RESOLUTIONS ADOPTED

— on good governance, transparency and accountability in relation with the exploitation of natural resources in ACP countries (ACP-EU/1937/07/fin.)
— on poverty reduction for small farmers in ACP countries — in particular in the fruit, vegetable and flowers sectors (ACP-EU/100.011/07/fin.)
— on migration of skilled workers and its effect on national development (ACP-EU/100.012/07/fin.)
— on the situation in Darfur (ACP-EU/100.075/07/fin.)

RESOLUTION (1)
on good governance, transparency and accountability in relation with the exploitation of natural resources in ACP countries

The ACP-EU Joint Parliamentary Assembly,

— meeting in Wiesbaden (Germany) from 25 to 28 June 2007,
— having regard to Article 17(1) of its Rules of Procedure,
— having regard to the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000, as amended by the agreement amending the partnership agreement, signed in Luxembourg on 25 June 2005 (the Cotonou Agreement), and in particular, Articles 9, 68, 96 and 97 thereof,
— having regard to the United Nations Convention of 31 October 2003 against Corruption,
— having regard to the establishment of the International Criminal Court (ICC) in Rome on 17 July 1998,
— having regard to the United Nations Declaration of 16 December 1996 against Corruption and Bribery in International Commercial Transactions,
— having regard to the Inter-American Convention against Corruption adopted in Caracas on 29 March 1996,
— having regard to the African Union Convention on Preventing and Combating Corruption adopted by the second ordinary session of the Assembly of the African Union in Maputo on 11 July 2003,
— having regard to the OECD Convention of 21 November 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions,
— having regard to the national laws on money laundering applicable in the ACP-EU States,
— having regard to the Paris Declaration of 2 March 2005 on Aid Effectiveness,
— having regard to the Declaration of 2 June 2003 by the G8 Summit in Evian entitled ‘Fighting Corruption and Improving Transparency’ and having regard to the Declaration adopted on 8 June 2007 at the G8 Summit in Heiligendamm (Germany) ‘Growth and Responsibility in Africa’

(1) Adopted on 28 June 2007 in Wiesbaden (Germany).
— having regard to the European Court of Auditors Special Report No 2/2005 concerning EDF budget aid to ACP countries (1),

— having regard to the IMF Guide on Resource Revenue Transparency adopted in June 2005,

— having regard to the World Bank Extractive Industries Review of 2004,

— having regard to the 40 recommendations of the Financial Action Task Force (FATF) on money laundering,

— having regard to the results of the plenary meeting of the FATF which was held in Vancouver from 9 to 13 October 2006,

— having regard to the ‘Publish What You Pay’ (PWYP) and ‘Publish What You Earn’ (PWYE) Initiatives,

— having regard to the principles and criteria of the Extractive Industries Transparency Initiative (EITI),

— having regard to the support provided by the European Union for the Kimberley process certification scheme for imports and exports of diamonds and to the involvement of the ACP countries in the Kimberley process,

— having regard to the EU Forest Law Enforcement Governance and Trade (FLEGT) Action Plan and EC Regulation 2173/2005,

— having regard to the African Forest Law Enforcement and Governance Scheme adopted in 2003,

— having regard to the European Parliament’s resolutions of 31 March 2004 on governance in the European Union’s development policy (2) and of 6 April 2006 on aid effectiveness and corruption in developing countries (3),

— having regard to its resolutions of 24 November 2005 on the role of national parliaments in implementing the Cotonou Partnership Agreement and on agricultural and mining commodities (4),

— having regard to the Commission communication of 12 October 2005 to the Council, to the European Parliament and to the Economic and Social Committee entitled ‘EU strategy for Africa: Towards a Euro-African pact to accelerate Africa’s development’,

— having regard to the parliamentarian’s handbook on controlling corruption drawn up by the Global Organisation of Parliamentarians Against Corruption (GOPAC),

— having regard to the 2006 Corruption Perceptions Index (CPI) published on 6 November 2006 in Berlin by Transparency International,

— having regard to the report of the fact-finding mission by the JPA Bureau to Mauritania from 23 to 27 February 2006,

— having regard to the report of the Committee on Political Affairs (ACP-EU/3937/07/fin.).

