Basic information

2011/2286(INI) INI - Own-initiative procedure	Procedure completed
Defining a new development cooperation with Latin America **Subject** 6.30 Development cooperation 6.40.10 Relations with Latin America, Central America, Caribbean islands	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development	CORTÉS LASTRA Ricardo (S&D)	22/09/2011
	Shadow rapporteur FISAS AYXELÀ Santiago (PPE) GOERENS Charles (ALDE) GRÈZE Catherine (Verts /ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	ANDRIKIENĖ Laima Liucija (PPE)	25/01/2012

European Commission

Commission DG	Commissioner
International Cooperation and Development	PIEBALGS Andris

Key events

Date	Event	Reference	Summary
17/11/2011	Committee referral announced in Parliament		
24/04/2012	Vote in committee		
04/05/2012	Committee report tabled for plenary	A7-0159/2012	Summary
11/06/2012	Debate in Parliament		
12/06/2012	Decision by Parliament	T7-0235/2012	Summary

12/06/2012	Results of vote in Parliament		
12/06/2012	End of procedure in Parliament		

Technical information	
Procedure reference	2011/2286(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/7/07714

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE480.793	20/02/2012	
Amendments tabled in committee		PE483.728	23/03/2012	
Committee opinion	AFET	PE478.613	28/03/2012	
Committee report tabled for plenary, single reading		A7-0159/2012	04/05/2012	Summary
Text adopted by Parliament, single reading		T7-0235/2012	12/06/2012	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2012)626	30/10/2012	

Defining a new development cooperation with Latin America

2011/2286(INI) - 04/05/2012 - Committee report tabled for plenary, single reading

The Committee on Development adopted the own-initiative report drafted by Ricardo CORTÈS LASTRA (S&D, ES) on defining a new development cooperation with Latin America.

Members recall that the region is part of the group of middle-income countries that have achieved notable successes in reducing poverty — from 44% to 33% in a single decade. Nevertheless, **one in three Latin Americans still live below the poverty line** – 180 million people, of whom 52 million live on less than EUR 2 a day – and 10 countries in the region remain among the 15 most unequal countries in the world.

In this context, the report stresses the need to enhance coordination between the European Union and Latin America in achieving the Millennium Development Goals (MDGs), particularly the actions aiming at combating poverty, at job creation and at the social inclusion of marginalised groups.

Poverty reduction: Members call for cooperation to be redirected where it is needed the most to address poverty reduction. They encourage the Commission, in the context of the debate on the EU's future development cooperation policy, to undertake a broad and deep reflection on the current development model, and to draw lessons from the past decades, with the aim of alleviating poverty and inequality effectively without reducing and limiting policy space.

The EU's cooperation and development policy should also:

- be defined in close consultation with Latin America in order to achieve a sustainable, fair and well-balanced development policy towards the region;
- act as a leverage for Latin American countries by strengthening and mobilising their domestic resources, set up transparent taxation systems and a form of fiscal governance that is exempt from corruption and fraud, involving the private sector, local governments and civil society;
- rapidly and effectively reinforce its sustainable development aid in the region (considering the strong Asian investment especially in the deposits of raw materials, hydrocarbons and agricultural resources);
- be coherent by drawing up cooperation instruments and objectives for each country, concentrating resources on the most vulnerable countries and improving PCD;
- allow possible reallocation of funds to benefit the geographical programmes for the eradication of poverty.

Members also call on the Commission and Council to **maintain the volume of DCI cooperation for Latin America at one third of the total geographical amount for the period 2014-2020**.

The importance of MICs – the need for a differentiated approach: Members express its concern about the lack of rigour in the implementation of the established eligibility criteria contained in the Commission proposal on the DCI, which withdraws access to bilateral programmes from eleven LAC MICs. They stress that they are a group of very heterogeneous countries and that **differentiated cooperation should therefore be maintained, based on coordination and political dialogue**.

Members consider that the **message that the EU is sending to the region is very troubling**, since, in practical terms, it is a declaration that it does not give it the importance that it deserves, in spite of the multiple political and trade commitments made and shared global interests. They underline the need to give appropriate attention to MICs, especially to lower middle-income countries, many of which face problems similar to those of low-income countries.

