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Reporting requirements in the context of EU enlargement

13. Emphasises the very great urgency of putting in place a streamlined, reliable reporting system before enlargement of the EU takes place since what is poorly controlled now will otherwise become completely out of control after enlargement;

14. Believes that, as part of the revision of Directive 91/692/EEC, the Commission should come forward with proposals requiring new Member States publicly to report progress annually on bringing to an end the transitional arrangements that allow them to delay the full implementation of EU environment laws;

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15. Instructs its President to forward this resolution to the Council and Commission.

P5_TA(2002)0389

Trade and development for poverty eradication and food security**European Parliament resolution on trade and development for poverty eradication (2001/2175(INI))**

The European Parliament,

- having regard to its resolutions of 11 April 1997 on regional economic integration efforts among developing countries ⁽¹⁾, of 4 May 1999 on multilateral commercial relations: the European Union and the developing partner countries of the European Union ⁽²⁾ and of 25 October 2001 on openness and democracy in international trade ⁽³⁾,
- having regard to the ACP-EU Joint Parliamentary Assembly resolutions of 1 November 2001 on WTO negotiations ⁽⁴⁾ and 21 March 2002 on negotiations between the ACP-EU on trade, rules of origin and sanitary and phytosanitary measures ⁽⁵⁾, as well as its declaration of 21 March 2002 on the forthcoming ACP-EU negotiations with a view to new trading arrangements,
- having regard to the UN report on food security in the developing countries, presented by the UN Special Rapporteur to the UN Commission on Human Rights in March 2002,
- having regard to the undertaking, given at the World Food Summit held in Rome in 1996, to guarantee every individual access to sufficient, high-quality food and to reduce the number of people suffering from hunger by half between now and 2015,
- having regard to the resolutions adopted at the Jubilee of Government Leaders, Members of Parliament and Politicians held in Rome in November 2000,
- having regard to the long-standing United Nations target of committing 0,7% of GNP to Official Development Assistance (ODA) as recommended in the 1974 UN Resolution on the New International Economic Order,
- having regard to the undertakings of the European Union in the European Councils of Göteborg (June 2001) and Laeken (December 2001), to reach this target, and the agreement by Member States (March 2002) to reach an average of 0,39% of GNP as ODA by 2006 as a concrete first step to achieving the target,

⁽¹⁾ OJ C 132, 28.4.1997, p. 316.

⁽²⁾ OJ C 279, 1.10.1999, p. 34.

⁽³⁾ OJ C 112 E, 9.5.2002, p. 326.

⁽⁴⁾ OJ C 78, 2.4.2002, p. 70.

⁽⁵⁾ Notice to Members APP/3399.

