



EUROPEAN PARLIAMENT

2009 - 2014

---

*Session document*

---

**A7-0165/2010**

19.5.2010

# REPORT

on progress towards the achievement of the Millennium Development Goals:  
mid-term review in preparation of the UN high-level meeting in  
September 2010  
(2010/2037(INI))

Committee on Development

Rapporteur: Michael Cashman

**CONTENTS**

	<b>Page</b>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION .....	3
EXPLANATORY STATEMENT.....	14
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE .....	22
RESULT OF FINAL VOTE IN COMMITTEE .....	26

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### **on progress towards the achievement of the Millennium Development Goals: mid-term review in preparation of the UN high-level meeting in September 2010 (2010/2037(INI))**

*The European Parliament,*

- having regard to the United Nations Millennium Declaration of 8 September 2000,
- having regard to the European Council meeting on 17 and 18 June 2010 focusing on the MDGs,
- having regard to the commitments on aid volume, aid to sub-Saharan Africa and aid quality made by the G8 at the 2005 Gleneagles Summit and all subsequent G8 and G20 meetings,
- having regard to the G20 summit held in Pittsburgh on 24 and 25 September 2009 and the G20 summit held in London on 2 April 2009,
- having regard to the G8 summit held in L'Aquila, Italy, from 8 to 10 July 2009,
- having regard to the European Consensus on Development<sup>1</sup> and the EU Code of Conduct on Complementarity and Division of Labour in Development Policies<sup>2</sup>,
- having regard to the Monterrey Consensus, adopted at the International Conference on Financing for Development held in Monterrey, Mexico, from 18 to 22 March 2002,
- having regard to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action,
- having regard to the Addis Call to Urgent Action for Maternal Health, the Berlin Call to Action and the Strategic Options for NGOs, the latter two documents having been issued to mark the 15th anniversary of the International Conference on Population and Development (ICPD/15),
- having regard to Article 208 of the Treaty on the Functioning of the EU, which stipulates that 'the Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries',
- having regard to the Commission communication of 12 April 2005 on policy coherence for development<sup>3</sup>,
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the

---

<sup>1</sup> OJ C 46, 24.2.2006, p.1.

<sup>2</sup> Council Conclusions 9558/07, 15 May 2007.

<sup>3</sup> COM(2005)0134 final.

- Council of 18 December 2006 establishing a financing instrument for development cooperation<sup>4</sup> (the 'Development Cooperation Instrument' (DCI)),
- having regard to Article 7 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall ensure consistency between its policies and activities, taking all of its objectives into account,
  - having regard to the ILO Decent Work Agenda and to the ILO Global Jobs Pact adopted by global consensus on 19 June 2009 at the International Labour Conference,
  - having regard to the July 2009 report by the UN Secretary-General on the implementation of the Millennium Declaration,
  - having regard to the UNDP report entitled 'Beyond the Midpoint: Achieving the Millennium Development Goals', published in January 2010,
  - having regard to the Commission communication to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions entitled 'A twelve-point EU action plan in support of the Millennium Development Goals'<sup>5</sup>,
  - having regard to the Council conclusions on Progress on the European Programme for Action to confront HIV/AIDS, Malaria and Tuberculosis through External Action (2007-2011),
  - having regard to the Court of Justice judgment of 6 November 2008 on the external lending activities of the European Investment Bank (EIB)<sup>6</sup>,
  - having regard to its resolution of 6 April 2006 on aid effectiveness and corruption in developing countries<sup>7</sup>,
  - having regard to its resolution of 20 June 2007 on 'the Millennium Development Goals – the midway point'<sup>8</sup>,
  - having regard to its resolutions of 4 September 2008 on maternal mortality<sup>9</sup>, of 24 March 2009 on MDG contracts<sup>10</sup> and of 25 March 2010 on the effects of the global financial and economic crisis on developing countries and on development cooperation<sup>11</sup>,
  - having regard to Rule 48 of its Rules of Procedure,

---

<sup>4</sup> OJ L 378, 27.12.2006, p. 41.

<sup>5</sup> COM(2010)0159 final.

<sup>6</sup> Case C-155/07, European Parliament v Council of the European Union, OJ C 327, 20.12.2008, p. 2.

<sup>7</sup> OJ C 293 E, 2.12.2006, p. 316.

<sup>8</sup> OJ C 146 E, 12.6.2008, p. 232.

<sup>9</sup> OJ C 295 E, 4.12.2009, p. 62.

<sup>10</sup> OJ C 117 E, 6.5.2010, p. 15.

<sup>11</sup> Texts adopted P7\_TA(2010)0089.

- having regard to the report of the Committee on Development and the opinion of the Committee on International Trade (A7-0165/2010),
- A. whereas reducing and eradicating poverty is the EU's primary development policy objective under the Lisbon Treaty, as well as being both a moral obligation and in the EU's own long-term interests,
- B. whereas both the EU, as the world's largest donor, and its Member States need to play a leading role at the September MDG meeting and adopt an ambitious, united position that can work as a driving force with a view to achieving the MDGs on time,
- C. whereas the EU is currently some EUR 20 billion short of its MDG spending commitments,
- D. whereas some EU Member States are scaling back their aid budgets,
- E. whereas rich countries recently came up with trillions of dollars to bail out their banks, and whereas the financial sector has not yet paid for the consequences of the unprecedented crisis it caused,
- F. whereas the value of global financial transactions has attained 70 times world GNI,
- G. whereas unpredictable aid can be detrimental to recipient countries, and whereas better quality aid could release an extra EUR 3 billion a year for the development budgets of the EU and of its Member States<sup>12</sup>,
- H. whereas 82% of new IMF lending has gone to European-area countries, while least-developed countries (LDCs) would benefit from receiving a greater amount of new IMF lending,
- I. whereas, although the G20 is more representative than the G8, the UN remains the most inclusive forum for addressing global governance issues,
- J. whereas inconsistencies in EU policies must not undermine the impact of development funding,
- K. whereas remittances contribute at least USD 300 billion a year to developing countries' economies<sup>13</sup>,
- L. whereas, although there has been encouraging progress on some MDGs, all eight MDGs are currently off-target and only a resolute display of political will can enable the MDGs to be met in the five years remaining before the 2015 deadline,
- M. whereas some LDCs are on track to meet no MDGs,
- N. whereas the recent food and fuel crises, coupled with the global economic downturn and climate change, have led to set-backs in relation to the last decade's progress on poverty reduction,
- O. whereas land ownership creates incentives for individuals, families and communities to take control of their own development and ensure food security at a local level,