(3) Not yet published in OJ.
A. upholding the principle of the accountability of governments towards their countries and all their citizens for the management of public revenue and expenditure,

B. whereas the economic and financial benefit derived from the exploitation of natural wealth must be reflected in a substantial increase in human development,

C. whereas the governments of countries with ample natural resources have the duty and the responsibility to make it a priority to use their revenue to satisfy the basic needs of their populations, particularly in the health and educational sectors, and to combat poverty,

D. whereas good governance should take account of the fact that this revenue has much greater added value when natural resources are processed and enriched in the country itself than when they are exported as raw materials,

E. whereas it is also the duty of sovereign governments and the competent public authorities to use revenues from the exploitation of the natural resources of their country in a responsible manner for the direct benefit of its present and future inhabitants,

F. whereas the exploitation of natural resources can only become a force for sustainable development if its negative social and environmental impact is minimised and its benefits and costs are fairly shared,

G. whereas the populations of countries with ample natural resources have the inalienable right to benefit in the fairest way possible from the resulting wealth and economic growth potential,

H. whereas the companies concerned also have a responsibility to ensure that their investments contribute to the sustainable development of the countries whose ample natural resources they are exploiting,

I. whereas a lack of transparency about the legitimate payments which they make to governments represents a considerable business risk insofar as it makes them vulnerable to accusations of complicity in corrupt behaviour and undermines the legitimacy of their activity,

J. whereas European governments are under an obligation to combat such practices,

K. whereas poor governance and lack of transparency regarding the management of government revenue from natural resources is likely to aggravate political corruption and increase the risks of misappropriation of public funds,

L. mindful of the increase in world oil prices over the last 36 months and of the resulting surplus revenue,

M. whereas the substantial revenue from the exploitation of natural resources, particularly oil, in developing countries may give rise to serious economic and social imbalances, exacerbate social injustice and even encourage a climate of violence if it is not properly used to the benefit of all sections of the population and for the purpose of national development, and whereas, in the case of oil, there is a risk of artificially high growth indicators to the detriment of human development indicators,

N. whereas the European Parliament adopted in March 2004 an amendment to the directive on transparency requirements calling on EU Member States to encourage companies quoted on European stock exchanges to publish the payments made to governments,

O. whereas improving governance and accountability in the management of public finance tends to reduce the risks of conflict in relation to the exploitation of natural resources,
P. whereas a significant increase in fiscal transparency and the eradication of public corruption would help attenuate the political risk and foster a more stable environment conducive to national and foreign investment, particularly in the extractive industries sector, as has been acknowledged by institutional investors managing funds representing a total of EUR 12.3 billion,

Q. mindful that fiscal transparency and security of energy supply are linked, given that corruption and poor governance in energy-supplying countries are likely to strengthen local feelings of resentment towards the energy sector and trigger threats to energy installations, so reducing the supplies reaching world markets,

R. whereas poor governance and lack of accountability regarding the exploitation of natural resources may also have serious environmental consequences with excessive logging potentially causing desertification, other climatic changes and environmental damage, affecting human beings, fauna and flora,

S. whereas the populations of areas being exploited for natural resources do not benefit enough from the resulting profits and are in addition frequently affected by the serious environmental impact of such activities, for example air, water and soil pollution,

T. whereas natural resources include not only mineral resources but also fauna and flora, clean water and clean air, which should be protected or improved,

U. mindful of the importance of implementing environmentally-friendly best practice in managing oil resources and the principal natural resources of the ACP countries,

V. whereas it is important to promote values and virtues such as disinterestedness, integrity, responsibility, transparency and honesty among public officials, with a view to making corruption practices unthinkable and impossible,

W. whereas the pursuit of integrity and ethical standards is, above all, a way of ensuring that the population is provided with the services it is entitled to expect of the State as regards the exploitation of natural resources,

