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on the Millennium Development Goals – the midway point
(2007/NNNN(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Millennium Development Goals – the midway point (2007/NNNN(INI))

The European Parliament,

- having regard to the Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria established jointly by the international community for the elimination of poverty,
- having regard to the successive Human Development Reports drawn up by the United Nations Development Programme,
- having regard to its resolution of 12 April 2005 on the role of the European Union in the achievement of the Millennium Development Goals¹,
- having regard to the Rome Declaration on Harmonisation, adopted on 25 February 2003, and the Paris Declaration on Aid Effectiveness, adopted on 2 March 2005 following the High Level Forum on Harmonisation and Alignment for Aid Effectiveness (hereinafter 'Paris Declaration'),
- having regard to the Joint Statement by the Council and the representatives of Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' (hereinafter 'European Consensus for Development'),
- having regard to the Commission communication entitled 'EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa's development' (COM(2005)0489),
- having regard to its resolution of 17 November 2005 on a development strategy for Africa,
- having regard to its position of 18 May 2006 on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development and economic cooperation²,
- having regard to the annual reports by the Secretary-General of the UN on the implementation of the United Nations Millennium Declaration, the latest of which dates from July 2006,
- having regard to the report by the UN Millennium Project Task Force headed by professor Jeffrey Sachs "Investing in Development: a practical plan to achieve the Millennium Development Goals",
- having regard to the Report of the UN Conference on Trade and Development (UNCTAD) – Least Developed Countries 2002: Escaping the Poverty Trap,

¹ OJ C 33 E, 9.2.2006, p. 311.

² Texts Adopted of that date, P6_TA(2006)0217.

- having regard to the UNICEF's annual State of the World's Children reports and the 1989 United Nations Convention on the Rights of the Child,
- having regard to the European Commission Report on "Millennium Development Goals 2000–2004" (SEC(2004)1379),
- having regard to the annual Global Monitoring Report of the World Bank, the latest of which was published in April 2007,
- having regard to the OECD Development Co-operation Report 2006, the latest of which was published in March 2007³,
- having regard to the final declarations and conclusions of international conferences, in particular the International Conference on Financing for Development (Monterrey, 2002), the 2005 World Summit (New York, 2005), the World Summit on Sustainable Development (Johannesburg, 2002), the Third United Nations Conference on the Least Developed Countries (Brussels, 2001), the Fourth World Trade Organization Ministerial Conference (Doha, 2001), the International Conference on Population and Development (ICPD) (Cairo, 1994), the UN General Assembly's 1999 special session to review progress towards meeting the ICPD goals ("Cairo + 5"), and the World Education Forum (Dakar, 2000),
- having regard to national reservations expressed by EU Member States in the final declarations and conclusions of the above-mentioned conferences,
- having regard to the commitments made by the EU at the Barcelona Summit in March 2002 in advance of the Monterrey Conference,
- having regard to the 2005 G8 Gleneagles commitments on aid volume, aid to Sub-Saharan Africa, and aid quality,
- having regard to Articles 177-181 of the Treaty establishing the European Community and Articles III-316 to 318 and III-321 of the Treaty establishing a Constitution for Europe,
- having regard to the Commission communication entitled EU Aid: 'Delivering more, better and faster' (COM(2006)0087),
- having regard to the communication from the Commission to the Council and the European Parliament entitled 'Increasing the impact of EU aid: a common framework for drafting country strategy papers and joint multiannual programming' (COM(2006)0088),
- having regard to the Commission communication entitled 'Accelerating progress towards attaining the Millennium Development Goals – Financing for Development and Aid Effectiveness' (COM(2005)0133),
- having regard to the conclusions of the General Affairs and External Relations Council meeting of 10 and 11 April 2006 on financing for development and European aid

³ published March 2007, ISBN Number 9789264031050.