---

<sup>12</sup> 'Aid Effectiveness Agenda: Benefits of a European Approach', European Commission, October 2009,

<sup>13</sup> 'Migration and Remittance Trends 2009', World Bank, November 2009.

- P. whereas mitigating climate change in developing countries could cost around USD 100 billion a year by 2020<sup>14</sup>, and the economic downturn at least as much again<sup>15</sup>,
- Q. whereas the situation in ‘middle-income’ developing countries should not be overlooked when reviewing the MDGs, since these countries continue to require assistance on the way to reaching their full development potential,
- R. whereas industrialised nations are mainly responsible for climate change and the financial and economic crisis,
- S. whereas the numbers of working poor and those in vulnerable jobs are on the rise,
- T. whereas a lack of peace and security, democracy and political stability often prevents poor countries from fulfilling their full development potential,
- U. whereas corruption destroys productivity, creates instability and deters foreign investment,
- V. whereas illicit capital flows from developing countries are estimated at USD 641 billion to USD 941 billion, and whereas these outflows undermine developing countries’ capacity to generate their own resources and allocate more funds to poverty reduction<sup>16</sup>,
- W. whereas, although major progress has been made towards some of the health MDGs, the three health MDGs – and in particular maternal mortality – are the most off track,
- X. whereas 13% of all maternal deaths in developing countries are due to unsafe abortions, and whereas this figure is much higher in Africa<sup>17</sup>,
- Y. whereas funding for family planning on a per-woman basis has fallen away sharply over the last decade,
- Z. whereas, even if we achieve all the MDGs, there will still be poverty-related challenges and suffering in poor countries,
- AA. whereas failing to meet our MDG promises will mean continued suffering for millions of poor people, and will seriously erode trust between north and south,

## **I. Funding**

1. Expects the June 2010 European Council to agree on an ambitious, united EU position ahead of September’s UN MDG meeting, and to lead to new, results-oriented, additional, transparent and measurable commitments;
2. Calls on the Member States to meet the obligations to which they agreed as part of the European Consensus on Development;
3. Points out that achieving the MDGs must remain a key objective for the European Union; emphasises that poverty reduction through the achievement of the MDGs must be recognised unambiguously as the overarching framework for EU policy and that this

<sup>14</sup> ‘Stepping up international climate finance: A European blueprint for the Copenhagen deal’, COM(2009)0475.

<sup>15</sup> Swimming Against the Tide: How Developing Countries are Coping with the Global Crisis, World Bank, March 2009.

<sup>16</sup> Professor Guttorm Schjelderup, European Parliament hearing, 10 November 2010.

<sup>17</sup> Facts on Induced Abortion Worldwide, World Health Organization and Guttmacher Institute, 2007.

- must be reflected clearly in all relevant policy – including trade policy – and legislative proposals; believes that the MDGs should not be seen as a technical matter which will be resolved simply by providing more money or trade opportunities without identifying and tackling the underlying causes of poverty;
4. Stresses that the figures given in the recent UN report entitled ‘Rethinking Poverty’ are not only alarming, but a clear indication that the risk of not meeting the Millennium Development Goals is real;
  5. Calls on all the Member States to meet their 0.7% aid promises by 2015 at the latest;
  6. Calls on all the Member States to introduce development aid measures and issue multiannual timetables for meeting the MDG targets; asks the Commission to ensure that official development assistance (ODA) is fully transparent, and accordingly asks it to publish the amounts spent on ODA by the Member States;
  7. Calls on the EU and the OECD not to broaden the definition of development aid (ODA) or count debt cancellation or other non-ODA financial flows as aid spending;
  8. Calls on the EU unilaterally to introduce a tax on currency and derivatives transactions in order to fund global public goods, including the MDGs;
  9. Calls on all the Member States actively to crack down on tax havens, tax evasion and illicit financial flows, within the G20 and UN framework, and to promote greater transparency, including systematic disclosure of profits made and taxes paid and a country-by-country reporting system to enable developing countries to keep their own resources for their development;
  10. Calls on the EIB to review its policy on offshore financial centres on the basis of more stringent criteria than the Organisation for Economic Co-operation and Development (OECD) listing for the definition of prohibited and monitored jurisdictions, and to ensure its implementation and provide annual reports on progress;
  11. Calls on all the Member States and the international community to take action to make remittances cheaper;
  12. Calls on all the Member States to support UN initiatives and take measures to increase lender and borrower responsibility in the context of sovereign debt transactions;
  13. Calls on the Member States, the Commission and the international community to make renewed efforts to write off LDCs’ debts *and* to work towards alleviating the debt burden on developing countries, including an interest-free moratorium until 2015 on debt repayments for developing countries;
  14. Calls on the EU to provide significant funding to help poor nations fight the effects of climate change and the economic crisis; insists that these funds be genuinely additional to existing aid commitments;
  15. Calls on all the Member States to commit to allotting significantly more resources to development cooperation and emergency aid under the next Financial Perspective and European Development Fund;
  16. Calls on the European Commission to use its existing instruments of cooperation with developing countries, including the ENP Action Plans, the Eastern Partnership, GSP