The Commission and the Council is called upon to carry out an **objective and transparent analysis** within the framework of the differentiation principle with the aim of revising and broadening the indicators used to assess development. Members stress, taking account of those indicators, that the EU should continue bilateral cooperation under the future DCI, at least with Colombia, Ecuador, Peru and Paraguay. They ask the Commission to present a coherent strategy for gradual withdrawal of bilateral aid to MICs. They call on the Commission to ensure that this gradual withdrawal of bilateral aid, commencing when the new DCI enters into force, incorporates the following criteria:

- an explicit link between the objectives and the sectoral concentration of bilateral aid in order to strengthen social cohesion and reduce inequality ;
- the definition of priorities through bilateral and bi-regional dialogue with national authorities and civil society;
- the continuation of bilateral cooperation during a transitional period adapted to the aid allocation indicators and the situation in each country, for a maximum transition period of four years.

Members stress the need to **boost the Partnership Instrument by over EUR 1 billion to foster the new shape of cooperation with MICs and upper MICs**, ensuring that funds can be planned, quantified and scrutinised. The instrument should intensify the EU's response to global challenges such as the fight against inequality, climate change, security, and the fight against drug trafficking.

Social cohesion and the fight against poverty: Members take the view that social cohesion will be achievable only insofar as it generates a high level of development and fairness of income and wealth distribution.

To attain this goal, it is necessary to:

- promoting more just and progressive fiscal policies, strengthening tax-paying capacity and the fight against fraud and tax evasion;
- strengthening development aid through trade;
- maintaining the 20% target for education and health programmes, funding to fight illiteracy in particular among girls and women;
- integrate social cohesion objectives more efficiently in its thematic, national and regional programming, mainly by supporting fairer fiscal, tax and social policies which promote equality, access to public services, decent work and the reform of the judicial system;
- encourage social cohesion on the agendas of the main international forums (EU–LAC Foundation).

Development policy coherence: in general, Members call on the Commission to enhance the visibility of its projects conducted in the Latin American countries and make them more understandable to their citizens demonstrating the added value of cooperation with the EU. However, the EU's Association/Free Trade Agreements must not conflict with the objective of Policy Coherence for Development. Accordingly, they urge the Commission to ensure that development needs and concerns are properly reflected in trade-related chapters such as financial services, government procurement and intellectual property rights, and ensure through a strong mechanism the fulfilment of common standards on social, labour and environmental rights in any ongoing negotiation process or at the time of its revision.

Members should also: take account of the needs of Latin America in the renewed GSP; promote the Andean Community; conclude an EU Association Agreement with MERCOSUR which could foster and increase cooperation and development between Latin America and the European Union; develop a more coherent trade policy in order to ensure that trade will also be a vector for promoting fair and equitable social standards, particularly by including social clauses respecting human rights in Partnership Agreements; support for civil society should continue to be one of the priorities of the next DCI.

Violence and crime: Members are concerned at the social impact of the high levels of crime and violence in the region, in particular feminicide. They consider it necessary to define a new, more efficient strategy that will tackle this phenomenon as well as its economic, social and political causes. They recall that criminality and insecurity have a large impact on the trust that citizens have in public and democratic institutions, as well as on the safeguarding of human rights. Recalling that o**ne of the priority objectives of the European Union's external action is to encourage the strengthening of democratic systems and the defence of human rights around the world**, and consequently in Latin America, Members ask the Commission to make the fight against impunity a priority of its development policy with Latin America, and to present by the end of 2012 a communication on that topic with

chapters on judicial cooperation, on financial cooperation and information exchange, and on victims' protection. Members ask the Commission to provide political and financial support to the work of the Inter-American System of Human Rights on the issue of feminicide and contribute to the implementation of its sentences.

Climate change: the report insists that the **EU should not promote or support large scale agrofuel production through its development cooperation**, due to its negative impacts on food security, deforestation, access to land and the environment. It calls on the local authorities of Latin American countries to pay special attention to the growing investments which can hinder the sustainable development and ecosystems of a country, especially in the framework of the negative impact of climate change.