X. mindful of the need to strengthen the capacities of the parliaments and democratic institutions of the developing countries to enable them to exercise effectively their powers of executive scrutiny and budgetary authority,

Y. whereas being endowed with natural resources has in the past not always been a blessing but far too often a curse for the affected populations in countries that lack democratic control, accountability and rule of law, where the fight for resources has fostered corruption and violent conflict under which the local populations have often suffered,

Z. whereas the growing demand for natural resources by rapidly growing economies such as China has accelerated the international scramble for such resources and often prolonged the rule of undemocratic regimes, violent conflicts and human rights abuses,

AA. whereas certain companies are failing to adhere to the agreed ILO Core Labour Standards and are responsible for lethal accidents and the use of child labour; whereas they are also the driving force behind the expanding deforestation in Africa, and the surge in Africa's illicit ivory trade, while some have been repeatedly caught fishing illegally in African waters,
1. Calls on the ACP countries to allocate any revenue from the exploitation of natural resources as a matter of priority to satisfying the basic needs of their populations, particularly in the fields of health, education, the conservation of natural resources and the environment, thus helping to achieve the Millennium Development Goals (MDGs);

2. Calls on the ACP and European countries to respect and fully implement the definitions and recommendations of the Cotonou Agreement relating to good governance (Article 9(3));

3. Calls on the Member States and the Commission, in their concern for good governance, to attach greater importance to developing the processing sector in the ACP countries than to providing European companies with access to natural resources in ACP countries;

4. Calls on the African countries of the ACP group to ratify the African Union Convention on preventing and combating corruption; calls on the Caribbean countries to ratify the Inter-American Convention against Corruption; calls on all ACP-EU countries to ratify the United Nations Convention against Corruption and the United Nations Declaration against Corruption and Bribery in International Commercial Transactions and to set in place specific mechanisms for the effective monitoring and implementing of the provisions of paragraph 3 above;

5. Asks the governments of the European Union Member States and ACP countries to adopt and help put into practice the principles set out in the private initiatives to promote better governance in the management of the revenue derived from natural resources such as the EITI and the ‘Publish What You Pay’ and ‘Publish What You Earn’ campaigns;

6. Asks the European Commission and the governments of the EU Member States to promote the improvement and full implementation of the EITI, in particular by making the provisions on transparency mandatory, enacting effective control mechanisms and implementing the fifth criterion enshrining the active involvement of civil society in the EITI, and making a financial contribution to the EITI trust fund;

7. Calls on ACP countries to ensure that the revenues are also used to diversify their economy and develop economic activities at a more advanced stage of the production process rather than being restricted to the extraction of natural resources alone;

8. Asks the European Commission to dispatch missions to the energy-supplying developing countries to help with implementation of the EITI;

9. Asks all the ACP countries which have formally signed up to the EITI initiative to proceed with the implementation in practice of its minimum criteria, in particular, the fifth criterion, by ensuring that civil society is in a position to fulfil its supervisory role without restrictions and without fear or intimidation of any kind;

10. Encourages all the resource-rich countries signatory to the Cotonou Agreement that have not yet formally joined the EITI to do so and calls on the EU Member States and ACP governments to implement the civil society capacity building provisions of Article 7 of the Cotonou Agreement and the recommendations of the two ACP Civil Society Fora held in 2002 and April 2006;

11. Asks all ACP and EU governments to urge all investors to join the EITI and adhere to other initiatives and conventions that enhance good governance, transparency and accountability regarding the exploitation of natural resources;

12. Asks all ACP and EU governments to invite also the governments of emerging countries to fulfil their commitments such as adherence to international core labour standards, the abolition of child labour, curbing the proliferation of Small Arms and Light Weapons (SALW), particularly in conflict zones, and prohibiting illegal imports of raw materials and timber;
13. Asks the European Commission and the EU Member States to make their development aid to resource-rich countries conditional on progress in the field of good governance, transparency and accountability regarding the management of natural resources by joining and actively implementing initiatives such as PWYP, PWYE and EITI;