effectiveness,

- having regard to the Commission communication entitled 'EU Code of Conduct on Division of Labour in Development Cooperation' (COM(2007)72),
 - having regard to its resolution of 6 April 2006 on aid effectiveness and corruption in developing countries⁴,
 - having regard to its resolution of 22 January 2007 on budget aid for developing countries⁵,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A6-0000/2007),
- A. notes that the year 2007 marks the mid-point to meeting the MDGs in 2015 and therefore offers a unique opportunity to take stock of what remains to be done,
- B. whereas in Sub-Saharan Africa many countries are not on track to meet any of the MDGs and also in many middle-income countries there are regions and ethnic groups made up of millions of people who are making unsatisfactory progress,
- C. whereas the EU Council set the agenda for the G8 Summit in Gleneagles in July 2005 by agreeing in May 2005 that 0.7 % of Gross National Income (GNI) would be donated as Official Development Assistance (ODA) by 2015 and that this increase in aid is a fundamental prerequisite for the achievement of the MDGs,
- D. whereas the OECD DAC allows for debt relief to be counted towards donor countries' ODA contributions even though this does not represent a transfer of any new resources from the donor to recipient countries,
- E. whereas annually EUR 6.9bn of ODA is required if the MDG on basic education is to be reached and whereas the current global ODA for basic education is around EUR 1.6bn – of which the EU contributes EUR 0.8bn,
- F. whereas the estimated financing needed to meet the health MDGs is EUR 21bn per year and current financing only meets 36% of this need and whereas even with an anticipated increase in EU ODA by 2010 the available funds will only cover 41% of the required EUR 21 billion – leaving a financing gap of EUR 11.9 billion per year,
1. Recalls the commitment made by G8 countries at Gleneagles in 2005 to double aid to Sub-Saharan Africa by 2010 and expresses disappointment that, according to the OECD, ODA excluding debt relief to Sub-Saharan Africa 'was static in 2006';
2. Stresses that in order to meet their financial commitments to Africa, the G8 donors will each have to provide an additional EUR 15bn to Africa by 2010, over and above their 2004 levels, but that they are so far off track;

⁴ Texts Adopted of that date, P6_TA(2006)0141.

⁵ T6-0043/2007, not yet published.

3. Welcomes the action taken by many EU countries in writing off the debt of developing countries; expresses concern, nevertheless, that such debt write-offs have artificially boosted EU aid figures by nearly 30% in 2006, meaning that the Member States spent 0.31% of GNI on *actual* aid last year, missing the collective intermediary objective of 0.33%;
4. Regrets that at the mid-point in the implementation period for the MDGs, ODA from the EU-15 is decreasing as a share of GNI from 0.44% ODA/GNI in 2005 to 0.43% ODA/GNI in 2006;
5. Commends those Member States that have reached or exceeded the 0.7% ODA/GNI target and those that are increasing their *actual* aid levels, but regrets that some EU-15 countries have missed the interim 0.33% target by a large margin in 2006;
6. Notes that as a large G8 country, Italy missed the 0.33% target by wide margin, with its aid in 2006 amounting to only 0.2% of its national income, after a 30% drop in real aid levels;
7. Notes that Portugal, which is due to host the EU-Africa Summit during its Presidency, achieved only 0.21% ODA/GNI in 2006;
8. Notes that the worst inflators of aid are Austria (57%), France (52%), Italy (44%), Germany (53%) and the UK (28%), and further notes that Germany, which holds the Presidencies of both the EU and G8, would not have reached the target of 0.33% ODA/GNI without inflating its aid;
9. Urges EU Member States to undertake regular assessments of progress towards ODA targets at the Council of Finance Ministers and at the Council of Foreign and Development Ministers;
10. Urges the EU and the G8 to recognise the growing importance of new donors, and in particular China, and to engage these new donors in a dialogue on approaches and standards for external assistance;
11. Urges the EU to increase its ODA commitments to education to fill the EUR 5.3 billion financing gap, and given that the major challenge facing the World Bank Fast Track Initiative (FTI) is lack of external finance, the Commission is to be commended for initiating efforts to increase donor pledges;
12. Calls on the EU to increase its proportion of global ODA for health from the current 6.6%, in order to bridge the financing gap of EUR 11.9bn per year of the total estimated EUR 21bn per year needed to fulfil global health spending needs and calls for continuing and increased support for the Global Health Fund;
13. Calls on the African Union to continue its support for the Abuja Declaration of 2001 which confirms that countries should allocate at least 15% of their national budgets for healthcare but regrets that only two African States have met this promise;
14. Urges the EU to continue to be at the vanguard of efforts to support sexual and

reproductive health rights by maintaining levels of funding, including family planning, treatment of STDs and safe abortion services;