- and GSP+, further to define and implement practical steps designed to facilitate the achievement of the MDGs;
17. Calls on all the Member States significantly to increase the amount of aid provided through budget support, particularly via MDG contracts, but insists that democracy, human rights, governance and other essential criteria be met and that there be more and better monitoring and audits;
  18. Calls on all the Member States to ensure that the EU continues to work through a wide array of existing financial instruments at global and country levels in addition to budget support, including the Global Fund to Fight AIDS, Tuberculosis and Malaria, and through other relevant organisations and mechanisms, in particular civil society organisations and communities;
  19. Calls on all the Member States to continue to improve donor coordination by untying all their aid, in accordance with the Paris and Accra declarations, thereby reducing the over-fragmentation of aid budgets *qui est impératif à la cohérence et au déliement de l'aide*; also recognising that different Member States can offer expert knowledge in various geographical areas and development sectors;

## **II. Policy coherence for development**

20. Calls on the European Commission and the Member States to ensure that primary responsibility for programming development funds and setting priorities remains within the remit of the Development Commissioner in the EU's new institutional set-up;
21. Calls on the EU to take concrete action against poverty by adopting a coherent policy encompassing the areas of trade and development cooperation as well as its common agricultural and fisheries policies, in order to avoid direct or indirect negative impacts on developing countries' economies;
22. Calls on the EU to put an end to agricultural export subsidies and other harmful aspects of our farm policy as soon as possible, to uphold the principle of food security in developing countries and to urge all players to comply with this principle during the current WTO negotiations;
23. Believes that achieving the Millennium Development Goals requires above all a radical change of policy in industrialised and developing countries in order to establish fair and equitable global trade rules, fair distribution of wealth, measures to foster access to land, water and biodiversity resources and measures to foster a policy of local support for sustainable smallholding agriculture;
24. Calls on the EU to 'development-proof' its fisheries agreements so that they take full account of social and economic impacts on local communities, notably through long-term EU sectoral support and a mechanism whereby ship-owners cover a fair share of the costs of access for the EU fleet;
25. Calls on the EU not to pressure poor countries, through its trade policy, into opening up vulnerable market sectors when their level of development precludes them from competing fairly on the global stage, while enhancing the pro-poor focus of the EU Aid for Trade policy;

26. Calls on the EU to fight for a timely, development-focused conclusion to the Doha WTO round;
27. Calls for a climate change risk assessment to be systematically incorporated into all aspects of policy planning and decision-making, including trade, agriculture and food security; demands that the result of this assessment be used to formulate clear guidelines on sustainable development cooperation policy;
28. Stresses that there is a need for an effective global response to the problem of climate change, whereby industrialised countries shoulder their responsibility and take the lead in combating greenhouse gas effects, which will threaten the MDGs if not addressed;
29. Calls on the EU and the Member States, which are parties to the Protocol on Strategic Environmental Assessment to the Espoo Convention, to comply fully with the Protocol's provisions when helping to develop programmes and public projects in developing countries;
30. Is convinced that trade may be a powerful engine for economic growth, although trade alone cannot solve development problems; believes that the slow progress of the Doha Round negotiations is hampering the international trading system's contribution to the MDGs; stresses that a positive conclusion of the Doha Round could contribute to delivering an economic stimulus package at global level; takes note of the host of studies by UNCTAD and other institutions showing that extensive trade liberalisation in the LDCs has seldom translated into sustained and substantial poverty reduction, and has contributed to a decline in developing countries' terms of trade, in particular those of African countries;
31. Stresses the importance of efforts to facilitate the integration of developing countries into the world economy; reiterates that openness to trade and support for supply capacity are important elements in any coherent development strategy, and that trade-related technical assistance initiatives represent an additional tool for tackling poverty eradication and underdevelopment;
32. Recalls that improving the trade capacity of developing and least-developed countries may help them to acquire the trade-related skills and infrastructure needed to implement and benefit from WTO agreements, expand their trade, take advantage of new and existing trade opportunities, implement new agreements and adapt to a changing external trading environment;
33. Welcomes existing initiatives at EU and WTO level in the area of trade with developing countries, in particular the Everything But Arms (EBA) initiative, GSP and GSP +, as well as the principle of asymmetry and transitional periods negotiated in all existing European Partnership Agreements (EPAs), and asks the Commission to consolidate this policy strategy; points out that the GSP system provides more stability, predictability and trading opportunities for its users; notes that additional preferences are granted (through the GSP regime) to countries that have ratified and effectively implemented key international conventions on sustainable development, social rights and good governance;
34. Calls on the Commission to enhance the development content of current WTO and bilateral FTA negotiations;

