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INTERIM REPORT

drawn up on behalf of the Committee on Development and
Cooperation

on relations between the European Community and Latin
America - development aspects

Rapporteur: Mr Michael McGOWAN

WG(2)/1990E

PE 96.747/fin.

By letter of 14 February 1985, the Committee on Development and Cooperation requested authorization to draw up a report on relations between the European Community and Latin America - development aspects.

In the session of the European Parliament on 15 April 1985 the committee was authorized to report on this subject.

On 27 February 1985, the Committee on Development and Cooperation appointed Mr McGowan rapporteur.

At its meetings of 26 March 1985, 23 April 1985 and 20 May 1985, the Committee on Development and Cooperation considered the draft report. It adopted the motion for a resolution as a whole unanimously on 20 May 1985.

The following took part in the vote: Mrs Focke, chairman; Mr McGowan, rapporteur; Mr Andrews, Mrs Barbarella (deputizing for Mr Pajetta); Mrs Castellina (deputizing for Mrs Cinciari Rodano); Mr Cohen, Mrs Daly, Mrs De Backer-Van Ocken, Mr Habsburg (deputizing for Mr Wawrzik), Mr Jackson, Mr Pirkel, Mrs Rabbethge, Mrs Schmit, Mr Staes (deputizing for Mr Kuijpers); Mr Verbeek, Mr Vergeer, Mr Vergès (deputizing for Mr Wurtz).

The explanatory statement will be presented orally by the rapporteur. The report was tabled on 24 May 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for an interim resolution,

MOTION FOR AN INTERIM RESOLUTION

on relations between the European Community and Latin America - development aspects

The European Parliament,

- having regard to the forthcoming Seventh European Community/Latin America Interparliamentary Conference,
- having regard to the final acts of the Fifth¹ and Sixth² Community/Latin America Interparliamentary Conference held in Bogota from 25 to 28 January 1981 and in Brussels from 13 to 16 June 1983,
- having regard to the joint communiqué issued at the close of the meeting held in San José (Costa Rica) on 28 and 29 September 1984 between the Foreign Ministers of the Member States of the Community, Portugal, Spain, the countries of Central America and the member countries of the Contadora Group³,
- having regard to its former resolutions on Latin America, and notably
 - its resolution of 18 December 1981⁴ on the general guidelines for the 1982 programme of financial and technical cooperation with the non-associated developing countries and on Community financial and technical aid to non-associated developing countries,
 - its resolution of 16 January 1981⁵ on the conclusion of a framework agreement on cooperation between the European Economic Community and the Federative Republic of Brazil,
 - its resolution of 14 October 1982⁶ on economic relations between the European Community and Central America,
 - its resolution of 19 November 1982⁷ on special action in favour of the economic and social development of Central America and on the proposals for a decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries,

¹PE 70.676

²PE 85.416/fin.

³PE 93.312

⁴OJ No. C 11 of 18.1.1982, p.195

⁵OJ No. C 28 of 9.2.1981, p.69

⁶OJ No. C 292 of 8.11.1982, p.87

⁷OJ No. C 334 of 20.12.1982, p.128

- its resolution of 8 July 1983⁸ on the European Community's Policy towards developing countries (the Memorandum of the Commission of the European Communities on the European Community's Development Policy),
 - its resolution of 12 October 1983⁹ on economic and trade relations between the European Community and Latin America,
 - its resolution of 18 April 1985¹⁰ on the debt burden of the Latin American countries and the summit of the seven industrialized countries in Bonn;
 - having regard to the report of the Committee on Development and Cooperation (Doc. A2-44/85)
- A. Pointing out that the present report confines itself to the 17 non-associated countries of the Central and South American mainland south of the border with the United States, hereafter referred to as Latin America,
 - B. Recognizing the strong historical and economic links and cultural affinities between the peoples of Europe and Latin America, which form a substantial foundation on which a closer relationship can be developed,
 1. Is convinced of the need to strengthen cooperation between the Community and Latin America;
 2. Notes the imminent entry of Spain and Portugal into the European Community which will strengthen the links between the Community and Latin America,
 3. Is aware of the serious economic recession, with far-reaching social and political consequences, that has affected Latin America since 1981, with per capita incomes falling by some 10% while export earnings declined by a similar percentage;
 4. Is particularly concerned by the weight of Latin America's external debt burden, which has doubled since 1981 to some US\$ 360 000 million¹¹ with interest payments absorbing 35% of total export earnings;
 5. Notes that the minor up-turn experienced by some of the stronger Latin American economies in 1984 has not led to a perceptible improvement in the overall situation; as the poorer countries' economies continue to decline;
 6. Regrets that, despite the sub-continent's increasing needs and its traditional connections with Europe, Latin America has up to now received low priority in European Community development cooperation policy, and notes that in 1984 European Community aid to Latin America amounted only to some 108.5 m ECU;

⁸OJ No. C 242 of 12.9.1983, p.104

⁹OJ No. C 307 of 14.11.1983, p.38

¹⁰OJ Minutes of the proceedings of the sitting of the European Parliament of 18 April 1985

