

Procedure file

Basic information		
INI - Own-initiative procedure	2008/2048(INI)	Procedure completed
Follow-up of the Paris Declaration of 2005 on aid effectiveness		
Subject 6.30 Development cooperation		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	DEVE Development		29/01/2008
		ALDE VAN HECKE Johan	
	Committee for opinion	Rapporteur for opinion	Appointed
	INTA International Trade	The committee decided not to give an opinion.	
	BUDG Budgets	The committee decided not to give an opinion.	
European Commission	Commission DG Development	Commissioner MICHEL Louis	

Key events			
13/03/2008	Committee referral announced in Parliament		
06/05/2008	Vote in committee		Summary
08/05/2008	Committee report tabled for plenary	A6-0171/2008	
22/05/2008	Results of vote in Parliament		
22/05/2008	Debate in Parliament		
22/05/2008	Decision by Parliament	T6-0237/2008	Summary
22/05/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2048(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54

Stage reached in procedure	Procedure completed
Committee dossier	DEVE/6/59264

Documentation gateway

Committee draft report	PE402.524	13/03/2008	EP	
Amendments tabled in committee	PE405.733	22/04/2008	EP	
Committee report tabled for plenary, single reading	A6-0171/2008	08/05/2008	EP	
Text adopted by Parliament, single reading	T6-0237/2008	22/05/2008	EP	Summary
Commission response to text adopted in plenary	SP(2008)3593/2	12/06/2008	EC	
Commission response to text adopted in plenary	SP(2008)4116	17/07/2008	EC	

Follow-up of the Paris Declaration of 2005 on aid effectiveness

The Committee on Development unanimously adopted the own-initiative report by Johan VAN HECKE (ALDE, BE) on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness, calling on Member States and the Commission to ensure that the EU speaks with one voice in terms of development, in order to make their actions more harmonised, transparent, predictable and collectively effective. In particular, MEPs consider that the Commission should focus its development policy on poverty eradication and results.

Concerned about the rise in the prices of raw materials and the current global food crisis, MEPs call on the Commission and each Member State to support any measure which can help to stabilise raw material prices for developing countries. They also call for better integration of new Member States into the EU development policy, recalling that these Member States have committed themselves to Official Development Assistance (ODA) targets of 0.17% of GNI by 2010 and 0.33% by 2015. At the same time, MEPs examine the development policy as a whole and make a series of comments on the following points:

- MDGs (Millennium Development Goals): MEPs call on the Commission and the Member States to ensure that EU policies as well as the aid architecture support the Paris Declaration principle of managing for results. In particular, they call for the creation and implementation of innovative financing mechanisms to contribute to attaining the MDGs, while ensuring that these additional resources do not replace the commitments already given in terms of public development aid. MEPs stress the particular need for improvement of the health MDGs, while recognising that most of the MDG targets will not be met by 2015;
- Rationalise aid and improve effectiveness: MEPs call on the Commission to devise a matrix of all the financial instruments from which it has awarded funds for good governance, whether from the European Development Fund (EDF), the DCI, the EU-Africa Strategy or the funding allocated to African governments for good governance, in order to check the consistency of policies and the sound management of these funds;
- Division of labour: in order to further improve the effectiveness of aid granted, MEPs call on the Member States to promote the division of labour agenda, as set out in the Code of Conduct on Division of Labour (Commission Communication entitled 'EU Code of Conduct on Division of Labour in Development Policy' - see [COM\(2007\)0072](#)). They stress that the division of labour should be country-led, based on the Paris Declaration principles and results-focused and lead to sufficient financing of all sectors in each partner country;
- Improve democratic control of aid: MEPs believe that it is necessary to improve the control measures for aid granted, particularly by giving all partner countries the opportunity to better manage parliamentary control over the effectiveness of aid. It is also necessary that the EU provide resources and capacity development support to developing country parliaments to ensure that they have sufficient capacity to engage in scrutiny and oversight of their governments' budgets. They also stress the need for the international financial institutions and donor countries to publish the conditions for granting development aid, so that genuine democratic control can be exercised by parliaments, local authorities and civil society.
- Budget support: MEPs support the choice of the Commission to increasingly use budget support. At the same time, MEPs call on the Commission to improve the clarity of the definitions relating to the ODA sectoral allocations so as to improve consistency of the results, by ensuring that there is no widening of ODA definitions to include items such as military spending.
- Fighting corruption: MEPs recall that corruption is a major obstacle to greater aid effectiveness. Therefore, greater transparency of countries' public financial management systems is necessary, as well as practical measures by civil society, to ensure that aid provided by the EU reaches the rightful aid recipients.
- Simplification of procedures: MEPs call on the Commission to continue to simplify procedures, including aid delivery processes and to further decentralise responsibility by providing the delegations with sufficient capacity to monitor the granting of aid on the ground. They support the role played by the Commission in terms of coordinating development aid among Member States and they emphasise the added value provided by the Commission in taking a leading role in the political dialogue between the EU and the partner countries.
- Basic public services: once again, MEPs call for at least 20% of development aid to be devoted to improving basic public services such as education, health, access to water and sanitation.
- Untying and conditionality of development aid: once again, MEPs call for the complete untying of aid, as they have done for years (particularly technical assistance, food aid and food transport aid) and insist on the gradual phasing out of policy-oriented conditionality of aid, especially economic policy conditionality, to support a common understanding on key priorities. In particular, they emphasise the need to disburse aid according to partners' own priorities and timetables.
- Funding of aid: MEPs call for incremental and predictable funding, in the form of multi-year (3 years or more) aid commitments, which are based on clear and transparent criteria and poverty eradication outcomes.
- Aid for trade: MEPs ask particularly that the aid for trade strategy benefit all developing countries, and not only those agreeing to a