14. Asks the governments of the Member States of the European Union and the European Commission to support the efforts by the Member States to promote transparency in the extractive industries by introducing suitable accounting standards and company law provisions, in view of the backing given by the European Parliament in March 2004 to the amendment to the directive on transparency requirements and the Commission communication of 12 October 2005 on the strategy for Africa;

15. Asks all the players concerned to implement standards requiring transparency and greater accountability in public expenditure and revenue management systems, including:

— budgetary control by Parliament and its bodies,
— separate auditing of budgets and public expenditure by an independent court of auditors,
— transparency of State budgets,
— monitoring of government revenue and expenditure within the ACP countries,
— accountability of companies affected by rules on the disclosure of information;

16. Asks all players to ensure that the governments of energy-supplying countries that have experienced serious governance problems and corruption do not benefit from non-essential aid, favourable trading terms or other advantages until such time as they provide evidence of a quantifiable commitment to greater transparency, particularly regarding the national budget;

17. Calls on all bilateral and multilateral donors and export credit agencies to develop a set of conditions which are not merely abstract but based on the fiduciary liability of governments towards their citizens and a system of partnership where non-humanitarian aid is conditional on compliance with a series of specific jointly negotiated criteria and, in particular, public transparency about revenue from the exploitation of natural resources, in accordance with the principles codified in the 'IMF Guide on resource revenue transparency';

18. Calls on ACP-EU States to ensure that the promotion of good governance, transparency and accountability regarding the exploitation of natural resources are the subject of mutual undertakings and jointly negotiated criteria within the political dialogue provided for in Article 8 of the Cotonou Agreement;

19. Asks the governments of the EU Member States to ensure that the promotion of transparency and democratic scrutiny regarding the use of revenue in the countries supplying energy to the EU is a priority of the common European energy strategy;

20. Recommends that the issues of good governance, transparency and accountability regarding the exploitation of natural resources figure prominently in the future 'Joint UE-Africa Strategy';

21. Encourages the implementation of best practice in the management of oil resources as codified in the 'IMF Guide on resource revenue transparency';

22. Asks the ACP and the EU governments and parliaments to ensure that the exploitation of natural resources does not cause major ecological imbalances; in this connection, notes with concern that excessive tree-felling can lead to desertification and other climatic changes, against which action should be taken through responsible forestry and appropriate reforestation practices, and calls on companies exploiting natural resources to comply with environmental standards;
23. Calls on national and regional governments, parliaments and institutions to ensure that the legal exploitation of natural resources forms part of an environmental protection plan geared towards measures to protect the air, water and soil and the preservation of diversity in fauna and flora;

24. Asks all governments to enact laws which ban the import of illegally logged timber; and in the meantime make sure that public procurement procedures are restricted to timber from sustainable and legal sources;

25. Calls on all timber-producing countries to ensure the sustainable logging of all domestic timber, respecting the rights of local populations and taking account of the environmental impact;

26. Asks the EU to carry out a comprehensive and formal forestry survey, strengthen the land tenure and access rights of local communities, and ensure meaningful public participation;

27. Urges all the countries involved in the diamond trade to subscribe fully to the Kimberley certification scheme for international trade in rough diamonds; emphasises the importance of making progress towards independent verification of compliance by the participating countries and the diamond industry with the diamond trading guidelines and of ensuring that the participants in the Kimberley process are able to supervise compliance by the diamond industry;

28. Calls on the members of the UN Security Council to adopt a definition of 'conflict resources' and to add natural resources management to the mandate of the Peacebuilding Commission;

29. Encourages the installation and proper use of information systems such as the mining data bank;

30. Stresses that companies exploiting natural resources have a responsibility to promote a transparent economic environment that respects sustainable development and that it is in their interest to so; encourages them to take collective initiatives to this end, such as the certification of 'clean' companies;

