

Discussion Paper

No. 101

August 2010

EU Policy Coherence for Development: from moving the goalposts to result-based management?

Niels Keijzer

www.ecdpm.org/dp101

EU Policy Coherence for Development:

from moving the goalposts to result-based
management?

Niels Keijzer

August 2010

Table of Contents

Acknowledgements	iv
Acronyms	iv
Executive Summary	v
1. Introduction	1
1.1 The history of a concept: from ‘scandals’ to legal commitments.....	1
1.2 1992-2009: institutional experiments, monitoring and ‘natural limits’	4
2. The Council’s discussion of the 2009 EU report on PCD.....	7
3. The potential role of impact assessments in promoting PCD	9
3.1 Current impact assessment mechanisms	9
3.2 Key features of the European Commission impact assessment system.....	12
and its relevance to PCD.....	12
3.3 Some ideas for improving the use of impact assessments for.....	13
promoting PCD	13
4. The role of indicators in promoting PCD	15
4.1 The process of preparing the Work Programme and key terms	15
4.2 Practical and methodological challenges	16
4.3 Some suggestions for relevant and useful PCD indicators.....	17
4.4 Monitoring and using the indicators	19
5. Analysis of the European Commission’s proposal for an EU Work Programme on Policy Coherence for Development	19
6. The prospects for ‘global public guts’ in a Union under stress	23
Bibliography	28
Annex A: General elements for creating effective PCD mechanisms	29
Annex B: Outstanding issues identified in the 2009 EU biennial report on PCD	31
Annex C: The five areas and their specific priorities	36
Annex D: Excerpts from recent impact assessments on developing countries	37
Annex E: Possible dimensions for country typologies.....	38

Acknowledgements

This Discussion Paper analyses the present state of play in the European Union's efforts to promote the coherence of its policies with development objectives, with a particular focus on the attempts to strengthen result orientation.

The introductory chapter has been adapted from Keijzer, N., Mackie J. and Gavas, M. (2010) 'Promoting EU Policy Coherence for Development' In: DIE, ECDPM, FRIDE AND ODI. (2010). *New Challenges, New Beginnings – Next Steps in European Development Cooperation*. London: Overseas Development Institute.

Comments on an earlier version of this paper by Paul Engel, James Mackie, Eleonora Koeb, Jeske van Seters, Henrike Hohmeister and Eunike Spierings are gratefully acknowledged.

Though the production, publication and dissemination of this paper were supported financially by the Swedish Ministry of Foreign Affairs and the United Kingdom Department for International Development (DFID), the author bears full responsibility for its contents, which should not be attributed to any other person or institution.

Acronyms

ACP	Africa, Caribbean and Pacific
DG	Directorate-General
EC	European Commission
EP	European Parliament
EU	European Union
FLEGT	EU Forest Law Enforcement Governance and Trade (FLEGT) Process
IA	Impact Assessment
ODA	Official Development Assistance
PCD	Policy Coherence for Development
SPS	Sanitary and phytosanitary measures
TRIPS	Trade-Related Aspects of Intellectual Property Rights
WTO-DDA	The Doha Development Agenda in the context of the World Trade Organisation

Executive Summary

1. The 1992 Maastricht Treaty imposed a legal requirement on the European Community to try and improve the coherence of European policies promoting development. The Lisbon Treaty, which entered into force in December 2009, extends this obligation to the whole Union, and expresses it as follows: *'The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries (Art. 188D).'*
2. Recent EU policy proposals note that greater globalisation has led to EU's policies on developing countries having many more systemic 'side effects'. The old dividing line between the EU's domestic and external policies is rapidly losing relevance. Notwithstanding these changes and the legal obligation in the Treaties, the EU has until not really been successful in fundamentally reforming some of its more obviously incoherent policies. In the presence of this continued gap between aspirations and reality, the Union runs the risk of seeing its own ambitions become the greatest threat to its international credibility and legitimacy.
3. External evaluations as well as the two EU biennial reports on PCD that have been published in 2007 and 2009 have shown important variations between member states in the efforts they make to promote PCD both at home and in Brussels. This pattern results from highly differing degrees of political importance attached to development cooperation in general and PCD in particular across the different member states, and has hampered progress made in European policy processes.
4. In addition to the efforts made to prioritise the areas of focus, the member states and the EU institutions have put in place mechanisms for promoting policy coherence for development (PCD), i.e. formal and systematic efforts to foster PCD in a given context. Such mechanisms can be divided into three categories:
 - (1) explicit policy statements of intent;
 - (2) administrative and institutional mechanisms;
 - (3) knowledge-input and knowledge-assessment mechanisms.
5. Following earlier evaluations that noted a relative lack of investment in the third type of PCD mechanism, the EU Council asked the Commission in November 2009 to prepare a Work Programme for the period 2010-2013, to *'(...) establish a clear set of objectives, targets and gender-disaggregated indicators to measure progress'* in five areas in which the EU wants to engage more pro-actively and intensively:
 - (a) trade and finance;
 - (b) climate change;
 - (c) global food security;
 - (d) migration;
 - (e) security.

