

## Policy Coherence for Development

### Why is Policy Coherence for Development important?

Policy Coherence for Development (PCD) is potentially one of the most powerful instruments that can have a significant and long-term impact on sustainable development, poverty eradication and respect for human rights. PCD's importance is becoming even more relevant in an environment where development cooperation is coming under pressure. However, making sure PCD is implemented is an enormous challenge in which transparency and political commitment are decisive factors.

The term 'Policy Coherence for Development' was first coined by the OECD/DAC, which worked on translating the concept into policy recommendations in the late 1990s. According to the OECD definition, policy coherence for development means working to ensure that the objectives and results of a government's development policies are not undermined by other policies of that same government which impact on developing countries, and that these other policies support development objectives, where feasible. With article 208 of the Lisbon Treaty, PCD became a treaty obligation for EU institutions and member states (MS) in 2009.

This policy digest will look at some main policy developments concerning PCD in the EU and in other international forums. It will also address some PCD issues on MS level and discuss the aspects CSOs can address in order to enhance the awareness and commitment to PCD.

### What are the PCD related issues that need to be understood?

It is becoming increasingly obvious that aid is only one of the elements needed for solving the problems of global poverty, inequalities and unsustainability. In order to maximise its contributions, effective development cooperation and PCD should go hand in hand when planning development activities.

From a development perspective, policy coherence implies that in pursuing national or EU policy objectives in crucial areas such as trade, finance, agriculture, fisheries, migration, security, climate change and environment, the EU and MS governments, as a minimum, avoid negative consequences which would adversely affect the development prospects of the countries of the Global South. More positively, PCD also implies that when designing domestic policies, governments actively look for ways to exploit the potential for positive spillovers and consequences for developing countries from these policies. By now, various stakeholders have realized that there is a need to go beyond the 'do no harm' approach of PCD and to look for more pro-active integration of development objectives into EU and national policies.

Pursuing EU's own prosperity through different policies is not necessarily in conflict with development prospects abroad. But on more than one occasion EU's or Member States' policies do not prevent the counterproductive effects on development objectives in developing countries. The EU export subsidies for beef, pork and dairy products are an important case in the point. With its right hand the EU has been supporting

the livestock holders and breeders in some parts of Africa, while with its left hand EU has been undermining their position by supporting EU farmers with export subsidies and creating unfair competition<sup>1</sup>. Also, the fact that OECD countries provide agricultural subsidies to their farmers, while developing countries are encouraged to export agricultural produce to world markets, makes little economic sense, and even less sense in terms equity and justice<sup>2</sup>. Migration is another case in point. Remittances sent home by migrants are welcomed by developing countries, but at the same time policies promoting the migration of skilled health professionals to the developed world may result in brain drain and reduce the impact of aid spent on health systems in those same developing countries<sup>3</sup>.

### What has happened so far regarding PCD on EU level?

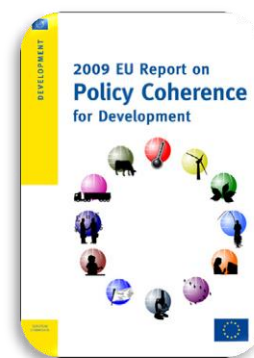
In 2005, the **European Commission** identified the concept of PCD as a tool to achieve the Millennium Development Goals (MDGs). The principle of PCD is enshrined in the European Consensus on Development<sup>4</sup> which states that *“the EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries, and that these policies support development objectives”*. Non-development policies shall assist developing countries in attaining the MDGs.

With Article 208 of the **Lisbon Treaty** (signed in December 2007, effective since December 2009), PCD became a treaty obligation: *“The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.”* The article implies that all EU policies must be in support of developing countries' development needs, or at least not contradict the aim of poverty eradication.

Already in May 2005 Council Conclusions, the commitment to the implementation of PCD was reaffirmed by the EU member states and the following twelve **priority areas** were identified: trade, environment and climate change, security, agriculture, bilateral fisheries agreements, social policies (social dimension of globalisation, employment and decent work), migration, research and innovation, information technologies, transport and energy. In 2009, the EU PCD agenda was

made more operational and the focus was reorganized around five ‘global challenges’: trade and finance, climate change, food security, migration and security.

