Agenda for change: the future of EU development policy

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The Committee on Development adopted the own-initiative report by Charles GOERENS (ALDE, LU) on an Agenda for Change: the future of EU development policy in response to the Commission Communication on the subject.

Whilst praising the innovative nature of the Agenda for change, the report deplores the lack of political dialogue between institutional actors, noting that the **Commission's communication failed to put forward proposals to implement Policy Coherence for Development (PCD)** in practice by linking development aid with other EU policy areas, notably the trade policy, agricultural policy and fisheries policy of the Union. Members ask the Commission to provide further information regarding how the blending mechanism serves the purpose of a development policy based on ODA criteria and how the power of scrutiny of Parliament will be exercised.

Redistribution of aid: Members note that the Commission's intention to promote 'inclusive and sustainable growth in the service of human development', but **regrets that the document does not contain any references to the need to promote better redistribution**. The report emphasises that, from a development perspective, **this new instrument should have no objective besides that of poverty reduction and the fight against inequality**. It warns that exclusive attention to economic growth and excessive confidence in the effects of automatic redistribution of development in the private sector could **lead to unbalanced, non-inclusive growth without having a real impact on poverty reduction**. Members want the EU to reconsider this policy in favour of sustainable development policies including fair trade, redistribution of wealth and social justice.

Members further note that the Commission makes poverty a central issue in its new policy of 'differentiation'. They observe, however, that 70% of people whose income is below the poverty threshold live in **middle-income countries**, many of whom remain fragile and vulnerable, notably the Small Island Developing States (SIDS). They call on the Commission to set, for the implementation of the differentiation concept, vulnerability criteria in the common programming guidelines of the new DCI and the 11th EDF currently under discussion, and to take account of the realities of poverty, human development and inequalities inside a country, and not only of national GNI.

The report goes on to state that it is **essential for middle-income countries to commit an increasing proportion of their revenue to social purposes**, particularly through developing taxation systems and other internal redistribution and social protection systems, thereby enabling the EU to gradually scale back its current development programmes so as to benefit the poorest countries while maintaining a close partnership with middle-income countries, in particular in areas of social policy. Members reaffirm their commitment to social inclusion, as well as to the decision to allocate at least **20% of EU aid in its entirety to basic social services** as defined by the UN in the Millennium Development Goals (MDGs).

Agenda for Change: the report also considers that the Agenda for Change should:

- bring about a real policy shift, by focusing on a rights-based policy approach fulfilling individual and collective rights of the population in developing countries;
- ensure that secure land rights systems are in place in developing countries and that they are monitored accordingly;

- implement Article 32 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), which recognises the need to make international cooperation accessible to and inclusive of people with disabilities, since 82 % of people with disabilities in developing countries live below the poverty line;
- ensure a clearer and more focused strategy on nutrition, tackling food security governance and reducing food price volatility by the end of 2012;
- specify the important and independent role of regional and local authorities and civil society, not only in implementing development programmes and projects, but also as fundamental players in the process of developing evidence-based development policies;
- include the obligations and duties of foreign investors operating in developing countries to respect human rights and environmental and ILO core labour standards; considers that EU companies should be legally liable in their home countries for violation of these obligations and duties by their subsidiaries abroad and for the entities they control.

Members call on the Commission, EEAS and the EU as appropriate to:

- negotiate a roadmap for the **gradual reduction of Official Development Assistance (ODA) in the case of middle-income countries** and to involve them progressively in North–South–South triangular cooperation arrangements;
- ensure this gradual reduction be carried out in all cases taking account of the principle of aid predictability;
- consider means of cooperating directly with the regional clusters of poverty in the middle-income countries;
- live up to their pledge of a 'human rights-based approach' across the entire development cooperation process, since Members regret that in the Commission communications human rights mainly appear as part of a broader good governance conditionality, which seems to have only instrumental value for development;
- undertake additional efforts in order to more **effectively mainstream human rights** and democracy across development cooperation;
- ensure that budget support should be more closely linked to the human rights record and governance situation of recipient countries;
- clarify the development-migration nexus;
- pay particular attention to the **rights of minorities**, and ensure that non-negotiable human rights and non-discrimination clauses be inserted into development programmes;
- ensure that if **innovative sources of development financing** are to be widely promoted they must be additional, must be used on the basis of a pro-poor approach, and cannot be used to replace ODA in any circumstances;
- recognise the **right of developing countries to regulate investment**, favour investors who support the partner country's development strategy, and give preferential treatment to domestic and regional investors in order to promote regional integration.

The committee encourages the Council to take action on the Commission's proposal for an **effective financial transaction tax** designed to raise revenue in order to meet inclusive global development priorities.

Governance: on governance, the report:

- emphasises the need to **strengthen the political dialogue**, particularly among the three EU institutions, in order to reinforce the existing levels of consensus and involvement regarding the adoption of the 'European Consensus on Development' in 2005, which should remain the doctrinal framework for PCD;

- calls on the **High Representative to add her signature** to the European Consensus on Development, since the European External Action Service over which she presides has significant programming responsibilities.

Members regret that the Commission has only called on the Council to approve its Agenda for Change, despite the circumstance that democratic control, as provided for in the Treaty of Lisbon, should be fully applied in the field of development policy implementation. They stress that all changes in the geographic, thematic and sectoral development priorities of the Union **must be decided through codecision** by Parliament and the Council within the framework of instruments for the financing of development cooperation which fall within the ordinary legislative procedure.

The report goes on to recall the need for a consistent approach by the 28 actors that have already been united by the Consensus, and calls for a common reading of the situation and the **creation of an independent think-tank**, administratively linked to the Commission, with the objective of developing analytical and advisory abilities for all European cooperation actors.

Lastly, the reports invites **representatives of the national parliaments of Member States** to hold structured annual meetings with the European Parliament in order to ensure consistency in the spending of development aid and strengthen PCD.