Agenda for change: the future of EU development policy

2012/2002(INI) - 23/10/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 540 votes to 36, with 65 abstentions, a resolution on an Agenda for Change: the future of EU development policy, in response to a Commission communication on the same subject.

Whilst praising the innovative nature of the Agenda for change, in that it focuses, inter alia, on the use of budget support, on combining grants and loans and on promoting the private sector, Parliament deplores the lack of political dialogue between institutional actors, w**hich is particularly harmful to Policy Coherence for Development (PCD)**. The communication failed to put forward proposals to implement Policy Coherence for Development in practice by linking development aid with other EU policy areas, notably the trade policy, agricultural policy and fisheries policy of the Union. It observes that the blending mechanism, as it stands now, is proposed to mix public grants with financial institutions' loans and other risk-sharing mechanisms. It calls on the Commission to provide clear information on how this mechanism serves the purpose of a development policy based on Official Development Assistance (ODA) criteria and how the power of scrutiny of Parliament will be exercised. It rejects any attempt to broaden the ODA definition designed to include the 'Whole of the Union' and 'ODA+' approaches recently proposed by the Commission, as well as non-aid items such as financial flows, military spending, debt cancellation and particularly the cancellation of export credit debts and money spent in Europe on students and refugees.

Redistribution of aid: recalling the EU's commitment to meet its target of 0.7 % by 2015 and, on the other, the essential nature of the fight against poverty in emerging economies, Parliament notes 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 of aid**. It 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**. Parliament requests the EU to reconsider this policy in favour of sustainable development policies including trade, redistribution of wealth and social justice, with the aim of improving the living and working conditions of the whole population, in both urban and in rural areas.

Middle-income countries: Parliament notes that the Commission makes poverty a central issue in its new policy of 'differentiation'; observes, 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). It deplores the fact that the poor in those countries continue to be deprived of access to education, healthcare and other benefits of internal economic growth, the liability for which lies with these states and calls 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.

Parliament believes it 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. In this context, it reaffirms its commitment, in this regard, 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: Parliament considers that the Agenda for change should bring about a **real policy shift**, by focusing on fulfilling individual and collective rights of the population in developing countries. It supports the Commission's intention to focus activities led by the EU in each partner country on a limited number of priority sectors, but recalls that, in order to achieve the best results, it is necessary to identify these priorities in the partnership framework and to respect fully the ownership and priorities of the partner.

In this context, it calls on the Commission to envisage the following points in the context of its implementation of its programme:

- to adopt family mainstreaming as a universal guiding principle for achieving the EU development goals;

- favour a strategic approach focusing on 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) given that some 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;

- modify the structure of EU Aid for Trade and trade facilitation instruments, which currently target only the export sectors, in order to facilitate trade for local and regional markets;

- 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 in the Agenda for Change the obligations and duties of foreign investors operating in developing countries to respect human rights and environmental and ILO core labour standards and ensure 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.

Parliament calls on the Commission, EEAS and the European Union, each at its level, to:

- negotiate a ro**admap 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 Parliament regrets 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.

On the question of human rights: Parliament considers 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. It points out that a human rights-based approach to development cannot be limited to conditionality, and that an integrated understanding of human rights is needed, whereby equal attention is paid to civil, cultural, economic, political and social rights and development is understood in the first place as **human development**.

It encourages the Council to take action on the Commission's proposal for a well-designed, effective **financial transaction tax** designed to raise revenue in order to meet inclusive global development priorities.

Recalling the need for a consistent approach by the 28 actors that have already been united by the Consensus, Parliament calls for a **common reading** of the situation and a common perception of the strategic issues. It also calls for 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 in order to ensure the added value of a well-coordinated, consistent policy.

Parliament also highlights the need to i) place greater emphasis on the gender dimension of poverty; ii) take into account certain new challenges, particularly climate change and universal access to energy; iii) address the issue of land leasing in developing countries, which threatens local food security.