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Second Standing Committee  
Sustainable Development,  
Finance and Trade

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THE ROLE OF PARLIAMENTS IN ESTABLISHING INNOVATIVE INTERNATIONAL  
FINANCING AND TRADING MECHANISMS TO ADDRESS THE PROBLEM OF DEBT AND  
ACHIEVE THE MILLENNIUM DEVELOPMENT GOALS

***Revised preliminary draft resolution prepared by the co-Rapporteurs  
Mr. Osvaldo Martínez (Cuba) and Mr. Robert del Picchia (France)***

*The revised preliminary draft resolution consists of three separate sections:*

- **Section A** contains all the paragraphs on which both co-Rapporteurs have agreed;
- **Section B** contains additional paragraphs proposed by Mr. O. Martínez, which the other co-Rapporteur does not entirely support;
- **Section C** contains additional paragraphs proposed by Mr. R. del Picchia, which the other co-Rapporteur does not entirely support.

**Section A**

The 112<sup>th</sup> Assembly of the Inter-Parliamentary Union,

- (1) *Recalling* the Declaration adopted on 1 September 2000 by the Presiding Officers of National Parliaments entitled "The Parliamentary Vision of International Cooperation on the Eve of the Third Millennium",
- (2) *Recalling also* the Millennium Declaration of 8 September 2000, which sets out eight time-bound and measurable goals collectively known as the Millennium Development Goals, as criteria established jointly by the international community for the elimination of poverty, and also the Human Development Reports drawn up by the United Nations Development Programme,
- (3) *Recalling* the final declarations of specialised United Nations conferences, in particular the International Conference on Financing for Development, held in Monterrey, Mexico in 2002; the World Summit on Sustainable Development, held in Johannesburg, South Africa in 2002; and the Third United Nations Conference on Least Developed Countries, held in Brussels, Belgium in 2001,

- (4) *Recalling* the Declaration adopted in New York on 20 September 2004 by 120 countries at the end of the Summit for Action against Hunger and Poverty, and the September 2004 report by the Technical Group on Innovative Financing Mechanisms,
- (5) *Recalling* the resolutions of the Inter-Parliamentary Union, particularly those adopted by the 73<sup>rd</sup> Inter-Parliamentary Conference (Lomé, 1985) on the role of parliaments and their contribution towards the elimination of poverty by eliminating the burden of international debt; the 74<sup>th</sup> Inter-Parliamentary Conference (Ottawa, 1985) on the contribution of parliaments to the search for measures and actions aimed at removing the burden of foreign debt that weighs on the developing countries; the 88<sup>th</sup> Inter-Parliamentary Conference (Stockholm, 1992) on the need for a radical solution to the problem of debt in the developing world; and the 102<sup>nd</sup> Inter-Parliamentary Conference (Berlin, 1999) on the need to revise the current global financial and economic model, as well as the Final Document of the Inter-Parliamentary Conference "North-South Dialogue for Global Prosperity" organised by the IPU in Ottawa in 1993, and the resolutions adopted by the 107<sup>th</sup> Conference (Marrakech, 2002) on the role of parliaments in developing public policy in an era of globalisation, multilateral institutions and international trade agreements, by the 108<sup>th</sup> Conference (Santiago, 2003) on parliament's role in strengthening democratic institutions and human development in a fragmented world, and by the 109<sup>th</sup> Assembly (Geneva, 2003) on global public goods: a new challenge for parliaments,
- (6) *Recognising* that the role of parliaments in championing the eight MDGs is crucial, and that the adoption of the corresponding legislation and appropriate budgetary allocations is indispensable,
- (7) *Deeply concerned* that in the current state of affairs, the financing of the Millennium Development Goals (MDGs), and thus their implementation, is not ensured,
- (8) *Noting* that economic growth, debt relief and public development assistance - the three main sources of funding for development - are unable to generate the extra 50 to 100 billion dollars required annually to achieve the MDGs,
- (9) *Noting* that the development assistance commitment (provision of 0.7 per cent of gross domestic product) is still not being met by most countries, but *noting with satisfaction* the undertakings by several countries to meet these commitments within the next decade,
- (10) *Noting* that, despite the progress on debt cancellation made bilaterally and multilaterally in the framework of the Bretton Woods institutions, the burden of the debt remains a major constraint and an obstacle to human development,
- (11) *Convinced* that globalisation is at the same time a source of opportunities and challenges for all countries, and that it has an impact on people's everyday lives,
- (12) *Noting* the growing importance of international trade and investment and their direct influence on the development and well-being of the nations of the entire world, and *concerned* at the fact that the current international trade and investment system is apparently distorted in favour of the developed countries, and poses problems for many developing countries,

(13) *Noting* that awareness has grown since the Fourth Ministerial Meeting of the World Trade Organization (WTO) held in Doha, which placed the interests and concerns of the poor countries at the centre of international trade negotiations and drew up the Doha Development Agenda,

(14) *Welcoming* the breakthrough, with the Geneva agreement of July 2004, in the negotiations conducted by the WTO, following the failure of the Cancun meeting,

(15) *Nonetheless concerned* about the many uncertainties that remain in those negotiations,

(16) *Noting* the striking lack of resources currently available to achieve the MDGs by 2015, and *underscoring* the responsibility of governments and the parliaments which provide them with oversight to respect the commitments made at the Millennium Summit in 2000,

