

Increasing the impact of EU development policy

2011/2047(INI) - 05/07/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 415 votes to 77, with 66 abstentions, a resolution on increasing the impact of EU development policy.

Recalling that poverty reduction and eradication is the EU's primary development policy objective and one of the objectives of the Millennium Development Goals (MDGs), Members call for more resolute to enhance the impact of EU development aid.

The following recommendations are made to this effect:

High-impact development policy: reiterating its call for incorporation of the EDF into the EU budget, Members call for the strengthening of aid effectiveness.

Efforts must be made in order to:

- better assess the projects and policies funded by the EU;
- enhance the promotion of good governance and the fight against corruption in beneficiary countries;
- enhance capacity development to improve the capability of citizens, organisations, governments and societies to design sustainable development strategies;
- enhance democratic ownership (parliaments, local and regional authorities, civil society and other stakeholders);
- enable **meaningful participation for citizens in Civil Society Organisations**;
- highlight the role played by local and regional authorities and their networks.

Parliament stresses that the aim of increasing the impact of aid and obtaining more results/value for money should not lead to a risk-averse development policy that only focuses on 'easy countries'.

The resolution insists that **poverty eradication and needs must remain the crucial criteria for the allocation of EU development aid** and that aid effectiveness must be improved by focusing on tangible results. They call on the Commission and the Member States to review the scope of financing instruments and to focus the disbursement of Official Development Assistance (ODA) on the poorest and most vulnerable countries and on reaching the poorest layers of society particularly those facing the greatest risks of social exclusion, such as women, children, elderly people and people with disabilities while taking into consideration the results achieved and the impact of aid. Parliament stresses the need to distinguish between the development needs of the Least Developed Countries (LDCs) and those of the Middle Income Countries (MICs), especially the emerging donors (to recall, 72% of the world's poor live in MICs).

Furthermore, Parliament takes the view that the EU's development policy should aim at eliminating obstacles to development, such as dumping of agricultural products, illegitimate debt burden, capital flight and unfair trade, and at creating an international environment conducive to fighting poverty, guaranteeing decent incomes and livelihoods and to the fulfilment of basic human rights, including social and economic rights. It reiterates the principle of the universality of human rights.

It believes that in order to guarantee high impact the EU development policy should have an incentive-based approach based on greater differentiation by rewarding those countries that are performing well and supporting those that are most off track.

Meeting financial commitments: Parliament reaffirms its position according to which the collective target of devoting **0.7% of the Union's Gross National Income (GNI) to ODA by 2015 must be met**. It urges the Commission and Member States to find new sources of development funding such as a **financial transaction tax at global level**, private-sector finance and market-orientated solutions. They oppose any alteration or broadening of the definition of ODA, as set by the OECD Development Assistance Committee. Once again, Members call for increased efforts in the areas of development education and awareness-raising in Europe.

Members underline that aid should be provided in a predictable manner that is aligned with national plans and priorities and provides incentives for greater transparency and accountability from donor governments, NGOs, and partner states.

Promoting pro-poor growth: Parliament stresses that growth is only one instrument among many, and that maximising growth is not equivalent to maximising development. The impact of growth on poverty eradication could be much higher if inequality were reduced and human rights respected. Members insist, therefore, that EU development assistance must be geared towards pro-poor growth through the adoption of measures which specifically focus on the poor and the marginalized in order to foster an increase in their share of national wealth and allow them to become a driving force for genuinely inclusive growth, such as **micro-credit and micro-finance, as well as other market-derived solutions**.

The resolution stresses that economic growth policies cannot succeed without promotion of social and environmental standards and the implementation of social protection mechanisms.

Further measures are laid down:

- favour measures which provide security of land tenure and facilitate poor people's access to land, markets, credits and other financial services and skills development;
- promote industrial development and the development of infrastructure ;
- limit the effects of greenhouse gas emissions;
- strengthen large-scale export and property rights;
- diversify the economies of developing countries and reducing their dependence on imports need to be priority objectives for policies supporting growth;
- promote gender equality.

