



EUROPEAN PARLIAMENT

2009 - 2014

---

*Plenary sitting*

---

**A7-0234/2012**

16.7.2012

# REPORT

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

Committee on Development

Rapporteur: Charles Goerens

## CONTENTS

	<b>Page</b>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT .....	15
RESULT OF FINAL VOTE IN COMMITTEE .....	19

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### On an Agenda for Change: the future of EU development policy

(2012/2002(INI))

*The European Parliament,*

- having regard to the Commission communication of 13 October 2011 entitled ‘Increasing the impact of EU Development Policy: an Agenda for Change’ (COM(2011)0637 – SEC(2011)1172 – SEC(2011)1173),
- having regard to the Council’s conclusions on ‘Increasing the Impact of EU Development Policy: an Agenda for Change’<sup>1</sup>,
- having regard to the Commission communication of 13 October 2011 entitled ‘The future approach to EU budget support to third countries’ (COM(2011)0638),
- having regard to the Council’s conclusions on ‘The Future Approach to EU Budget Support to Third Countries’<sup>2</sup>,
- having regard to the Council’s conclusions on ‘Policy Coherence for Development’<sup>3</sup>,
- having regard to the joint communication of 12 December 2011 entitled ‘Human Rights and Democracy at the Heart of EU External Action - towards a more effective approach’ (COM(2011)0886),
- having regard to the joint statement of 20 December 2005 by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament, and the Commission on ‘European Union Development Policy: The European Consensus’<sup>4</sup>,
- having regard to the Paris Declaration on Aid Effectiveness of 2 March 2005: ‘Ownership, Harmonisation, Alignment, Results and Mutual Accountability’<sup>5</sup>,
- having regard to the Accra Agenda for Action of 4 September 2008<sup>6</sup>,
- having regard to the Busan Partnership for Effective Development Cooperation agreed on 1 December 2011<sup>7</sup>,
- having regard to the Commission communication of 28 February 2007 entitled ‘EU Code

---

<sup>1</sup> 3166th Foreign Affairs Council meeting, Brussels, 14 May 2012

<sup>2</sup> 3166th Foreign Affairs Council meeting, Brussels, 14 May 2012

<sup>3</sup> 3166th Foreign Affairs Council meeting, Brussels, 14 May 2012

<sup>4</sup> OJ C 46, 24.2.2006, p. 1.

<sup>5</sup> <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

<sup>6</sup> <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

<sup>7</sup> Final Declaration of the Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011.

of Conduct on Division of Labour in Development Policy' (COM(2007)0072),

- having regard to the Commission proposal for a Council Directive on a common system of financial transaction tax and amending Directive 2008/7/EC (COM (2011)0594),
- having regard to the commitments made by the international community in terms of development and cooperation within the UN and other relevant international organisations, to which the EU and the Member States have subscribed,
- having regard to its resolution 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 2010'<sup>1</sup>,
- having regard to its resolution of 8 June 2011 on 'Regulation (EC) No 1905/2006 establishing a financing instrument for development cooperation: lessons learned and perspectives for the future'<sup>2</sup>,
- having regard to its resolution of 5 July 2011 on increasing the impact of EU development policy<sup>3</sup>,
- having regard to its resolution of 27 September 2011 on an EU policy framework to assist developing countries in addressing food security challenges<sup>4</sup>,
- having regard to its resolution of 25 October 2011 on the 4th High Level Forum on Aid Effectiveness<sup>5</sup>,
- having regard to the DAC Peer Review of the Development Cooperation Policies and Programmes of the EU, published on 24 April 2012 by the Development Aid Committee (DAC) of the OECD<sup>6</sup>,
- having regard to its resolution of 5 July 2011 on the future of EU budget support to developing countries<sup>7</sup>,
- having regard to the opinion delivered by the Committee of the Regions on 16 February 2012<sup>8</sup>,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Development (A7-0234/2012),

A. whereas according to the Treaty of Lisbon the primary aim of the development policy of the European Union is the reduction and, in the long term, the eradication of poverty,

---

<sup>1</sup> Texts adopted, P7\_TA(2010)0210.

