

## **P5\_TA(2004)0232**

### **Governance in the European Union's development policy**

#### **European Parliament resolution on Governance in the European Union's development policy (2003/2164(INI))**

*The European Parliament,*

- having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - Governance and development (COM(2003) 615),
- having regard to the conclusions of the Council meeting of 17 November 2003 on that Communication<sup>1</sup>,
- having regard to Articles 177, 178, 179, 180, 181, and 181a of the Treaty establishing the European Community,
- having regard to the Human Development Report 2003 of the United Nations' Development Programme,
- having regard to the Communication from the Commission to the Council and the European Parliament "Democratisation, the Rule of Law, Respect for Human Rights and Good Governance: the Challenges of the Partnership between the European Union and the ACP States" (COM(1998)146) and its resolution of 15 January 1999 on that communication<sup>2</sup>,
- having regard to its resolution of 25 April 2002 on the communication from the Commission to the Council and the European Parliament on the programme of action for the mainstreaming of gender equality in Community development cooperation<sup>3</sup>,
- having regard to its resolution of 25 April 2002 on the Communication from the Commission to the Council and the European Parliament "The European Union's Role in Promoting Human Rights and Democratisation in Third Countries"<sup>4</sup>,
- having regard to its resolution of 15 May 2003 on capacity-building in the developing countries<sup>5</sup>,
- having regard to the Commission's White Paper on European governance<sup>6</sup>,

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<sup>1</sup> DEVGEN 144/ Doc. 14773/03.

<sup>2</sup> OJ C 104, 14.4.1999, p. 185.

<sup>3</sup> OJ C 131 E, 5.6.2003, p. 153.

<sup>4</sup> OJ C 131 E, 5.6.2003, p. 147.

<sup>5</sup> OJ C 67 E, 17.3.2004, p 255.

<sup>6</sup> OJ C 287, 12.10.2001, p. 1.

- having regard to Council Common Position 98/530/CFSP of 25 May 1998 concerning human rights democratic principles, the rule of law and good governance in Africa<sup>1</sup>,
- having regard to the Council Regulation (EC) No 976/1999 of 29 April 1999 on laying down the requirements for the implementation of development cooperation operations which, within the framework of Community cooperation policy, contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms in third countries<sup>2</sup>,
- having regard to its resolution of 4 September 2003 on the communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on participation of non-state actors in EC development policy<sup>3</sup>,
- recalling the Millennium Development Goals and targets expressed in the UN Millennium Declaration, adopted at the UN Millennium Summit, which was held from 6 to 8 September 2000, in which it was affirmed that success in reaching MDGs in a country depends, inter alia, on good governance and in which a commitment to good governance, development and poverty reduction - nationally and internationally was expressed,
- recalling the Council and European Commission Joint Declaration of 10 November 2000 on the European Community's Development Policy, which identified institutional capacity-building in the sphere of good governance as one of the six priority areas of the EC Development Policy,
- having regard to the report of the OECD on how globalisation improves governance<sup>4</sup>,
- recalling the Council Conclusions on the Monterrey International Conference on Financing for Development that was adopted on 22 March 2002, and which emphasised that developing countries had primary responsibility to create a sound macro-economic environment and an appropriate framework for investments,
- recalling the Johannesburg plan of implementation which inter alia states that "good governance at national and international level is essential for sustainable development",
- recalling the Council conclusions of 30 May 2002 which welcomes the Commission's proposals to deepen its work on governance as one of the priority areas of the Community development policy and in particular the establishment of an experts group with the Member States with a view to defining a consistent and common EU approach to these issues in order to establish a policy framework based on the links between democracy, good governance and development with partner countries and in association with non-state actors,
- recalling that the ACP-EU Cooperation Partnership Agreement, signed in Cotonou on 23 June 2000<sup>1</sup>, and, in particular, Article 9(3) thereof, which lays down an effective approach to governance,

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<sup>1</sup> OJ L 158, 2.6.1998, p. 1.

