

Procedure file

Basic information		
INI - Own-initiative procedure	2008/2128(INI)	Procedure completed
MDG contracts		
Subject		
6.30 Development cooperation		
6.30.02 Financial and technical cooperation and assistance		
6.30.04 Loans to third-countries, Guarantee Fund		
8.70.03 Budgetary control and discharge, implementation of the budget		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	DEVE Development		29/01/2008
		PSE HUTCHINSON Alain	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets	The committee decided not to give an opinion.	
European Commission	Commission DG	Commissioner	
	Development	MICHEL Louis	

Key events			
22/05/2008	Committee referral announced in Parliament		
17/02/2009	Vote in committee		Summary
20/02/2009	Committee report tabled for plenary	A6-0085/2009	
23/03/2009	Debate in Parliament		
24/03/2009	Results of vote in Parliament		
24/03/2009	Decision by Parliament	T6-0152/2009	Summary
24/03/2009	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2128(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54-p4; Rules of Procedure EP 54

Stage reached in procedure	Procedure completed
Committee dossier	DEVE/6/62877

Documentation gateway					
Committee draft report		PE418.116	18/12/2008	EP	
Amendments tabled in committee		PE418.409	26/01/2009	EP	
Committee report tabled for plenary, single reading		A6-0085/2009	20/02/2009	EP	
Text adopted by Parliament, single reading		T6-0152/2009	24/03/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)3245	08/10/2009	EC	

MDG contracts

The Committee on Development adopted the own-initiative report drafted by Alain HUTCHISON (PES, BE) on millennium development goal (MDG) contracts. It reasserts that development aid should be based on need and performance and development aid policy should be designed in partnership with the recipient countries. It also reasserts that, to achieve the MDG, donor countries must honour all their commitments and improve the quality of the aid they provide.

Priority sectors: the Commission is invited to continue to link its aid in the health and education sectors, in particular basic health care and primary education, to the results achieved in those sectors.

Aid effectiveness: MEPs call on the Commission to improve the predictability of budget support by introducing MDG contracts and extending the principles underlying these contracts to a larger number of countries and to sector budget support. The Commission is also invited to maintain high levels of budget support spending, while aiming in particular to increase the provision of budget support for ACP countries' social services sectors and strengthen sector budget support in other regions.

Governments of the developing countries are called upon to increase their health spending to 15% of their national budgets, in accordance with the recommendations set out in the Abuja Declaration, and their education spending to 20% of national budgets, as recommended by the Global Campaign for Education.

MDG contracts: noting with interest that the Commission's proposal concerning MDG contracts provides eligible countries with a minimum guaranteed aid level (70% of total commitment), MEPs call on the Commission, therefore, to provide a detailed timetable for the introduction of the contracts. They also call for the adoption of a communication formalising the MDG contract approach and extending it to non-ACP countries which meet the eligibility criteria.

MEPs call on the Commission, in collaboration with partner countries, to match every MDG contract with a series of performance indicators in order to evaluate progress achieved in the implementation of the contract; the inclusion of persons and children with disabilities should also be measured by these indicators.

Parliaments and civil society ? Aid ownership ? Transparency: MEPs asks the Commission and beneficiary countries to ensure the involvement of their parliaments and civil society, including disabled people's organisations, in every stage of the budget support dialogue. The ACP-EU Joint Parliamentary Assembly (JPA) is called upon to play a more active role in defining priorities, negotiating MDG contracts and all other stages of the process.

In addition, MEPs stress that donors, rather than imposing unilateral conditions on recipients, should seek to promote good governance, democracy and stability in recipient countries through transparent criteria established in partnership with these countries. It is recommended that the Commission work towards strengthening the dialogue between donors and recipients, particularly with a view to identifying real needs and sectors in which aid is necessary.

Selection criteria ? creativity and flexibility: MEPs call on the Commission to make its budget support conditional on results achieved with regard not only to the field of good governance and transparency, but also in terms of defending and upholding human rights, in particular those of the poorest and the excluded, including disabled people, minorities, women and children, and to ensure that budget support is not provided for sectors other than those specified in the MDG contract.

MEPs deplore the fact that the Union's budget support policy for developing countries is increasingly subject to conditions imposed by the IMF being attached to Union development aid considering that such conditionality runs counter to the policies of recipient countries with regard to the ownership principle. They emphasises the need to develop other budget support approaches for countries which are ineligible for MDG contracts, and particularly for countries whose situation is fragile.

Gender dimension: the report draws the Commission's attention to the fact that it should imperatively continue to link its budget support to results in beneficiary countries related to gender equality and the promotion of women's rights. It asks that the performance indicators be strengthened in this area in the MDG contracts.

MDG contracts

The European Parliament adopted by 582 votes to 24, with 39 abstentions, a resolution on millennium development goal (MDG) contracts.

Parliament reasserts that development aid should be based on need and performance and development aid policy should be designed in partnership with the recipient countries. It also reasserts that, to achieve the MDG, donor countries must honour all their commitments and improve the quality of the aid they provide. It stresses the need to develop new instruments to ensure aid is more predictable and less volatile.

Priority sectors: the Commission is invited to continue to link its aid in the health and education sectors, in particular basic health care and primary education, to the results achieved in those sectors.

Aid effectiveness: Parliament calls on the Commission to improve the predictability of budget support by introducing MDG contracts and extending the principles underlying these contracts to a larger number of countries and to sector budget support. The Commission is also invited to maintain high levels of budget support spending, while aiming in particular to increase the provision of budget support for ACP countries' social services sectors and strengthen sector budget support in other regions.

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According to the Parliament, every MDG contract should be matched with a series of performance indicators in order to evaluate progress achieved in the implementation of the contract. The inclusion of persons and children with disabilities should also be measured by these indicators.

Parliaments and civil society: Parliament asks the Commission and beneficiary countries to ensure the involvement of their parliaments and civil society, including disabled people's organisations, in every stage of the budget support dialogue. The ACP-EU Joint Parliamentary Assembly (JPA) is called upon to play a more active role in defining priorities, negotiating MDG contracts and all other stages of the process.

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