Members recall that climate change represents an additional burden for Latin America and that there is an **urgent need to finance actions to combat, mitigate and adapt to climate change**. They ask that the exchange of experience and information between the EU and Latin America be promoted within the framework of the EuroClima programme and of South-South cooperation. A better management of the supply and sanitation of water resources is needed.

Private sector and infrastructure: Members note that mechanisms such as the Latin American Investment Facility are meant to become increasingly important in EU development cooperation, the priorities of which are energy efficiency, renewable energy, transport, protection of biodiversity and support for SMEs. They underline the potential importance of its role in promoting regional integration and the region's international competitiveness agendas. They underline the urgent need to foster the construction of infrastructure in Latin America in order to sustain the current high rates of growth and encourage social inclusion. Members insist that the Commission needs to develop clear guidelines on a transparent decision-making process on the selection of projects and ensure coherence with the European Consensus on Development, the principle of country ownership and the EU's commitment to untie its aid. Lastly, they insist on the need to focus grant and loan blending facilities on areas such as small scale and local energy and agriculture production and in favour of SMEs and private sector micro-enterprises in developing countries.

Differentiated cooperation: scientific and technological research: Members call for cooperation with some MICs to be strengthened in the area of science, technology and innovation within the Horizon 2020 programme. They hope that opening a rigorous dialogue on science, higher education and training, technology and innovation will boost the creation of a Euro-Latin American area of innovation and knowledge and help to boost competitiveness. They take the view that temporary mobility of researchers and support for universities and research centres in such areas as health, food security, marine and maritime research, renewable energies and the fight against and adaptation to climate change should be promoted.

Promotion of Regional Cooperation, South-South Cooperation (SSC) and Triangular Cooperation: Members call on the Commission to give more in-depth consideration to incorporating SSC into cooperation policy. Given that Latin America is the most dynamic region of the world as regards SSC, they underline the need to establish indicators that show the social and economic impact of the various SSC and triangular models. They reiterate the importance of intra-regional trade exchanges and triangular cooperation and its key role in the achievement of the MDGs, the eradication of poverty, the promotion of employment and of gender equality, education, social cohesion, agriculture and sustainable development. The report takes the view that bi-regional, SSC and triangular cooperation initiatives should be expanded in such sectors as science and research, sustainable development, the environment, climate change, energy, social cohesion, education and employment.

Lastly, Members stress the need to widen the EU-Latin America political dialogue at different levels, such as the Summits of Heads of States and the EUROLAT Parliamentary Assembly, as important tools for the development of political consensus.

Defining a new development cooperation with Latin America

2011/2286(INI) - 12/06/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 640 votes to 17 with 33 abstentions a resolution on defining a new development cooperation with Latin America.

Parliament recalls that the region is part of the group of middle-income countries that have achieved notable successes in reducing poverty — from 44% to 33% in a single decade. Nevertheless, **one in three Latin Americans still live below the poverty line** – 180 million people, of whom 52 million live on less than EUR 2 a day – and 10 countries in the region remain among the 15 most unequal countries in the world.

Against this background, Parliament stresses the need to enhance coordination between the European Union and Latin America in achieving the Millennium Development Goals (MDGs), particularly the actions aiming at combating poverty, at job creation and at the social inclusion of marginalised groups.

Poverty reduction: Members call for cooperation to be redirected where it is needed the most to address poverty reduction. They encourage the Commission, in the context of the debate on the EU's future development cooperation policy, to undertake a broad and deep reflection on the current development model, and to draw lessons from the past decades, with the aim of alleviating poverty and inequality effectively without reducing and limiting policy space.

The EU's cooperation and development policy should also:

- be defined in close consultation with Latin America;
- act as a leverage for Latin American countries by strengthening and mobilising their domestic resources, set up transparent taxation systems and a form of fiscal governance that is exempt from corruption and fraud, involving the private sector, local governments and civil society;
- encourage sustainable development;
- be coherent by drawing up cooperation instruments and objectives for each country.

Noting that China has become the third largest investor in Latin America and the main or even the only export market for certain products, Parliament considers that the EU should play a more active role in order to strengthen its trade and investment relations with Latin American countries within the WTO system. Strong Asian investment especially in the deposits of raw materials, hydrocarbons and agricultural resources of many Latin American countries should persuade the European Union to **rapidly and effectively reinforce its sustainable development aid in the region.**

Maintain financial envelope for Latin America: Parliament calls on the Commission and Council to maintain the volume of Development Cooperation Instrument (DCI) cooperation for Latin America at one third of the total geographical amount for the period 2014-2020. It stresses that any possible reallocation of funds must benefit the geographical programmes for the eradication of poverty in the same region's LICs and LMICs.

