong experience in supporting political reforms alongside its aid programmes. Important for this policy is an approach to governance which puts an emphasis on human rights, democracy and the rule of law, on fighting corruption and on the role of parliaments and civil society in holding governments accountable and in assessing development results. The key concept should be "democratic ownership".

Impact through quantity of real aid

Increasing impact of aid is important, but may not be a pretext for reducing aid quantities. In line with treaty obligations, international commitments, EU's values and long-term interests, poverty eradication should continue to be a key objective for EU external action. For reaching the collective target of devoting 0.7% of its GNI to Official Development Assistance (ODA) by 2015, EU Member States should make their ODA commitments politically binding, and agree to multi-annual action plans, as proposed by the Commission.

There is significant "added value" to EU-level aid, as recognised by the European Consensus on Development Aid¹, and therefore the share of overall European aid channelled through the EU budget should not be reduced. This justifies a significant increase of the envelopes

¹ According to the Consensus, added value comes from the EU's presence worldwide, its expertise in dispensing aid, its role in promoting PCD and facilitating coordination, delivery on large scale projects, support for democracy, human rights, good governance and respect for international law, and its role in promoting participation in civil society and North-South solidarity, including through development education. To be added are the EU's strong experience in budget support and support for social services and with promoting regional integration and cooperation.

destined to development in the next MFF in real terms. Citizens do support development policy and the role of the EU therein: We should not underestimate the importance of the value of solidarity, in particular in times of crisis.¹

EU development aid, to have an impact on poverty eradication, must continue to be strictly linked to the ODA criteria as defined by the OECD/DAC. Non-ODA cooperation may become more important with Middle Income Countries (MICs), but this must be additional to development aid proper. At EU level, such cooperation should be channelled through a separate instrument to ensure transparency. Also, the definition of ODA may not be broadened in order to achieve the 0.7 objective; this would be merely a statistical exercise and not generate any “new” funds for development.

2. Human Development

Parliament has always insisted that access to basic social services, in particular to health and education, must remain a cornerstone of EU aid. These sectors are crucial for reaching the MDGs, for facilitating sustainable growth, and are areas where the Commission has particular experience. A quantitative benchmark will be needed to ensure that the social sector does not become squeezed by other competing priorities: The EU should dedicate at least 20% of all assistance to basic social services, as defined by the OECD, with a special focus on free access to primary health and basic education. Furthermore, a rights-based-approach to development would contribute significantly to increasing the impact of EU aid in this sector.

3. Inclusive growth and poverty

The core of the Green Paper is the proposal to refocus EU development policy on the promotion of inclusive growth. Growth is an important driver of development, and the focus on inclusiveness is welcome, as well as the acknowledgement that growth must be a means for achieving poverty eradication. The rapporteur also shares the view that differentiation among developing countries is highly important, and that regional integration and facilitation of south-south trade are important drivers of growth, where the European Union has both experience and the necessary instruments.

However, there remain serious concerns as regards the presentation of the new policy orientation in the Green Paper. Firstly, the focus on growth - which refers to quantitative economic measures - should not lead to a purely economic understanding of poverty. Poverty is multi-dimensional, denoting people’s exclusion from socially adequate living standards and it encompasses a range of deprivations (economic, political, cultural etc.) which need to be targeted by development policies.

Secondly, the external shocks that affect growth in numerous countries, especially in Sub-Saharan Africa, have not been sufficiently addressed. In this respect the rapporteur believes that industrial development has a tremendous transformative potential for national economies

¹ According to the special Eurobarometer 'Europeans, development aid and the Millennium Development Goals' (published in September 2010), 89% of Europeans find development aid very important or fairly important.

and opposite to agriculture exports or natural resources extraction, which expose economies to shocks, is more likely to offer bigger scope for long-term productivity growth.

Finally, and most importantly, the concept of inclusive growth remains vaguely defined, and it is not sufficiently clear, how "inclusiveness" can be ensured. Although the Green Paper mentions that higher inequality sharply reduces the pace of poverty reduction and has considerable adverse effects on economic growth, this is not sufficiently reflected in the measures proposed.

Well known empirical findings by the World Bank's lead poverty development economist¹ show that growth has been seven times more efficient in reducing poverty in developing countries when accompanied by decreases in income inequality than otherwise. In turn, decreased poverty levels are found to have a positive effect on subsequent growth. This makes the case for the need to tackle distributional issues: The impact of EU aid will be significantly higher, and poverty will be more efficiently addressed.

Thus, the Commission should pursue "pro-poor growth" based on the relative approach whereby development policies and cooperation shall specifically focus on the poor in order to foster the increase of their share in growth. Europe represents, in fact, one of the world's best examples of how addressing distributional issues by means of the Welfare State (fiscal and social expenditure policies, inter alia) has prompted important gains in terms of both economic and social development. This experience, also captured as the European social model, provides a real added value, which could be applied as a tool in EU's development policy. Supporting the build-up of social security systems and fair tax systems as well as promoting the decent work agenda of the ILO would be important measures in line with this approach.

