Basic information

2012/2002(INI) INI - Own-initiative procedure	Procedure completed
Agenda for change: the future of EU development policy **Subject** 6.30 Development cooperation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development	GOERENS Charles (ALDE)	07/11/2011
	Shadow rapporteur ZÁBORSKÁ Anna (PPE) CASHMAN Michael (S&D) SARGENTINI Judith (Verts /ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Foreign Affairs	3166	2012-05-14

European Commission

Commission DG	Commissioner
International Cooperation and Development	PIEBALGS Andris

Key events

Date	Event	Reference	Summary
13/10/2011	Non-legislative basic document published	COM(2011)0637	Summary
19/01/2012	Committee referral announced in Parliament		
14/05/2012	Debate in Council		Summary
10/07/2012	Vote in committee		
16/07/2012	Committee report tabled for plenary	A7-0234/2012	Summary
22/10/2012	Debate in Parliament		
23/10/2012	Decision by Parliament	T7-0386/2012	Summary
23/10/2012	Results of vote in Parliament		
23/10/2012	End of procedure in Parliament		

Technical information

Procedure reference	2012/2002(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/7/08564

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE485.931	15/03/2012	
Amendments tabled in committee		PE491.146	06/06/2012	
Committee report tabled for plenary, single reading		A7-0234/2012	16/07/2012	Summary
Text adopted by Parliament, single reading		T7-0386/2012	23/10/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0637	13/10/2011	Summary
Commission document (COM)	COM(2011)0638	13/10/2011	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	RO_CHAMBER	COM(2011)0637	23/01/2012	

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.

Agenda for change: the future of EU development policy

2012/2002(INI) - 13/10/2011 - For information

Budget support is an important instrument in EU's comprehensive development policy towards partner countries. It involves policy dialogue, financial transfers to the national treasury account of the partner country, performance assessment and capacity building, based on partnership and mutual accountability. It should not be seen as an end in itself, but as a means of delivering better aid and achieving sustainable development objectives

In this Communication, the Commission sets out a **new policy on budget support and puts forward policy proposals for an EU coordinated approach**. It aims to adapt budget support policy to the changing political and policy environment, including the Treaty of Lisbon, and to make EU budget support a more effective instrument. Member States may also consider these as recommendations as regards to their bilateral budget support, in order to achieve a coordinated approach by the EU as a whole.

Following a Communication on budget support in 2000, the Commission pioneered a results- oriented approach based on outcome indicators. It remains committed to **results-based budget support operations** and intends to further strengthen the assessment of progress and monitoring of outcomes, including by using process and output indicators,

Budget support will be provided as a driver for change to address **five key development challenges and objectives:**