The importance of MICs – the need for a differentiated approach: Parliament recalls that middle-income countries are a driving force for development and regional integration, and a crisis in these countries hinders the progress of low-income countries in their regions. It expresses its concern about the lack of rigour in the implementation of the established eligibility criteria contained in the Commission proposal on the DCI, which withdraws access to bilateral programmes from eleven LAC MICs, when some countries of Latin America are among the most unequal in the world. Members stress that they are a group of very heterogeneous countries and that differentiated cooperation should therefore be maintained, based on coordination and political dialogue, and **must take account of the specific priorities and needs of each country for the allocation of aid** rather than simply take account of the GDP.

Members consider that **the message that the EU is sending to the region is very troubling,** since, in practical terms, it is a declaration that it does not give the region the importance that it deserves, in spite of the multiple political and trade commitments made and shared global interests. They underline the need to **give appropriate attention to MICs, especially to lower middle-income countries, many of which face problems similar to those of low-income countries.** Members call on the Council and Commission to carry out an objective and transparent analysis within the framework of the differentiation principle with the aim of revising and broadening the indicators used to assess development. They stress that, taking account of those indicators, that the EU should continue bilateral cooperation under the future DCI, at least with **Colombia, Ecuador and Peru (but not Paraguay**, as the committee had suggested). They ask the Commission to present a coherent strategy for gradual withdrawal of bilateral aid to MICs. They call on the Commission to ensure that this gradual withdrawal of bilateral aid, commencing when the new DCI enters into force, incorporates the following criteria:

- an explicit link between the objectives and the sectoral concentration of bilateral aid in order to strengthen social cohesion and reduce inequality ;
- the definition of priorities through bilateral and bi-regional dialogue with national authorities and civil society;
- the continuation of bilateral cooperation during a transitional period adapted to the aid allocation indicators and the situation in each country, for a **maximum transition period of four years.**

Parliament stresses the need to **boost the Partnership Instrument by over EUR 1 billion** to foster the new shape of cooperation with MICs and upper MICs, ensuring that funds can be planned, quantified and scrutinised. The instrument should intensify the EU's response to global challenges such as the fight against inequality, climate change, security, and the fight against drug trafficking.

Parliament also stresses the importance of development aid through trade, noting that Latin America-EU trade exchanges are a crucial factor in alleviating poverty and ensuring wealth creation in both continents. It **warns against protectionist tendencies** resulting from the current economic and financial crisis.

Social cohesion and the fight against poverty: Members take the view that social cohesion will be achievable only insofar as it generates a high level of development and fairness of income and wealth distribution.

To attain this goal, it is necessary to:

- promote more just and progressive fiscal policies, strengthening tax-paying capacity and the fight against fraud and tax evasion;
- strengthen development aid through trade;
- maintain the 20% target for education and health programmes, funding to fight illiteracy in particular among girls and women;
- integrate social cohesion objectives more efficiently in its thematic, national and regional programming, mainly by supporting fairer fiscal, tax and social policies which promote equality, access to public services, decent work and the reform of the judicial system;
- encourage social cohesion on the agendas of the main international forums (EU–LAC Foundation).

Development policy coherence: in general, Members call on the Commission to enhance the visibility of its projects conducted in the Latin American countries. However, the EU's Association/Free Trade Agreements must not conflict with the objective of Policy Coherence for Development. Accordingly, they urge the Commission to ensure that development needs and concerns are properly reflected in trade-related chapters such as financial services, government procurement and intellectual property rights.