4. Involving the private sector

As part of its strategy for promoting growth, the Commission proposes to leverage more investment from the private sector and support small and medium enterprises (SMEs), including through the blending of grants and loans. The private sector is vitally important for sustainable development, but in some cases activities of multinationals have, due to various circumstances, a negative impact on poverty, human rights and the environment. It is therefore important that possible risks are assessed and clear criteria for supporting private sector projects are defined. In addition, it must be clarified, which private sector - foreign or domestic, for profit or other - should receive support from scarce development budgets.

The Green Paper underlines that investments must "try to benefit the maximum number of citizens in the partner country." In order to choose the best options, an ex – ante Poverty and Social Impact Analysis (PSIA) should be undertaken to ensure greater impact on poverty and positive development outcomes. The Green Paper rightly underlines the need to support SMEs and micro-enterprises. Microfinance therefore plays an important role, and access

¹ Ravallion, Martin, 2001. "Growth, Inequality and Poverty: Looking Beyond Averages," World Development, Elsevier, vol. 29(11), pages 1803-1815, November.

should in particular be ensured for disadvantaged groups, such as minorities, small farmers and women. In order to achieve pro-poor growth, it is necessary for the poor to participate as promoters of growth and not just as beneficiaries.

In addition, the following principles should guide the EU approach:

- focus on financing for domestic companies and leveraging of domestic capital
- adherence to environmental and social standards
- support to governments for effective regulation of markets and fair taxation
- alignment with beneficiary countries' development plans
- no support for any operations which would allow, or contribute directly or indirectly to, any form of tax evasion
- promotion of transparency, good governance and fight against corruption in the beneficiary countries
- the new focus on loans shall not be to the detriment of the level of grants.

5. Climate change, energy and sustainable development

Climate change and development are closely interlinked, and initiatives for combating climate change and poverty can be mutually beneficial. The Commission's ambition to better mainstream climate change and disaster risk reduction (DRR) concerns to promote sustainable economic development is timely and relevant. Until now, there seems to be little systematic evaluation of the efforts undertaken on integrating adaptation and DRR into development cooperation. As a first step, it would therefore be important to assess if the Commission's stated intents to mainstream adaptation and DRR have been implemented and in what manner. Mainstreaming of climate change may not replace, however, the provision of new and additional resources which the EU and other donors have promised developing countries for climate change adaptation. The focus on renewable energy is to be welcome, in particular as regards the synergy with job creation and sustainable development. The EU needs to ensure, however, that policies benefit first and foremost the poor and that improving access to energy supports local economic development.

6. Food security and agriculture

The Green Paper acknowledges that food security and agriculture are a catalyst for development and growth, and focuses on sustainable small scale production. It is regrettable, however, that it does not address the root causes of food insecurity in developing countries. Issues around "Agriculture and food security" should not be addressed in isolation as other external factors impact greatly on food insecurity (e.g. food speculation, land grabbing...). The value chain approach to agricultural production is important, but requires that a number of pre-requisites are met such as securing access to the means of production (land, credit, consultancy and advisory services), processing and marketing opportunities and access to local and cross-border markets. Conditions should also be created for a more equitable and sustainable smallholder integration into agriculture value chains and markets. Growth should be environmentally sustainable, respect biodiversity and prevent the worrying degradation of fertile land. The EU should therefore promote agro-ecological and low-external-input (LEI) practices. Appropriate financing should be dedicated to agriculture in future geographical

programmes. ODA spending for agriculture has fallen from 17% in 1980 to 5% today and the sector has been neglected by donors for many years. The rapporteur believes that the Fisheries Partnership Agreements (FPAs) should help to consolidate the fisheries policies of partner countries, and strengthen their capacity to guarantee sustainable fishing in their own waters and local employment in the sector.

Conclusion

The Commission has announced that the upcoming communication on a modernised EU development policy shall include a consideration whether it is opportune to review the European Consensus on Development. It must be underscored that the Consensus is a joint document subscribed formally by the three main institutions. Therefore, a “unilateral” initiative should be avoided. If the Commission estimates that the Consensus must be reviewed, it should open formal consultations with the two others. The decision to review the consensus must be based on a thorough analysis of its functioning since it came into force in December 2005.

A modern European development policy needs the understanding and involvement of European citizens, which will require continued efforts on Development Education and Awareness Raising, based on values of human rights, democracy, tolerance, social responsibility and gender equality. Every person in Europe should be enabled to understand global development concerns and their local and personal relevance, which will make significant contributions to increasing public support for development cooperation.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.5.2011
Result of final vote	+: 19 -: 4 0: 4
Members present for the final vote	Thijs Berman, Michael Cashman, Corina Crețu, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi, Gabriele Zimmer
Substitute(s) present for the final vote	Kriton Arsenis, Santiago Fisas Ayxela, Isabella Lövin, Emma McClarkin, Csaba Öry, Cristian Dan Preda, Judith Sargentini, Åsa Westlund