1. **Promoting human rights and democratic values**: when providing EU general budget support, the Commission aims at fostering domestic accountability and strengthening national control mechanisms as a basis for improving governance and adherence to fundamental values. In cases where the partner country's commitment to fundamental values shows a significant deteriorating trend an adequate and coordinated response strategy at EU and Member States level needs to be defined and implemented. Unless there is a clear cut-situation where EU financial interests and reputation need to be protected, in which case general budget support can be suspended immediately, the response to deterioration should be progressive and proportionate. Where appropriate, measures to limit the impact on poor people should be designed jointly by the EU and Member States, in cooperation with other non-EU donors. This could include making adjustments to the size of any fixed tranche and/or reallocating funds to sector programmes, channelling funds to target groups via non-governmental organisations or reinforcing other aid modalities such as projects. In order to better reflect these fundamental changes, EU general budget support should be referred to in future as **"Good Governance and Development Contracts".**
2. **Improving financial management, macroeconomic stability, inclusive growth and the fight against corruption and fraud:** budget support, in particular "Good Governance and Development Contracts", should be used to **strengthen core government systems, such as public finance management and public administration**. As part of its objective to improve core government systems, particularly procurement, budget support will contribute to the fight against corruption and crimes involving fraud. Partner countries should be committed to inform the Commission, and in general all partners, when allegations of possible fraud or corruption are brought to the attention of the national authorities.
3. **Promoting sector reforms and improving sector service delivery:** when promoting service delivery or reforms in a specific sector on the basis of a partner government's sector strategy, the provision of sector budget support can be decisive in enhancing the government's capacity to perform its functions and deliver sector objectives. The Commission intends to make more use of sector budget support to address sector constraints, promote reforms and improve service delivery to populations. In order to better reflect these fundamental changes, EU sector budget support should be referred to in future as **"Sector Reform Contracts".**
4. **State building in fragile states and addressing the specific development challenges of small island development states (SIDS) and overseas countries and territories (OCTs):** situations of fragility call for action to help partner countries ensure vital state functions. **The decision to provide EU budget support should be taken on a case-by-case basis** and supported by an assessment of the expected benefits and potential risks. The Commission will ensure that these decisions take into account the overall political and security situation, the financial risks, and the potential cost of non-intervention. The dynamics of change should be assessed on the basis of a **joint analysis by the EU and Member States** wherever possible. This should serve as the basis for coordination with the main development partners. A gradual and sequenced approach to EU budget support should be privileged, to best adapt to specific circumstances and to manage the risk. This should be referred to in future as **"State Building Contracts"** to better reflect these elements.
5. **Improving domestic revenue mobilisation and reducing dependency on aid:** in programming EU budget support, in particular the Good Governance and Development Contracts, **the Commission intends to give stronger emphasis to domestic revenue mobilisation, including from natural resources**. In resource-rich countries, the EU should reinforce support for comprehensive reform programmes promoting enhanced natural resource governance, transparency and accountability. In addition, **fair and transparent tax systems** are central to fostering citizenship and state-building.

EU Coordinated Approach: the EU should work with Member States in particular towards **a "single EU Good Governance and Development Contract".** Acting together would increase leverage on political and policy dialogue, as well as the impact of EU and Member States' bilateral budget support on partner countries' development. The Communication sets out the **key principles of coordination**, which include systematic information exchange while retaining the notion of sovereign decision-making.

Budget support eligibility criteria: the Commission will continue to apply the existing three eligibility criteria while reinforcing the following dimensions of each:

- **Stable macro-economic framework:** the Commission will pay particular attention to whether fiscal policy and targets are consistent with macroeconomic stability and managed according to sound rules. The assessment will be in line with the EU policy on tax and development.
- **National/sector policies and reforms**: this should focus on sustainable growth and poverty reduction in line with the policy proposed in the Communication "EU Development policy – An agenda for change: increasing the impact of EU Development Policy"
- **Public financial management**: before launching a budget support programme, the Commission will assess the institutional, legislative and regulatory framework and the performance of the public financial management (PFM) system in the partner country in order to identify a baseline upon which the dynamic approach will be based and the key reforms will be addressed during implementation by policy dialogue, capacity building and disbursement conditions. The Commission will pay particular attention to the fight against corruption and will promote a stronger use of anti-corruption provisions.

The Commission will also introduce a **new eligibility criterion**:

- **Transparency and oversight of the budget:** public availability of budgetary information is essential for promoting greater scrutiny of the budget. Based on the most relevant budget information, the Commission will define an "entry point" to assess this eligibility criterion. Countries will have to show that they either provide the relevant information to the public or are making progress in a short period to do so. This may also imply an assessment of the statistical system and in particular of the quality of budget data. Moreover, the Commission will apply a dynamic approach by focusing on the implementation of a credible reform aimed at gradually achieving full disclosure of budgetary information. The Commission will also take into account the specific features of Fragile States and SIDS/OCTs in applying this criterion.

Managing risk: the Commission will strengthen its risk management framework for EU budget support in line with the Court of Auditors' recommendations. This will include closely monitoring progress in the fight against corruption and fraud with a view to ensuring sustainable development benefits. Commission services and where appropriate the EEAS will develop an improved risk management framework adapted to the specific risk profile of budget support, covering political governance, macroeconomic stability, development risk, public financial management, corruption and fraud. This framework will be an important complementary tool in programming, designing and implementing programmes and to inform policy dialogue.