35. Recalls that the Aid for Trade strategy is aimed at supporting poor and vulnerable countries in developing the basic economic infrastructure and tools they need to harness trade as an engine of economic growth and development; welcomes the Commission's statements that the EU has already met its target of committing EUR 2 billion to trade-related assistance (TRA) by 2010, since total support for TRA from the EU and its Member States reached EUR 2.15 billion in 2008 (EUR 1.14 billion from the Member States and EUR 1.01 billion from the EU), and notes that important results have also been achieved in respect of the wider Aid for Trade Agenda – including transport and energy, the productive sectors and trade-related adjustment; calls on the Commission, nevertheless, to present detailed information (including figures) on the budget lines used to finance trade-related assistance and Aid for Trade;
36. Urges the Commission and the Member States to pay more attention to, and to support, the LDCs in order to increase total EU funding for Aid for Trade, which has not seen substantial increases recently; takes the view that, as regional integration becomes increasingly important in the context of the EU Aid for Trade agenda, efforts to complete the ACP regional Aid for Trade packages should be stepped up; takes the view that there is room for improvement in aid effectiveness by increasing joint analysis, joint response strategies and joint delivery of Aid for Trade measures;
37. Takes the view that the South-South dimension is becoming a fast-growing component of world trade, may become increasingly relevant in ensuring the development of the poorest countries and should be encouraged and supported;

### **III. Priority MDG targets**

38. Calls on the EU to maintain an integrated, comprehensive approach to the MDGs, recognising that all individual goals and targets are interlinked and establishing minimum requirements for the achievement of poverty eradication;

#### ***Health and education***

39. Calls on all the Member States and the Commission to allocate at least 20% of all development spending to basic health and education, to increase their contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria and increase their funding for other programmes designed to strengthen health systems, and to prioritise maternal health and efforts to combat infant mortality;
40. Calls on developing countries to spend at least 15% of their national budgets on health care and to enhance their health care systems;
41. Calls on the EU and developing countries to promote free access to health and education;
42. Calls on all the Member States and the Commission to reverse the worrying decline in funding for sexual and reproductive health and rights in developing countries and to support policies on voluntary family planning, safe abortion, treatment of sexually transmitted infections and the provision of reproductive health supplies consisting of life-saving drugs and contraceptives, including condoms;

43. Asks the Commission, the Member States and developing countries to address MDG 5 (on improving maternal health), MDG 4 (on child mortality) and MDG 6 (on HIV/AIDS, malaria and tuberculosis) in a coherent and holistic way, along with MDG 3 (on gender equality and women's empowerment);
44. Demands that Country and Regional Strategy Papers emphasise the need for legislation combating violence and discrimination against women, encourage women's participation in the decision-making process and further highlight the need for gender-sensitive policies;
45. Reiterates that the EU should support those developing countries which use the so-called flexibilities built into the TRIPS Agreement in order to be able to provide medicines at affordable prices under their domestic public health programmes; stresses that those agreements which guarantee access to generic medicines must not be undermined by free-trade agreements;

#### ***Vulnerable groups***

46. Calls on the EU to channel at least half its aid into the LDCs and to target the neediest groups in those countries, focusing especially on women, children and people with disabilities, and to mainstream more effectively the interests of vulnerable groups in its development strategies;
47. Calls on the EU and developing countries to pay particular attention to the rights of minorities and insists that the EU insert non-negotiable human rights and non-discrimination clauses into its international agreements, inter alia with regard to discrimination based on gender, racial or ethnic origin, religion or belief, disability, age, sexual orientation and towards people living with HIV/AIDS;

#### ***Freedom from hunger***

48. Calls on the EU and partner governments to increase investment in farming and food security to levels that guarantee freedom from hunger for all, looking particularly at urgent hunger needs, small-scale farming and social protection programmes;
49. Calls on the Commission to promote land ownership as a tool for reducing poverty and guaranteeing food security, by strengthening property rights and facilitating access to credit for farmers, small businesses and local communities;

#### ***Decent work***

50. Expresses deep concern about the current acquisition of farmland (particularly in Africa) by government-backed foreign investors, which may undermine local food security and have serious, far-reaching consequences in developing countries; urges the UN and the EU to address the adverse impact of farmland acquisition (including the expropriation of small farmers and unsustainable use of land and water), by recognising the population's right to control farmland and other vital natural resources;

51. Calls on the Member States and the Commission to step up their efforts to combat child labour, both by supporting specific programmes and through guidelines on development policies and international trade;
52. Calls on EU and developing country governments robustly to support the ILO's Global Jobs Pact and to apply effectively all aspects of the Decent Work Agenda;
53. Calls on the Commission to monitor workers' social protection, social dialogue and core labour standards in developing countries and, where necessary, to offer incentives and apply sanctions through trade agreements and all other available instruments;

#### **IV. Governance**

54. Calls on the World Bank and the IMF to allocate a fairer share of voting rights to under-represented nations, ensuring that borrowers and lenders have equal shares of votes in the short term, and that lending does not undermine principles of ownership, as committed to in Paris and Accra;
55. Calls on the IMF to increase low-income countries' levels of access to its concessional facilities, and to increase Special Drawing Rights allocations for LICs according to their needs;
56. Intends, when codeciding the upcoming revision of the European Investment Bank's external mandate, to ensure that it fulfils its development obligations, and to gear its resources more closely to the needs of developing countries, including mutually effective pro-poor lending facilities;
57. Calls on all the Member States and the international community to ensure that the UN remains the forum of choice for addressing issues relating to global governance and poverty issues;
58. Calls on EU and AU authorities to invest renewed political will in the Africa-EU strategic partnership, and to commit the specific resources that will enable it to achieve its full potential;
59. Calls on the EU and the international community to promote and support democracy, peace, the rule of law and corruption-free administration in developing countries;
60. Calls on the EU and the international community to make an exceptional effort to support public administration in developing countries, with the specific aim of fighting corruption and creating an administrative environment that is transparent, impartial and fair, while also recognising the essential role of non-state actors and of civil society;
61. Calls on all developing countries urgently to sign the UN Convention against Corruption, to take practical steps to implement its provisions effectively, and to establish mechanisms for monitoring progress;
62. Recognises the need for developing countries to improve international accounting standards in order to prevent tax avoidance and tax evasion practices, thereby achieving better global fiscal governance;
63. Calls on developing countries to involve parliaments, local government, civil society and other non-state actors at all stages of policy formulation and implementation;

64. Calls on developing countries, especially those benefiting most from EU aid, to strengthen their good governance in all public matters, especially management of the aid received, and urges the Commission to take all necessary steps to ensure transparent and efficient aid implementation;
65. Recognises the vital link between security and development, and notes with concern the lack of progress made in achieving peaceful solutions to frozen conflicts in the EU's neighbourhood and beyond, urging the EU to review its efforts in this area;
66. Calls on the EU to enter into an ambitious, constructive dialogue with all traditional and emerging donors in order to ensure that the MDGs are achieved and that poverty reduction remains at the top of the global agenda;
67. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the Secretary-General of the United Nations.

