Basic information

2009/2218(INI) INI - Own-initiative procedure	Procedure completed
EU policy coherence for development and the 'official development assistance plus concept' **Subject** 5.03 Global economy and globalisation 6.30 Development cooperation 6.30.02 Financial and technical cooperation and assistance	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development	KELLER Ska (Verts/ALE)	06/10/2009
	Shadow rapporteur SCHNIEBER-JASTRAM Birgit (PPE) TIROLIEN Patrice (S&D) GOERENS Charles (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
INTA International Trade	MOREIRA Vital (S&D)	17/03/2010

European Commission

Commission DG	Commissioner
Development	PIEBALGS Andris

Key events

Date	Event	Reference	Summary
15/09/2009	Non-legislative basic document published	COM(2009)0458	Summary
17/12/2009	Committee referral announced in Parliament		

27/04/2010	Vote in committee		Summary
05/05/2010	Committee report tabled for plenary	A7-0140/2010	
17/05/2010	Debate in Parliament		
18/05/2010	Decision by Parliament	T7-0174/2010	Summary
18/05/2010	Results of vote in Parliament		
18/05/2010	End of procedure in Parliament		

Technical information

Procedure reference	2009/2218(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/7/01354

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE438.501	09/02/2010	
Committee opinion	INTA	PE438.145	02/03/2010	
Amendments tabled in committee		PE439.417	05/03/2010	
Committee report tabled for plenary, single reading		A7-0140/2010	05/05/2010	
Text adopted by Parliament, single reading		T7-0174/2010	18/05/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2009)0458	15/09/2009	Summary
Document attached to the procedure	COM(2009)0461	17/09/2009	Summary
For information	SEC(2009)1137	17/09/2009	
Commission response to text adopted in plenary	SP(2010)4416	16/09/2010	

EU policy coherence for development and the 'official development assistance plus concept'

2009/2218(INI) - 17/09/2009 - Document attached to the procedure

The 2009 report on policy coherence for development (PCD) supplies the basis for evaluation of the PCD in the EU. It assesses the progress made in advancing coherence in 12 policy areas which impact on development, namely trade, environment, climate change, security, agriculture, fisheries, social dimension of globalisation, employment and decent work, migration, research and innovation, information society, transport and energy. It builds on evidence that the achievement of the Millennium Development Goals (MDGs) depends not only on development aid, but also on the policies defined and implemented by the EU and other international actors in areas such as trade, environment, security or migration. The commitments to PCD where formally embedded in the European Consensus on Development adopted in December 2005. A first progress report on PCD in the Union was issued in 2007. This second report describes several areas where coherence has been improved during the course of the last two years.

- **Trade:** progress in Trade PCD commitments has been made in those areas in which the EU can control the outcome – e.g. autonomous preferences offered to developing countries (such as the GSP and the transitional Market Access Regulation for ACP countries having initialled an EPA). On other issues, the EU has been working actively towards the achievement of a successful outcome and is continuing to do so in order to achieve possible effective development friendly outcomes.

- **Environment:** some good progress has been made in the EU to integrate development concerns into the environment policy area, as exemplified among others by the Sustainable Consumption and Production initiative, the Forest package or the strengthening of dialogue with developing, including emerging, economies. However, a few critical issues remain to be tackled, such as improving International Environment Governance and reinforcing the implementation of the Convention on Biodiversity.

- **Climate change:** good progress has been made in climate change policies as their development dimension is gradually being better understood and articulated. Within the EU, the Climate Change and Energy Package was adopted in 2008. Progress has also been made with the launch of the Global Climate Change Alliance in 2007, with the UN post-2012 negotiations on Climate Change, and with development policies which now better integrate mitigation and adaptation measures, even if implementation is still at an early stage. In the context of the financial and economic crisis, it is of the utmost importance that policy dialogue should be enhanced to develop a shared vision with the most vulnerable developing countries.

- **Security:** the EU supports peace processes in many developing countries politically, financially and with military means thereby providing these countries with the stability and peace needed for development. However, there is a need to further strengthen coherence. The Africa-EU Strategic Partnership on Peace and Security clearly is a milestone on the way towards more PCD.