The Commission will refrain from establishing global targets for EU budget support to third countries. It considers that the appropriate mix between the different aid modalities is best decided as part of a portfolio approach that comprises several aid modalities in response to a partner country's specificities and agreed development objectives.

Agenda for change: the future of EU development policy

2012/2002(INI) - 13/10/2011 - Non-legislative basic document

PURPOSE: to equip the EU with high-impact development policy up to 2015 and bring about faster progress towards poverty reduction.

BACKGROUND: as specified in the Lisbon Treaty, supporting developing countries' efforts to eradicate poverty is the primary objective of development policy and a priority for EU external action in support of EU's interests for a stable and prosperous world. Development policy also **helps address the MDGs** and contributes to the EU-2020 Strategy.

Yet severe poverty persists in many parts of the world. As the world's population continues to grow, more action is needed to tackle global challenges like conflict prevention, security, environmental protection, climate change, and to deliver global public goods such as food security, access to water and sanitation, energy security and migration.

The EU has already done much to help reduce poverty, and is not simply the 28th European donor. While the Commission implements 20% of the collective EU aid effort, it also acts as coordinator, convener and policy-maker.

To be fully effective, **the EU and its Member States must speak and act as one** to achieve better results and to **improve EU's visibility**.

Difficult economic and budgetary times make it even more critical to ensure that aid is spent effectively, delivers the best possible results and is used to leverage further financing for development.

With this new context in mind, the Commission proposes a policy framework to strengthen the impact of European development policy.

CONTENT: basing this Communication on the results of the 2010 consultation on EU development policy, which confirmed the relevance of the existing policy framework, while agreeing on the need to increase impact of European development aid, the Commission proposes **changes to EU development policy on a number of fronts**. In particular, the EU must seek to focus its offer to partner countries where it can have the greatest impact and this should be accompanied by:

- differentiated development partnerships;
- coordinated EU action;
- improved coherence among EU policies.

The Commission proposes an Agenda for Change that would lead to:

- an increased share of EU country and regional cooperation programmes dedicated to certain **policy priorities** which include human rights and good governance on the one hand and inclusive and sustainable growth on the other;
- the concentration of EU activities in each country on a **maximum of three sectors**;
- an increased volume and share of EU aid to the countries most in need and where the EU can have a real impact, including **fragile states**;
- enhanced importance of **human rights, democracy and good governance** trends in determining the mix of instruments and aid modalities at country level;
- continued support for **social inclusion and human development** through at least 20% of EU aid;
- a greater focus on investing in drivers for **inclusive and sustainable economic growth**, providing the backbone of efforts to reduce poverty;
- a higher share of EU aid through **innovative financial instruments**, including under facilities for blending grants and loans;
- a focus on helping reduce developing countries' exposure to **global shocks** such as climate change, ecosystem and resource degradation, and volatile and escalating energy and agricultural prices, by concentrating investment in sustainable agriculture and energy;
- tackling the challenges of security, fragility and transition;
- joint EU and Member States response strategies based on partners' own development strategies, with a sectoral division of labour;
- a common EU results reporting framework;
- improved Policy Coherence for Development, including through new thematic programmes that build synergies between global interests and poverty eradication.

The proposed Agenda for Change does not seek to re-write basic policy principles. There will be no weakening of the EU's overarching objective of poverty elimination in the context of sustainable development, as set out in the European Consensus on Development. EU commitments on financing for development, MDG achievement and aid effectiveness remain firm, as do its ambitions as a political leader and key donor.

The EU is seeking **greater reciprocal engagement** with its partner countries, including mutual accountability for results. Dialogue at country level within a coordinated donor framework should determine exactly where and how the EU intervenes. More effective collaboration within the multilateral system will also be pursued.

