

## **P6\_TA-PROV(2006)0063**

### **Millennium Development Goals**

#### **European Parliament resolution on new financial instruments for development in connection with the Millennium Goals**

*The European Parliament,*

- having regard to the forthcoming International Conference on Innovative Sources of Financing for Development to be held from 28 February to 1 March 2006 in Paris,
  - having regard to the Millennium Development Goals (MDGs) and the UN World Summit, reviewing progress towards the MDGs, held on 14 to 16 September 2005,
  - having regard to the Landau Report on ‘New International Financial Contributions for Development’, commissioned in November 2003 by President Chirac,
  - having regard to the New York Declaration on the Action Against Hunger and Poverty, signed by over 120 countries during the 2004 United Nations General Assembly,
  - having regard to the proposal for an International Finance Facility (IFF), which could double the amount of development aid, put forward by UK Chancellor Gordon Brown,
  - having regard to the solidarity contribution on French plane tickets, which will enter into force on 1 July 2006,
  - having regard to the Commission staff working paper on an analysis of a possible contribution based on airline tickets as a new source of financing for development (SEC(2005)0733),
  - having regard to the Declaration on Innovative Sources of Financing for Development, signed by 79 governments prior to the UN World Summit in September 2005,
  - having regard to Rule 103(4) of its Rules of Procedure,
- A. whereas sound development policies, sustained by substantial and effective development aid, are crucial to breaking the spiral of poverty and giving developing countries the means to release their economic potential,
- B. whereas no amount of development aid will ever break the cycle of poverty in developing countries until they have sufficient capacity to absorb the aid, implement good governance and fight corruption,
- C. whereas the Millennium Development Goals Report 2005 provides clear evidence that the objective of helping poor countries achieve the MDGs by the target year of 2015 cannot be achieved unless additional political and financial commitments are made in terms of quantity as well as quality of aid,
- D. whereas the New York Declaration on the Action Against Hunger and Poverty calls upon the governments of developed countries to make concrete commitments as regards the financing of the MDGs,

- E. whereas any innovative mechanisms must add to current levels of Official Development Assistance (ODA), in order for them to bring real added value to the financing of development; whereas the Member States must stay firm on their commitment to devote 0,7% of their GNI to ODA and must adopt a time plan to achieve this target by 2015,
  - F. whereas the World Bank estimates that at least USD 50 billion extra per year in ODA will be required to meet the MDGs by 2015,
  - G. whereas contributions to the Global Fund to Fight Aids, Tuberculosis and Malaria raised less than 15% of the money needed,
  - H. whereas the lack of stability and predictability in aid and financing for developing countries has been a major impediment in the fight against poverty; whereas secure funding is essential, particularly for the funding of key public services, such as health and education,
  - I. whereas the IFF for Immunisation (IFFIm) proposed by the UK has been internationally endorsed, supporting underused vaccines in over 70 countries as well as strengthening immunisation delivery systems,
1. Welcomes the conference to be held in Paris from 28 February to 1 March, which seeks to make progress on the agreement of international levies, with a particular focus on a possible levy on airline tickets;
  2. Insists that any alternative methods of financing for development must bring new, additional funds for development and must not replace ODA;
  3. Warmly welcomes the Council agreement reached in June 2005 to double EU aid to developing countries and for Member States to increase their ODA in order to achieve 0,56 % of GNI by 2010 and 0,7 % of GNI by 2015;
  4. Welcomes the renewed commitments by the international community at the UN World Summit to achieving the MDGs and to promoting sustainable development; regrets the lack of a precise timetable committing all developed countries to the pursuit of the intermediate and final MDG targets;
  5. Calls on developed countries to fulfil their obligations and meet their commitment to increase national aid budgets to 0,7% of GDP, and considers that the search for innovative forms of financing should not replace this real priority;
  6. Stresses that an increase in quantity must go hand in hand with an increase in quality, i.e. the effectiveness of aid must be improved by application of the "3 Cs" – coordination, complementarity and coherence – as well as by reducing the transaction costs of aid, improving the predictability and sustainability of aid mechanisms, increasing the speed of delivery of aid, further untying aid, finding solutions to unsustainable debt burdens, promoting good governance, combating corruption and increasing the absorption capacity of aid recipients;
  7. Welcomes the idea of a pilot project for a solidarity contribution on air tickets to finance the fight against HIV/AIDS and other pandemics and to help achieve the MDGs; welcomes also the prospect of making development finance more stable and predictable;

8. Calls on the Member States to participate actively in the forthcoming conference in Paris and seriously to consider taking up this initiative; recognises, however, that matters of taxation not subject to EU harmonisation policy remain under the exclusive competence of the Member States;
9. Welcomes the participation of the UK, France, Italy, Spain and Sweden, who have together pledged in excess of USD 4 billion to the IFFIm, which will be used to support and increase the work of the Global Alliance for Vaccines and Immunisation; urges other Member States to contribute to the IFFIm;
10. Welcomes, in the context of innovative financing, the newly announced launching of a Commission-European Investment Bank Trust Fund to finance African infrastructure; calls for an increase in the lending activities of the EIB in developing countries;
11. Asks the EU institutions and governments to examine thoroughly the feasibility of a world lottery to fund actions to combat hunger, as proposed by the World Food Programme in the form of the Food Project;
12. Underlines that the full support of European citizens, in the context of an extremely tense budgetary situation, is required and that any new initiative must be managed cautiously so as not to prejudice the acceptance by European opinion of development policy objectives;
13. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States, the UN Secretary-General, the UN Special Adviser on the Millennium Development Goals, the World Bank and the OECD Secretariat.