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Finance and Trade

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31 March 2008

PARLIAMENTARY OVERSIGHT OF STATE POLICIES ON FOREIGN AID

Amendments to the revised preliminary draft resolution submitted within the statutory deadline by the delegations of Algeria, Armenia, Canada, China, Cuba, Egypt, France, Germany, India, Japan, Jordan, Morocco, Philippines, Republic of Korea, Romania, South Africa, Sweden and Venezuela

PREAMBLE

New preambular paragraph 5bis

Add a new paragraph after preambular paragraph 5 to read as follows:

(5bis) Further convinced that 2008, which marks the midway point for achieving the MDGs, is a momentous year to improve development aid strategies in each county in view of the Fourth Tokyo International Conference on African Development (TICAD IV) in May and the G8 Hokkaido Toyako Summit in July, which will be held in Japan,

(Japan)

Add a new paragraph after preambular paragraph 5 to read as follows:

(5bis) Reiterating that gender equality and the empowerment of women are crucial in reaching all MDGs,

(Romania)

Preambular paragraph 6

Amend to read as follows:

(6) Underscoring that primary responsibility for development lies with the developing countries and that their own efforts are essential,

(Japan)

Preambular paragraphs 6 and 7

Replace preambular paragraphs 6 and 7 by one singular new paragraph to read as follows:

(6) Underscoring that each country has the primary responsibility for its own economic and social development and underlines the importance of adopting effective

measures to support the efforts of developing countries to achieve sustained economic growth, sustainable development, poverty eradication, creation of productive jobs, in particular in agriculture,

(India)

Preambular paragraph 8

Amend to read as follows:

(8) *Emphasizing* that recognition by the developing countries of that responsibility is no reason for developed countries ~~and those with emerging economies~~ not to meet their obligation to fight underdevelopment and poverty or their official development assistance (ODA) commitments,

(China)

New preambular paragraph 8bis

Add a new paragraph after preambular paragraph 8 to read as follows:

(8bis) Concerned that the rise in international commodity prices is likely to reduce the capacity of donor countries to aid because it causes a downturn in the global economy, although at the same time it improves the economic environment of beneficiary countries which hold the resources,

(Japan)

Add a new paragraph after preambular paragraph 8 to read as follows:

(8bis) Aware that countries in transition from aid recipient to aid donor status are faced with particular challenges related to budget increases, institutional building and awareness-raising in support to development cooperation,

(Romania)

Preambular paragraph 10

Amend to read as follows:

(10) *Deeply concerned* by ~~that the~~ fact that indicators show that the MDGs are unlikely to be met in several parts of the world, in particular in Africa,

(Romania)

Preambular paragraph 11

Amend to read as follows:

(11) *Recalling* that the fight to reduce poverty worldwide will only bear fruit if the attention paid to the least developed countries ~~does not preclude poverty reduction efforts being made in other developing nations, in particular middle-income countries,~~ **is more concrete and more equitable,**

(Morocco)

Preambular paragraph 12

Amend to read as follows:

(12) *Observing* that, in many **developed** countries, foreign aid is a crucial component of the national budget for effective implementation of the MDGs and the fight against poverty,

(Armenia)

Preambular paragraph 13

Amend to read as follows:

(13) *Deeply concerned* by the fact that, at present, financing for the MDGs, and thus their fulfilment by 2015, is not assured, ~~although some progress has been made~~ **despite the efforts made by States,**

(Morocco)

Preambular paragraph 14

Amend to read as follows:

(14) *Observing* that most countries **concerned** have yet to honour their pledge to increase their ODA to 0.7 per cent of gross national product (GNP), although some have promised to do so in the next few years,

(France)

Preambular paragraph 15

Amend to read as follows:

(15) *Noting* that the rise in volume of ODA, while vital, will only serve its purpose if the donor and beneficiary countries **as partners** undertake to significantly improve the quality and effectiveness of such aid,

(Morocco)

Amend to read as follows:

(15) *Noting* that the rise in volume of ODA, while vital, will only serve its purpose if the donor and beneficiary countries undertake to significantly improve the quality and effectiveness of such aid **and to ensure that, amongst others, it does not lead to dependency,**

(South Africa)

Preambular paragraph 17

Amend to read as follows:

(17) *Aware* that parliaments in ~~the~~ **many** donor countries play a major role in decisions on their respective country's budget allocation for development aid and on its geographical and sectoral allocation,

(Canada)

Preambular paragraph 20

Delete the paragraph.