- **Agriculture:** the EU responded rapidly to the food prices crisis by setting up, among others, the EUR 1 billion Food Facility. As a complementary measure, it decided to strengthen the focus on agriculture in its development efforts and offered a safeguard clause on Food Security, which helps to ensure food security in the Economic Partnership Agreements negotiated with Africa, Caribbean and Pacific (ACP) countries. Food and Agriculture will remain high on the international political agenda in the coming years and, in the longer term, agricultural policy both in the EU, and in developing countries, should take into account the constraints imposed by climate change measures, demographic trends, changes in consumption patterns and the limited area of new land available for cultivation.

- **Fisheries:** with the replacement of all old-style fisheries agreements by Fisheries Partnership Agreements the EU has implemented the more development friendly policy framework established through the reform of the Common Fisheries Policy (CFP) as decided in 2002 and 2004. The forthcoming reform of the CFP provides an opportunity to re-evaluate the external dimension of this policy with a view to making it more development-friendly.

- **Social dimension of globalisation, employment and decent work**: in this area, the issues that are to be tackled are wide-ranging (decent work, gender, children, youth, employment programmes) and coordination and coherence is important although not easy to achieve.

- **Migration:** the EU has reinforced its dialogue with third countries on migration and development issues while further integrating mutual migration concerns in cooperation with these countries. These efforts need to continue and facilitating labour migration, labour matching, the efficient transfer and recognition of new skills and addressing brain drain remains important. New issues such as the impact of the economic crisis and climate change on migration will be further explored.

- **Research:** the EU continues to contribute to development objectives through its research programmes and to promote the participation of researchers from developing countries in research projects and mobility schemes. By financing projects across a broad range of issues, such as in the health or food security areas, research policy has contributed decisively to development. However, overall, the participation of researchers from developing countries often remains low.

- **Information society**: the EU has intensified its research cooperation with developing countries in the area of ICT and has stepped up its cooperation on regulatory issues with them. Internet expansion is also being addressed by the African Union and the EU as part of the new strategic partnership for science, information society and space. The potential of this partnership should be further exploited.

- **Transport**: coherence is increasingly being addressed by more balanced actions across transport modes, in particular in Sub-Saharan Africa, and addressing cross-cutting issues. Better frameworks for coordination and cooperation would be needed in order to set out PCD goals and initiatives. The Partnership on Infrastructure could be an important starting point.

- **Energy**: over the last two years, energy has received significant political attention and possible synergies with development have been sought. The 2008 EU Climate Change and Energy Package, for instance, could affect developing countries, by creating new opportunities for biofuel exports. Both opportunities and risks will be generated and those will need to be carefully weighted. Progress has also been achieved on other initiatives as exemplified by the setting up and implementation of energy dialogues with developing countries, including emerging countries, or through the adoption of a thematic programme to support the environment and the sustainable management of natural resources, including energy, in the developing world.

Building on the results achieved, **the Commission proposes to focus future policy coherence development on five priority areas for achieving the UN Millennium Development Goals: climate change, global food security, migration, intellectual property rights and security.** In the report, two case studies have been launched to provide concrete evidence on the effects of EU policies on developing countries and in particular on their capacity to reach MDG 1/ reducing hunger and MDG 6/ the fight against HIV/AIDS in three developing countries (Ethiopia, Mozambique and Senegal for MDG1; Rwanda, Tanzania and Zambia for MDG6), the third case study concentrates on the Africa EU joint Strategy as a framework with strong PCD potential.

The report notes that the **European Parliament** took a keener interest in PCD during the second half of its term. MEPs asked many written questions on specific aspects of EU policies including migration, trade and fisheries and their impacts on developing countries. On 17 June 2008, Parliament also adopted a resolution on policy coherence for development and the effects of the EU's exploitation of certain biological natural resources on development in West Africa.

EU policy coherence for development and the 'official development assistance plus concept'

2009/2218(INI) - 18/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 319 votes to 271 with 44 abstentions, a resolution on the EU Policy Coherence for Development and the "Official Development Assistance plus" concept.