Technical though it may seem, the request essentially seeks to clarify the Union's ambitions in terms of PCD and to improve its accountability in this respect.

6. While the Commission was tasked with preparing this Work Programme, the EU Foreign Affairs Council recognised in its most recent meeting on 14 June 2010 that '(...) *political ownership of the PCD agenda and awareness of development objectives in all relevant parts of the EU institutions and member states is crucial for success*', implicitly recognising that the Commission can not do this on its own and that there is still much to be done. The Council hence recognises that the successful promotion of PCD is more than just about having the right arguments and ensuring sufficient technical and analytical support and is first and foremost a political undertaking.
7. This ECDPM discussion paper analyses the PCD Work Programme published in the 2010 EC Spring Package and assesses the degree to which the EU has succeeded in improving the result orientation of PCD. Recognising that the EU is still at the start of the process, the paper aims to make a modest contribution to it by analysing the prospects for further improvement in two areas relevant to the Work Programme: impact assessments and PCD indicators.
8. Concerning the first area, there are a variety of mechanisms for assessing the actual or anticipated impact of EU policies in developing countries. Commentators tend to be most hopeful about the Commission's *ex-ante* impact assessments (IAs) and the formal role allotted to these in the Work Programme. Following an analysis of the potential as well as the actual performance of IAs in assessing the potential impact in developing countries, we make various suggestions for improving their relevance to PCD. These include creating a 'body of knowledge' by accumulating the PCD lessons learned from existing IAs and making this available to those who could put it to use; and improving the specificity of IAs by suggesting dimensions that could be used to create a typology of developing countries, given that the same EU policies affect different developing countries in different ways.
9. In relation to PCD indicators, we put forward a number of working definitions of PCD indicators at different levels of intervention (from input to outcome), stressing the challenges in using indicators to promote PCD. The latter include the need to combine quantitative and qualitative data, deal with problems relating to the reliability and completeness of data, as well as the specific properties of indicators (including gender disaggregation). The paper suggests various means of monitoring the PCD Work Programme.
10. Following this exploration of IAs and indicators for PCD, the paper continues with an analysis of the PCD Work Programme. While providing a basis for further dialogue, the Work Programme is found to suffer from a number of shortcomings:
 - a. The majority of the indicators identified in relation to the targets are not SMART¹ and lack baselines. In some cases, definitions of indicators and targets appear to have been mixed up. The indicators in the Work Programme are also 'gender-blind', with the exception of the section on 'enhancing migrants' rights and gender balance'.
 - b. The Work Programme includes 'IAs looking at the potential impact on developing countries' among the indicators of the PCD Work Programme. It is however illogical to regard these as an indicator of progress since the 2009 revised Commission guidelines for IAs already requires the Commission to do so.
 - c. It is not clear whether the targets and indicators are appropriate and sufficiently ambitious with regard to the objectives to which they relate, given that these objectives are implied rather than explicitly stated in the Work Programme.

¹ In the sense of being Specific, Measurable, Attainable, Relevant and Time-bound.

- d. It is a shame that no systematic use has been made of the outstanding points identified in the 2009 EU Report (based on the questionnaires submitted by the member states and EU institutions; see Annex B).
 - e. Finally, the Work Programme does not clearly outline the respective roles to be played by the EU institutions and the member states in taking it further and is reactive rather than proactive as far as dialogue on PCD with developing countries is concerned.
11. However, the weakness of the above critique is that it implies a technical formulation process. In reality, the targets and indicators for each of the five areas were 'negotiated' by five different inter-service groups of varying composition. The resultant text for each area in the PCD Work Programme largely reflects the quality of the dialogue process in the respective groups.
12. After analysing the outcomes of the discussion of the Work Programme in the 14 June Foreign Affairs Council meeting, the final chapter of this paper makes recommendations in three areas. These are intended to ensure that the European Union shows 'global public guts' in the difficult period ahead.