- greater liberalisation of their markets, notably in the context of Economic Partnership Agreements.
- Aid and the environment: MEPs also call upon the Commission to assess the impact of development policies on climate change, desertification and biodiversity in the countries concerned.
- Gender equality: MEPs recall that the European Consensus for Development recognises gender equality as a goal in its own right, and as a key area for discussion on aid effectiveness. Therefore, a strong gender perspective must be included at every stage of the programming, implementation, monitoring and evaluation levels of aid programmes.
- Improving transparency: MEPs insist on the transparency of information on aid flows and call for the timely public dissemination of complete information on all aid committed, allocated and disbursed to be ensured.

More generally, MEPs emphasise that aid reform is only one of the steps that the EU must take along with making its trade, security, migration, agriculture, fisheries, energy, environment, climate change and other policies coherent with development objectives in order to benefit developing countries and to promote a fair international financial and trade system in favour of development. Lastly, they recall that the agendas of aid quantity and aid quality are inextricably linked, and that aid effectiveness targets can only be met if the Commission and the Member States reconfirm their commitment to achieving their collective target for ODA of 0.56% of GNI in 2010 and 0.7% of GNI in 2015.

Follow-up of the Paris Declaration of 2005 on aid effectiveness

The European Parliament adopted by 443 votes to 8, with 11 abstentions, a resolution on the follow-up to the Paris Declaration of 2005 on aid effectiveness.

The own-initiative report had been tabled for consideration in plenary by Johan VAN HECKE (ALDE, BE) on behalf of the Committee on Development.

The Parliament calls on the Member States and the Commission to ensure that the EU speaks with one voice in terms of development, in order to make their actions more harmonised, transparent, predictable and collectively effective. In particular, it considers that the Commission should focus its development policy on the eradication of poverty and results.

Concerned about the rise in prices of raw materials and the current global food crisis, the Parliament calls on the Commission and the Member States to support measures that aim to stabilise raw material prices for developing countries. It also calls for a better integration of new Member States into the Community development policy and recalls that new Member States have committed themselves to ODA targets of 0.17% of GNI by 2010 and 0.33% by 2015.

The Parliament emphasises that aid reform is only one of the steps that the EU must take along with making its trade, security, migration, agriculture, fisheries, energy, environment, climate change and other policies coherent with development objectives in order to benefit developing countries and promote a fair international financial and trade system in favour of development. It also recalls that the agendas of aid quantity and aid quality are inextricably linked, and that aid effectiveness targets can only be met if the Commission and the Member States reconfirm their commitment to achieving their collective target for ODA of 0.56% of GNI in 2010 and 0.7% of GNI in 2015.