## EXPLANATORY STATEMENT

### **A. A DECADE ON THE MDG TRAIL**

At the 2000 millennium summit, rich nations, including EU states, made a string of promises to the world's poor. These included renewing their commitment to fight poverty and signing up to specific, time-bound targets to reduce hunger, improve education and health and protect the environment in developing countries.

Nearly ten years on — and just five years from the 2015 target date — the UN is holding a high-level meeting in September to assess how much progress we have made and where we need to get our act together. Europe, as the world's biggest development aid player, must assume a leading role.

The EU summit in June needs to come up with a unified and ambitious strategy for achieving the MDGs. Parliament will adopt a resolution outlining its position in advance of the summit.

#### **1. Progress**

So have we moved forward on making poverty history? Have donors' efforts made any difference?

There is no question that increases in development aid, when applied effectively, have helped alleviate poverty and suffering for millions of people in the developing world. Extreme poverty is down from 1.8 to 1.4 billion. Nearly 90% of poor children now go to school. Great strides have been made in the fight against malaria and TB. Child mortality is falling fast.

So, yes, one could claim aid is working. But there is still so much more to do. We cannot sit back when every second child still lives in poverty. We cannot be complacent when there will still be two million AIDS-related deaths this year. We cannot stand by when a billion people still go hungry every day.

We are, in fact, off target on all eight MDGs. The recent food and fuel crises put us even further behind the clock. And now the global economic downturn has unstitched so much of the last decade's progress. Some EU member states, faced with faltering economies at home, are even scaling back aid budgets.

Now is not the time for savings on the backs of the sick and starving. Europe must lead the world in a concerted effort to save the MDGs and keep our promises to the planet's poorest. Achieving the MDGs is a not a best-case scenario. It is no more than the bare minimum. Time is running out. 2015 is round the corner. Failure is not an option.

#### **2. Why this document?**

The aim of this document is to outline, briefly, the state of play on the eight MDGs, identify key areas where the EU and international community should focus their efforts over the next half decade, examine other factors which can enhance or undermine chances of MDG success and then address funding issues.

## **B. MDG STATE OF PLAY**

### **1) Extreme poverty and hunger**

Below USD 1.25/day poverty has fallen considerably (42%-25%), largely thanks to strong growth in China, yet remains over 50% in sub-Saharan Africa. The downturn threatens to reverse this progress, forcing maybe as many as 100 million people back into extreme poverty. The crisis has also led to a rise in the working poor and those in vulnerable employment. Small advances in combating undernourishment and child malnutrition have stalled in the wake of the 2008 food-price crisis.

### **2) Universal primary education**

Primary school enrolment rose from 83% in 2000 to 88% in 2007 but drop-out rates are only falling slowly. Girls and ethnic minorities face more discrimination.

### **3) Gender equality**

The 2005 target of eliminating gender disparities in primary and secondary education was not met, despite some progress. More women are working, yet a majority of them have vulnerable jobs. The number of women MPs increased by more than half in the last decade... but is still only 17%.

### **4) Child mortality**

Under-five deaths dropped from over 12 million in 1990 to around nine million today. Progress has been particularly strong as regards measles. The MDG target is still a long way away, however.

### **5) Maternal health**

Maternal mortality claims over half a million women's lives a year and progress has been negligible, especially in sub-Saharan Africa. Teenage pregnancy is still all too common, while contraceptives and family planning have become only slightly more accessible.

### **6) AIDS, malaria, TB**

AIDS-related deaths and new HIV infections have stabilised and are even declining, although remain frighteningly high. We are winning the fight against malaria and TB cases continue to fall. Big ongoing funding increases remain vital, however.

### **7) Environmental sustainability**

CO<sub>2</sub> emissions have risen considerably in developing countries. The proportion of overexploited fish species has risen to 80%. Deforestation continues apace. On the plus side, the drinking water MDG target is within reach and we are half way to our sanitation access goal. Several hundred million fewer people live in slums than two decades ago.

### **8) Global partnership for development**

Despite repeated pledges to upscale aid, global ODA hovers around the 0.3%/GNI-mark. The EU is at 0.4%, way below even its 2010 interim 0.56% target. The crisis has led to certain EU states shrinking their aid budgets. As regards access to new technologies, mobile phones are booming in developing countries but access to internet remains low.

## **C. FUNDING ISSUES**

Development cooperation is not about just throwing money at problems. However, when we

signed up to MDG8, we committed to a global partnership for development. That means more and better aid. It means providing the resources that make all our ambitions possible and without which the MDG goals are just empty promises.

## 1. ODA

First of all, we have to keep our ODA pledges. The MDGs currently face a funding gap of over USD 300 billion between now and 2015 — and that's without factoring in additional spending for the climate and economic crises.

The EU, along with other donors, set itself a 0.7% 2015 target and has since repeatedly reaffirmed it. However, even if it is ahead of the donor field, the EU already looks set to fall a good EUR 20 billion short of its 2010 mid-term commitment. Some member states are way off target, while others are even scaling back on aid.

