



EUROPEAN PARLIAMENT

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Committee on Development

2010/2152(INI)

4.3.2011

OPINION

of the Committee on Development

for the Committee on International Trade

on a New Trade Policy for Europe under the EUROPE2020 Strategy
(2010/2152(INI))

Rapporteur: Birgit Schnieber-Jastram

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SUGGESTIONS

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

1. Recalls that the EU's external trade policy is a cross-cutting policy and essential to policy coherence for development and that as such, the Trade Strategy for EU 2020 must be based on an assessment of its contribution towards the goals set out in Article 208 of the Treaty on the Functioning of the European Union (TFEU);
2. Is therefore concerned that the Commission's communication on 'Trade, Growth and World Affairs' focuses almost exclusively on the BRIC countries and other 'growth markets', whilst paying little attention to the Least Developed Countries (LDCs); cautions that dividing trade policy between separate communications on 'growth' and 'development' could undermine the policy coherence of the Union as enshrined in the Treaty;
3. Notes that the New Trade Strategy aims to strengthen an economic model based on exports and, hence, on increased transportation; recalls that the ongoing increase in CO₂ emissions linked to transport and international trade is in danger of undermining the effectiveness of the EU's climate change strategy; also recalls that emissions from transport are only one component of the impact of trade and trade expansion on emissions; therefore asks the Commission to outline a strategy that considers all the effects relevant to the net emissions balance, e.g. differences in emissions according to the place of production and the production technologies and raw materials used, or differences in emissions reduction cost between countries and sectors, and the effect that the further dissemination of emissions-reducing technology could have; takes the view that, in line with the principle of policy coherence, a trade strategy should be designed primarily to strengthen endogenous development, consumption and production patterns;
4. Reaffirms that Economic Partnership Agreements (EPAs) should be designed as pro-development tools and not regarded simply as international trade instruments;
5. Underlines, in that connection, the extreme importance of designing a trade policy which leads to the fulfilment of MDG 8 (Develop a Global Partnership for Development), whilst taking into account the differences between Middle Income Countries, Low Income Countries and fragile states;
6. Urges the Commission to review its communication entitled 'Trade, Growth and World Affairs: Trade Policy as a core component of the EU's 2020 strategy', in an effort to use the potential of international trade for job creation, poverty eradication and sustainable development worldwide; stresses that the trade strategy should give priority to multilateral trade talks over bilateral free trade agreements; stresses that an equitable outcome to the Doha Development Agenda entails taking account of the concerns of poorer WTO members regarding the achievement of the Millennium Development Goals;
7. Recalls that, in order to foster inclusive and pro-poor economic growth, the EU, in its trade policy, must strive to secure the conclusion within two years of a development-

friendly Doha Round and give additional support to South-South trade and regional integration;

8. Considers that changes in the WTO rules are needed to ensure coherence and consistency with the commitments under the Kyoto Protocol and multilateral environmental agreements (MEAs);
9. Furthermore, urges the Commission to promote in the Doha negotiations a more transparent and effective system for the transfer of technology from developed countries to the LDCs, with particular emphasis on green technology;
10. Urges the EU to refrain from imposing its agenda on TRIPS+ and 'Singapore issues' negotiations, given that many developing countries have long made it clear that they are opposed to negotiating enhanced patent protection and investment agreements both at the WTO and in other free trade agreements with the EU; recalls that trade-related assistance should help developing countries to diversify their economies and to reduce their dependence on raw materials exports;
11. Recalls that the Aid for Trade strategy is designed to help developing countries to negotiate, implement and benefit from trade agreements, to expand their trade and to speed up poverty eradication;
12. Calls on the Commission to present annually to Parliament detailed information on the budget lines which are used to finance trade-related assistance and Aid for Trade and comprehensive figures for all Aid for Trade financing from the EU budget; asks the Commission, further, to inform Parliament how European Development Fund (EDF) monies are used to promote trade-related assistance and Aid for Trade, as the EDF is still not included in the EU budget, despite repeated calls by Parliament;
13. Points out that the introduction of the reciprocity principle in the area of public procurement may be damaging to developing countries, as it might, inter alia, hamper the development of infant industries and processing; urges the EU, therefore, to define its new trade strategy in a manner entirely consistent with the 'special and differential treatment' granted to developing countries;
14. Urges the EU to refrain from exerting undue pressure on developing countries to conclude investment agreements that limit their ability to regulate in favour of social development objectives;
15. Stresses the need to foster sustainable development and for social and environmental standards to be systematically taken into account when negotiating trade agreements and investment treaties, in order to pursue the goal of making trade a catalyst for development that allows partner countries sufficient policy space to ensure food security, and build local and regional markets; takes the view, in this context, that the implementation of the 'national treatment' principle in investment treaties, whereby foreign investors are accorded the same rights as domestic investors, will curb the LDCs' ability to give preferential treatment to domestic investors, such as small or infant enterprises; calls on the Commission to formulate a coherent strategy on the extraction of raw materials; considers that such a strategy should ensure that the extractive process is environmentally

and socially sustainable, by making compliance with international standards mandatory, and is economically sustainable by securing for the countries a fair level of revenue; points out that, if appropriate, this strategy could also make it possible to preserve commodities for later use;

16. Asks the EU to support private sector initiatives calling for transparency and corporate social responsibility in the resource extraction sector; asks the Commission also to support initiatives by pharmaceutical companies on the basis of which certain patents are granted to producers of generic medicinal products exclusively for use in the world's least developed markets;
17. Calls on the Commission – when negotiating and implementing trade agreements – to strengthen EU policy coherence for development and, inter alia, the promotion of decent work, wealth and job creation and to ensure that trade commitments contain adequate provisions on asymmetry and transitional periods and that each country's priorities are respected and that key actors and civil society are properly consulted;
18. Calls on the EU to honour the agreement reached under the Swedish Presidency to come up with a concrete plan to implement the United Nations' Protect, Respect and Remedy Framework;
19. Asks the Commission to consider introducing a permanent mechanism to help developing countries to rebuild their economies after events such as earthquakes or flooding; points out that one option could be time-limited initiatives in the area of rules of origin to incentivise the use of products or goods from the country hit by such an event;
20. Calls on the Commission to ensure that policies in support of Fair Trade are coordinated and reiterates its earlier call¹ to the Commission to establish a contact point to provide regular coordination of Fair Trade issues between its services.

¹ Paragraph 18 of the resolution on Fair Trade and development (2005/2245(INI)), A6-0207/2006. Rapporteur: Frithjof Schmidt.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.3.2011
Result of final vote	+: 19 -: 0 0: 0
Members present for the final vote	Thijs Berman, Ricardo Cortés Lastra, Nirj Deva, Leonidas Donskis, Charles Goerens, András Gyürk, Eva Joly, Franziska Keller, Gay Mitchell, Norbert Neuser, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Iva Zanicchi, Gabriele Zimmer
Substitute(s) present for the final vote	Fiona Hall, Cristian Dan Preda
Substitute(s) under Rule 187(2) present for the final vote	Jolanta Emilia Hibner