The three areas are as follows:

- a. First of all, the institutional changes propelled by the Lisbon Treaty should result in proper attention being given to, responsibility taken and resources allocated for the promotion of PCD in the wider context of European external action. Among other issues, this requires lines of accountability to be clear and transparent, formal mandates to empower existing mechanisms to more effectively promote PCD, and appropriate and adequate financial and human resources in Brussels and the field;
 - b. Secondly, there is a need to step up investments and efforts in moving from the current supply-driven approach to a multi-stakeholder dialogue. Rather than being a 'service' of the European Union to its partners in the South, Policy Coherence for Development will continue to be a right that will be claimed most successfully by those actors who are directly concerned. The Council has at different times stressed the importance to facilitate engagement in and inclusion of PCD in dialogue with the EU's partner countries, but unfortunately the Work Programme does not reflect this need for a proactive approach. There are however also promising signs for a more inclusive and broad dialogue in Europe, and the Work Programme may play a role in various fora;
 - c. Finally, more and better work needs to be performed in the field of impact assessment, including an analysis of the potential of specialist 'development impact assessments'. While the *ex-ante* impact assessments managed by the Commission are formally required to look into the potential impact of policy options on developing countries, these assessments will not immediately give greater prominence to PCD in the absence of accompanying investments. Such investments could include additional *ex-post* research, assigning a dedicated focal point for PCD in EU Delegations, and considering specialist 'development impact assessments'.
13. The main conclusion of this paper is that the only way for Europe to move forward with PCD and consolidate its international credibility and legitimacy under the present multitude of global challenges is through combining further strengthening its technical competencies with showing ample 'global public guts' through its interventions and decisions.

1. Introduction

'My fifth key priority concerns policy coherence for development. I will work hard to make sure that all the EU policies really have a development component, whether they are trade, agriculture, fisheries and many more. I am aware that this will not always be easy, but you can count on my determination.'

EU Commissioner for Development Andris Piebalgs, during his European Parliamentary Hearing on 11 January 2010.

Few examples capture the EU's reputation in the field of international development cooperation so well as the idea of Policy Coherence for Development or PCD, to use its shorthand form. While the Union's collective contribution to development cooperation amounted to €49 billion in 2009,² it is perhaps better known as the block of countries that arguably has the highest level of ambition for international development cooperation, but which at the same time is known as 'Fortress Europe' and has until now been unsuccessful in fundamentally reforming some of its more obviously incoherent policies. Such incoherence goes beyond inefficiency and maladministration because it reduces the Union's political credibility both inside and outside its geographical borders. For example, the impact on regional integration in Africa of the negotiations on 'Economic Partnership Agreements' (which has been well-documented) is currently the elephant in the room at every EU-Africa meeting.³ At a time when emerging powers such as China, Brazil and India are engaging with developing countries on a 'mutual benefit' basis, the EU hence runs the risk of seeing its own ambitions become the greatest threat to its international credibility and legitimacy.

1.1 The history of a concept: from 'scandals' to legal commitments

Although the EU has acknowledged the importance of avoiding incoherencies between policies since its very inception, it may well be safe to argue that we would probably never have used the term 'PCD' if there had not been a Common Agricultural Policy (CAP). Using the analogy of 'giving with one hand and taking away with the other', NGOs have been pursuing and exposing cases of incoherent policy-making for more than 20 years, primarily in the context of trade and the CAP. Many of these cases illustrated how countries receiving EU aid for agricultural development were at the same time 'flooded' with heavily subsidised agricultural produce from Europe.⁴

² Source: European Commission (2010). 'Staff Working Document (SEC(2010)420): Financing for Development - Annual progress report 2010: Getting back on track to reach the EU 2015 target on ODA spending?'. Brussels: European Commission.

http://ec.europa.eu/development/icenter/repository/SEC_2010_0420_COM_2010_0159_EN.PDF

³ For instance in Bilal, S. and Braun-Munzinger, C. (2008) EPA negotiations and regional integration in Africa: Building or stumbling blocs Paper prepared for the Trade Policy Centre in Africa (trapca) 3rd Annual Conference "Strengthening and deepening economic integration in LDCs: current situation, challenges and way forward" Arusha, Tanzania 13-15 November 2008. Paper available at www.ecdpm.org

⁴ Some of these early cases are documented in Koulaïmah-Gabriel, A., and A. Oomen. (1997). Improving Coherence: Challenges for European Development Cooperation. (Policy Management Brief No. 9). Maastricht: ECDPM. www.ecdpm.org/pmb9

Policies seeking to attain development objectives may become incoherent as a result of:

- i. a real or perceived conflict of interest between different groups in society. For example, some people believe it is entirely logical to assist farmers in developing countries, whilst others feel that EU farmers should take precedence;
- ii. an unequal power relationship between those promoting the interests of developing countries and powerful lobbies in Europe;
- iii. lack of knowledge of the impact of EU policies;
- iv. the EU's complex decision-making structure;
- v. the diversity of the developing countries themselves: not all EU policies are equally advantageous (or disadvantageous) to all developing countries.