Parliament also calls for: (i) taking account of the needs of Latin America in the renewed GSP; (ii) pave the way towards a future, fully-fledged Association Agreement with the Andean Community; (iii) conclude an EU Association Agreement with MERCOSUR based on the fair trade principle and the respect of international labour and environmental standards; (iv) fostering the regional integration process; (v) developing a commercial policy that is more coherent with its development policies in order to ensure that trade will also be a vector for promoting fair and equitable social standards, particularly by including social clauses respecting human rights in Partnership Agreements. Support for civil society should continue to be one of the priorities of the next DCI. Parliament is appalled that, in the newly negotiated Association Agreement and FTA with Latin American countries, civil society consultation is explicitly limited to issues related to the Sustainable Development chapter.

Violence and crime: Members are concerned at the social impact of the high levels of crime and violence in the region, in particular feminicide. They consider it necessary to define a new, more efficient strategy that will tackle this phenomenon as well as its economic, social and political causes. They recall that criminality and insecurity have a large impact on the trust that citizens have in public and democratic institutions, as well as on the safeguarding of human rights. Recalling that one of the priority objectives of the European Union's external action is to encourage the strengthening of democratic systems and the defence of human rights around the world, and consequently in Latin America, Members ask the Commission to make the fight against impunity a priority of its development policy with Latin America, and to present by the end of 2012 a communication on that topic with chapters on judicial cooperation, on financial cooperation and information exchange, and on victims' protection. Members ask the Commission to provide political and financial support to the work of the Inter-American System of Human Rights on the issue of feminicide and contribute to the implementation of its sentences.

Climate change: Parliament insists that **the EU should not promote or support large scale agrofuel production through its development cooperation**, due to its negative impacts on food security, deforestation, access to land and the environment. It calls on the local authorities of Latin American countries to pay special attention to the growing investments which can hinder the sustainable development and ecosystems of a country, especially in the framework of the negative impact of climate change. Members recall that climate change represents an additional burden for Latin America and that there is an urgent need to finance actions to combat, mitigate and adapt to climate change. They ask that the exchange of experience and information between the EU and Latin America be promoted within the framework of the EuroClima programme and of South-South cooperation. A better management of the supply and sanitation of water resources is needed.

Private sector and infrastructure: Members note that mechanisms such as the Latin American Investment Facility are meant to become increasingly important in EU development cooperation, the priorities of which are energy efficiency, renewable energy, transport, protection of biodiversity and support for SMEs. They underline the potential importance of its role in promoting regional integration and the region's international competitiveness agendas. They underline the urgent need to foster the construction of infrastructure in Latin America in order to sustain the current high rates of growth and encourage social inclusion. Members insist that the Commission needs to develop clear guidelines on a transparent decision-making process on the selection of projects and ensure coherence with the European Consensus on Development, the principle of country ownership and the EU's commitment to untie its aid. Lastly, they insist on the need to focus grant and loan blending facilities on areas such as small scale and local energy and agriculture production and in favour of SMEs and private sector micro-enterprises in developing countries.

Differentiated cooperation: **scientific and technological research:** Members call for cooperation with some MICs to be strengthened in the area of science, technology and innovation within the Horizon 2020 programme. They hope that opening a rigorous dialogue on science, higher education and training, technology and innovation will boost the creation of a Euro-Latin American area of innovation and knowledge and help to boost competitiveness. They take the view that temporary mobility of researchers and support for universities and research centres in such areas as health, food security, marine and maritime research, renewable energies and the fight against and adaptation to climate change should be promoted. Parliament notes that enhancing the current work of research institutes on agriculture practices is fundamental for the development of the continent.

Promotion of Regional Cooperation, South-South Cooperation (SSC) and Triangular Cooperation: Members call on the Commission to give more in-depth consideration to incorporating SSC into cooperation policy. Given that Latin America is the most dynamic region of the world as regards SSC, they underline the need to establish indicators that show the social and economic impact of the various SSC and triangular models. They reiterate the importance of intra-regional trade exchanges and triangular cooperation and its key role in the achievement of the MDGs, the eradication of poverty, the promotion of employment and of gender equality, education, social cohesion, agriculture and sustainable development. Parliament takes the view that bi-regional, SSC and triangular cooperation initiatives should be expanded in such sectors as science and research, sustainable development, the environment, climate change, energy, social cohesion, education and employment.

Lastly, Members stress the need to widen the EU-Latin America political dialogue at different levels, such as the Summits of Heads of States and the EUROLAT Parliamentary Assembly, as important tools for the development of political consensus.