¹¹Source: CEPAL

7. Believes that the generalized system of tariff preferences can be of particular value to many Latin American states, particularly those with more developed industrial sectors, notes that while a few Latin American countries make good use of the GSP, many others fail to take full advantage of the system, frequently not using up quotas; consequently calls on the Commission to assist such countries, through information campaigns and seminars, to derive greater benefit from existing concessions;
8. Regrets that the framework cooperation agreements concluded with Mexico, Brazil and the Andean Pact countries have as yet had little real effect on the development of these countries;
9. Points out that there are considerable differences in economic, social and political conditions, in levels of development, and in the size and population of the Latin American countries, which implies that the Community's development policy in respect of Latin America should be sufficiently far-reaching and flexible to be of benefit to the disparate states of the sub-continent;
10. Sees the need for a variety of approaches at different levels, global, sub-regional and with individual countries;
11. Considers it important that the greatest possible benefit be derived from all existing development and cooperation instruments;
12. Believes that Community aid should, in the immediate future, be concentrated on technical cooperation, particularly in respect of the application of alternative energies, and assistance with training, education and research, as this is the way in which the limited funds currently available can be put to the most effective use;
13. Believes that the greatest part of Community aid to Latin America should be concentrated on the rural areas and, more particularly, on programmes and projects to encourage food production and improve rural infrastructure; recognizes, however, the extent of urban poverty in Latin America and consequently feels that urban, and especially shanty-town dwellers should not be excluded from benefitting from Community-assisted development activities;
14. Stresses that harmonious and mutually advantageous relations between Europe and Latin America must be based on the principles of mutual respect and non-interference in internal affairs;
15. Believes, nevertheless, that the Community's cooperation policy in respect of Latin America should include active support for human rights and considers that, in cases of gross abuse of human rights, development assistance should only be provided through NGOs;
16. Urges the governments of Latin America when developing new regions of their country to take all necessary steps to safeguard the rights of their populations already living in those regions against unlawful violence and dispossession;
17. Urges the Community to favour regional integration by encouraging regional and sub-regional groupings such as SELA, the Central America Common Market (CACM) and the Andean Pact and favours Community participation in regional and sub-regional programmes and projects;

18. Believing that the Community should actively promote regional markets and market agreements such as the Andean Group, the main emphasis being placed on indigenous economic development geared to local needs;
19. Believes that increased cooperation between the Caribbean ACP States and Latin America should be encouraged, for example by joint regional programmes and projects involving ACP and other countries, by enabling Latin American firms to submit tenders in respect of EDF-assisted projects, and by the extension of triangular food-aid transactions between the associated and non-associated states in the region;
20. While recognizing the current budgetary constraints, nevertheless proposes that increased funding be made available for Latin America through Title 9 of the General Budget of the European Communities, including the line for specific industrial cooperation measures to assist certain Latin American countries;
21. Recognizes the difficulties faced by Latin American countries and enterprises seeking further investment capital as a result of the excessively high level of indebtedness; believes that Europe can be of particular assistance in this respect and consequently calls on the Commission and the Board of Governors of the European Investment Bank to investigate the means whereby the EIB could extend and improve its lending activities, including, on occasions, the provision of soft loans and loans to local development banks (global loans), to Latin America;
22. Calls on the governments of the Community Member States to use their influence in the IMF and other international bodies to help alleviate the pressures on the indebted countries of Latin America and, more particularly, to ensure that the austerity policies imposed on these countries are compatible with effective development policies so that these nations can both meet their international financial commitments and improve the situation of their populations;
23. Requests the Commission and the Institute for European-Latin American Relations (IRELA) to study the means whereby Latin American countries can be assisted in respect of their concomitant needs of servicing debts and achieving economic and social development;
24. Sees great scope for mutually-advantageous cooperation in the field of energy, such cooperation being facilitated by the existence of the Latin American Organization for Energy Development (OLADE) which has already benefitted from Community assistance under the programme of financial and technical cooperation with non-associated developing countries;
25. Emphasizes the importance of cooperation in the environmental sphere, particularly as regards measures to combat any further predatory exploitation of natural resources, in which context should be mentioned:
 - the furtherance of special projects to prevent disafforestation and erosion
 - the allocation of aid to NGOs already active in this sector;
26. Strongly urges that, when in future the Community gives financial assistance to projects in Latin America, more heed is paid than in the past to the environmental implications of these projects and that aid is made contingent on guarantees being given regarding protection of the environment;

27. Repeats its appeal to the Community institutions and the Member States to work in fora such as UNCTAD and GATT for the improvement of the terms under which tropical commodities are traded, and for the conclusion of effective commodity agreements;
28. Notes that several Latin American countries shelter large refugee populations; calls for special aid to be provided to encourage self-sufficiency and assist the ultimate re-settlement or return of such refugees, in addition to emergency aid which can only be granted for a six month period;
29. Acknowledges the valuable work carried out by Non-Governmental Organizations in Latin America, and calls for continued and enhanced Community support for their efforts;
30. Emphasizes that increased aid and cooperation with Latin America must be complementary to existing commitments with other developing countries;
31. Insists on Community actions in Latin America being fully coordinated with the bilateral activities of the Member States and, where appropriate, with other donors;
32. Stresses the pressing need for concerted action by the Community and its Member States, in conjunction with the countries of Latin America, to reopen the North-South Dialogue;
33. Sees the need for ongoing dialogue between representatives of the European Community and of Latin America, consequently places great value on the meetings between the permanent representatives of the ten Member States and the Group of Latin American Ambassadors accredited to the Community (GRULA), and on regular contacts between the European Parliament and the Latin American Parliament;
34. Welcomes the establishment of the Institute for European-Latin American Relations and hopes that this institute will further mutual understanding between the two regions;
35. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