The main priorities.

1) Human rights, democracy, and other key elements of good governance: EU support for governance should feature more prominently in all partnerships.

EU action should centre on:

- democracy, human rights and the rule of law : the EU should continue to support democratisation, free and fair elections, the functioning of institutions, media freedom and access to internet, protection of minorities, the rule of law and judicial systems in partner countries ;
- gender equality and the empowerment of women as development actors and peace-builders will be mainstreamed in all EU development policies through its 2010 Gender Action Plan ;
- public-sector management, where the EU should support national programmes to improve policy formulation, public financial management, including the setting up and reinforcement of audit, control and anti-fraud bodies and measures, and institutional development, including human resource management ;
- tax policy and administration;
- help its partner countries tackle corruption through governance programmes that support advocacy, awareness-raising and reporting and increase the capacity of control and oversight bodies and the judiciary ;
- strengthen its links with civil society organisations, social partners and local authorities, and support the emergence of an organised local civil society able to act as a watchdog and partner in dialogue with national governments ;
- natural resources, through backing governance reforms that promote the transparent management of natural resources, including raw materials and maritime resources, and ecosystem services, with particular attention to the dependence of the poor on them, especially smallholder farms ;
- ensure a development-security nexus, so that objectives in the fields of development policy, peace-building, conflict prevention and international security are mutually reinforcing.

2) Inclusive and sustainable growth: the EU should encourage more wealth and job creation, decent work, guarantee of rights at work, social protection and social dialogue.

It should also focus on the environment, biodiversity and natural resources and increases the exposure/vulnerability to natural disasters.

The EU should focus its support for inclusive and sustainable growth on:

- those sectors which build the foundations for growth and help ensure that it is inclusive, notably **social protection, health and education**;
- the enabling vectors for inclusive and sustainable growth, notably a stronger business **environment** and deeper regional integration;
- those sectors that have a strong multiplier impact on developing countries' economies and contribute to environmental protection, climate change prevention and adaptation, notably **sustainable agriculture and energy**.

Differentiated development partnerships: the EU must seek to target its resources where they are needed most and development assistance should be allocated according to:

- country needs: assessed taking into account, inter alia, vulnerability and fragility indicators.
- capacity of a country's ability to generate sufficient financial resources, and its access to other sources of finance such as international markets, as well as absorption capacities;
- country commitments and performance: positive account should be taken of a country's investment in education and health, its progress on democracy and good governance, and the soundness of its financial management;
- potential EU impact: assessed through increasing the extent to which EU cooperation could support policy reforms and through increasing the leveraging effect of that EU aid.

Coordination and improved coherence: the Communication stresses the need for **joint programming of EU and Member States' aid,** which would reduce fragmentation and increase its impact proportionally to commitment levels. The aim is for a simplified and faster programming process, to be largely carried out on the ground.

Operationally, the EU and Member States should make use of aid modalities that facilitate joint action such as budget support (under a 'single EU contract'), EU trust funds and delegated cooperation.

With regard to **coherence** of policy objectives, the Communication states that the future MFF should reinforce the Policy Coherence for Development. Thematic programmes are envisaged as instruments to tackle global concerns and will both project EU policies into development cooperation and help eradicate poverty.

Agenda for change: the future of EU development policy

2012/2002(INI) - 14/05/2012

The Council discussed the future of EU development policy and adopted conclusions on "Increasing the impact of EU development policy: an Agenda for Change".

The rapidly changing global environment and the new international architecture require a more comprehensive, responsive and effective approach to external action and development policy. The Council set out a **renewed EU approach to development policy** whereby the EU is to focus in the future on those countries and sectors where it can have the greatest impact. These new principles will guide EU financial instruments for external action under the next Multiannual Financial Framework for 2014-2020, and in particular the new development cooperation instrument.

Agenda for change: the future of EU development policy

2012/2002(INI) - 16/07/2012 - Committee report tabled for plenary, single reading

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.