The EU as a whole must increase ODA. It must set a new interim aid target of 0.63% for 2012. And stick to it. More important, national budgets must feature legally-binding multiannual timetables for more predictable aid.

## 2. New funding

Yet it is clear we can't make up this multibillion-euro shortfall through public ODA alone. In addition, we need to explore innovative funding mechanisms:

- i) A **financial transaction tax** of 0.05% could raise EUR 10 billion a year for global public goods. It would discourage the criminally irresponsible speculation that destabilises the entire financial system (N.B. the financial sector has not yet paid for the consequences of the unprecedented crisis it triggered, despite benefiting from enormous state bailouts, while financial transactions reached 70 times world GNI recently). An initial unilateral move within the euro zone could act as a global catalyst.
- ii) **Illicit capital flows** rob poor countries of around a trillion dollars a year, i.e. ten times ODA. The G20 should pursue its agenda to crack down on tax havens and tax secrecy, promoting country-by-country reporting.
- iii) **Remittances** are also worth several times ODA. The EU should make remittances easier and cheaper.
- iv) **Transport fuel levies** and a share of revenues generated by **carbon emission auctions** could help developing countries in coping with climate change.
- v) Supporting **microfinance**, mobile phone banking, SMEs and savings banks, as well as extending property rights to the dispossessed, would access finance and help create wealth within poor communities.

## 3. Debt

The economic downturn may well throw developing countries into a new debt crisis. The EU should lead by calling an interest-free moratorium on debt repayments until 2015 and writing off debt for LDCs. Debt cancellation, as well as non-ODA financial flows, must not count towards aid targets.

## 4. Budget support

Sector-specific budget support, especially MDG contracts, can help deliver predictable, performance-based results in areas such as health and education. The EU should aim to channel half its aid via budget support. Key criteria for recipient authorities are commitment to poverty reduction, accountability and clean records on governance and human rights.

### **5. Better aid**

Poor quality aid wastes upwards of EUR 3 billion/year. All donors must adhere to the aid effectiveness agenda, in particular when it comes to making sure ODA is predictable, untying aid and allowing recipient governments to define their own development strategies. Division of labour is also essential but donors must take not to create 'aid orphan' sectors.

### **6. Global governance**

The global institutions need to give more voice to developing countries and more funds to the poorest. The EU can help by ceding voting rights to underrepresented nations in the World Bank and IMF.

Europe must ensure LDCs receive more concessional funding from the IFIs and a higher proportion of the post-London G20 special drawing rights. Parliament and Council should take full advantage of the upcoming chance to make the EIB more focused on poverty reduction.

And, although the G20 is a step forward from the G8, it is still a rich nations' club. The UN remains the most inclusive forum for global governance issues.

## **D. SPECIAL FOCUS**

All MDGs are equally important but some are lagging further behind than others and require special attention over the next five years. So we should refocus our action especially on the following areas:

- 1) health, including maternal and reproductive health
- 2) least developed countries, in particular Africa
- 3) women
- 4) decent work and public services.

### **1. Health**

The three health MDGs are the most off track and must become our top priority. There has been progress but the 'big killers' — AIDS, malaria and TB — still claim four million plus lives every year. The EU must up its contribution to the global health fund and adopt an integrated approach to MDGs 4-6. More funds can make a big difference. For instance, more money for insecticide-treated nets has led to a 50% cut in malaria infections. Half a million fewer children die of measles in Africa every year thanks to vaccines that cost just one dollar.

Our aim should be no-fee health care for all. We must stick to our commitment to spend 20% of DCI money on basic health and education. We should extend this benchmark to all development spending. We should push African states to live up to their 2001 Abuja pledge to allot 15% of national budgets to health care and encourage other developing countries to do the same.

Last year, more than two thirds of HIV sufferers did not have access to the treatment they needed. Our policy must be to assure access to affordable medicines. This includes revisiting TRIPs and rethinking generic medicines, as well as rerouting research (currently 90% of resources target the needs of just 10% of the world's population).

We also need to fund more technical support, infrastructure and capacity building in health sectors and address the dire shortage of health workers, via salary support and by mitigating the 'brain drain'. Health education, including sex education and HIV awareness raising, have to move further up our agenda.

The maternal mortality MDG is staring failure in the face and warrants specific extra measures. Cultural and religious norms cannot be allowed to stand in the way of sexual and reproductive health rights. We must support progressive policies, including family planning, abortion (30% of maternal deaths in Africa are down to unsafe abortions), treatment of sexual diseases and provision of condoms. Over the last decade or so, funding for family planning on a per-woman basis has fallen sharply away. We have to turn this around.

## **2. The poorest of the poor**

Whatever progress we're making on the MDGs, it is quite clear that the world's 49 least developed countries — and especially those in sub-Saharan Africa — are getting left behind.

Sub-Saharan Africa today has 100 million more extremely poor people than twenty years ago. The poverty rate remains above 50% and nearly two thirds of the urban population live in slums. Half of all maternal deaths and half of all children who don't go to school are African. Africa is home to 95% of all malaria deaths. It has the highest AIDS rate and the lowest contraception rate in the world. It is the only place on the planet that is losing the battle against TB and child mortality. Many African countries are on track to meet no MDGs whatsoever.

In 2005, donors promised to double aid to Africa by 2010. This is not enough. We must urgently increase ODA to LDCs from a third to half of all aid flows.

EU member states must begin to take seriously the Africa-EU joint strategic partnership adopted at the 2007 Lisbon summit. It is time the strategy began to show results. This means renewed political will from all partners but also a new funding mechanism specifically for the Africa partnership.