<sup>2</sup> Texts adopted, P7\_TA(2011)0261.

<sup>3</sup> Texts adopted, P7\_TA(2011)0320.

<sup>4</sup> Texts adopted, P7\_TA(2011)0410.

<sup>5</sup> Texts adopted, P7\_TA(2011)0460.

<sup>6</sup> <http://www.oecd.org/dataoecd/61/46/50155818.pdf>

<sup>7</sup> Texts adopted, P7\_TA(2011)0317.

<sup>8</sup> Document CIVEX-V-025, adopted during the 94<sup>th</sup> plenary session, 15–16 February 2012.

- B. whereas the European Consensus for Development, signed by the Commission, the Council and the Parliament is an acquis; recalling the importance and scope of this document, which enshrines the European Roadmap for development, as well as the acquis and the guidelines arising from it,
- C. whereas 2015 is the deadline for achieving the Millennium Development Goals,
- D. whereas the Agenda for Change should provide answers for a world that has fundamentally changed and in which the gap between rich and poor in every country continues to widen, particularly in developing countries,
- E. whereas globalisation, though a major source of wealth, particularly in middle-income countries, has not contributed sufficiently to reducing insecurity or indeed poverty, a stark demonstration of which is the increase in absolute numbers of hungry and malnourished people in the world, many middle-income countries included,
- F. whereas the Commission communication states that respect for human rights and good governance continue to be preconditions for development; whereas this includes the need to find appropriate measures and conditions corresponding to the circumstances in each country, with the form and level of development cooperation being designed to suit each partner country's specific situation, including its ability to conduct reforms,
- G. whereas development cooperation consists of promoting human development and the fulfilment of human beings in all their dimensions, including the cultural dimension,
- H. whereas reinforcing synergies and establishing a strategic link between humanitarian aid and development aid is a necessary condition for developing resilience and initiating a process of sustainable development in fragile or transition countries whose populations are among the poorest and most vulnerable,
- I. whereas, pursuant to Article 2(3) of the Treaty on European Union, one of the aims of the Union is to encourage a sustainable social market economy, and this approach applies to both development policy and neighbourhood policy,
- J. whereas, in accordance with the Treaty of Lisbon, the implementation of development policy should be cohesive, and the measures aimed at encouraging economic growth in developing countries should contribute first and foremost to combating poverty and exclusion, particularly through access to education and healthcare,
- K. whereas it is necessary to reject any attempt to broaden the ODA definition designed to include the 'Whole of the Union' and 'ODA+' approaches recently proposed by the Commission, as well as non-aid items such as financial flows, military spending, debt cancellation and particularly the cancellation of export credit debts and money spent in Europe on students and refugees,
- L. recalling the willingness of the Commission to cease ODA to middle-income countries within the scope of the differentiation as provided for in the Agenda for Change,
- M. whereas since the objective of the Agenda for Change proposed by the Commission is to

strengthen the impact of current development policy, achievement of the Europe 2020 strategy and the other interests of the European Union in the area of the Union's external activity should be planned in accordance with the objectives of its development policy,