In 2010, European Commission presented the **Policy Coherence for Development Work Programme 2010-2013**,<sup>5</sup> structured according to these five priority areas. The Work Programme guides the work of the EC and serves as an inspiration for MS in their PCD work. In order to record the progress done on the implementation of the PCD, the **European Commission publishes reports on PCD** every two years. So far three progress reports have been published and the next one is expected in the end of 2013<sup>6</sup>.



EU Member States confirmed their commitment to implement the concept of PCD several times through the **Council Conclusions**. Among other Council Conclusions related to various PCD issues, there have been three specific Council Conclusions on PCD in 2006<sup>7</sup>, 2009<sup>8</sup> and 2012<sup>9</sup>.

The EC regularly meets with an informal group of **PCD contact points** from EU member states to exchange information and good practice and to promote strengthening of PCD processes in the EU. The Unit DEVCO A1 coordinates PCD work of the EC and PCD contact points have been appointed in numerous other Commission Directorate Generals (e.g. in DG Trade, DG Home etc.).

The **PCD inter-service group** active in the EC includes participants from different directorate-generals connected to policy areas with PCD challenges. Within the group they exchange views on PCD issues and act as

<sup>1</sup> *Agricultural Policy in Kenya: Issues and Processes*, Patrick O. Alila and Rosemary Atieno, 2006.

<sup>2</sup> <http://www.oecd.org/development/pcd/25507214.pdf>

<sup>3</sup> *Ghana's Traders, Lumberjacks and Fortune Hunters*, Sarah Hardus, Evert Vermeer Foundation, 2010.

<sup>4</sup> European Consensus on Development, 2006.

<sup>5</sup> Commission Staff Working Document: *Policy Coherence for Development Work Programme 2010- 2013*.

<sup>6</sup> <http://ec.europa.eu/europeaid/what/development-policies/policy-coherence/>

<sup>7</sup> Council Conclusions on Integrating Development Concerns in Council Decision-Making, 17 October 2006.

<sup>8</sup> Council Conclusions on Policy Coherence for Development, 17 November 2009.

<sup>9</sup> Council conclusions on Policy Coherence for Development, 14 May 2012.

PCD focal points in their services. One of the main tools for EC for implementing PCD in policy making is through **impact assessments**<sup>10</sup>. The EC has an obligation to undertake ex-ante impact assessments in order to assess the likely impact of any major new EU regulations or policies in terms of economic, social and environmental impact. Specific questions on the likely impacts on third countries and developing countries in particular have been added in 2009. The actual use and effectiveness of such impact assessments have been questioned by numerous CSOs<sup>11</sup>.

The **European Parliament** (EP) is also working on PCD and in a resolution adopted in 2010<sup>12</sup> it called for the production of a biennial parliament report on PCD as well as the nomination of a Standing Rapporteur for PCD in the EP Development Committee. The current second PCD rapporteur is MEP Charles Goerens (the first was MEP Birgit Schnieber-Jastram). In its resolutions concerning PCD the parliament has, among others, called for structured annual meetings with national parliamentarians to strengthen PCD.<sup>13</sup> PCD is also now on the agenda of every Development Committee meeting.



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The **European External Action Service** (EEAS) as the policy-making body of the EU's foreign affairs and security policy as well as the coordinating body of the EU delegations has an important role to play in ensuring PCD. The EEAS is involved in the EC PCD coordination mechanisms, such as in the PCD inter-service group. But the biggest role for EEAS in ensuring PCD lies in the opportunity to having political dialogue with third countries and local stakeholders and to facilitate discussion of the impact of EU policies on those countries, through EU delegations. The EEAS has the potential to ensure more evidence-based PCD and to

strengthen the monitoring of EU policy impacts on the ground<sup>14</sup>. The Council Conclusions of May 2012 do ask that EU delegations play 'a crucial role' in organising multi-stakeholder dialogues in countries on EU policy impacts but a year later, still no concrete instructions and guidance have been provided to them by the EEAS and DG DEVCO on how to operationalize this.

