Resolution on new financial instruments for development in connection with the Millennium Goals

2006/2524(RSP) - 16/02/2006 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on new financial instruments for development in connection with the Millennium Goals. It pointed out that the Millennium Development Goals Report 2005 provided clear evidence that the objective of helping poor countries achieve the MDGs by the target year of 2015 cannot be achieved unless additional political and financial commitments are made. Any innovative mechanisms must add to current levels of Official Development Assistance (ODA), in order for them to bring real added value to the financing of development. The Member States must stay firm on their commitment to devote 0.7% of their GNI to ODA and must adopt a time plan to achieve this target by 2015. Parliament went on to point out that the World Bank estimated that at least USD 50 billion extra per year in ODA will be required to meet the MDGs by 2015.

Parliament welcomed the conference to be held in Paris from 28 February to 1 March, which seeks to make progress on the agreement of international levies, with a particular focus on a possible levy on airline tickets. It also welcomed the idea of a pilot project for a solidarity contribution on air tickets to finance the fight against HIV/AIDS and other pandemics and to help achieve the MDGs. Contributions to the Global Fund to Fight Aids, Tuberculosis and Malaria had raised less than 15% of the money needed. Member States were asked to participate actively in the forthcoming conference. Parliament recognised, however, that matters of taxation not subject to EU harmonisation policy remain under the exclusive competence of the Member States.

It insisted that any alternative methods of financing for development must bring new funds for development and must not replace ODA. It warmly welcomed the Council agreement reached in June 2005 to double EU aid to developing countries and for Member States to increase their ODA in order to achieve 0.56 % of GNI by 2010 and 0.7 % of GNI by 2015. It welcomed the renewed commitments by the international community at the UN World Summit to achieving the MDGs and to promoting sustainable development. However, it regretted the lack of a precise timetable committing all developed countries to the pursuit of the intermediate and final MDG targets.

It called on developed countries to fulfil their obligations and meet their commitment to increase national aid budgets to 0.7% of GDP, and considered that the search for innovative forms of financing should not replace this real priority. Parliament stressed that an increase in quantity must go hand in hand with an increase in quality, i.e. the effectiveness of aid must be improved by application of the "3 Cs" – coordination, complementarity and coherence – as well as by reducing the transaction costs of aid, improving the predictability and sustainability of aid mechanisms, increasing the speed of delivery of aid, further untying aid, finding solutions to unsustainable debt burdens, promoting good governance, combating corruption and increasing the absorption capacity of aid recipients.

The IFF for Immunisation (IFFIm) proposed by the UK has been internationally endorsed, supporting underused vaccines in over 70 countries as well as strengthening immunisation delivery systems. Parliament welcomed the participation of the UK, France, Italy, Spain and Sweden, who had together pledged in excess of USD 4 billion to the IFFIm, and it urged other Member States to contribute to the IFFI.

In the context of innovative financing, Parliament welcomed the newly announced launching of a Commission-European Investment Bank Trust Fund to finance African infrastructure, and called for an increase in the lending activities of the EIB in developing countries.

It asked the EU institutions and governments to examine thoroughly the feasibility of a world lottery to fund actions to combat hunger, as proposed by the World Food Programme.

Finally, Parliament underlined that the full support of European citizens, in the context of an extremely tense budgetary situation, was required and that any new initiative must be managed cautiously so as not to prejudice the acceptance by European opinion of development policy objectives.