The Parliament then makes a series of recommendations on the development policy, which can be summarised as follows:

- MDG (Millennium Development Goals): the Parliament calls on the Commission and Member States to ensure that EU policies, as well as the aid architecture, support the Paris Declaration principle of managing for results. It calls for the creation and implementation of innovative financing mechanisms to contribute to attaining the MDGs, without these additional resources replacing the commitments already made in terms of public development aid. In particular, it insists that MDGs should focus on health, recognising that most of the MDG targets will not be met by 2015.
- Rationalise aid and reinforce efficiency: the Parliament calls on the Commission to devise a matrix of all the financial instruments from which it has awarded funds for good governance, whether from the European Development Fund (EDF), the DCI, the EU-Africa Strategy or the funding allocated to African governments for good governance, in order to check the consistency of policies and the sound management of these funds.
- Division of labour: to further improve the effectiveness of aid granted, the Parliament calls on Member States to promote the division of labour agenda, as set out in the code of conduct proposed by the Commission (Commission Communication entitled 'EU Code of Conduct on Division of Labour in Development Policy'? see [COM\(2007\)0072](#)). It stresses that the division of labour should be country-led, based on the Paris Declaration principles (results-focused) and lead to sufficient financing of all sectors in each partner country.
- Strengthening the democratic control of aid: the Parliament considers that it is necessary to strengthen all means of monitoring aid granted, particularly by offering partner countries the possibility of better managing parliamentary oversight of aid effectiveness. It is therefore necessary to provide developing country parliaments with resources to ensure that they have sufficient capacity to engage in scrutiny and oversight of their governments' budgets. It stresses the need for international financial institutions and donor countries to publish the conditions for granting development aid, so that genuine democratic control can be exercised at all levels.
- Budgetary support: the Parliament supports the Commission's choice to increasingly use budget support. It also encourages the Commission to improve the clarity of the definitions relating to the ODA sectoral allocations so as to improve consistency of the results ensuring that there is no widening of ODA definitions to include non-aid items such as military spending.
- Fighting against corruption: the Parliament recalls that corruption is a major obstacle to greater aid effectiveness. Therefore, recipient countries' public financial management systems must be more transparent and practical measures are needed to enable civil society to ensure that aid provided by the EU reaches the rightful recipients.
- Simplification of procedures and respecting the timeframe for granting aid: the Parliament calls on the Commission to continue to simplify procedures, including aid delivery processes, and to further decentralise responsibility by providing the delegations with sufficient capacity to monitor how aid is being granted on the ground. It fully supports the role played by the Commission in coordinating the development cooperation among Member States and emphasises the added value provided by the Commission in taking a leading role in the political dialogue between the EU and the partner countries. Plenary also underlines the need to disburse aid according to partners' own priorities and timetables, and in conformance to national planning and development priorities, or the national budgeting timeframe.
- Basic public services: once again, the Parliament calls for at least 20% of development aid to be devoted to improving basic public services such as education, health, access to water and sanitation.
- Untying and conditionality of development aid: similarly, the Parliament again calls for the complete untying of aid, as it has done on

numerous occasions during previous years, and insists on the gradual phasing out of the policy-oriented conditionality of aid (notably economic) in order to support a common understanding on key priorities.

- Funding of aid: the Parliament calls for incremental and predictable funding, in the form of multi-year (3 years or more) aid commitments, which are based on clear and transparent criteria and poverty eradication outcomes.
- Aid for trade: it also asks that the "aid for trade" strategy benefit all developing countries, and not only those agreeing to a greater liberalisation of their markets, notably in the context of Economic Partnership Agreements
- Aid and the environment: moreover, it calls for an assessment of the impact of the development policies on climate change, desertification and biodiversity in the countries concerned.
- Gender equality: the Parliament recalls that the European Consensus for Development recognises gender equality as a goal in its own right, and as a key area for discussion on aid effectiveness. Therefore, a strong gender perspective must be integrated at every stage of the programming, implementation, monitoring and evaluation levels of aid programmes.
- Impact of foreign diasporas on aid effectiveness: the Parliament recalls the decisive role that can be played by members of diasporas in improving the effectiveness of aid and therefore calls on the Commission and the Member States to involve them more in implementing European development programmes. In addition, it stresses that the involvement of foreigners in a partnership between the EU and their country of origin is a powerful factor of integration.
- Improving transparency: the Parliament also insists on the transparency of information on aid flows and asks that the timely public dissemination of complete information on all aid committed, allocated and disbursed be ensured.