1. *Urges* all IPU Member Parliaments whose governments have endorsed the Millennium Summit Declaration to support the implementation of MDGs in their respective countries by recommending the allocation of funds for MDG programmes in their national budgets;
2. *Encourages* the parliaments of the developed countries to demand that their governments respect their commitments in respect of development assistance;
3. *Urges* the parliaments of the developing countries to make sure that their governments mobilise the resources required for development, combat corruption, continue institutional reform, adopt the economic and social policies appropriate to stimulate growth, establish national strategies which place the MDGs at the centre of their policies, promote democracy and human rights and follow the principles of good governance,
4. *Encourages* the governments of the developed and developing countries to submit annual reports on the application and implementation of these strategies;
5. *Suggests* that provisions should be made for the same kind of approach (strategy and report) at the regional level;
6. *Urges* donor countries, in particular members of the Organisation for Economic Co-operation and Development (OECD), to draw up reports on the implementation of Goal 8 of the MDGs (develop a global partnership for development), demonstrating the action they have taken to achieve such objectives;
7. *Suggests* that such reports should give rise to a parliamentary debate at the national, and if possible, regional level;
8. *Underscores* the unbearable nature of the debt for a large number of developing countries and *calls urgently for* debt cancellation procedures to be speeded up;
9. *Suggests* that a link be established between debt cancellation and the earmarking of resources thus freed up for investments related to the MDGs, in particular in the fields of health, education and gender equality;

10. *Recommends* the study of other mechanisms to help countries that have serious debt crises, but that are too large or have too high a per capita income to qualify for highly indebted poor countries (HIPC) assistance;
11. *Expresses the wish* that the expectations of the developing countries be systematically taken into consideration in international trade negotiations under way in the framework of the WTO, in particular in respect of poverty alleviation, food security and sustainable income;
12. *Emphasises* the central role of parliaments as the incarnation of popular sovereignty in expressing the will of peoples in international forums;
13. *Recommends* the establishment by IPU member parliaments of specialised committees to follow up on international trade negotiations and to provide oversight of government action;
14. *Requests* governments to inform their parliaments fully of the state of negotiations and the stakes involved;
15. *Requests* the IPU, working with the WTO, to help strengthen the capacities of parliaments in this field;
16. *Suggests* that governments include parliamentarians in the delegations that the executive branch sends to take part in WTO ministerial meetings;
17. *Welcomes with deep satisfaction* the adoption of the Declaration on Action against Hunger and Poverty by 120 countries on 20 September 2004 at the United Nations, aimed in particular at supporting the establishment of new international financing tools for the MDGs;
18. *Recommends* the establishment of an international tax by means of a treaty whose ratification would be subject to authorisation by parliaments;
19. *Requests* that the Speakers' Conference to be held at the United Nations in 2005 follow up on this matter.

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## **Section B (proposals of Mr. O. Martínez)**

### **New preambular paragraphs (5bis) and (5ter)**

Add two new paragraphs after the fifth preambular paragraph, as follows:

*Greatly concerned* by the fact that 1.2 billion people – or one in five persons in the world – survive on less than a dollar a day, and that in the 1990s, poverty worsened in 54 countries, leaving them poorer at the end of the decade than in 1990,

*Concerned* by the fact that even if the proportion of people in extreme poverty were to be halved by 2015 in comparison with 1990, it is clear that at least 900 million people in the underdeveloped world would continue to live in complete destitution,

New preambular paragraph (6bis)

Add a new preambular paragraph after the sixth preambular paragraph, as follows:

*Drawing attention* to the fact that, in order to halve poverty by 2015 and achieve the Millennium Development Goals, the annual growth rates of the underdeveloped countries would have to be between 6 and 8 per cent for the next decade,

New preambular paragraph (11bis)

Add a new preambular paragraph after the eleventh preambular paragraph, as follows:

*Noting* that many underdeveloped countries are increasingly excluded from trade and capital flows, while the social polarisation and poverty of such countries is reaching extremely alarming levels,

New preambular paragraph (12bis)

Add a new preambular paragraph after the twelfth preambular paragraph, as follows:

*Noting* that in recent times many proposals have been made to address the need to take measures to combat hunger and poverty in the world, which has been on the international agenda in recent decades,

New preambular paragraph (15bis)

Add a new preambular paragraph after the fifteenth preambular paragraph, as follows:

*Considering* that if there is a genuine desire to ensure the general development of peoples, parliamentarians must carry out campaigns to underscore the need to meet international commitments already made in respect of development, exploring strategies that bring about substantial changes in the financing of official development assistance and that ensure access to new technologies, and must explore new, appropriate financing mechanisms in addition to existing ones,

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**Section C (proposals of Mr. R. del Picchia)**

New preambular paragraph (15bis)

Add a new preambular paragraph after the fifteenth preambular paragraph, as follows:

*Considering* that a new resource should be set up, additional to existing mechanisms, and that it should be at the same time predictable, concessional and stable,

Operative paragraph 16

Amend the paragraph to read as follows:

16. *Welcomes with deep satisfaction* the adoption of the Declaration on Action against Hunger and Poverty by 120 countries on 20 September 2004 at the United Nations, aimed in particular at supporting the establishment of new international financing tools for the MDGs **that are at the same time predictable, concessional and stable**;