<sup>2</sup> OJ L 120, 8.5.1999, p.8.

<sup>3</sup> P5\_TA(2003)0380.

<sup>4</sup> CD/DOC (2001)13.

- having regard to Rule 163 of its Rules of Procedure,
- having regard to the report of the Development and Cooperation Committee (A5-0219/2004),
- A. whereas the concept of good governance is a critical determinant of a country's ability to achieve economically, socially and environmentally sustainable development, and whereas it goes beyond the notions of human rights, rule of law and democracy, encompasses efficient administration and the fight against corruption and ultimately concerns the state's ability to serve the citizens through efficient and transparent natural- and human-resource management,
- B. whereas the Commission wants to support governance in developing countries, building on dialogue and capacity-building and insists that there is no "one-size fits all" solution, and governance should be analysed and promoted on a country-specific basis;
- C. whereas the poor state of government policy and administrative systems in many developing countries are major constraints to sustainable development;
- D. whereas governance is a core element of the development strategy of both the international donor community and the EU development agenda and an integral part of the poverty reduction strategy processes;
- E. whereas the introduction of the concept of governance in the development agenda at the end of the 1980s reflected growing concerns over the effectiveness of aid and it has become clear that aid policies are in dire need of reform;
- F. whereas in the past, development aid has too often been given without due consideration to the priorities of the receiving country and its actors and sometimes to undemocratic regimes, and whereas this has resulted in macroeconomic imbalances and a waste of resources, an overdependence on aid and a decreased incentive to economic reform, and also in corrupt regimes staying in power by using development aid to serve their own purposes;
- G. whereas conditionality has largely failed to obtain its desired objective to bring about sustained policy reforms;
- H. whereas some sort of conditionality is nevertheless necessary as the donor community must be accountable to EU citizens, who are calling for the targeting and monitoring of aid to be improved;
- I. whereas new thinking on aid has already changed the aid policies of international donors, leading them to concentrate their aid on countries that have displayed a good record of macro-economic and governance policy;
- J. whereas aid is most effective if it is either more systematically targeted at poor countries with sound economic reform programmes or used to promote good policies;

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<sup>1</sup> OJ L 317, 15.12.2000, p. 3.

- K. recalling that since the early 90s a human right "essential element" clause has been systematically included in EC agreements with third countries, including trade and cooperation accords and association agreements;
  - L. whereas democracy and good governance are linked, and whereas each society should generate its own home-grown arrangements for forging ahead with democracy;
  - M. whereas gender equality and women's empowerment are essential ingredients of good governance;
  - N. whereas, by promoting good governance, the EU is addressing one of the important root causes of migration, marginalisation, civic unrest and armed conflict;
  - O. whereas poverty reduction is impossible without action by poor people, and their participation is essential in the kind of governance the international community would wish to see;
  - P. whereas, since local governments and political decision makers are closest to the people, they need to be involved in the process of strengthening governance and democracy;
1. Welcomes the Commission's broad, open and pragmatic approach to what is a critical determinant in states' ability to eradicate poverty and foster sustainable development;
  2. Welcomes the Commission's stance that governance must be characterised by dialogue and capacity-building;
  3. Considers that the withholding of assistance should be reserved for cases either where persistent violations of men, women and children's universal basic rights are not being addressed by the government, or where the government itself directly perpetrates such violations;
  4. Stresses in this regard that the dialogue should be continued and that in all cases humanitarian assistance and food aid has to be maintained;
  5. Considers it important to focus on specific, pragmatic and concrete ways to transform these principles into programmes, policies and actions, based on developing countries' own national experiences and on active participation of civil society organisations, including networks of cooperating civic authorities;
  6. Calls on the Commission to assure the follow-up of th Communication on governance and development and to develop the principles set out therein and turn them guidelines and to set out in the Annual Report how governance has been addressed;
  7. Considers the different scenarios presented in that Commission communication as a good framework when analysing and further defining a policy framework for increasing consistency between EC and Member States' approaches to governance;
  8. Considers that the EC policy on governance should be integrated in development and related instruments including the projects, sector-programmes, budget support and trade

agreements; stresses, in this context, the key importance of improved assessments of the efficacy of individual developing countries' development plans to improve external trade and to stop inefficient use or waste of resources and unnecessary debt and to improving external trade;