It recalls that the EU has developed a concept of Policy Coherence for Development aimed at building synergies between EU policies. Lack of political action to this end may have a negative impact on the expected result of development cooperation. Members note that there are clear incoherencies in the EU's trade, agriculture, fisheries, climate, intellectual property rights, migration, finance, arms and raw materials policies. PCD can lead to **poverty reduction** by finding fundamental synergies among EU Policies. Accordingly, they welcome the commitment to PCD by the Commission, the Council and the Member States, and reaffirm their own commitment to enhance PCD in the EU and in their parliamentary work.

Parliament stresses that the EU is by far the **biggest aid donor in the world**, and that aid volumes are expected to increase to EUR 69 billion in 2010 to meet the collective promise of 0.56% of EU GNI made at the G8 Gleneagles Summit in 2005. This would release an additional EUR 20 billion for development objectives. Members also recall the adoption, in October 2007, of the EU Strategy on Aid for Trade, with a commitment to increase the collective EU trade-related assistance to EUR 2 billion annually by 2010 (EUR 1 billion from the Community and €1 billion from the Member States). Members ask that the 'aid for trade' strategy benefit all developing countries, and not only those agreeing to a greater liberalisation of their markets.

They welcome the PCD Work Programme 2010- 2013 as a guideline for the EU institutions and Member States, and acknowledge its role as an early warning system for policy initiatives. Parliament stresses the need to take relevant aspects of PCD into account in bilateral and regional trade agreements and multilateral trade agreements firmly anchored in the rules-based WTO system. It calls for action on tax havens, fisheries agreements, agriculture and stresses the need for cooperation on fiscal governance, good governance in the tax area in trade agreements, and inclusion of the EDF, which is the main financing instrument for EU development cooperation, in the framework of PCD.

On **fisheries**, the resolution calls for an **overall assessment of the fisheries agreements with third countries**, so as to ensure that the EU's external policy in the field of fisheries is completely consistent with its development policy, while strengthening EU partner countries' capacity to guarantee **sustainable fishing** in their waters, enhancing food security and local employment in the sector. EU access to fish stocks in third countries should not in any way be a condition for development assistance to those countries.

On **agriculture**, Members note that EU export subsidies for European agricultural products have a disastrous effect on food security and the development of a viable agricultural sector in developing countries. Theyconsider the recent EU decision to re-establish export subsidies for **milk powder** and other dairy products, which in the main subsidise agro business in Europe at the cost of poor farmers in developing countries, a blatant violation of the core principles of policy coherence for development, and call on the Council and Commission to revoke that decision immediately. They also call for the **cessation of export subsidies**.

Parliament calls on the Commission and the ACP countries to continue their dialogue on migration in order to strengthen the principle of circular migration and its facilitation by granting circular visas; stresses that respect for human rights and the equitable treatment of nationals of ACP countries is seriously compromised by bilateral readmission agreements with transit countries, in a context of externalisation by Europe of the management of migration, which do not guarantee respect for the rights of migrants and which may result in 'cascade' readmissions which jeopardise their safety and their lives.

Members stress that the Council's decision to focus on **five broad areas for the PCD exercise** in 2009 must not replace the monitoring of the 12 traditional policy areas, and they call on the Commission to create mechanisms for including new policy areas that do not fit satisfactorily into the existing 12, such as raw materials.

On ODA plus, Members recall their vital international commitments to the 0.7% ODA/GNP target for 2015, which must be devoted exclusively to poverty eradication. They express concern that the 'ODA-plus approach' may dilute the EU's ODA contribution to the fight against poverty, and that

funds raised with the ‘ODA-plus approach’ have no legal commitment to poverty eradication or to assisting with the achievement of the Millennium Development Goals. Furthermore, capital outflow from developing countries into the EU caused by incoherent policies under the ‘ODA-plus approach’ is not mentioned and damage inflicted on developing countries by unfair tax competition and illegal capital outflow is not taken into account. The Commission is asked to clarify further the whole-of-the-Union approach and its impact on the EU’s development policy. Furthermore, Members underline that if innovative sources of development financing are to be widely promoted, they must be additional, used in a pro-poor approach and cannot be used to replace ODA in any circumstances. At the same time, Members recognise that the fulfilment of the ODA commitments is imperative but still not sufficient to tackle the development emergency. They therefore reiterate their call upon the Commission to identify, as a matter of urgency, additional innovative sources of finance for development such as the **introduction of an international financial transaction tax** to generate additional resources in order to overcome the worst consequences of the crisis and to keep on track towards the achievement of the MDGs.