(Cuba)

Amend to read as follows:

(20) *Observing* that many beneficiary country parliaments ~~are in practice relatively ineffective,~~ **do not fully play their role in promoting the MDGs and overseeing the use of ODA**, in particular because they lack the necessary institutional, administrative and legislative resources,

(France)

Preambular paragraph 21

Delete the paragraph.

(China, Cuba)

Preambular paragraph 22

Amend to read as follows:

(22) *Stressing* that, insofar as the donors are tending less and less to tie aid and are having greater recourse to sectoral budget aid, budget oversight bodies must be developed in the beneficiary countries, in particular in parliaments, that are independent of the executive branch **so as to ensure that aid received is used effectively**,

(France)

Amend to read as follows:

(22) *Stressing* that, insofar as the donors are tending less and less to tie aid and are having greater recourse to sectoral budget aid, budget oversight bodies must be developed in the beneficiary countries, in particular in parliaments **and post-conflict situations**, that are independent of the executive branch,

(South Africa)

Preambular paragraph 23

Delete the paragraph.

(Cuba)

New preambular paragraph 24bis

Add a new paragraph after preambular paragraph 24 to read as follows:

(24bis) *Taking into account* the resolutions adopted at the 114th IPU Assembly held in Nairobi on development in Africa,

(Morocco)

New preambular paragraphs 24bis, 24ter and 24quater

Add three new paragraphs after preambular paragraph 24 to read as follows:

(24bis) **Confirming** that the current slowdown recorded in achieving the MDGs is at present due essentially to the fact that the governments of wealthy countries do not honour their commitments and that it is difficult for the private sector and NGOs to play the role of the State,

(24ter) **Warning against** the rise in revolutions of the poor and hungry throughout the world, with fears no longer about how to prevent them, but rather how to arrest the serious social and economic consequences thereof, including the spread of violence and terrorism, extremism and drug addiction,

(24quater) **Also warning against** an increasing amount of development aid offered to poor countries by NGOs and foreign charity organizations as compared with the noticeable decline in ODA to US\$ 104.5 billion - a fall of 4.5 per cent - as confirmed by the United Nations,

(Egypt)

OPERATIVE PART

New operative paragraph 1

Add a new paragraph at the start of the operative part to read as follows:

1. **Requests** the parliaments and governments of donor countries to increase ODA to reach 1 per cent of GNP, given the appalling increase in world food, energy and drugs prices of over 40 per cent, as well as the rapid fluctuations in the exchange rate of foreign currencies, in particular the US dollar;

(Egypt)

Operative paragraph 2

Delete the paragraph.

(Germany)

Amend to read as follows:

2. **Invites** donor country parliaments to ensure that their governments ~~pledge to honour their commitments to execute and~~ increase real aid, ~~i.e. not or only partly to take into account~~ **without** operations that "inflate" official ODA levels, such as debt cancellation and reduction and, generally speaking, all forms of aid that do not constitute an actual transfer of resources;

(Morocco)

New operative paragraph 2bis

Add a new paragraph after operative paragraph 2 to read as follows:

2bis. *Strongly encourages* donor country parliaments to make use of mechanisms for converting debt into investment, thereby serving as a concrete counterpart to debt cancellation that promotes growth and development in the beneficiary country;

(France)

Operative paragraph 3

Amend to read as follows:

3. *Invites* donor country parliaments to continue giving thought to alternative modes of financing for development ~~that make it possible to increase aid beyond the amounts pledged as ODA;~~

(Germany)

Operative paragraph 4

Amend to read as follows:

4. *Invites* donor country parliaments to ensure that their respective governments act transparently when allocating budget resources **earmarked** for development cooperation;

(France)

Amend to read as follows:

4. *Invites* donor country parliaments to ensure that their respective governments act transparently **and do not impose conditions that undermine the recipient countries development** when allocating budget resources for development cooperation;