15. Insists that the Commission and Member States use the Code of Conduct on Donor Coordination to ensure that spending and programmes on health and education are better coordinated and to ensure an improved focus on neglected aid-orphan countries;
16. Urges all Member States to fully implement the agreed Paris Principles to improve aid effectiveness;
17. Believes that gender specific priorities and children's rights need to be re-focused in Community development policy as basic rights and as part of the governance criteria applied under the Cotonou Agreement and elsewhere;
18. Believes that Poverty Reduction Strategy Papers and Country Strategy Papers are potentially important tools for achieving the MDGs, but that they should be revised in consultation with parliaments and civil society and should focus on meeting MDG objectives;
19. Calls on donors and recipients to support improved data for MDG implementation and monitoring;
20. Calls on the EU to strengthen its partnerships with developing countries in a way that encourages mutual accountability and reciprocal obligations by establishing predictable benchmarks and deadlines for ODA increases, in order to facilitate recipient countries' planning for increases in public investments;
21. Argues that the budget review, starting in 2008, should take into account the EU's increasingly important role in the world and enable development expenditure to increase;
22. Insists that the EU and partner governments put in place mechanisms and monitoring tools to ensure that an adequate proportion of General Budget Support aid is supporting basic needs, particularly health and education, and stresses that this must be accompanied by support for capacity building;
23. Calls on the EU to adopt a coherent policy between its trade, development cooperation and common agricultural policies to avoid direct or indirect negative impacts on the economy of developing countries;
24. Stresses the promise of the Doha Development Round and the need for fair and equitable international rules-based trade systems designed to correct the trading imbalances in global trade, especially where Africa is concerned;
25. Calls on the Commission to ensure that Economic Partnership Agreements constitute instruments for ACP development and poverty eradication;
26. Points out that poor communities in developing countries have contributed the least to climate change but will suffer the effects most severely and calls on the EU to make

significant funding available to enable developing countries to adapt to sea level rises, increased drought, desertification, deforestation and extreme weather;

27. Stresses that if the MDGs are achieved, the proportion of people in poverty will be halved within a decade, a huge achievement but one that will nevertheless leave hundreds of millions of poorest and most vulnerable people trapped in chronic poverty;

28. Instructs its President to forward this report to the Council and the Commission.

EXPLANATORY STATEMENT

INTRODUCTION

The Millennium Development Goals (MDGs) are time-bound, measurable targets for global partnership. Yet whereas many parts of the world have made significant progress towards meeting the MDGs, Sub-Saharan Africa remains seriously off track and is the poorest region in the world.

AID

In 2005 the EU-15 pledged to reach 0.7% of Gross National Income (GNI) as Official Development Assistance (ODA) by 2015, with an interim target of 0.56% by 2010. At least half of the planned increase from €26.5bn to €50bn is to go to Africa. The European Commission (EC) has already, in its assessment of the EU Strategy for Africa, stated that these targets will be met.

We should note however, that ODA was exceptionally high in 2005 due to large Paris Club debt relief operations. Bilateral aid to Sub-Saharan Africa rose by 23% in real terms to €21bn in 2006, however, if we exclude debt relief to Nigeria, bilateral aid to the region rose by only 2%. The counting conventions used by the OECD do actually allow donors to add in the nominal value of debt write off as aid but the reality is that debt relief does not represent a transfer of any new resources for development. In line with the Monterrey Consensus, debt relief should be taken out of all figures intended to give a clear picture of levels of **actual aid** to Africa.

Clearly the MDGs will not be reached unless the poorest developing countries receive increased and improved aid to complement their own domestic resource mobilisation. The UN, AU, G8 and EU must be galvanised to deal with the current estimates which show that donors should be budgeting for the provision of increases of roughly €3.7bn a year so that the objective of reaching the level of €18.7bn in **real resources** for Africa can be achieved by 2010.

We also need to see a greater commitment to meeting the Paris Declaration Agreement on Aid Effectiveness, which would guarantee essential, long-term predictable funding.

Another factor that needs to be understood is that there are an increasing number of non-DAC donors, including Russia, China and non-DAC EU Member States. Their involvement should be taken into account, particularly the influence of some on governance, economic policy and transparency.

MORE RESOURCES FOR DEVELOPMENT

Development spending must be adequately taken into account when the fundamental review of EC expenditure takes place, starting in 2008.

Innovative sources of finance should also be explored as alternative sources of funding *in addition* to ODA. International Finance Facility for Immunisation bonds have raised €0.75bn for immunisation through the Global Alliance for Vaccines and Immunisation. The French air ticket levy is expected to raise €187mn a year. Eight African and four developed countries have taken initial steps to introduce an aviation levy.

With both the EU Budget and EDF 10 now set until 2013 and showing only marginal increases, a rise in funding will probably have to be channelled through Member States' bilateral aid packages, which implies a proportional reduction in the amount of EU aid relative to the aid supplied to individual EU Member States. Member States should develop strategies that will enable them to channel more money through the Commission. One suggestion has been the creation of a special MDG fund focused on poverty-reducing activities in all poor countries and governed in a transparent and accountable way.