## **3. Women**

Women are the backbone of many developing countries and, at the same time, they bear the brunt of poverty. EU development policy should be targeting:

- gender parity in education — only the case in one out of three developing countries, despite some progress
- access to decent work for women — 70% of the female labour force is in vulnerable jobs, while the employment rate for women in north Africa and much of Asia is 45% below the rate for men
- women's political representation
- gender violence.

#### **4. Decent work**

The fight against poverty is a fight for rights, as is the right to food, health, education, water, universal public services and a poverty-free existence. Likewise the right to "*decent and productive work in conditions of freedom, equity, security and human dignity*".

As recent summits of EU, African and American leaders have explicitly acknowledged, decent work is a "*pillar of development*" and the most sure-fire route out of poverty.

The ILO's decent work agenda dovetails with all the MDGs and should feature prominently in all our international agreements. The Commission must monitor workers' social protection, social dialogue and core labour standards and not be afraid to apply sanctions. This is all the more vital when the numbers of working poor and those in vulnerable jobs are on the rise, especially in the wake of the global economic crisis.

#### **E. OTHER KEY ISSUES**

In addition to the abovementioned priorities, the EU needs to pay special attention to a number of areas which can act either as catalysts or stumbling blocks for the MDGs.

##### **1. Policy coherence for development**

The EU is now treaty-bound to take poverty reduction into account when it implements other policies likely to affect developing countries. This means what we do on farming, fisheries, trade and migration cannot undermine our development work. This is currently not the case. For example:

- EU dairy export subsidies — undercutting local producers
- large-scale trade liberalisation in LDCs — barely scraping the surface of poverty reduction and in fact diminishing LDCs' share of the global pie
- 'land grab' for agrofuel
- EU patents policy — squeezing access to medicines
- overfishing — forcing out local fishermen
- inconsistent immigration policies
- climate change — over-timid approach while the developing world pays the price.

The EP should appoint a standing rapporteur for 'policy coherence for development' to keep a running check on member states and the Commission.

Our trade policy obviously impacts substantially on development. Europe must champion fair globalisation and a rapid, development-oriented conclusion to the Doha round. Trade is no panacea but equitable, rules-based trade can contribute to alleviating poverty. This implies the EU providing more aid for trade, capacity building and helping poor countries steer away from overdependence on volatile raw materials.

##### **2. Tackling climate change and the global crisis**

Rich countries are to blame for the current financial, economic and climate change crises. Poor countries are the hardest hit. Fighting off climate change in the south will cost over USD 100 billion a year and the economic downturn at least as much again. Somehow we must plug

this funding gap. It would be an unacceptable error to raid funds already set aside for poverty reduction. Additionality is the only way.

In addition, developing countries' CO2 emissions have doubled over the last 15 years. The EU can help fight energy poverty and pollution at the same time through technology transfer aimed at generating clean energy and creating 'green' jobs.

### **3. Governance and rights**

Good governance means societies upholding the rights and interests of all their citizens. It does not mean more conditionality and cannot be a top-down process. The EU should embrace a rights-based, people-centred approach. We must fight discrimination of minorities, be they racial, religious, linguistic or sexual, as well as children and people with disabilities, and should not shrink from sanctioning breaches of fundamental human rights, wherever they occur.

To ensure proper scrutiny, accountability and democracy, we must encourage developing countries to involve parliaments and civil society at all stages of policy formulation and implementation.

### **4. Right to food**

The right to food underpins all other human rights. There has been alarmingly little headway on tackling malnutrition, which even went backwards last year due to the food-price crisis, throwing 100 million more people back into the hunger trap. The EU should be proud of the 2008 'Food facility' but it is clearly just a drop in the ocean.

Europe needs to encourage farming and food security in developing countries, politically, financially and technically. We must push agriculture, food security and regional self-sufficiency back up the agenda, after years of neglect. We can no longer undermine poor farmers with our export subsidies, by dumping our produce or by forcing them to open up their markets too far and too fast. Yes we have to protect our own farmers but when we are talking about millions of starving children then the moral dilemma is clear.

### **5. Development education & the 'selfish gene'**

Fortunately, nine out of ten Europeans are in favour of development aid and a large majority backs increasing ODA. Nonetheless, rolling back scepticism is an ongoing process, particularly when domestic economies nosedive. So Europe needs to step up efforts to reassure its citizens that ODA is money well spent, whether from a moral standpoint or out of self-interest, i.e. geopolitical stability, illicit migration flows, reliable mineral supplies, etc.

### **6. Our donor partners**

The USA is under new management. China is increasingly flexing its muscles and other emerging economies are gradually entering the scene. We need to enhance our transatlantic dialogue on development and engage with new donors for more ODA, more coherent action and to make sure poor countries have a full say in their own development strategies.

## **F. CONCLUSION — OUR URGENT CHALLENGE**

Achieving the MDGs, against all the odds, is a huge challenge and an urgent one. If we do it,

it will mean a decent life for hundreds of millions, and the difference between life and death for millions more. The EU must adopt a brave, coherent position in June and lead the global community at the UN review summit, beyond that to 2015 and onwards.

In 2000 the world made itself a promise. It is our moral obligation to keep that promise.