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- having regard to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed on 17 December 1997 by the 30 OECD Member countries and Argentina, Brazil, Bulgaria and Chile, which entered into force on 15 February 1999,
 - having regard to the United Nations Global Compact launched by Kofi Annan in 1999 at the World Economic Forum in Davos inviting Trans National Corporations (TNCs) to observe its nine principles of good corporate citizenship in human rights, labour standards and environmental protection,
 - having regard to the OECD Guidelines for Multinational Enterprises adopted by the governments of the 30 Member countries of the OECD and of Argentina, Brazil and Chile in Paris on 27 June 2000, which provide a robust set of recommendations for responsible corporate behaviour worldwide, and Parliament's resolution of 15 January 1999 on EU standards for European enterprises operating in developing countries: towards a European Code of Conduct ⁽¹⁾,
 - having regard to Article 177 of the Treaty establishing the European Community, the Joint Council and Commission declaration on EC development policy adopted on 10 November 2000 and Parliament's resolution of 1 March 2001 ⁽²⁾ on this issue which recognise the strong link between trade and development,
 - having regard to the ACP-EU Partnerships Agreement signed in Cotonou on 13 June 2000 and in particular Title II on economic and trade cooperation, as well as the forthcoming negotiations on the regional economic partnership arrangements under the Cotonou Agreement due to start on 27 September 2002,
 - having regard to the DAC Guidelines on strengthening trade capacity for development (OECD Development Assistance Committee, 2001),
 - having regard to the programme of action for the least developed countries (LDCs) for the decade 2001-2010 adopted by the Third United Nations Conference on LDCs in Brussels on 20 May 2001, and in particular its commitment No 5 enhancing the role of trade in development,
 - having regard to the new EU scheme of generalised tariff preferences (GSP) for the period from 1 January 2002 to 31 December 2004 ⁽³⁾,
 - having regard to the conclusions reached on 14 November 2001 by the 142 members of the WTO at Doha with a view to launching a new WTO round — the Doha Development Agenda — comprising both further trade liberalisation and the establishment of new rules, underpinned by commitments to strengthen substantially trade-related technical assistance and capacity-building in developing countries,
 - having regard to the WTO Doha Development Agenda Global Trust Fund, where the EU contribution makes up almost 60 % (over EUR 9,4 million) of the total amount pledged for 2002,
 - having regard to the consultations made by the rapporteur in writing to all the Governments of the developing countries on what they wanted from the WTO Millennium Round (PE 286.829),
 - having regard to Rule 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on Industry, External Trade, Research and Energy (A5-0230/2002),
- A. whereas globalisation is an ongoing and unstoppable process that presents opportunities and challenges but also raises the risk of the marginalisation of countries, in particular the poorest countries, as well as the marginalisation of the most vulnerable groups within those countries, notably where income gaps within and among countries remain wide and there is an increasing number of people living in poverty,

⁽¹⁾ OJ C 104, 14.4.1999, p. 180.

⁽²⁾ OJ C 277, 1.10.2001, p. 130.

⁽³⁾ See Council Regulation (EC) No 2501/2001 of 10 December 2001 (OJ L 346, 31.12.2001, p. 1).

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- B. whereas no country has developed successfully by turning its back on international trade and long-term capital flows, but whereas it is equally true that no country has developed simply by opening itself up to foreign trade and investment without protecting the vulnerable sectors of its economy; whereas the successful cases have combined the opportunities offered by world markets with a domestic investment and institution-building strategy which stimulates the spirits of domestic entrepreneurs,
- C. bearing in mind that the key to successful development models, East-Asian in particular, is a coherent strategy of raising the opportunities for private investment through a range of policies that included credit subsidies, credit to large business groups at negative real interest rates, and tax incentives, educational policies, establishment of public enterprises, export inducements, duty-free access to inputs and capital goods, and actual government coordination of investment plans,
- D. stressing that today's rich countries had once embarked on economic growth behind protective barriers, that only once their capacity and infrastructure had been developed had they introduced low trade barriers, and that the absence of a robust positive relationship between open trade policies and economic growth may come as a surprise in view of the widespread claim that trade liberalisation promotes higher growth,
- E. noting that market economies rely on a wide array of non-market institutions with regulatory, stabilising and legitimising functions, and that the quality of a country's public institutions, measures to combat corruption and better regulation are all critically determinant of a country's long-term development,
- F. whereas the WTO Doha Development Agenda Trust Fund is a central instrument designed to fund trade-related technical assistance and capacity-building to help countries to participate in trade negotiations in the WTO, implement their outcomes and realise their wealth-creating potential for the benefit of their populations; whereas the EU and the Member States have pledged contributions to this Fund of about EUR 14 million which amounts to 63 % of the total contributions to the Fund for 2002,
- G. whereas it is essential that Community agricultural, commercial and development cooperation policies should be coherent if any one of these policies is to prove effective, and whereas that process must be guided by the ultimate objectives of food security and the eradication of poverty,
- H. whereas the Commission has presented a request for the Council to authorise it to negotiate economic partnership agreements with ACP countries and regions; whereas such recommendation for a Council Decision will be the subject of a resolution and a report of the Committee on Development and Cooperation,
- I. whereas the illegal global trade in natural resources such as diamonds, vanadium, cobalt, titanium, gas, oil, timber and gold in many cases fuels corruption, undermines the rule of law, encourages unsustainable environmental exploitation, prolongs conflict and deprives citizens of much needed funds for development,
- J. whereas illegal trading prolongs and sustains conflicts; regrets that the products involved in this illegal trade have as their ultimate end users the consumers in the European Union and the United States, meaning that those countries have a particular responsibility for monitoring such trading and the multinational companies involved,
- K. noting the dominant role of TNCs in multilateral trade (they are responsible for 70 % of world trade activity) and that the top 200 TNCs have a combined turnover greater than a quarter of the world's economic activity, amounting to some 28.3 % of world GDP, and regrets the lack of recognition by political decision makers of the decisive role that could be played by them,
- L. notes the crucial role played by women in production in developing countries: they account for around two-thirds of food production and make up about one third of manufacturing workers and 70 % of workers in export-processing zones,

