



EUROPEAN PARLIAMENT

2014 - 2019

Committee on International Trade

2014/2205(INI)

1.6.2015

OPINION

of the Committee on International Trade

for the Committee on Development

on Private sector and development
(2014/2205(INI))

Rapporteur: Lola Sánchez Caldentey

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SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the strategic importance of the EU recovering its global leadership role in poverty reduction and sustainable development, and that the role of the private sector in development has increased to support political priorities in a period of diminishing aid budgets; recognises its role and potential in helping to generate sustainable economic growth and reduce poverty; considers that the EU's engagement with the private sector in development must be governed by internationally agreed principles of development effectiveness, sustainability and equity;
2. Stresses that EU trade, investment and development policies are interlinked and have an impact on developing countries; recalls the EU's commitment to mainstream gender in all its policies; recalls that the EU's common commercial policy must take account of the principle of policy coherence for development under Article 208 of the Treaty on the Functioning of the European Union, which requires that the objectives of development cooperation be taken into account in policies that are likely to affect developing countries; considers that this principle must be observed in all EU trade and investment agreements, while the Commission must, at the same time, enhance the mechanisms necessary for the coordination of all EU policies, both internal and external, and for shaping key domestic provisions concerning industry, the environment and the internal market;
3. Highlights the fact that, although further finance is needed to respond to sustainable development challenges, development is more than economic growth, adding that private sector activities must be carefully regulated and defined to promote sustainable development goals; underlines the fact that current EU practices to leverage private finance with official development assistance (ODA), such as blending, have in some cases proved to be insufficiently effective, and that they could be improved substantially by giving greater weight to additionality, transparency, accountability, effective reporting, ownership, alignment with partner country priorities and sustainable debt management;
4. Stresses the need for EU trade and development policy to observe the political and economic policy space of developing countries, in particular in least developed countries, to maintain key import tariffs where needed, and to promote the creation of skilled and decent jobs within local manufacturing and agro-processing industries as possible enablers of higher domestic value-added, industrial growth, export growth and diversification, which are key components of inclusive economic and social upgrading; calls on the European Union and its Member States to promote concrete measures to ensure that multinational corporations pay taxes in the countries in which their profits are generated and to promote effective country-by-country reporting by the private sector, thus enhancing domestic resource mobilisation capacities and fair competition;
5. Calls for measures to promote partner countries' development strategies that shape the private-sector contribution to development by: enhancing the creation of alliances which reinforce the potential of local micro, small and medium-sized enterprises and local

procurement, which are essential for achieving endogenous development through the creation of decent jobs; prioritising women's contribution to development mobilising domestic revenue; fighting tax fraud, tax evasion and tax havens; eradicating political corruption; and mitigating currency and commodity price volatility, which endangers access to value chains;

6. Calls for existing trade and investment policies to be evaluated in a comprehensive manner in order to identify any provisions that may have a negative impact on development, whether directly or as a side-effect, especially those which may have an impact on universal access to goods and services of general interest, such as those related to health, education, water, combating hunger, energy poverty and gender inequality; stresses the importance of improving sustainable development chapters in all future bilateral trade agreements, with a view to including effective reporting schemes for the private sector;
7. Urges the Commission to continue to promote initiatives for natural resources and their sourcing, in particular mining, logging, energy resources and water, and for better oversight of the textile sector, together with private sustainability-bound schemes, and to step up product and process life-cycle analysis as regards environmental and social considerations; welcomes the fact that a broad range of industries and transnational companies have adopted codes of conduct detailing social and environmental performance standards for their global supply chains, and insists that instruments such as ILO Convention 169, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the EU Human Rights and Democracy Strategic Framework be applied systematically; stresses the need to deliver, without further delay, on the commitment made by the Council in 2013 through the 'EU Action Plan on Human Rights and Democracy';
8. Highlights the need for EU trade policy to promote good governance, democracy and the rule of law via a framework that ensures that companies contribute to socially inclusive growth and are accountable for their actions in developing countries as regards standards in respect of human rights, gender equality, decent work, union rights, environmental protection, social protection, universal access to quality goods and public services (paying particular attention to public and universal health coverage), social protection, universal access to medicines, and food and product safety.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.5.2015
Result of final vote	+: 36 -: 1 0: 4
Members present for the final vote	William (The Earl of) Dartmouth, Maria Arena, Tiziana Beghin, David Borrelli, Daniel Caspary, Marielle de Sarnez, Santiago Fisas Ayxelà, Christofer Fjellner, Eleonora Forenza, Yannick Jadot, Ska Keller, Jude Kirton-Darling, Bernd Lange, Jörg Leichtfried, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Alessia Maria Mosca, Franz Obermayr, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Matteo Salvini, Marietje Schaake, Helmut Scholz, Joachim Starbatty, Adam Szejnfeld, Iuliu Winkler
Substitutes present for the final vote	Goffredo Maria Bettini, Reimer Böge, Dita Charanzová, Georgios Epitideios, Seán Kelly, Sander Loones, Frédérique Ries, Lola Sánchez Caldentey, Pedro Silva Pereira, Davor Ivo Stier, Adina-Ioana Vălean, Jarosław Wałęsa