- N. whereas at international level, particularly within the G20, there is a democratic deficit in decision-making structures based on a form of governance that excludes the poorest developing countries,
- O. having regard to the Commission's analysis of the current deficiencies in development policy (fragmentation of aid and duplication, arising because since the division of labour among donors is far from ideal),
- P. whereas the new Agenda includes a limited number of priorities, making it better able to meet new challenges, including the impact of the financial crisis, climate change, energy problems and recurring food crises,
  - 1. Believes that the Agenda for Change is innovative in that it focuses, inter alia, on the use of budget support, on combining grants and loans and on promoting the private sector; believes that using these mechanisms should essentially contribute to lifting the citizens of developing countries out of poverty and aid dependence and to the dissemination and application of principles of good administrative and fiscal governance;
  - 2. Congratulates the Council on having taken account, in its conclusions of 14 May 2010, of both basic principles underlying EU development cooperation and some of the positions expressed by Parliament in its recent resolutions on development cooperation;
  - 3. Deplores the lack of political dialogue between institutional actors, which is particularly harmful to Policy Coherence for Development (PCD); deplores, in this context, the fact that the Commission's communication failed to put forward proposals to implement Policy Coherence for Development in practice by linking development aid with other EU policy areas, notably the trade policy, agricultural policy and fisheries policy of the Union; agrees, in this regard, with the Council's observation that 'close cooperation between the European External Action Service and the European Commission is necessary to ensure greater consistency of EU external action and PCD';
  - 4. Observes that the blending mechanism, as it stands now, is proposed to mix public grants with financial institutions' loans and other risk-sharing mechanisms, at a time of financial crisis implying budget constraints for development; requests the Commission, therefore, to provide clear information on how this mechanism serves the purpose of a development policy based on ODA criteria and how the power of scrutiny of Parliament will be exercised;
  - 5. Notes the Commission's intention to promote 'inclusive and sustainable growth in the service of human development', but regrets that the document does not contain any references to the need to promote better redistribution; emphasises that, from a development perspective, this new instrument should have no objective besides that of poverty reduction and the fight against inequality; warns that exclusive attention to economic growth and excessive confidence in the effects of automatic redistribution of development in the private sector could lead to unbalanced, non-inclusive growth without

having a real impact on poverty reduction; requests the EU to reconsider this policy in favour of sustainable development policies including fair trade, redistribution of wealth and social justice, with the aim of improving the living and working conditions of the whole population, in both urban and in rural areas;

6. Considers that, from a financial, regulatory, administrative, and social point of view, the setting up of microbusinesses and SMEs in developing countries, in order to boost entrepreneurship and development of the private sector, is essential for creating favourable business environments in developing countries; considers that the EU should focus on reducing excessive regulatory burdens on SMEs and microbusinesses, and, in this context, should encourage and further strengthen access to microcredit and microfinancing;
7. Considers that the Agenda for change should bring about a real policy shift, by focusing on a rights-based policy approach fulfilling individual and collective rights of the population in developing countries, as laid down in the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights or the Declaration on the Right to Development, as well as in the treaties on environmental protection;
8. Considers that effective land rights systems in developing countries are essential for eradicating poverty and creating a fair and inclusive society; to this end, one of the objectives of the Agenda for Change should be to ensure that secure land rights systems are in place in developing countries and that they are monitored accordingly;
9. Reaffirms its commitment, in this regard, to social inclusion, as well as to the decision to allocate at least 20 % of EU aid in its entirety to basic social services as defined by the UN in the Millennium Development Goals (MDGs);
10. Observes that some 82 % of people with disabilities in developing countries live below the poverty line; therefore considers it essential that the Agenda for Change should implement Article 32 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), already signed by the EU, which recognises the need to make international cooperation accessible to and inclusive of people with disabilities;
11. Invites representatives of the national parliaments of the EU Member States to hold structured annual meetings with the European Parliament in order to ensure consistency in the spending of development aid and strengthen Policy Coherence for Development;
12. Notes that the Commission makes poverty a central issue in its new policy of 'differentiation'; observes, however, that 70 % of people whose income is below the poverty threshold live in middle-income countries, many of whom remain fragile and vulnerable, notably the Small Island Developing States (SIDS), and hence deplores the fact that the poor in those countries continue to be deprived of access to education, healthcare and other benefits of internal economic growth, the liability for which lies with these states; calls on the Commission to set, for the implementation of the differentiation concept, vulnerability criteria in the common programming guidelines of the new DCI and the 11th EDF currently under discussion, and to take account of the realities of poverty, human development and inequalities inside a country, and not only of national GNI;