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- M. notes that integration through trade is creating opportunities, but that those opportunities are biased towards those with access to productive assets, infrastructure and education and that the rural poor — and women in particular — face acute disadvantages in their access to education, one of the key requirements for acquiring the skills needed to take advantage of market opportunities and the growing demand for skilled labour,

Trade and development

1. Considers that an open, rules-based, non discriminatory and equitable trading system is essential in order to promote pro-poor economic growth, employment and sustainable development world-wide;
2. Acknowledges that the following issues are areas of concern for developing countries in respect of trade:
 - trade barriers and trade-distorting subsidies, in sectors of special interest to developing countries, like agriculture and food products, textiles and footwear and labour-intensive sectors;
 - preferential trading systems which have not always delivered significant benefits for developing countries owing to a number of factors including a lack of security of market access, non-trade-related conditionalities, the application of technical standards and sanitary and phytosanitary measures, stringent rules of origin requirements for products which countries with a relatively poor scientific and technological infrastructure find difficult to comply with, and complex customs documentation and procedures;
 - trade-related aspects of intellectual property rights (TRIPs), and in particular how TRIPs relates to access to essential medicines in developing countries;
 - the inclusion of legal migrant workers in the negotiations on services;
 - the transfer of knowledge and technology to address the supply constraints facing the economies of developing countries and promote their structural transformation, allowing them to diversify their production and exports with more dynamic demand prospects and make the most of their comparative advantages;
 - the need for special and differential treatment provisions for developing countries in trade agreements to be effectively targeted and transparent;
 - the lack of capacity in ICT, which prevents developing countries from making full use of the opportunities offered by these technologies in terms of eCommerce, marketing, etc.;
3. Welcomes the new regulation on Generalised Tariff Preferences, in particular the widening of product coverage, the greater simplicity, and the increase in tariff preferences; regrets, however, that the criteria to justify temporary withdrawal have been extended and that more stringent requirements have been set which mean that developing countries wishing to benefit from extra preferences under the special incentive arrangements now face additional difficulties in order to benefit from them;
4. Advocates, in this regard, the strengthening of special and differential treatment of specific countries and regions to enhance their rural businesses and help SMEs to develop high value-added products that meet the requirements of northern markets and which should only cease when real results have been achieved;
5. Points out that economic development does not have to take place on the basis of a completely open, liberalised, 'laissez faire' market logic, many instances of successful development having been based on promoting local producers, manufacturers and industries;