4.5.2010

## **OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE**

for the Committee on Development

on progress towards the achievement of the Millennium Development Goals: mid-term review in preparation of the UN high-level meeting in September 2010 (2010/2037(INI))

Rapporteur: Laima Liucija Andrikiienė

### **SUGGESTIONS**

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points out that achieving the MDGs must remain a key objective for the European Union; emphasises that poverty reduction through the achievement of the MDGs must be recognised unambiguously as the overarching framework for EU policy and that this must be reflected clearly in all relevant policy, including trade policy, and legislative proposals; believes that the MDGs should not be seen as a technical matter which will be resolved simply by providing more money or more trade opportunities without identifying and tackling the underlying causes of poverty;
2. Stresses that the figures given in the recent UN report ‘Rethinking Poverty’ are not only alarming but a clear indication that the risk of not meeting the Millennium Development Goals is real;
3. Is convinced that trade could be a powerful engine for economic growth, although trade alone cannot solve development problems; believes that the slow progress of the Doha Round negotiations is hampering the contribution of the international trading system to the MDGs; stresses that a positive conclusion of the Doha Round could contribute to delivering an economic stimulus package globally; takes note of the host of studies by UNCTAD and other institutions that show that the extensive trade liberalisation in LDCs has seldom translated into sustained and substantial poverty reduction, and has contributed to a decline in the terms of trade of developing countries, in particular of African countries;
4. Stresses the importance of the efforts to facilitate the integration of developing countries into the world economy; reiterates that openness to trade and support for supply capacity are important elements in any coherent development strategy and that Trade-Related Technical Assistance initiatives represent an additional tool to tackle poverty eradication and underdevelopment;

5. Recalls that improving the trade capacity of developing and least-developed countries could help them develop the trade-related skills and infrastructure that is needed to implement and benefit from WTO agreements, expand their trade, take advantage of new and existing trade opportunities, implement new agreements and adapt to a changing external trading environment;
6. Welcomes the existing initiatives in the area of trade with developing countries at EU and WTO level, in particular the Everything But Arms (EBA) initiative, GSP and GSP +, as well as the principle of asymmetry and transitional periods negotiated in all existing European Partnership Agreements (EPAs), and asks the European Commission to consolidate this policy strategy; points out that the GSP system provides more stability, predictability and trading opportunities for its users; notes that additional preferences are provided to countries that have ratified and effectively implemented key international conventions on sustainable development, social rights and good governance (through the GSP regime);
7. Asks the Commission to ensure that Economic Partnership Agreements with ACP partners are instruments for ACP development and poverty eradication, inter alia through the continuation of non-reciprocity in market access, emphasis on food security concerns and the strengthening of existing regional integration efforts;
8. Calls on the Commission to enhance the development content of current WTO and bilateral FTA negotiations;
9. Recalls that the Aid for Trade strategy is aimed at supporting poor and vulnerable countries in developing the basic economic infrastructure and tools they need to harness trade as an engine of economic growth and development; welcomes the statements by the Commission that the EU has already met the target to commit EUR 2 billion to Trade Related Assistance (TRA) by 2010, as the total support for TRA from the EU and its Member States reached EUR 2.15 billion in 2008 (EUR 1.14 billion from Member States and EUR 1.01 billion from the EU) and important results have also been achieved in the wider Aid for Trade Agenda – including transport and energy, the productive sectors and trade-related adjustment; calls on the Commission, nevertheless, to present detailed information (including figures) on the budget lines which are used for financing trade-related assistance and Aid for Trade;
10. Urges the Commission and the Member States to pay more attention to, and to support, the LDCs in order to increase total EU Aid for Trade funding levels, which have not seen substantial increases recently; considers that, as regional integration is becoming increasingly important in the EU Aid for Trade agenda, efforts should be stepped up to complete the ACP regional Aid for Trade packages; considers that there is room for improvement in aid effectiveness by increasing joint analysis, joint response strategies and joint delivery of Aid for Trade measures;
11. Considers that the South-South dimension is becoming a fast-growing component of world trade, could become more and more relevant in ensuring the development of the poorest countries and should be encouraged and supported;
12. Calls on the developing countries, especially those benefiting most from EU aid, to reinforce their good governance in all public matters, and especially in the management

of aid received, and urges the Commission to take all necessary steps to ensure transparent and efficient aid implementation;

13. Reiterates that the EU should support those developing countries which use the so-called flexibilities built into the TRIPS Agreement in order to be able to provide medicines at affordable prices under their domestic public health programmes; stresses that those agreements which guarantee access to generic medicines must not be undermined in free trade agreements;
14. Calls on the Commission to examine the possibility of a worldwide financial transaction tax and ways in which it could contribute to the achievement of the MDGs.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	28.4.2010
<b>Result of final vote</b>	+: 20 -: 1 0: 1
<b>Members present for the final vote</b>	Laima Liucija Andrikienė, Kader Arif, Daniel Caspary, Joe Higgins, Yannick Jadot, Metin Kazak, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Gianluca Susta, Jan Zahradil, Pablo Zalba Bidegain, Paweł Zalewski
<b>Substitute(s) present for the final vote</b>	Josefa Andrés Barea, George Sabin Cutaş, Albert Deß, Béla Glattfelder, Elisabeth Köstinger, Georgios Papastamkos, Jarosław Leszek Wałęsa

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	10.5.2010
<b>Result of final vote</b>	+: 17 -: 8 0: 0
<b>Members present for the final vote</b>	Thijs Berman, Michael Cashman, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, Enrique Guerrero Salom, Eva Joly, Franziska Keller, Gay Mitchell, Norbert Neuser, Maurice Ponga, Michèle Striffler, Ivo Vajgl, Anna Záborská, Iva Zanicchi
<b>Substitute(s) present for the final vote</b>	Kriton Arsenis, Krzysztof Lisek, Miguel Angel Martínez Martínez, Emma McClarkin, Cristian Dan Preda
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Sylvie Guillaume, Jolanta Emilia Hibner, Anna Ibrisagic, Derek Vaughan, Marie-Christine Vergiat