(South Africa)

Operative paragraph 5

Amend to read as follows:

5. *Invites* donor country parliaments to strengthen parliamentary oversight of their respective government's foreign policy while ensuring that the policies of other **ministerial** departments likely to have a direct or indirect impact on developing countries are aligned with it;

(France)

Amend to read as follows:

5. *Invites* donor **and beneficiary** country parliaments to strengthen parliamentary oversight of their respective government's foreign policy while ensuring that the policies of other departments likely to have a direct or indirect impact on developing countries are aligned with it;

(South Africa)

New operative paragraph 5bis

Add a new paragraph after operative paragraph 5 to read as follows:

5bis. *Invites* donor country parliaments to promote gender mainstreaming in development cooperation in support to gender equality and the empowerment of women, as key factors for growth, poverty reduction and the achievement of all MDGs;

(Romania)

New operative paragraphs 5bis and 5ter

Add two new paragraphs after operative paragraph 5 to read as follows:

5bis. *Invites* beneficiary country parliaments to find the necessary tools to oversee ODA at the national level;

5ter. *Invites* beneficiary countries to establish national ODA governance and management institutions under parliamentary oversight;

(Morocco)

Operative paragraph 6

Amend to read as follows:

6. *Recommends* that ~~these~~ parliaments further require that their respective governments provide annual reports on their development policy, the strategies implemented to achieve the MDGs and the results of negotiations with the beneficiary countries;

(Germany)

Operative paragraph 7

Amend to read as follows:

7. *Urges* donor country parliaments to require that their respective governments set aside a portion of their annual budgets ~~for the MDGs and~~ for the poorest countries and peoples, in accordance with the Millennium Declaration and the Monterrey Consensus;

(Germany)

Operative paragraph 8

Delete the paragraph.

(Germany)

Amend to read as follows:

8. *Invites* donor country parliaments to **take appropriate measures** ~~make legal provision for foreign aid, so as~~ to limit the possibility that the amounts **of foreign aid** will be reallocated as circumstances change;

(France)

Operative paragraph 9

Amend to read as follows:

9. *Invites* donor country parliaments and governments to take the requisite legal and administrative measures to untie their development aid. **In this regard, beneficiary countries should ensure that the proposed aid helps to promote local employment;**

(France)

Operative paragraph 10

Delete the paragraph.

(Cuba)

Amend to read as follows:

10. *Encourages* donor country parliaments to debate whether or not to concentrate their aid on a limited number of countries and sectors **and in particular place emphasis on aid for beneficiary countries which exert their own efforts** so as to heighten its effectiveness, and to build expertise and specialized knowledge **which are essential for parliaments to conduct their own investigation** while ensuring that certain countries are not excluded from international aid;

(Japan)

New operative paragraph 10bis

Add a new paragraph after operative paragraph 10 to read as follows:

- 10bis. *Invites* donor countries to take into consideration and develop the capacity of certain beneficiary countries to absorb and use the financial assistance provided to them in order to ensure optimal efficiency thereof;**

(France)

Add a new paragraph after operative paragraph 10 to read as follows:

- 10bis. *Calls for* increased coordination and support among donor countries, particularly by means of experience sharing and specific training, with a view to helping new donors to strengthen their role and better capitalize on the added-value of their input;**

(Romania)

Operative paragraph 11

Amend to read as follows:

11. Requests donor country parliaments and governments to help eradicate poverty in middle-income countries **not only through financial aid but also through partnership with these countries with a view to enabling them to participate actively in the fight against poverty;**

(Morocco)

Amend to read as follows:

11. *Requests* donor country ~~parliaments and~~ governments to help eradicate poverty in middle-income countries as well;

(Sweden)

Operative paragraph 12

Amend to read as follows:

12. *Suggests* that donor **and beneficiary** country parliaments set up specialized committees or working groups to actively monitor and oversee their government's development aid activities;

(South Africa)

Operative paragraph 13

Amend to read as follows:

13. *Suggests* that those committees undertake a more general review of national aid policy, with the involvement of civil society **organizations**, by organizing hearings, conferences, etc.;

(China)

Operative paragraph 14

Amend to read as follows:

14. *Invites* the members of the specialized parliamentary committees in the donor countries to visit projects and other cooperation initiatives, **subject to the approval of the competent authorities of receiving countries**, so as to ascertain the impact of aid programmes and obtain better information on the needs and challenges on the ground;

(Cuba)

Amend to read as follows:

14. *Invites* the members of the specialized parliamentary committees in the donor countries to visit projects and other cooperation initiatives so as to ascertain the impact of aid programmes and obtain better information on the needs and challenges on the ground, **use the results of their investigation in their parliamentary discussion and report the results to their governments**;

(Japan)

Amend to read as follows:

14. *Invites* the members of the specialized parliamentary committees in the donor **and beneficiary** countries to visit projects and other cooperation initiatives so as to ascertain the impact of aid programmes and obtain better information on the needs and challenges on the ground;

(South Africa)

Operative paragraph 15

Amend to read as follows:

15. *Recommends* that donor country ~~parliaments~~ **governments** ensure that a sufficient portion of the budget is set aside for efforts to heighten public awareness of the MDGs and their financing;

(Sweden)

Operative paragraph 16

Amend to read as follows:

16. *Invites* donor country parliaments and governments to establish innovative initiatives with a view to maintaining and strengthening civil society **organizations's** solidarity with the countries of the South, for example by establishing a voluntary development cooperation service;

(China)

Amend to read as follows:

16. *Invites* donor country ~~parliaments and~~ governments to establish innovative initiatives with a view to maintaining and strengthening civil society's solidarity with the countries of the South, for example by establishing a voluntary development cooperation service;

(Sweden)

Operative paragraph 17

Amend to read as follows:

17. *Encourages* donor country parliaments to help actively reinforce, via bilateral or multilateral mechanisms, the effectiveness of parliaments in the beneficiary countries, **by attaching particular importance to improving the working conditions of parliamentarians in beneficiary countries and training them;**

(France)

Amend to read as follows:

17. *Encourages* donor country parliaments to help actively reinforce, via bilateral or multilateral mechanisms **including the IPU technical cooperation programme**, the effectiveness of parliaments in the beneficiary countries;

(Japan)

Operative paragraph 18

Delete the paragraph.

(France, Germany, Sweden)

Amend to read as follows:

18. *Considers* that donor **and beneficiary** country parliaments must ensure that some of the aid goes towards improving the working conditions of beneficiary country parliamentarians (parliamentary infrastructure, libraries, information technology,

capacity for specialized research, **exchange programmes**, etc.) and training in the analysis of public finances, budgets and development programmes;

(South Africa)

Operative paragraph 19

Amend to read as follows:

19. *Considers* that beneficiary country parliaments must be systematically associated with the programming, follow-up and evaluation of the impact of cooperation, and that their involvement is essential **to the continuation of aid and** to guaranteeing the achievement of the goal to reduce poverty;

(Jordan)

Operative paragraph 21

Delete the paragraph.

(Cuba)

Replace the existing text of the paragraph by the following:

21. ***Invites* beneficiary country parliaments to cooperate with their respective government bodies, with the aim to establish sovereign policies of economic development to assist at their own cultural and social needs without giving up the regulatory role the State plays, in order to keep the balance between the free enterprise, the private investment, and the contribution of the former for the welfare of the most population, as well as reaffirm the State role as a guarantor of sustainability and integrity of environmental development and protection;**

(Venezuela)

New operative paragraph 21bis

Add a new paragraph after operative paragraph 21 to read as follows:

- 21bis. ***Invites* the governments and parliaments of beneficiary countries to devote a large portion of ODA to promoting the information communication and technology sector, given that it is the most promising sector likely to improve living standards, increase GNP and resolve chronic unemployment in these countries; and requests developed countries to transfer to and install new and relevant technologies in beneficiary countries;**

(Egypt)

Operative paragraph 22

Amend to read as follows:

22. *Recommends* that beneficiary country parliaments consult civil society **organizations** when evaluating and overseeing aid programmes, so as to take into account people's genuine needs;

(China)

Operative paragraph 23

Delete the paragraph.