DEBT RELIEF

The promise to deliver 100% debt relief to HIPC countries at Gleneagles has been met. Sierra Leone was the seventeenth country to reach the HIPC completion point at the end of 2006. Eight countries are currently at decision point and a further eight are at pre-decision point. Debt relief has enabled €420mn to be redirected to social spending in Africa, such as the abolition of school fees in a number of countries.

TRADE

The AU has called upon the international community to establish 'fair and equitable trading systems and to facilitate access to their markets'. With the EU negotiating the Doha Round as a single trading bloc, it is clearly an area where Europe has the greatest capacity to affect change.

At the international level and at the level of the EPA negotiations, conditions for market access, technical barriers to trade and restrictive Rules of Origin need to be addressed, as do serious capacity constraints.

CLIMATE CHANGE

The UN Intergovernmental Panel on Climate Change has stressed that while the world's poorest countries have contributed the least to the problem of climate change, they are the worst hit by the phenomenon.

The EU has already made a commitment to reduce greenhouse gas emissions by 20% by the year 2020 and by 30% if there is similar support from other industrialized nations. Donors have also increased their funding to environmental programmes between 2000 and 2005 but this needs to be scaled up to enable poor, vulnerable countries to adapt to sea level rises, deprivation, increased drought and more extreme weather. The EU should also work with developing countries to develop mitigation efforts, by supporting clean, energy-saving and efficient technologies transfer and carbon-proofing investments.

ACCESS TO EDUCATION

Progress towards meeting the universal education MDG is encouraging according to the World Bank, but we still need 50 million African children to be enrolled in school if we are to hit the target by 2010. The first MDG target on gender equality- closing the educational gender gap - was set for 2006 and has already been missed.

Both UNESCO and the World Bank Fast Track Initiative (FTI) note that strategies must ensure that 'hard to reach' children can access their right to basic education - this includes children with disabilities, or from remote regions, chronically poor families or those excluded on the grounds of ethnicity.

There needs to be improvement in the quality of education and UNESCO has warned that the number of primary teachers in sub-Saharan Africa will need to grow from 2.4 million to 4 million by 2015 to ensure universal primary education of quality. Internationally supported efforts are also needed to help countries build national capacity to track and monitor learning outcomes.

International partners must now work towards closing the current global financing gap which stands at around €5.3bn per year. We should congratulate the EC in bringing EU donors together in May 2007 in order that pledges for basic education can be made.

ACCESS TO BASIC HEALTHCARE AND COMBATTING DISEASE

The provision of treatment for specific diseases is increasing but health systems are so weak that progress on efforts to reduce childhood disease and child, infant and maternal mortality is desperately slow. Millions of children are dying despite the availability of simple, low cost, preventative interventions. Equally, millions of women are dying in childbirth or from pregnancy-related causes. In Africa, the risk of maternal mortality is a shocking 1 in 6.

The migration of African health professionals adds to these problems. Oxfam calculates that in 12 countries in Sub Saharan Africa, only 10 per cent of the population is being covered by health workers.

Total health spending increased from 4.1% to 5.6% of GDP between 1990 and 2002, but in some countries domestic spending stagnated or even reversed. There remains a large shortfall relative to financing needs to reach the health MDGs, conservatively estimated by the World Bank at between €18.7 billion and € 37.5 billion annually. Again the Global Fund needs the promise of substantial, predictable long term funding.

At present, over 90% of health research resources are spent on diseases that affect just ten per cent of the world's population. Patent systems may have been working as an incentive for R&D in developed countries but this has not been the case for neglected diseases affecting the poor.

At Abuja in 2000-2001, African governments pledged to spend at least 15% of their budgets

on healthcare targets. Since then only a few African countries have addressed health systems in their central development frameworks and only two, Botswana and The Gambia have met the Abuja Commitments.

A RIGHTS BASED APPROACH TO ACHIEVING THE MDGS

The 2006 World Development Report on equity and development refers to gender inequality as the 'archetypal inequality trap'. This inequality is reflected in the poorer performance by women and girls across many of the MDGs. Entrenched discrimination against women continues to provide a major impediment to the kind of progress which will make the realisation of the MDGs possible.

The African Union has signed a Charter on the Rights of Women in Africa. The EU has committed itself to promoting gender equality in all their actions, including in their development cooperation. The EU has also signed the Beijing Declaration and all Member States are party to the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).