9. Considers that donors may cede control to the recipient country, within the framework of agreed objectives and if transparency and adequate monitoring are assured; considers, in this regard, that budget support, where appropriate, can be a valuable instrument to promote governance through improvements, both in public financial management and in the function of public services;
10. Stresses that governance indicators should be tailored to the specific needs of the partner country;
11. Insists that a flexible approach is requested as the scenarios defined by the Commission may in some cases overlap and requests an adequate adaptation of EU policy to the country concerned;
12. Considers the work on difficult partnerships a particularly important challenge for the EU and stresses that particular attention should be devoted to elaborating effective strategies for these partnerships and in post-conflict situations;
13. Welcomes the Commission's position that donors cannot afford to totally abandon poor performers as populations should not pay the price for the lack of commitment of their governments;
14. Calls on the Commission to focus more specifically on issues of accountability and transparency, as weak accountability mechanisms tend to facilitate corruption and thereby undermine good governance;
15. Considers that the principle of "corporate social responsibility" has to be better shaped, in particular with regard to children's work, in order to create a healthy investment climate;
16. Considers that specific social indicators should be devised for the purpose of obtaining more precise data concerning the governance achieved by the countries in question and calls for civil society to be more extensively involved in this area;
17. Considers that more enhanced views on human rights and fundamental freedoms are necessary;
18. Calls on the Commission to pay particular attention to the freedom of expression and assembly, in order to allow political parties in opposition to freely express their views and to allow for independent media;
19. Stresses that greater emphasis has to be placed on the need for the EU to broaden the perception of strengthening democracy at local, provincial and national levels; underlines the importance of decentralisation and local government institutions, with the aim of bringing state administration closer to the people and calls for strategies which will enable effective local-level governance to develop;

20. Stresses, in this regard, the importance of pursuing electoral and parliamentary reforms, beyond the establishment of multi-party electoral systems, to ensure more extensive and effective political activity among the population; is aware that in some countries this is a long-term goal;
21. Points to the basic function which may be performed by the European Union in assisting and monitoring electoral processes as a way of contributing to improving democracy in the countries concerned;
22. Stresses that in the context of good governance it is essential to put an end to impunity;
23. Points out that it is therefore essential to set up an independent judicial system and provide easy access to justice and public information for citizens;
24. Points out that education is a very important to all to empower civil society to take part in promoting governance and democracy at each governmental level;
25. Stresses that gender mainstreaming, a major tool in governance, is not properly prioritised in the Communication on governance and development ; calls for the EU to integrate a gender-based approach in the analysis of governance as in terms of poverty eradication it is essential that the gender aspects of the causes of poverty are explicitly included in the analysis of poverty;
26. Stresses that increased attention should be paid to the role of the private sector in fostering good governance and voluntary control of corruption, as tackling corruption is an essential element of a framework within which economies can prosper and be fully integrated in the multilateral trading system;
27. Points out that the sound management of immigration is an important factor in ensuring overall good governance and calls, in this regard, for an improvement of the dialogue with developing countries;
28. Calls on the EU to support capacity-building for governments and civil society, to place emphasis on strengthening the organisational, institutional and networking capacity of developing-country NGOs and to support independent media;
29. Is of the opinion that in order to offer the necessary support for capacity building there is a need for well-trained staff at delegation level;
30. Calls for improved cooperation with UN, OECD, World Bank and other international donors concerning assistance for good governance programmes and in particular for improved coherence between donor and macro-economic policies;
31. Stresses that the NEPAD programme, an own-African initiative, is a major instrument to assess good governance in African countries;
32. Instructs its President to forward this resolution to the Council and the Commission.