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6. Takes the view that the private sector, which bears both social and ecological responsibility, can contribute to sustainable development and the eradication of poverty; stresses, further, that the developing countries have a responsibility to adopt appropriate rules to protect and develop their own industries and to open up their markets on a selective basis, in a manner consistent with their economic circumstances, without, however, undermining the local private sector;
7. Notes the wide discrepancies which exist in terms of human and institutional capacity between the EU and developing countries, and considers that capacity-building and technical assistance must be essential elements in all future development, economic cooperation and trade arrangements between the EU and developing countries;
8. Insists that trade policies oriented towards the reduction of poverty, promotion of employment, creation of wealth and overall economic, social and cultural development must be matched by development policies which are supportive of competitive supply capacity, in order to enable developing countries to exploit market opportunities; considers that capacity-building must be accompanied by transfers of technology and investment, as well as the establishment of national policies in favour of the poor (elementary teaching and healthcare, creation of jobs, land reforms, emancipation of women, and others);
9. Considers that fundamental institutional changes should be promoted in developing countries and must include building capacity for the provision of: technical assistance, bodies which encourage social reforms (such as agrarian reform) legal security, measures to combat corruption, protection of property ownership and rights, properly functioning courts (particularly for small claims) access to justice, a banking network with easy access to opening bank and savings accounts for small account holders, the empowerment of SMEs through the easy formation of limited liability companies, limited partnerships, accounting, auditing and bookkeeping functions, the availability of incubator, micro-credit, venture, and development capital and loans, the establishment of an information technology sector, training centres and schools for basic computer operations and the establishment of technical colleges and business schools;
10. Calls on the Member States and the EU to confirm their commitment to increase the funds for technical assistance and capacity building (TA/CB) enabling the EU's trade-related TA/CB to have a higher profile and be more effective;
11. Insists that a comprehensive trade policy and capacity-building should empower women, removing barriers to access to land, water, credit, markets, education and information technologies and promoting equal rights and the elimination of wage discrimination;
12. Calls for any new emphasis on capacity-building to enhance rather than act as a substitute for maintaining and increasing resources for development;

Food security

13. Calls for access to food in sufficient quantities and of a sufficient quality to be recognised as a fundamental human right for the peoples of the developing countries, and, in that connection, issues an appeal for the implementation of the Universal Declaration of Human Rights regarding the right to food and well being and takes the view that national governments have a duty to honour that obligation;
14. Takes the view that the fight against poverty and food insecurity must incorporate an attack on the structural causes of poverty in the developing countries, and, accordingly, calls for: measures to foster access to land, water and the resources of biodiversity, measures to foster a policy of local support for sustainable agricultural smallholdings, the discontinuation of export subsidies which disrupt local markets, and the cancellation of the debt which swallows up more than 40 % of the GNP of the LDCs;
15. Calls on the United Nations, at the FAO Summit and the Johannesburg Rio+10 Summit, to declare water and biodiversity world public goods; believes that water and genetic resources must be managed in a sustainable fashion;

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16. Calls for an end to exports to developing countries of pesticides which are banned in the European Union and which endanger the health of the peoples of the developing countries, pollute the environment, contaminate groundwater and water in general and thereby undermine sustainable development;

17. Calls for the high degree of food security demanded for European consumers to be applied to foodstuffs and feedingstuffs intended for export to the developing countries (BSE-contaminated beef, dioxin-contaminated chicken, etc.) and calls for foodstuffs exported outside the EU to be labelled so as to provide consumers in the developing countries with full information;

Doha

18. Notes that WTO Members at Doha committed themselves to a comprehensive strategy for trade-related capacity-building; notes also that this could provide the basis for bilateral and multilateral donors to ensure that market access, trade-related technical assistance, special and differential treatment is well integrated into the all EU's current and future technical assistance/development cooperation programming as a matter of the highest priority;

19. Recalls that Doha was just the start of a process of negotiation comprising both further trade liberalisation and new rule-making that will last until January 2005, and therefore its impact depends on the forthcoming negotiations;

20. Takes the view that, if the problems in the areas of social injustice, development and the environment caused by the untrammelled liberalisation of trade and deregulation are to be resolved, a serious assessment of the Uruguay Round agreements and their implementation must be drawn up, as promised to the developing countries in Marrakech;