31. Points out that, under Articles 96 and 97 the Cotonou Agreement, serious cases of corruption may lead to consultations;

32. Calls on the ACP countries to launch a national public debate about the utilisation of revenue from natural resources and social justice;

33. Asks the oil-producing ACP States to respect, support and encourage the activities of anti-corruption activists and advocates of transparency;

34. Stresses the role of the national parliaments of the ACP countries in promoting good governance and recommends that this role be recognised and officially established in the future 'Joint EU-Africa Strategy';

35. Calls on the national and regional ACP and EU parliaments, along with the representatives of civil society, to cooperate in establishing a system of checks and balances, including criminal proceedings, to counter corruption on the part of governments and administrations;

36. Urges governments, institutions and all political leaders to allocate a proportion of the revenue resulting from the responsible exploitation of natural resources to increase the earnings of civil servants, police officers and employees in the relevant economic sectors, with a view to making corruption less attractive;

37. Calls on the governments of the ACP countries and the European Commission to support the ACP national and regional parliaments in their work as a budgetary authority through dialogue, information sharing and capacity building;

38. Asks the Commission to draw up a communication defining the European Union’s strategy for strengthening parliamentary democracy and the rule of law in the developing countries;
39. Encourages the national parliaments of the ACP countries to exert pressure on their governments to combat internal corruption and thus promote better governance in the management of public revenue through the incorporation of anti-corruption legislation and independent monitoring mechanisms aimed at greater transparency or providing more access to information about the use and allocation of revenue deriving from the exploitation of natural resources;

40. Emphasises that it is also essential to strengthen the judicial system, the independent judiciary and the supreme audit institutions in the ACP countries;

41. Calls also on the ACP parliaments to adopt specific codes of conduct for good governance so as to prevent any risk of internal corruption; believes that publishing the incomes of parliamentarians may also contribute to greater transparency;

42. Calls on the national and regional parliaments to support and facilitate action by the representatives of civil society to combat poor governance and corruption by enabling them to carry out their work under optimum conditions and with maximum freedom of action and guaranteeing them the capacity, the means and the necessary resources;

43. Asks that civil society and national parliaments participate in effective budgetary monitoring in the form of public expenditure tracking surveys (PETS) which make a detailed comparison between ‘income’ and ‘outcome’ on the basis of the criteria applied by the OECD’s Development Assistance Committee (DAC);

44. Believes it appropriate to draw up specific social indicators so as to obtain more detailed data about the quality of governance achieved by the signatories to the Cotonou Agreement and calls for transparency on the part of the civil society organisations involved regarding the management of the funds they receive;

45. Calls on governments, institutions and all political leaders to ensure that officials are given special training and made aware of the importance of the responsible use and environment-friendly exploitation of natural resources;

46. Stresses that the fight against corruption can contribute effectively to the promotion of a more secure investment climate; calls on the European Union as co-chair of the Public Expenditure and Financial Accountability (PEFA) programme — which provides a standard framework for assessing fiduciary risk in the recipient countries — to include specific PEFA indicators designed to measure the level of corruption;

47. Asks the Commission to take the levels of corruption thus detected as its basis for promoting good governance and for initiating consultations under Articles 96 and 97 of the Cotonou Agreement regarding appropriate measures against corrupt regimes; points out, however, that the promotion of good governance should not serve as a pretext for unilaterally imposing conditions for aid;

48. Points out the important part played by regional initiatives in reducing corruption and promoting good governance, such as the African Peer Review Mechanism (APRM); emphasises the need for the African countries to implement these initiatives and for the Commission and the Member States to provide technical and financial assistance to this end;

49. Asks the Member States of the European Union possessing financial centres to take all the necessary legal and administrative measures to guarantee the repatriation of illegally acquired funds to the country of origin;

50. Instructs its Co-Presidents to forward this resolution to the ACP-EU Council, the European Commission, the Commission of the African Union, the Pan-African Parliament and national and regional parliaments, and the Global Organisation of Parliamentarians Against Corruption (GOPAC).