The **Cotonou Partnership Agreement** that provides a framework for the relations between the EU and 79 countries from Africa, the Caribbean and the Pacific (ACP) includes an explicit reference to PCD in its **article 12**<sup>15</sup>. This article also provides for the consultation of ACP countries by the EU at an early stage on measures that might affect their interests. Furthermore, article 12 allows ACP countries to transmit their concerns in writing and submit suggestions for amendments. These PCD measures, however, are currently not being actively and widely used.

### PCD issues on the Member States level

The level of implementation of the concept of PCD differs in the **EU Member States** (MS). While some of the older MS (such as Sweden, Finland, the Netherlands, Denmark, Belgium, Germany, Ireland) have longer experience with putting PCD into practice, many of the newer MS need to build the capacities in this regard and increase the level of understanding of the concept which will enable to create mechanisms for its implementation.

In **Sweden**, all departments of the Swedish government are responsible for ensuring their policy area is in compliance with the whole of government responsibility for PCD, as noted in the Policy for Global Development (PGD). The government office furthermore outlines a set of goals and results indicators for implementing the PGD on which each ministry has to report biannually to the Parliament. The main responsibility for monitoring and supporting compliance with PGD rests with a unit in the Ministry of Foreign Affairs (MFA). This unit drafts guidelines for policy formulation, operational planning and provides research and analysis on global and thematic development issues.<sup>16</sup>

The **Czech Republic** can be designated as a pioneer in PCD among the newer EU Member States. A special PCD working group has been established under the inter-ministerial Council on Development Cooperation. At the development cooperation department of the

<sup>10</sup> European Commission Impact Assessment Guidelines, 15 January 2009.

<sup>11</sup> *Spotlight on EU Policy Coherence for Development*, CONCORD 2011.

<sup>12</sup> <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0174&format=XML&language=EN>

<sup>13</sup> An inter-parliamentary meeting on PCD and donor coordination took place on 23rd April 2013:

<http://www.europarl.europa.eu/webnp/cms/lang/en/pid/1839>

<sup>14</sup> CONCORD EEAS Review 2013

<sup>15</sup> The Cotonou Agreement, signed in 2000, revised in 2005, 2010.

<sup>16</sup> *Insights from Developments in National Policy Coherence for Development Systems*, ECDPM discussion paper, April 2014.

MFA additional capacity has been mobilized, thematic PCD priorities have been identified and coordination processes within the MFA and with other ministries have been put in place.<sup>17</sup>

### OECD and PCD

Since early 1990s the OECD has worked on PCD promotion among its members. The OECD approach to PCD defines it as a three-phase cycle:

- setting and prioritising objectives: political commitment and policy statements;
- co-ordinating policy and its implementation: policy co-ordination mechanisms;
- monitoring, analysis and reporting: systems for monitoring, analysis and reporting about PCD.

This cycle has been an important part of carrying out DAC peer reviews since 2002.

The OECD Strategy on Development<sup>18</sup> comprising emphasis on PCD was launched at the OECD's 50th Anniversary Ministerial Council Meeting. In 2007 the OECD established a unit in the Office of the Secretary General to promote PCD and set up a **Network of National Focal Points for PCD**. In 2011, it launched a **web-based International Platform on PCD** where numerous studies and experiences concerning PCD are shared.<sup>19</sup> The EC works closely with the OECD on promoting PCD.

### Post-2015 Agenda and PCD

Various stakeholders are realizing the need to include PCD strongly in the Post-2015 development agenda. Already in the UN MDG review summit in 2011 the importance of PCD was stressed. The UN System Task Team on the Post-2015 Development Agenda has included PCD in its report "Realizing the future we want for all"<sup>20</sup>. The EC also recognizes that apart from aid, "Policy Coherence for Development plays a major role in eliminating poverty and achieving sustainable development" and finds that this concept should be given a significant place in the future framework<sup>21</sup>.

<sup>17</sup> Read more about MS & PCD issues from CONCORD Report *Spotlight Report on Policy Coherence* (2009) and *EU Member States on the road towards more Policy coherence for Development* (2012), available at: [http://www.coerencia.pt/\\_files/ToolsCoerencia.pdf](http://www.coerencia.pt/_files/ToolsCoerencia.pdf)

<sup>18</sup> Framework for an OECD Strategy on Development, May 2011.