Human development: Parliament emphasises that the provision of basic social services is crucial to pro-poor growth and reaching the MDGs. It calls for 20% of all EU assistance to be earmarked for basic social services. Members underline that girls' education and the promotion of gender equality in education are vital to development, and that policies and actions that do not address gender disparities miss critical development opportunities. The resolution stresses the importance of bridging financing gaps in health systems resulting from priorities such as sexual and reproductive health suffering cuts, and emphasises the importance of investing in the fight against HIV/AIDS and other diseases. It reiterates its view that the EU must support partner countries in developing **fair, transparent and effective tax systems** to generate the revenues needed for social protection and pro-poor policies, and must at an international level continue to work for greater financial transparency and to ensure that partner countries share the benefits.

Involving the private sector: Parliament recalls that 90% of jobs in developing countries are in the private sector. EU development aid should focus on financing for domestic companies, leveraging of domestic capitals and encouraging recipient countries to create an environment conducive to the development of small, medium-sized and micro-enterprises and on the removal of barriers to formalisation, access to capital and affordable credit and that services and capacity-building should be targeted in particular on poorer entrepreneurs.

In this context, Parliament calls on the Commission to:

- promote and support, among other things, social-economy enterprises that work in accordance with ethical and economic principles;
- strengthen public investments in public goods, infrastructure and services;
- object to any kind of cooperation with private entities which would contribute directly or indirectly to any form of tax evasion or tax avoidance;
- favour investors that support the partner country's development strategy, and to give preferential treatment to domestic and regional investors in order to promote regional integration;
- strengthen Public Private Partnerships (PPP), which involve the private sector in development;
- fight corruption, within both businesses and NGOs, as well as in governments and public authorities.

Members call on the EU to meet its Aid for Trade Strategy commitments on development assistance specifically targeted at projects designed to help developing countries develop their trade-related skills, improve the supply chain and ultimately compete in regional and global markets.

Climate change, energy and sustainable development: Parliament prioritises support for local and regional sustainable energy solutions, and decentralised energy production in particular, so as to bring development priorities in line with environmental concerns. It notes the huge potential for renewable energy (solar energy, wind power, geothermal energy and biomass) in many developing countries.

Parliament reiterates that developed countries have a duty to take the lead in building the low-carbon global economy needed to achieve the necessary emission cuts. It encourages Member States to take the lead in cutting emissions. The resolution calls for a **holistic approach** which integrates the environmental dimension in development programmes and projects for example by improving regulations concerning waste transfer and illegal logging.

The Commission is called upon to assess the impact of '**climate migration**', a phenomenon that some estimate will cause **200 million people to leave their homes by 2050** as conditions in their lands gradually worsen and emphasises that the European Union must contribute through its development policy to providing assistance and reducing the number of refugees, by investing in technologies, human resources and financial aid.

Parliament reiterates its position that mainstreaming cannot replace the provision of new and additional resources which the EU and other donors have committed towards developing countries climate change mitigation efforts and adaptation needs.

Food security and agriculture: Parliament reiterates its position that the EU should focus its development assistance on safeguarding the food security of developing countries and promoting sustainable, local, small-scale and organic agricultural production.

It calls in particular for:

- a switch to organic and ecologically sustainable farming;
- specific support to women in agriculture;
- the root causes of food insecurity, including weak accountability for the right to food, food-price speculation and 'land grabbing' should be addressed.
- Members recall that, in order to feed a world population expected to surpass 9 billion in 2050, **agricultural output will have to increase by 70%** between now and then, using less land, less water and fewer pesticides. They note that global food security is a question of the utmost urgency for the European Union and calls for immediate and consistent action to ensure food security both for EU citizens and at the global level.

The resolution underlines that tackling food insecurity means implementing many measures in diverse sectors, such as the management of local natural resources, the reinforcement of production and manufacturing, training, the structuring of professional organisations, the implementation of a safety net for the most vulnerable, the education on nutrition and also the diversification of rural jobs beyond agriculture to enhance the income of rural families, who are the first victims of hunger.

Parliament expresses its deep concern about the **current farmland acquisition by government-backed foreign investors**, particularly in Africa, which risks undermining local food security and causing unforeseen and far-reaching social unrest if it is not properly handled.

Transparency: lastly, in order to increase transparency and public acceptance of development projects funded fully or partially by the EU or the Member States, Parliament calls for creating an electronic data base that provides information on ODA.