The resolution goes on to call on the Commission to use systematic, **clear benchmarks and regularly updated indicators** in order to measure PCD, for example the Sustainable Development Indicators, as well as to enhance transparency vis-à-vis the European Parliament, aid recipient States and civil society. Developing countries are asked to create country-specific indicators on PCD in line with the EU general indicators, in order to assess real needs and achievements in terms of development.

Parliament calls on the Commission to do the following:

- to include legally binding social and environmental standards systematically in trade agreements negotiated by the European Union, in order to promote the objective of trade working for development;
- to promote development assistance actions that, taking account of the effects of the financial crisis, can prevent a rise in insecurity and conflict, global political and economic instability, and an increase in forced migration (‘refugees from hunger ’);
- in order to ensure that DG Trade has a coherent mandate for trade negotiations, to take due account of Parliament's preconditions for giving its consent to the conclusion of trade agreements;
- take every measure available to it to ensure that, while the Sugar Protocol is ending and the EU reform of the sugar regime is taking place, it safeguards its relevant partners against any temporary upheavals in the market;
- to develop existing EU instruments for lowering customs tariffs such as the GSP/GSP+ System and chapters in Free Trade Agreements and European Partnership Agreements, and further to integrate internationally agreed labour and environmental standards into those instruments;
- to end its present TRIPS-plus approach in EPA negotiations regarding pharmaceuticals and medicines, to allow developing countries to provide medicines at affordable prices under domestic public health programmes;
- to take into account in future negotiations the work done by many civil society organisations on tax evasion by EU multinationals in developing countries;
- not to impose, against the wishes of developing countries, the opening of negotiating chapters on the ‘Singapore issues’ and financial services, and not to enter into agreements of this type unless these countries have first set up an appropriate national regulatory and supervisory framework;
- to start the impact assessments earlier, i.e. before the drafting process of policy initiatives is already far advanced and to base them on existing or specially conducted evidence-based studies, and to include social, environmental and human rights dimensions, since a prospective analysis is most useful and practical given the lack of data and the complexities of measuring PCD;
- to involve the European Parliament in the process of the Commission’s PCD report, e.g. in terms of the questionnaire, better timing, and taking account of Parliament’s own initiative reports.

Lastly, Parliament calls on the Commission to give the Commissioner for Development **sole responsibility for country allocations,** Country, Regional and Thematic Strategy papers, National and Multiannual Indicative Programmes, Annual Action programmes and the implementation of aid in all developing countries, in close cooperation with the High Representative and the Humanitarian Aid Commissioner, in order to avoid incoherent approaches within the College and the Council.

EU policy coherence for development and the 'official development assistance plus concept'

2009/2218(INI) - 15/09/2009 - Non-legislative basic document

PURPOSE: to look at the EU's approach to Policy Coherence for Development (PCD) in order to establish a policy framework for the Union.

CONTEXT: the third wave of the economic and financial crisis has reached the shores of the developing world, hitting these countries much harder than originally expected1. The forecasts for the second half of 2009 and for 2010 look bleak. More than 50 million more people are projected to be in poverty in 2009. Sustaining the development aid effort is essential, albeit not sufficient. In financial terms this means that Official Development Assistance (ODA) must be complemented by other financial sources.

