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## **MOTION FOR A RESOLUTION**

further to the Council and Commission statements

pursuant to Rule 37(2) of the Rules of Procedure

by Jan Mulder, Marieke Sanders-Ten Holte and Lone Dybkjaer

on behalf of the ELDR Group

on financing of development aid with a view to the UN International Conference in Monterrey

**European Parliament resolution on financing of development aid with a view to the UN International Conference in Monterrey**

*The European Parliament,*

- A. whereas, after the events of 11 September 2001, the President of the IMF and several heads of state are demanding an enhanced effort for increased and improved development aid,
- B. whereas some of the major challenges this conference has to address are eradication of poverty, achievement of sustained economic growth and promotion of sustainable development as we advance to a fully inclusive and equitable global economic system,
- C. whereas there is growing public concern world-wide at the unresolved inequalities of this planet,
- D. noting that, as far as aid volume is concerned, the World Bank has estimated that a doubling of resources is required if the Millennium Development Goals are to be met,
- E. whereas, in its Göteborg declaration, the Council reaffirmed its commitment to reach the UN target for official development assistance of 0.7% of GNP as soon as possible in order to achieve concrete progress before the World Summit on Sustainable Development in Johannesburg in September 2002,
- F. concerned that in most EU Member States official development aid remains far below target, with further declining tendencies,
- G. whereas good governance, sound economic policies and solid democratic institutions are the basis for sustained economic growth,
- H. whereas an equitable multilateral trading system, as well as meaningful trade liberalisation, can substantially stimulate development world-wide,
  - 1. Stresses its commitment to poverty reduction and achievement of the development goals as set out at the Millennium Summit and at major UN conferences;
  - 2. Considers that the success of this conference depends on the willingness of developing and industrialised countries to strengthen existing commitments and establish new commitments;
  - 3. Urges the Commission, the Council and the Member States to take concrete steps in order to substantially increase development financing by 2002;
  - 4. Calls on the European Union and its Member States to establish a binding contract on the 0.7% share of GNP and to take the direction, as appropriate, of debt cancellation;

5. Considers that innovative concepts and sources of financing are needed in order to increase revenue for development assistance;
6. Stresses the leading role which the countries receiving development aid must play in efforts to reduce poverty;
7. Believes that countries need to continue their efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, in order to encourage inflows of productive capital;
8. Underscores the need to sustain sufficient and stable private financial flows to developing countries with economies in transition;
9. Considers liberalising capital flows in an orderly process to be consistent with development objectives;
10. Urges business to take into account not only the economic and financial but also the social, gender equity, educational, health and environmental implications of their undertakings;
11. Stresses the importance of adequate investment in the ICT sector, the use of which can have an important effect in the fight against poverty in sectors such as education, health, the environment, rural development and tourism;
12. Believes that trade is the single most important external source of development financing, and that trade barriers, subsidies and other trade-distorting measures, particularly in sectors of special export interest to developing countries, including agriculture, must be eliminated;
13. Considers official development assistance as a complement to other sources of financing for development, especially in those countries with the least capacity to attract private direct investment;
14. Supports development frameworks initiated at the regional level, such as the New Economic Partnership for Africa's Development (NEPAD) and similar efforts in other regions;
15. Considers micro-finance and credit for micro, small and medium-sized enterprises, including in rural areas, particularly for women, to be important for enhancing the social and economic impact of the financial sector;
16. Recognises the urgent need to enhance the coherence and governance of the international monetary, financial and trading system;
17. Calls for developing countries to play a more important role in international dialogues and decision-making processes and effectively participate in the ongoing reform of the international financial architecture;

18. Welcomes the WTO's decision to place the needs and interests of developing countries at the heart of the WTO work programme and supports the accession of developing countries, particularly the LDCs, that apply for WTO membership;
19. Instructs its President to forward this resolution to the Commission, the Council, the Member States, the IMF, the World Bank and the United Nations Secretariat.