13. Calls on the Commission and the EEAS to live up to their pledge of a ‘human rights-based approach’ across the entire development cooperation process;
14. Emphasises the responsibility of all state and non-state actors to focus their strategies on eliminating poverty; stresses, on the one hand, the responsibility of the EU to meet its target of 0.7 % by 2015 and, on the other, the essential nature of the fight against poverty in emerging economies using means relevant to their internal solidarity; in this regard, welcomes the conclusions of the Council, which encourage the Union to ‘continue its political dialogue on poverty reduction and the fight against inequalities with more advanced countries’;
15. Emphasises the importance of solidarity between generations; in this respect, invites the Commission to adopt family mainstreaming as a universal guiding principle for achieving the EU development goals;
16. Calls for the further development of a clear linkage between relief, rehabilitation and development, particularly in the light of the continuing nutrition crisis, and underlines the need for effective and sustained assistance through a combination of public-private partnerships and corporate social responsibility; reiterates Parliament’s and the Council’s call on the Commission to ensure a clearer and more focused strategy on nutrition, tackling food security governance and reducing food price volatility by the end of 2012;
17. Considers that addressing the issue of malnutrition is of critical importance, as it continues to be a major health burden in developing countries; to this end, calls for specific investments in food, health and nutrition, recognising that improving the nutrition of mothers and children is key to eradicating poverty and achieving sustainable growth;
18. Believes it essential for middle-income countries to commit an increasing proportion of their revenue to social purposes, particularly through developing taxation systems and other internal redistribution and social protection systems, thereby enabling the EU to gradually scale back its current development programmes so as to benefit the poorest countries while maintaining a close partnership with middle-income countries, in particular in areas of social policy;
19. Approves the concept of differentiation; invites the Commission, however, to negotiate a roadmap for the gradual reduction of Official Development Assistance (ODA) in the case of middle-income countries and to involve them progressively in North–South–South triangular cooperation arrangements; also requests that this gradual reduction be carried out in all cases taking account of the principle of aid predictability; additionally, calls on the EU to consider means of cooperating directly with the regional clusters of poverty in the middle-income countries;
20. Considers it appropriate to evaluate the need for an international conference be held with the BRICS countries which would on the one hand focus on the future financing of the MDGs, and on the other promote triangular cooperation arrangements involving one northern donor country, one emerging country and one developing country; points out that the concept of ‘development effectiveness’ is not only useful for measuring Policy Coherence for Development (PCD), but also provides an opportunity to deepen the dialogue with the BRICS countries, given that this is the concept preferred by emerging



donors in development cooperation;

21. Welcomes the special relevance assigned to human rights, democracy and the rule of law in the Agenda for Change; urges the EU to undertake additional efforts in order to more effectively mainstream human rights and democracy across development cooperation and ensure that EU development programmes contribute to the fulfilment by partner countries of their international human rights obligations;
22. Supports the Commission's desire to allocate budget aid to partner countries as soon as they have made a commitment, as part of a political dialogue with a view to refocusing their budget priorities on development objectives in basic social sectors; takes the view that budget support should be more closely linked to the human rights record and governance situation of recipient countries; reiterates its call for establishing more detailed criteria in this respect for the award of budget support;
23. While recognising the development-security nexus, is convinced that the EU budget for development should remain separate from the financing of military security-related issues, which is a matter for home affairs;
24. Requests the Commission to clarify the development-migration nexus; insists that development budgets in this field should support the goal of an integrated regional development plan for the main immigration-related areas, such as job creation, installation of infrastructures for drinking water, electricity, health centres, schools, etc;
25. Believes that the new Strategy on Human Rights, which focuses on economic, social and cultural rights as well as those codified in the Universal Declaration on Human Rights, should have an impact on budget support methods; advocates positive and weighted conditionality in this area, based on a dynamic approach – concerned with safeguarding the gains won after years of partnership – and taking place within the framework of a partnership grounded in a political dialogue concerning use of the various methods of implementation of EU financial support;
26. Calls on the Commission, the European Council and the Member States to pay particular attention to the rights of minorities, and insists that non-negotiable human rights and non-discrimination clauses be inserted into development programmes, inter alia with regard to discrimination on grounds of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation and that affecting people living with HIV/AIDS;
27. Agrees with the Council's call for the adoption of a rights-based approach to development, through which the EU recognises, in particular, the rights to universal, non-discriminatory access to basic services, participation in democratic political processes, transparency and accountability, and justice and the rule of law, with an emphasis on poor and vulnerable groups;
28. Regrets, however, that in the Commission communications human rights mainly appear as part of a broader good governance conditionality, which seems to have only instrumental value for development; points out that a human rights-based approach to development cannot be limited to conditionality, and that an integrated understanding of human rights is needed, whereby equal attention is paid to civil, cultural, economic, political and social