(Cuba)

Replace the existing text of the paragraph by the following:

23. ***Invites* beneficiary country parliaments to carry out an in-depth analysis of the Poverty Reduction Strategy Paper (PRSP) reported by the International Monetary Fund (IMF), taking into account what have been the actual effects of such paper since its implementation for more than fifteen years, and to corroborate the fact that the application of such document do not favor a real sustainable and sovereign development, otherwise favors the strengthening of current structures of economic exploitation by major transnational enterprises in underdeveloped countries;**

(Venezuela)

New operative paragraph 26bis

Add a new paragraph after operative paragraph 26 to read as follows:

- 26bis. ***Recommends* to donor governments that countries which have ratified the UN Convention Against Corruption (UNCAC) be prioritized with regard to ODA increases;**

(Philippines)

New operative paragraph 27bis

Add a new paragraph after operative paragraph 27 to read as follows:

- 27bis. ***Invites* donor and beneficiary country governments and parliaments not to allocate the donor's fund to military expenditure in the beneficiary country, with due consideration to the principle of non-interference in internal affairs, and to strengthen efforts to speedily resolve conflicts which are the root cause of expanding military expenditure;**

(Japan)

Operative paragraph 28

Amend to read as follows:

28. ***Invites* donor and beneficiary country governments and parliaments to adopt transparent procedures forwarding procurement contracts in the allocation of ODA to tangible development and humanitarian aid projects **and to ensure that goods and services are sourced locally;****

(South Africa)

New operative paragraph 28bis

Add a new paragraph after operative paragraph 28 to read as follows:

28bis. Requests donor countries not to tie their aid to raw material resources - particularly energy-related ones - in beneficiary countries, so as not to compromise their sustainable development;

(France)

New operative paragraphs 28bis and 28ter

Add two new paragraphs after operative paragraph 28 to read as follows:

28bis. Invites beneficiary country governments to pass legislation providing safeguards in the use of soft and tied loans;

28ter. Stresses that donor country governments should exert greater investigatory power on companies contracted for ODA projects since it is essential that these companies should be held accountable for any corrupt acts they have committed to win the contracts;

(Philippines)

Operative paragraph 29

Amend to read as follows:

29. *Recommends* that governments adopt **and implement** and all parliaments ratify the international and regional conventions aimed at preventing and fighting corruption, in particular as concerns money laundering and control of tax havens;

(Sweden)

New operative paragraph 31bis

Add a new paragraph after operative paragraph 31 to read as follows:

31bis. Invites governments and parliaments to adopt stringent measures when dealing with the growing exploitation of lands and overproduction of agricultural products for the purpose of producing biofuels, and to halt the harmful effects of climate change that have triggered a higher incidence of poverty and disease, as well as lower living standards, especially in developing countries;

(Egypt)

Operative paragraph 32

Amend to read as follows:

32. ~~Suggests~~ **Recommends** that an institutional dialogue on the conditions likely to make aid more effective be initiated among donor country and beneficiary country parliaments, both bilaterally and multilaterally, within the IPU in particular;

(South Africa)

Operative paragraph 33

Amend to read as follows:

33. *Recommends* that governments and parliaments supervise activities and follow-up development cooperation commitments, using peer review mechanisms (as does the Development Assistance Committee of the Organisation for Economic Co-operation and Development **and NEPAD**) that allow the members to examine each other's practices;

(Algeria)

Operative paragraph 36

Amend the existing operative paragraph to read as a preambular paragraph and move it up to the end of the preambular part as its new paragraph 24bis.

(Jordan)

Amend to read as follows:

36. *Recalls* that the Third High Level Forum on Aid Effectiveness will be held in 2008 in Ghana **and the Fourth Tokyo International Conference on African Development (TICAD IV) and the G8 Hokkaido Toyako Summit will be held in 2008 in Japan, particularly in view of strengthening foreign aid for African countries;**

(Japan)

Operative paragraph 37

Amend to read as follows:

37. *Advocates* a more active role for the United Nations and the reinforcement of the Economic and Social Council (ECOSOC), **its Annual Ministerial Review (AMR)** and ~~its~~ Development Cooperation Forum (DCF) as the best framework for strengthening the coherence and effectiveness of global development cooperation.

(Republic of Korea)