Saving women's lives means ensuring that they have universal access to sexual reproductive health care and family planning as well as pre and post-natal care. The EU must honour the commitments made at the International Conference on Population and Development in Cairo and should continue to lead the way on sexual and reproductive health rights by maintaining levels of funding for the full range of SRHR services.

Just as gender rights are a cross cutting issue, so are the rights of children and people with disabilities and should be taken into account in all policies and programmes.

PEACE AND SECURITY

Many countries are not making progress on meeting the MDGs and they are generally those that are in crisis or post-conflict. Improving the coordination of security, stabilisation efforts, humanitarian policies and operations with long-term development efforts is essential as is the need for mechanisms to prevent conflict.

The EU needs to support peace building but also to take urgent action on small arms, including support for the International Arms Trade Treaty.

GOVERNANCE

The AU adopted a Charter on Democracy, Elections and Governance at its Summit in January 2007 and has in place an African Peer Review Mechanism. There is still more which has to be done but Ghana and Rwanda for instance, have reacted to their review and are taking action. There needs to be support for civil and parliamentary participation as well as for the political involvement of women. Corruption and bribery remain a concern and we should note that the Extractive Industries Transparency Initiative represents a major step forward.

The EU will support a number of governance programmes under the EU-Africa Strategy and the Cotonou Partnership agreement makes governance a shared responsibility.

BUDGET SUPPORT

While budget aid to ACP countries counted for almost one quarter of EC aid in recent years, the Commission intends to increase this share to more than 50% under the 10th EDF. It is therefore important that mechanisms and monitoring tools are in place to ensure that funds going to the general budget directly support efforts to meet the MDGs.

Developing countries need support to build their own capacity to produce a coherent development management process. A key issue, particularly in Africa, is related to absorption capacity - it is important to acknowledge the centrality of capacity to the achievement of the MDGs.

Donors should also fund the building of parliamentary capacity to scrutinise their government's budgets and policies. There also needs to be increased oversight by the JPA, as its' work covers the legally binding and contractual relationship between parliamentarians from the European Parliament and from the ACP.

NATIONAL STRATEGIES DESIGNED TO MEET THE MDGS

According to the UNDP, at least 19 countries have completed MDG needs assessments, and another 55 are in the process of drawing them up. But, to date, not one low income country in Africa has yet received the promised support from the international community to implement these strategies.

The EU, UN and Financial Institutions must support governments in aligning their existing development strategies, such as the PRSPs, with the MDGs through broad based participatory processes and must meet commitments to support scaling up as part of national development strategies.

THE POVERTY FOCUS OF EC DEVELOPMENT COOPERATION

The European Consensus on Development, Article 19 of the Cotonou Agreement and the DCI all place poverty reduction and eradication as the primary objective of EC cooperation with developing countries. It is of some concern to the European Parliament that in 2005, EC aid to transport and other infrastructure projects amounted to around €817mn, while spending on education and health stood at €185mn and €239mn respectively - although analysis of actual spending on these sectors in the context of budget support is difficult. It is important that EC support to the transport sector should have a clear and explicit link to poverty reduction.

There are concerns that, while the criterion for EC support includes human rights and democracy, there are also elements that bring European economic and geopolitical interests into the programming process. National and regional development policies must be democratically set by populations themselves and their respective governments should be accountable to them through democratic institutions and not by conditionality geared to donors

own strategic interests.

The European Parliament wants to see a more flexible and adaptable EDF, especially in light of the fact that the MDGs themselves are not immutable.

DONOR COORDINATION

The EU Code of Conduct on The Division of Labour in Development Cooperation is timely and has the potential to improve coordination between the Commission and Member States. It remains uncertain, however, how successful a *voluntary* code can actually be.

THE POST-MDG AGENDA

Even if the MDG obligations are met there will still be millions of chronically poor people who will not have been reached. A global strategy for poverty eradication takes time to evolve so, by 2010, the EU should have a strategy in place geared to tackling that problem.

CONCLUSION

We have seen a groundbreaking 100% cancellation of multilateral debts but on aid we need to see a change of gear because when we strip out debt, Europe's aid is not growing enough to meet the Gleneagles pledges. On trade progress is disappointing, especially since changes in trade rules would benefit the poor more than a quintupling of aid.

In 2005 thousands of our citizens marched under the banner of Make Poverty History. and Oxfam has declared that we are already seeing 'a real improvement in the lives of some of the world's poorest people'. It is time to acknowledge that there has been social and political change and a growing understanding that we should not be calling for charity but rather calling for justice.