The crisis illustrates the extent to which national economies have become dependent on each other and how one set of policies - namely in the financial sphere - impacts on others and on developing countries. Close interactions at the economic level have led to a situation where almost all policy decisions taken in developed countries have both direct or indirect consequences for developing countries and their capacity to combat poverty and achieve the Millennium Development Goals (MDGs). The PCD commitments agreed in 2005 have provided a useful framework for the EU's PCD work so far. But new developments make it necessary to rethink our approach to PCD. The Commission considers that it is now time for the EU to take a more strategic, systematic and partnership oriented approach to PCD.

The EU should obviously continue to take account of development objectives in all the policies that might affect developing countries by making use of all the instruments that were established or strengthened to promote PCD. However, the political focus should be on a few key priorities.

PCD priority issues should: (i) be high on the EU's agenda; (ii) be important for developing countries and for the achievement of the MDGs; (iii) present concrete opportunities for incorporating development objectives; (iv) be linked to a long term agenda.

CONTENT : building on the two first biennial EU Reports on PCD and the call to establish a whole-of-the-Union approach, this Communication looks at the EU's approach to PCD and makes suggestions to the Community and the Member States on how to use PCD in a more targeted, effective and strategic way.

1) Priorities: based on the EU 2009 PCD report and the international debate on Global Public Goods, the following issues (all with a strong impact on the MDGs) are identified as a basis for discussion with Member States:

Combating climate change: this could be done for example, through (i) seeking to further develop opportunities from the Global Energy Efficiency and Renewable Energy Fund (GEEREF), which promotes investment in renewables and clean energies; (ii) and efforts in the whole EU to integrate concerns and measures related to climate change impacts, vulnerabilities and adaptation in all existing cooperation instruments; (iii) enhance policy dialogue and concrete measures, in the framework of the Global Climate Change Alliance; (iv) develop a shared vision with the most vulnerable developing countries, highlighting necessary coherence of our actions in the field of climate change, energy and development.

Ensuring global food security: the EU will need to continue taking into consideration developing countries' needs in its domestic policies, including in agriculture, trade, climate change and research . In addition, it will engage with developing countries in a dialogue on the feasibility of regional agricultural policies based on lessons learned from the CAP in order to strive towards food security at regional and sub-regional level.

Making migration work for development: the real policy challenge for the coming years remains whether the EU and its Member States are prepared to offer real migration and mobility options for nationals of developing countries seeking learning opportunities and legal employment in the EU. Implementation has started and must continue on a number of issues, especially remittances, increased mobility, and stronger links with diaspora organisations. However, the agenda needs to be taken forward especially when it comes to labour migration and the brain drain. New issues, such as the impact of climate change on migration, could be explored further.

Seeking opportunities to use intellectual property rights (IPR) for development: the PCD challenge is for IPR to make the greatest possible contribution to boosting prosperity in developing countries, and in particular the least developed countries. There is for example a strong potential for these countries to make better use of the IPR legal framework for their local rights holders. This would help create a more attractive environment for investment as well as ensuring dissemination and use of the information disclosed through the different IPR systems. The EC intends to explore more actively the various areas where IPRs have development relevance, to seek ways of making better use of IPRs for development, and, more widely, to strengthen their contribution to development.

Promoting security and building peace for development: the Council, Member States and the Commission have made good progress on strengthening the security and development nexus. In order to take these efforts further four key areas have been identified: strategic planning, security sector reform, partnerships with regional and sub regional organisations, and the relationship between humanitarian aid and security.

2) Towards an ODA plus concept: non-ODA financial flows are important for development, but their impact on developing countries depends on the policy framework. The PCD work programme will provide the policy framework for harnessing the potential of non-ODA financial flows for development and increasing their development value both at Community and at Member States level.

The PCD work programme will provide guidance for an ODA-plus concept and for the provision and tracking of financial sources that contribute to sustainable development and global public goods but are distinct from ODA.

It will also inform discussions about the next EU financial perspectives and in particular the structure of external spending as well as the identification of financial flows to developing countries from internal policies financial instruments.

To take the work on the priority PCD issues forward, Member States and the Commission will use all existing instruments to enhance PCD, including inter-service consultations, impact assessments and inter-service groups, to generate the necessary knowledge and identify policy options. The Commission will also pay particular attention to dialogue with developing countries on the priority PCD issues.