

Progress towards the achievement of the millennium development goals: mid-term review in preparation of the UN high-level meeting in September 2010

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The Committee on Development adopted the own-initiative report drafted by Michael CASHMAN (S&D, UK) on progress towards the achievement of the Millennium Development Goals (MDG): mid-term review in preparation of the UN high-level meeting in September 2010 in New York.

Funding: Members expect the June 2010 European Council to agree on an ambitious, **united EU position** ahead of September's UN MDG meeting, and to lead to new, results-oriented, additional, transparent and measurable commitments. Member States are called upon to meet the obligations to which they agreed as part of the European Consensus on Development (**0.7% aid promises by 2015 at the latest**). They point out that achieving the MDGs must remain a key objective for the European Union and that **poverty reduction** through the achievement of the MDGs must be recognised unambiguously as the overarching framework for EU policy and that this must be reflected clearly in all relevant policy – including trade policy – and legislative proposals.

Several proposals are made to enable the adequate financing of MDGs. They call on:

- the EU and the OECD not to broaden the definition of development aid (ODA) or count debt cancellation or other non-ODA financial flows as aid spending;
- the EU unilaterally to introduce a **tax on currency and derivatives transactions** in order to fund global public goods, including the MDGs;
- the Member States actively to crack down on tax havens, tax evasion and illicit financial flows, within the G20 and UN framework, and to promote greater transparency, including systematic disclosure of profits made and taxes paid and a country-by-country reporting system to enable developing countries to keep their own resources for their development;
- the Member States and the international community to take action to make remittances cheaper;
- the Member States to support UN initiatives and take measures to increase lender and borrower responsibility in the context of sovereign debt transactions;
- the Member States, the Commission and the international community to make renewed efforts to write off LDCs' debts and to work towards alleviating the debt burden on developing countries, including an **interest-free moratorium until 2015** on debt repayments for developing countries;
- the EU to provide **significant funding to help poor nations fight the effects of climate change and the economic crisis** (these funds be genuinely additional to existing aid commitments);
- the Member States to commit to allotting significantly more resources to development cooperation and emergency aid under the next Financial Perspective and EDF;
- the Member States significantly to increase the amount of aid provided through budget support, particularly via MDG contracts, but insists that democracy, human rights, governance and other essential criteria be met and that there be more and better monitoring and audits;
- the Member States to ensure that the EU continues to work through a wide array of existing financial instruments at global and country levels in addition to budget support, including the Global Fund to Fight AIDS, Tuberculosis and Malaria, and through other relevant organisations and mechanisms;

- the Member States to continue to improve donor coordination by untying all their aid, in accordance with the Paris and Accra declarations.

Policy coherence for development: Members believe that achieving the Millennium Development Goals requires above all a radical change of policy in industrialised and developing countries in order to establish fair and equitable global trade rules, fair distribution of wealth, measures to foster access to land, water and biodiversity resources and measures to foster a policy of local support for sustainable smallholding agriculture.

More policy coherence is necessary for development. Members propose the following measures:

- ensure that primary responsibility for programming development funds and setting priorities remains within the remit of the Development Commissioner in the EU's new institutional set-up;
- take concrete action against poverty by adopting a coherent policy encompassing the areas of trade and development cooperation as well as its common agricultural and fisheries policies, in order to avoid direct or indirect negative impacts on developing countries' economies;
- **put an end to agricultural export subsidies** and other harmful aspects of farm policy as soon as possible, to uphold the principle of food security in developing countries;
- not to pressure poor countries, through its trade policy, into opening up vulnerable market sectors when their level of development precludes them from competing fairly on the global stage;
- facilitate the integration of developing countries into the world economy;
- improve the trade capacity of developing and least-developed countries to help them to expand their trade, take advantage of new and existing trade opportunities;
- consolidate the European strategy and WTO initiatives in the area of trade with developing countries, in particular the Everything But Arms (EBA) initiative, GSP and GSP +, as well as the principle of asymmetry and transitional periods negotiated in all existing European Partnership Agreements (EPAs);
- increase total EU funding for Aid for Trade, which has not seen substantial increases recently and given the fact that regional integration is becoming increasingly important in the context of the EU Aid for Trade agenda, efforts to complete the ACP regional Aid for Trade packages should be stepped up;
- strengthen the South-South trade dimension to ensure the development of the poorest countries.

Members recall that the Aid for Trade strategy is aimed at supporting poor and vulnerable countries in developing the basic economic infrastructure and tools they need to harness trade as an engine of economic growth and development. They welcome the Commission's statements that the EU has already met its target of committing EUR 2 billion to trade related assistance (TRA) by 2010. They call on the Commission, nevertheless, to present detailed information on the budget lines used to finance trade-related assistance and Aid for Trade.

On an environmental note, Members call for a climate change risk assessment to be systematically incorporated into all aspects of policy planning and decision-making, including trade, agriculture and food security. They demand that the result of this assessment be used to formulate clear guidelines on **sustainable** development cooperation policy. The report stresses that there is a need for an effective global response to the problem of climate change, whereby industrialised countries shoulder their responsibility and take the lead in combating greenhouse gas effects, which will threaten the MDGs if not addressed.

Priority MDG targets: Members call on the EU to maintain an integrated, comprehensive approach to the MDGs, recognising that all individual goals and targets are interlinked and establishing minimum requirements for the achievement of poverty eradication. On the main issues, they express the following:

- **health and education:** Members reiterate their call on all the Member States and the Commission to allocate at least 20% of all development spending to basic health and education and to increase their contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria. Developing countries are called upon to spend at least 15% of their national budgets on health care and to enhance their health care systems. Maternal health and efforts to combat infant mortality should be promoted;
- **vulnerable groups:** Members call on the EU to channel at least half its aid into the LDCs and to target the neediest groups in those countries, focusing especially on women, children and people with disabilities, and to mainstream more effectively the interests of vulnerable groups in its development strategies;
- **freedom from hunger:** measures should be taken to increase investment in farming and food security to levels that guarantee freedom from hunger for all, looking particularly at urgent hunger needs, small-scale farming and social protection programmes;
- **decent work:** further efforts should be made to combat child labour, both by supporting specific programmes and through guidelines on development policies and international trade. Members call on the Commission to monitor workers' social protection, social dialogue and core labour standards in developing countries and, where necessary, to offer incentives and apply sanctions through trade agreements and all other available instruments.

Governance: Members also call for efforts to be made in this area. Developing countries should:

- improve international accounting standards in order to prevent tax avoidance and tax evasion practices, thereby achieving better global fiscal governance;
- involve parliaments, local government, civil society and other non-state actors at all stages of policy formulation and implementation;
- strengthen their good governance in all public matters, especially management of the aid received.

In parallel, efforts should be made by the **international community** in order to:

- promote and support democracy, peace, the rule of law and corruption-free administration in developing countries;
- make an exceptional effort to support public administration in developing countries, with the specific aim of **fighting corruption** and creating an administrative environment that is transparent, impartial and fair, while also recognising the essential role of non-state actors and of civil society;
- review its efforts as regards lack of progress made in achieving peaceful solutions to frozen conflicts in the EU's neighbourhood and beyond, given the vital link between development and security.

To conclude, Members call on the EU to enter into an ambitious, constructive dialogue with all traditional and emerging donors in order to ensure that the MDGs are achieved and that poverty reduction remains at the top of the global agenda.