21. Calls for the WTO to be extended to include the environment as an essential element in its decision-making;

22. Notes that the Doha Declaration refers to comprehensive negotiations on agriculture aimed at the reduction of all forms of export subsidies, implying an EU commitment to reducing export subsidies provided that export subsidies by others (export credits, abusive use of food aid and non transparent pricing activities of state trading bodies) are also addressed; calls for the launching of new reforms from 2004, beginning with the reduction by 50 % of all export subsidies in one year and the abolition of all the other subsidies as soon as possible by the EU and the USA;

23. Regrets the decision taken by the House of Representatives on 6 May 2002 to approve the US Farm Bill and believes that this could destabilise the hard-won agreement which was reached on agriculture at the Doha Ministerial Meeting; believes that this decision should not prevent the EU from respecting the commitment agreed in Doha to reduce with a view to phasing out all forms of export subsidies and trade distorting support mechanisms for agriculture and insists that the US also does so;

24. Notes that in some developing countries, government procurement contracts remain one of the only ways to steer economic development by enabling local industry to develop; regrets that the Trade-Related Investment Measures (TRIMs) Agreement comprehensively bans any laws, policies or administrative regulations promoting domestic products which runs contrary to the EU's declared intention to help build capacity in the developing countries; notes that this ban includes government incentives to encourage corporations to use domestically made products as a way of creating or protecting local jobs; stresses this has serious ramifications for industrial policies designated to support the development of domestic capacity, secure flow-on benefits from foreign investment supplying both the local and export markets and limit the effects of foreign competition;

25. Takes the view that Community policies, particularly in the areas of trade liberalisation, agriculture, fisheries, the environment and public health, must be revised with a view to taking greater account of their impact on poverty, food security, sustainable development and the links between these phenomena;

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26. Calls for trade rules to support, rather than undermine, efforts to achieve environmental, social and health objectives; takes the view that trade must actively foster the production and exchange of goods and services under ecologically sustainable conditions, by means of direct incentives and technical and institutional assistance provided to the developing countries;
27. Notes that the Doha Declaration sets the objective of establishing a multilateral framework aimed at improving the conditions for Foreign Direct Investment, and, more particularly, bilateral investment treaties worldwide and calls for this framework to include provisions for capacity building in developing countries, as well as strengthening import substitution policies and local content provision with the aim of fostering partnerships between foreign investors and local manufacturers to produce goods domestically rather than import them; takes the view that the negotiations on Foreign Direct Investment must be completely transparent, must incorporate dialogue with civil society and social movements and must also provide for full participation by appropriate United Nations institutions;
28. Welcomes the sensitivity of the Financial Services Agreement which does not oblige countries to fully open their markets from the start, allowing them to file specific reservations and thus enabling them to build the appropriate local infrastructure and capacity to compete totally openly later; stresses, however, that the agreement does 'lock-in' liberalisation and market access, banning new protective measures;
29. Calls on the Member States to require national bodies providing aid for exports and foreign investment to fund only those projects which fully respect human and minority rights and the environment and which are implemented in a manner entirely consistent with the development cooperation policies of the country concerned;
30. Supports the Doha Ministerial Declaration on the TRIPs Agreement and public health which confirms that the TRIPs Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health; this represents a balance between the interests of the research-based industry and WTO Members' public health concerns and shows that intellectual property rights do not stand in the way of access to medicines in developing countries;
31. Points out that the issue of developing countries which do not produce generic medicinal products has not been dealt with by the Doha Ministerial Declaration;
32. Calls for a reassessment of the link between the TRIPs Agreement and global agreements to protect biodiversity, recognising that sustainable development and consumers' rights come before those of business in the field of access to medicines, patenting life forms, biotechnology and biodiversity and that the rights of farmers in the developing world should also be protected;
33. Calls on the EU to support developing country governments' demands for any amendments to Article 27.3(b) of the TRIPs Agreement to safeguard the relevant provisions under the Convention on Biodiversity and the International Undertaking on Plant Genetic Resources, and considers that TRIPs amendments should support, rather than negate, efforts to ensure that living organisms and their parts cannot be patented, that the right of traditional farmers to use, exchange and save seeds is protected, and that indigenous and local farming community innovations are likewise protected;
34. Notes that bribery, corruption, and instability are global issues that require global approaches to prevent the problems simply shifting to the next weak link in the chain and welcomes the OECD Convention on the action program to deter bribery in government-supported export credit transactions;
35. Recognises that developing country governments, rather than lowering standards to attract multinationals, should instead create infrastructures — institutional, physical, and human — that would allow knowledge-intensive firms to leverage their environmental and sustainable development competencies;