<sup>19</sup> <https://community.oecd.org/community/pcd>

<sup>20</sup> [http://www.un.org/en/development/desa/policy/untaskteam\\_undf/report.shtml](http://www.un.org/en/development/desa/policy/untaskteam_undf/report.shtml)

<sup>21</sup> EC Communication: *A decent life for all: Ending poverty and giving the world a sustainable future*, 27 February 2013.

PCD is also part of the OECD approach to post-2015. CSOs in CONCORD find that PCD will be fundamental for the success of the future development framework. But PCD in statements is not enough – mechanisms will need to be established to make a reality of PCD, including a monitoring mechanism and a means for redress.<sup>22</sup>

### What are CSOs doing concerning PCD and what still needs to be done?

Numerous CSOs have taken up PCD issues in their work agendas on multiple levels, such as in awareness raising, research projects and advocacy work. Even a bigger number of CSOs are working on issues that are connected to PCD without even realising it.



A significant number of the EU MS lack strong political commitment to PCD and capacities to implement it. PCD is a political issue and it is important to **develop and sustain the necessary level of political commitment** and CSOs have a role to advocate for it. Discussions and work on PCD cannot be limited to the 'traditional' governmental actors, such as development cooperation departments at the MFAs or DG DEVCO in the EC. Dialogue and advocacy has to reach further also to actors in other policy areas that have big influence on development objectives, such as environmental, financial, security and trade areas.

In addition to the political commitment, there is the need on both EU and national levels **to establish functional institutional arrangements and mechanisms for PCD**. At the national level, PCD units at the Ministries of Foreign Affairs should be established and coordination of the MFAs with other ministries should be ensured. At the EU level, more priority could be given to PCD in relations with developing countries. Adequate space also needs to be given to affected stakeholders to make complaints and to have a monitoring system in place to address harmful effects of EU policies on sustainable development in the third countries and to revise those policies.

<sup>22</sup> *Putting People and Plant at First Place. Business as Usual is Not an Option*, CONCORD - Beyond 2015 European Task Force Recommendations for the Post-2015 Framework, March 2013.



There is a need to **increase the level of understanding of PCD** issues among the decision makers, media, CSOs as well as general public. The concept of PCD is often hardly known, or perceived as a distant, technocratic and complicated issue. Policy Coherence for Development is often confused with other terms such as consistency between policies or with policy coordination. In this regard, the media is an important actor who can catalyse the discussion on PCD in the national and EU context and involve both decision makers and the general public. CSOs have a role to play in the awareness raising.

In order to promote the concept of PCD at the national and EU level, right type of **knowledge input** is needed. CSOs have the position to receive information from their partners on the ground in developing countries concerning incoherencies or positive effects of coherent policies which can be used for research. There is also space to engage with research networks and non-development CSOs who have expertise on specific PCD issues and can contribute to the assessment of incoherent EU and national policies.

Many CONCORD members carried out policy and advocacy work on PCD issues through the **CONCORD PCD Working Group** and thematic working groups and task forces such as European Food Security Group, Human Security, Migration Caucus, Trade Reference Group, Climate Change Task Force and Raw Materials Task Force. Many analyses and case studies are published by the NGOs active there.

CONCORD also publishes the biennial **Spotlight report on PCD**. The next report will be published in autumn 2013. Southern perspective will be a central element of the report and it will include case studies about EU policy effects on people in the South.

CONCORD also offers trainings on how CSOs could work on PCD, based on their Guide of Good Practice that captures the lessons learned from experienced CONCORD members.

Seven new MS development CSO platforms (Estonian, Czech, Hungarian, Polish, Romanian, Slovak, Slovenian) are active in the 3-year project "World-Wise-Europe: A more coherent Europe for a fairer world" which focuses on PCD in these countries and will include research and awareness raising on PCD issues.



## What can I do?

- Promote and raise awareness about the concept of PCD among policy makers, the media, in your own organisation and other civil society organisations.
- Advocate for political commitment for PCD and maintenance of the commitment.
- Advocate for implementation of PCD in your country and in the EU.
- Engage in research or assessments on PCD issues together with your partner organisations from the South.
- Build alliances with other non-development CSOs in your country who have expertise in particular PCD thematic issues.
  - Join CONCORD PCD working group and ask for training.

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