Development cooperation: exceptional aid for heavily indebted ACP countries, HIPC Initiative

1997/2053(COS) - 16/01/1998 - Text adopted by Parliament, single reading

In adopting the report by Mr José Manuel TORRES COUTO (PSE, P) on debt relief in heavily indebted ACP States, the European Parliament asked to be formally consulted about the Commission's proposal concerning Exceptional Assistance for the Heavily Indebted ACP countries, which was annexed to the communication. It welcomed the proposal, approved its contents and called on the Council to adopt it as soon as possible. It endorsed the efforts which had been made to reduce both the bilateral and multilateral debt of the ACP countries (whereas multilateral debt had hitherto been regarded as inviolable), and called for a more flexible and development-oriented use of the various criteria for debt reduction, especially for countries in extreme positions. It called, in particular, for human development and social indicators to be included in the definition of debt sustainability alongside macroeconomic indicators and a country's capacity to fulfil obligations punctually. It called for the establishment of a connection between successful and sustainable economic reform and debt relief but advocated that relief measures be implemented at the earliest possible opportunity. In appropriate cases, it believed that the developing countries should give undertakings regarding the environment, combating poverty, supplying basic needs and other development projects in return for relief measures. It took the view that the proposed measures would be inadequate to provide all developing countries with the relief they required for the implementation of solid economic and social reforms and called for other countries, especially those in a difficult debt situation, to be included in a debt-relief programme. The Member States should adopt a common strategy in this field. Parliament endorsed the Commission's proposal for the establishment of a single fund for all instruments, and for this fund to be managed by the EIB in parallel with the HIPC Trust Fund managed by the IDA. It called on the Council to refinance the debt of eligible countries from repayments of earlier loans.