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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

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on behalf of the GUE/NGL Group

on the World Bank-commissioned Extractive Industries Review

European Parliament resolution on the World Bank-commissioned Extractive Industries Review

The European Parliament,

– having regard to Rule 37(2) of its Rules of Procedure,

- A. whereas, in the year 2000, World Bank President James Wolfensohn commissioned an independent study to examine the World Bank Group (WBG)'s support for oil, mining and gas projects within the context of the World Bank's affirmed mission of poverty reduction and promotion of sustainable development,
- B. whereas on 15 January 2004 the Extractive Industry Review Commission, headed by Emil Salim, former Environment Minister of Indonesia, presented to the WBG President its findings resulting from a two year long multi-stakeholder process that included consultations with industry, civil society, academia and government on five continents, as well as research and project visits,
- C. whereas the results of the Extractive Industries Review (EIR) report also have implications for the European banks, the EIB and the EBRD, because many operations are jointly financed by the International Finance Corporation and the European banks; whereas they also have consequences for the Export Credit Agencies of the Member Countries,
- D. whereas all European Union governments, as members of the World Bank, have to formulate their position on the conclusions of the report within the stipulated 90-day period in order to contribute to recommendations regarding the future of the World Bank Group's involvement in the extractive industries sector,
- E. whereas the European Union Member States hold over 40% of the vote on the Boards of the World Bank and the IMF and would represent an important factor in the World Bank decision-making process if a concerted EU approach were achieved,
- F. whereas the EIR report concludes that there is a role for the World Bank Group in the oil, mining and gas sectors, but only when the right conditions are in place to promote poverty reduction and sustainable development,
- G. whereas the EIR demands a better balance between ecological, economic and social considerations, calling on the WBG to reform its social and environmental standards, to implement those standards more efficiently and to make financial support conditional on 'good governance' and respect for human rights on the part of companies and governments,
- H. whereas the whole extractive sector represents only 2% of WBG activities, which makes it all the more important that those scarce resources are invested in the interest of poverty alleviation, sustainability and climate protection,

- I. whereas the WBG as a multilateral institution sets world standards and should use this leverage to support forward-looking industries in developing countries, which exclude by definition fossil fuels,
- J. whereas a concentration of WBG funding on renewable energies does not prevent states from developing other extractive sectors, for which financing via commercial banks does not usually present a major problem due to its economic attractiveness,
- K. whereas, even without WBG involvement, companies cannot assume that social and environmental abuses will not be denounced by international civil society networks, and the so-called 'Equator obligations' can serve as a welcome model, in which 10 commercial banks declared their intention to follow World Bank standards for their extractive industries' contracts even without World Bank involvement,
1. Welcomes the initiative taken by World Bank President Wolfensohn to scrutinise the Extractive Industries sector (EIR) and hopes that the World Bank Group will demonstrate its commitment to sustainable development by agreeing to implement all of the EIR recommendations;
 2. Calls on the Irish Presidency to coordinate the Member States with a view to achieving a concerted EU attitude in support of the recommendations of the EIR which are interrelated and should be implemented as a whole;
 3. Calls on the Member States to raise the findings of the report in other financial forums, such as the EIB, EBRD, national credit agencies, etc., to ensure that the problems explored are duly discussed and acted upon;
 4. Calls on the Commission to scrutinise all its financial support programmes with third countries and implement the EIR conclusions, notably in its cooperation with the IMF, the World Bank, the EIB and the EBRD;
 5. Calls on the Council and Commission to propose a regulation with the aim of harmonising the procedures and policies of the national export credit agencies of the Member States, in support of the implementation of the EIR findings;
 6. Calls on the Commission and the Member States to promote resource development that respects human rights and responds to the needs of the world's poor and, to this end, to strongly promote renewable energies;
 7. Calls on the Commission, Council and Member States to support notably the following demands of the EIR and to bring all their influence to bear with the aim of their full implementation:
 - (a) align the WBG's energy sector priorities with its environmental and social mandate by phasing out investment in oil production by 2008 and until then only engaging in the poorest countries, focusing on gas as a transitional fuel, and continuing to avoid new coal mining development;

- (b) simultaneously increase by 20 per cent annually its investments in renewable energy projects that can meet the energy needs of the world's poor;
 - (c) ensure that a set of adequate governance conditions is in place before a project can go ahead, notably by
 - * defining clear rules on the publication of the financial agreements between the governments and industry involved to combat corruption,
 - * setting up a dispute settlement mechanism to arbitrate on any conflicts by ensuring that prior negotiated agreement ('social licence') with the communities concerned has been achieved;
 - (d) ensure that the projects it supports comply with international human rights law and core labour standards;
 - (e) exclude forced resettlements, fully involve indigenous peoples and project-affected communities in all levels of project planning and achieve their free prior, informed consent to EC, EIB, EBRD and World Bank-financed projects;
 - (f) demand transparency in revenue flows and project investment from the extractive industry projects it supports;
 - (g) strengthen its Natural Habitats policy and refuse to finance extractive industry projects in protected areas, critical natural habitats and World Heritage sites;
 - (h) minimise its support for mines using toxic materials such as cyanide and mercury, and impose a moratorium on submarine tailings disposal;
8. Instructs its President to forward this resolution to the Council, the Commission, the Member States, the President and Executive Directors of the World Bank, the Managing Director of the IMF and the Presidents of the EIB and the EBRD.