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36. Calls on the WTO to help the LDCs set up local committees, consisting of representatives of business and civil society, officials and trained local experts, who should assess for themselves whether the trade and financial rules meet their real needs;

37. Calls on the EU Member States to use their influence in the World Bank and the International Monetary Fund to persuade those institutions to relinquish their involvement in structural adjustment programmes and conditions governing the financing of large infrastructure and energy projects and to focus instead on supporting more funding of grassroots health and education services, the needs of village microenterprises and cooperatives and measures to sustain local capacity-building;

38. Calls for the International Monetary Fund to desist from its now discredited fixation of opening up economies and their capital accounts before their financial sectors, public institutions, industries and civic societies are robust enough for global competition;

39. Calls for the criteria on debt relief for LDCs to be redefined in order to give priority to meeting the financing requirements of national poverty eradication programmes, and to stipulate that only residual state revenue be used for debt servicing and the repayment of loans;

Regional cooperation

40. Fully recognises the role of regional and sub-regional trade agreements as well as free trade areas in the establishment of a more equitable world trading system and also in building the required infrastructure for the region; fully supports regional and sub-regional integration among developing countries and calls on them to reduce trade barriers among themselves;

41. Considers that fostering regional integration is one way of integrating developing countries into the world economy as the regional context will stimulate political and economic cooperation and provide a framework to mitigate the adjustment problems resulting from globalisation; also considers that regional integration should put more emphasis on cooperation rather than competition which is more conducive in the initial stage to the competitive and social development of less advanced economies;

42. Outlines its main priorities and concerns about the conduct and outcome of the forthcoming negotiations on the economic partnership agreements with ACP countries and regions, which relate in particular to:

- the importance of conducting such negotiations in an open, transparent and inclusive manner,
- the need to ensure that poverty reduction and the promotion of sustainable development are the central focus,
- the need to ensure that no ACP State is left worse off in terms of market access than it is at present,
- the need to address supply side constraint issues in ACP countries and contribute to the structural transformation of their economies,
- the importance of addressing the external effects of the common agricultural policy,
- the commitment of the parties to respect human rights, good governance, the rule of law and democratic principles;

Trade and conflict

43. Recognises that the small arms trade has been responsible for 90 percent of conflict-related deaths since World War II and regrets that the regions with the steepest rise in military expenditure in the past two years are Africa — an increase of 37% in real terms — and South Asia — 23% in real terms;

44. Notes that the current EU export licensing system for arms and related products is lacking in clarity and transparency;

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45. Calls on the Member States, Commission and Council to take concrete action towards EU based firms, brokers and individuals involved in illegal trade in diamonds, gas development, oil and gold and to ensure that all goods being exported from the EU, or under arrangements by EU-based brokers or EU citizens who are brokers based abroad, to non-EU military, security or police forces or armaments-manufacturing bodies, should be made subject to export licensing controls;

46. Calls upon the Member States, the Council and the Commission to prepare legislation, in line with current EU thinking, that makes EU-based firms, brokers and individuals with connections to the small arms industry (hand guns, pistols, sub-machine guns, mortars, landmines, grenades and light missiles), legally responsible for the end usage of such products. This legislation should be such that it becomes an entry requirement for the candidate countries;

47. Calls on the Council and the Commission, in cooperation with the UN, to provide financial and technical assistance to developing countries to collect and destroy surplus weapons from communities, tighten controls on weapons stockpiles and destroy surplus government stocks;

48. Affirms that re-deploying military budgets and providing alternative security structures are the *sine qua non* and bedrock of sustainable development;