rights and development is understood in the first place as human development;

29. Recalls, in this context, the importance of recognition by the EU of the right to development of these partner countries and the obligations arising from this right for donor countries;
30. In line with the Programme of Action adopted at the International Conference on Population and Development (ICPD), held in Cairo in 1994, calls on the Commission to continue supporting a rights-based approach to the population and development agenda, notably through collaboration with CSOs and UN agencies like UNFPA;
31. Encourages the Council to take action on the Commission's proposal for a well-designed, effective financial transaction tax designed to raise revenue in order to meet inclusive global development priorities;
32. Firmly reminds the Commission and the Member States that ODA has to remain the backbone of the European development cooperation policy aiming at eradicating poverty; therefore underlines that if innovative sources of development financing are to be widely promoted they must be additional, must be used on the basis of a pro-poor approach, and cannot be used to replace ODA in any circumstances;
33. Believes that the imposition of conditions for the use of certain kinds of ODA disbursement and budget support should go hand in hand with sound operational institutions and the democratic monitoring of budgets by parliaments, courts of auditors, civil society and regional and local authorities in recipient countries, and with guarantees from the EU concerning the continuity and predictability of aid provided by the Union; welcomes the fact that the Council has included these recommendations in its conclusions; stresses the need to continue and expand the 'MDG contracts' system;
34. Believes that the official ODA publication does not sufficiently reflect the means that are truly available in this regard;
35. Emphasises the need to strengthen the political dialogue, particularly among the three EU institutions, in order to reinforce the existing levels of consensus and involvement regarding the adoption of the 'European Consensus on Development' in 2005, which should remain the doctrinal framework for Policy Coherence for development (PCD); believes, therefore, that the new programme can only be an instrument that is compatible with the 'Consensus', leading to a more effective development policy that serves the overarching cooperation development objective of the EU, i.e. to eradicate poverty – in particular, through efforts to achieve the Millennium Development Goals and through the role played by healthcare and education – in a context of sustainable development;
36. Wishes to preserve the consensual character of all EU institutions regarding cooperation development as defined on 20 December 2005, and, in this spirit, calls on the High Representative of the Union for Foreign Affairs and Security Policy to add her signature to the European Consensus on Development, since the European External Action Service over which she presides has significant programming responsibilities;
37. Considers that the Union should fully assume the responsibility incumbent on it as the

world's leading donor of development aid, and turn its political potential to better effect, further developing its leading role at international level on development issues, particularly by spreading the principles of good governance and training local actors, and by making resolute use of the powers conferred on it by Article 210 of the Treaty on the Functioning of the European Union to take every appropriate initiative to foster the coordination of the development cooperation policies of the EU and its Member States and to synchronise their aid programmes;