49. Calls on all states to implement the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects;

50. Urges the EU to make the sale or import of illegally sourced timber or timber products an offence, and calls on the governments of the EU Member States to introduce new legislation which prohibits the sale or import of timber which has been sourced in contravention of the laws of another state, or legislation which establishes external standards which products would be required to meet;

A new architecture – ‘Enterprise development’

51. Takes the view that the faster liberalisation of trade has given rise to new problems, particularly in connection with issues concerning social rights, employment, the environment and the balance of power among the various international organisations; believes that in order to address the problems, action is required to ensure that trade rules and rules concerning social rights, employment, the environment, etc. are compatible and mutually reinforcing;

52. Calls for the EU to adopt the OECD Guidelines for Multinational Enterprises as a cornerstone of future trade and development policies;

53. Notes that new proposals are also needed to advance ethical investment, enterprise development, socially-responsible investing and consumption, full-cost prices, life-cycle costing and all the other ways of promoting sustainable human development;

54. Further emphasises that indigenous peoples and their communities should benefit from such proposals, recognising their important role for sustainable development and considering that multinational companies often operate on their ancestral territories;

55. Calls for companies and shareholders' companies which fall under the category of TNCs to set up ethical investment committees similar to the audit committee and remuneration committees which now exist in such companies; advocates that these committees should report to the board of directors, the shareholders and those directly affected by the activities of the TNC on the implementation of the OECD Guidelines for Multinationals in the developing countries;

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56. Calls for such ethical investment committees also to be given the task of identifying enterprise development projects as offset projects which these companies can invest in each country in which they operate in conjunction with NGOs and other civil society actors so that these projects are tied to local social, industrial and service capacity building, which will lead to poverty eradication and foster food security, clean water and sanitation, education, health and gender equality;

57. Regards respect for key social rights and the basic conventions adopted by the International Labour Organisation (ILO) as fundamental and, in that connection, calls for the ILO to be granted increased powers so that it can better enforce the standards it has laid down, powers which may incorporate the right of the ILO to propose penalties;

58. Calls on TNCs to adopt transparency rules requiring corporations to report information about their investment activity and their environmental, social and employment impact in each country where they do business, based on the well-developed concept of 'disclosure';

59. Calls for international accounting standards to be expanded along the lines of the Global Reporting Initiative which promotes 'triple bottom line' accounting and corporate annual reports (i.e. economic, social and environmental accounting);

60. Encourages each TNC to commit as a minimum investment at least 0,7% of their gross turnover or up to 5% of their net profit (whichever is smaller) into new investments as offset projects each year in that country; stresses that such offset investments should have a high component of social, educational or environmental capacity-building and should be undertaken jointly or severally with local SMEs and business groups;

61. Welcomes the United Nations Global Compact initiative and calls for a European Forum of Enterprises for Sustainable Development to be instituted holding two meetings per year rotating in locations corresponding to the Presidency in the Council of the European Union;

62. Calls for this European Forum of Enterprises for Sustainable Development to be attended by the directors of ethical investment committees of TNCs together with Members of the European Parliament and members of the select committees of the national parliaments involved with trade, development and cooperation policies and all those directly affected by the activities of TNCs;

63. Recognises that this Forum will constitute the cornerstone of a new and additional approach to development and cooperation augmenting and supporting existing mechanisms and institutions, and that there remains a crucial need for a greater volume of aid which must be better managed;

64. Calls for the new delivery mechanism to be through an open tendering process wholly transparent to the international community, civil societies and host countries and open to NGOs, registered and accredited consultants and even in-house divisions of the TNCs themselves; recognises that the Commission will have a role to play in auditing, monitoring and reporting back;

65. Recognises that the delivery of such new funds for new development enterprise promotion projects should be outside the existing arrangements for development and cooperation which have clearly demonstrated their weaknesses.

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66. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the United Nations, the World Trade Organisation, the World Bank and the International Monetary Fund.