38. Regrets that the Commission has only called on the Council to approve its Agenda for Change, despite the circumstance that democratic control, as provided for in the Treaty of Lisbon, should be fully applied in the field of development policy implementation; stresses that in order to become operational, all changes in the geographic, thematic and sectoral development priorities of the Union must be decided through codecision by Parliament and the Council within the framework of instruments for the financing of development cooperation which fall within the ordinary legislative procedure;
39. Welcomes the focus on closer coordination among Member States through the development of joint programming, single EU contracts for budget support, and common EU frameworks for measuring and communicating results and for human rights conditionality;
40. Believes that maintaining high levels of funding for development education is crucial as it promotes the necessary public awareness of development issues;
41. Welcomes the Commission's intention that 'the EU should strive to help countries in situations of fragility'; notes, however, that a bilateral relationship might not be sufficient for doing so, given the new budgetary framework and the fact that countries in such a situation often lack a functioning government or legal system; therefore, calls on the EU to work with third countries in a given region in order to support the development and functioning of institutions, the rule of law and judicial systems in the partner country;
42. Calls on the Commission to develop the tools necessary to guarantee a strategic link between humanitarian aid and development in situations of fragility, crisis and post-crisis, so as to strengthen the resilience of the populations of the countries concerned;
43. Recalls that, when it comes to the proposal for the 11th EDF, any new political orientation following the adoption of the Agenda for Change must be compatible with the spirit and the letter of the Cotonou Agreement;
44. Considers it essential to highlight the comparative advantages of the EU's development cooperation policy and, in this regard, calls on the Commission, with the aid of the OECD, to define a methodology that will allow it to assess the impact of its own policy and compare it with that of the policies of other actors, particularly the so-called 'emerging' economies;
45. Recalls the need for a consistent approach by the 28 actors that have already been united by the Consensus, and calls for a common reading of the situation and a common perception of the strategic issues; believes that, to this end, a strategic think-tank at EU level might be indispensable;

46. Calls for the creation of an independent think-tank, administratively linked to the Commission, with the objective of developing analytical and advisory abilities for all European cooperation actors in order to ensure the added value of a well-coordinated, consistent policy;
47. Supports the Commission's intention to focus activities led by the EU in each partner country on a limited number of priority sectors, but recalls that, in order to achieve the best results, it is necessary to identify these priorities in the partnership framework and to respect fully the ownership and priorities of the partner;
48. Supports the Council's recollection of 'the Treaty obligation to take account of the objectives of development cooperation in the policies which are likely to affect developing countries, and to pursue these objectives in the overall framework of the Union's external action';
49. Emphasises the importance of promoting and defending good governance; calls on the Commission, in this regard, to support the training programmes for legal professionals and legislation modernisation programmes, in particular for legislation on land use;
50. Is of the view that sustainable development implies effective domestic tax collection, automatic disclosure of transnational corporations' profit and tax payments in the individual developing countries where they operate, and fighting abuse of tax havens, tax evasion and illicit capital flight; welcomes, in this regard, the EU's draft legislation on country-by-country and project-by-project reporting, which should be included in the EU Agenda for Change policy;
51. Believes that the EU Aid for Trade and trade facilitation instruments, which currently target only the export sectors, need to change in order to facilitate trade for local and regional markets;
52. Recalls that an active and inclusive civil society is the best guarantee – in both the countries of the North and those of the South – of good democratic governance, protection of vulnerable groups (in particular disabled people and minorities), private-sector responsibility and an improved capacity to distribute the benefits of economic growth;
53. Regrets that the Commission does not put enough emphasis on the gender dimension of poverty; believes the EU must invest in the specific needs of women and design social protection packages that address the challenges faced by women; emphasises that gender equality and women's empowerment (GEWE) are essential to the attainment of international development goals; highlights the fact that the economic and political empowerment of women is not only a driving force for gender equality but is also fundamental to achieving overall economic growth in developing countries and reducing poverty; urges the Commission to ensure that gender equality and the empowerment of women will be mainstreamed in all EU development policies and programmes through its 2010 Gender Action Plan;
54. Would like the Agenda for Change to specify the important and independent role of regional and local authorities and civil society, not only in implementing development programmes and projects, but also as fundamental players in the process of developing

evidence-based development policies; highlights the importance of improving cooperation with them and calls for regular dialogue and consultations with them in policy-making; in this regard, underlines the importance of establishing dialogue between the EU and civil society organisations and regional and local authorities;

55. Calls for greater awareness in the new Member States of the importance of development aid;
56. Expresses its hope that development cooperation will be a more prominent topic during the course of 2015, a key year in which deep reflection will be required, particularly with regard to following up on the MDGs; would like to see the Commission name 2015 the 'European Year for Development';
57. Points out that a better understanding of the impacts of non-development policies on development is instrumental in establishing and monitoring an effective development framework; therefore considers it essential that the Agenda for Change should promote evidence-based Policy Coherence for Development (PCD);
58. Demands that any support provided to the private sector in the form of ODA come within the framework of the national plans and/or strategies of the partner countries, and that the amounts allocated be focused on the development of human resources, decent work, the sustainable management of natural resources and the development of high-quality inclusive public services for the benefit of the population; advocates safeguards to ensure that private companies respect human rights, offer decent jobs and pay their taxes in the countries where they operate;
59. Welcomes the proposals of the Agenda for change concerning aid effectiveness, in view of the importance of aid effectiveness in terms of improving quality of life, reducing poverty in recipient countries and achieving the MDGs, and urges more resolute EU action in this respect; underlines the importance of swift implementation of the Busan Partnership for effective development cooperation; takes the view that moving successfully from the concept of effective aid to that of cooperation for effective development requires a strong commitment from the EU and its international partners; hopes for a rapid international consensus on the working arrangements for the Global Partnership;
60. Believes that certain new challenges, particularly climate change and universal access to energy, are not sufficiently covered by the sectors of intervention selected in the Commission's proposal;
61. Reiterates its demand to include in the Agenda for Change the obligations and duties of foreign investors operating in developing countries to respect human rights and environmental and ILO core labour standards; considers that EU companies should be legally liable in their home countries for violation of these obligations and duties by their subsidiaries abroad and for the entities they control;
62. Calls on the EU to recognise the right of developing countries to regulate investment, favour investors who support the partner country's development strategy, and give preferential treatment to domestic and regional investors in order to promote regional

integration;

63. Regrets that the Agenda for Change has not addressed the issue of land leasing in developing countries, which threatens local food security; expresses its deep concern over the current phenomenon of farmland acquisition by government-backed foreign investors, some of them from the EU, which risks undermining the EU's policy for combating poverty;
64. Stresses the need to take account of the cross-sectional dimension of culture and the importance of including it in all external policies of the EU in general and in development policy in particular;
65. Believes that the Commission must maintain the monopoly of programming in the area of development and cooperation policies;
66. Instructs its President to forward this resolution to the Council, the Commission, the EEAS and the Governments and Parliaments of the Member States.

## EXPLANATORY STATEMENT

### Development policy and the dynamics of change

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

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

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

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

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

### Commission communication

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

With '*Agenda for change*', the Commission intends to place particular emphasis on the *quality* of the assistance. Moreover, it believes that greater selectivity is called for when it comes to choosing partner countries. This would result in the long-term elimination of emerging countries from the list of beneficiaries of European Official Development Assistance (ODA), since their difficulty no longer lies in the creation of wealth but in its distribution.

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

## **Proposals**

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

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

### ***(1) Reliable figures: a demand for sincerity***

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

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

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

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



### ***(3) The EU: its comparative advantages***

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

### ***(4) Some thoughts regarding the birth rate***

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

### ***(5) The case for independent strategic reflection***

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

### ***(6) An improvable institutional system***

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

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

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

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

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

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	10.7.2012
<b>Result of final vote</b>	+: 19 -: 3 0: 0
<b>Members present for the final vote</b>	Thijs Berman, Michael Cashman, Ricardo Cortés Lastra, Véronique De Keyser, Leonidas Donskis, Charles Goerens, Eva Joly, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Eleni Theoharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi
<b>Substitute(s) present for the final vote</b>	Eric Andrieu, Judith Sargentini
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Jean-Paul Besset, Ioan Enciu