Following the exposure and the public discussion of instances in which EU policies adversely affected the interests of developing countries, the 1992 Maastricht Treaty introduced a legal requirement for the European Community to try and improve the coherence of European policies for promoting development. The Lisbon Treaty, which entered into force in December 2009, extends this obligation to the whole Union, expressing it as follows: *'The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries (Art. 188D).'*

In previous years, the importance of promoting coherence was given political weight by statements such as the 2005 EU Consensus on Development. In addition to christening it 'Policy Coherence for Development', the EU Consensus detailed the Union's ambition by defining the process of achieving it as *'ensuring that the EU takes 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.'*⁵ The EU Consensus also referred to 12 policy areas in which progress in relation to PCD should be monitored and achieved over time.⁶

Recent EU policy proposals observe that expanding globalisation has led to the EU's policies for developing countries having many more 'side effects' of a systemic nature. It is clear that the old dividing line between the EU's domestic and external policies is rapidly losing relevance. It is equally clear that putting PCD into practice has not become easier as a result of this ongoing process of change, as it involves finding and using opportunities for promoting synergies between a multitude of policy-making machineries, each of which is designed to promote its own coherence (e.g. mainstreaming environmental concerns, avoiding protectionist measures).

The gradual blurring of policy boundaries notwithstanding, there are still many cases of policy incoherence in which one can distinguish clear competing interests involved and the stakeholders these represent. One case from 2009 is detailed in the following box.

⁵ The EU took advantage of earlier explorations by the OECD's Development Assistance Committee, which since 2000 has included an assessment of Policy Coherence as part of its 'peer review' process. See: OECD (2008). Synthesis Report on Policy Coherence for Development. Paris: Organisation for Economic Cooperation and Development. www.oecd.org/dataoecd/21/10/41558897.pdf

⁶ These twelve areas are trade, the environment, climate change, security, agriculture, fisheries, the social dimension, migration, research and innovation, the information society, transport and energy.

Box 1: Recent cases of shipments of medicines being detained by EU Customs

Trade policies have had a growing impact on access to essential medicines in the past two decades. This has been particularly due to the WTO agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Key in this agreement is the idea of using patents to protect intellectual property rights. Patents are defined as “(...) *legal protections that give the inventor or owner of an idea the exclusive right to certain benefits deriving from their original idea.*”⁷ This model, however, is not conducive to developing countries, which cannot afford the cost of obtaining branded versions of HIV/Aids drugs in high volumes. The retail prices of branded medicines are usually a multiple of those of ‘generic’ medicines, i.e. drugs produced and distributed without patent protection.

In the first half of 2009, reports appeared in the media concerning two cases in which generic medicine shipments were detained at Amsterdam Airport. The first concerned a shipment of hypertension medicines from India to Brazil and the second involved a shipment of HIV/Aids drugs to Nigeria. The first shipment was sent back to India after a ‘violation of patents’, whereas the second shipment was blocked despite the issue of a ‘statement of no objection’ by the patent-holder, Glaxo-Smith Kline. The specific problem here is that HIV/Aids patients in developing countries require a constant and reliable supply of medication, as even an interruption of just one month in treatment could lead to the HIV virus becoming resistant to the drug combination used. The two seizures were part of DG Taxation and Customs’ ‘Medi-Fake’ operation, which resulted in the seizure of over 34 million pills in two months, on the basis of a risk profile disseminated by the Commission.⁸

The medicines were seized under Council Regulation (EC) No. 1383/2003 concerning customs actions against goods suspected of infringing certain intellectual property rights.⁹ This Regulation gives patent-holders the right to ask Customs to temporarily detain goods in transit if there is any risk of their intellectual property rights being violated. The Dutch Minister for International Trade subsequently questioned whether, in situations such as these, it would not be desirable to make the transit of generic medicines dependent on the patent-holder. The Minister reiterated the Dutch government’s position that developing countries’ access to medicines needs to be better protected.¹⁰

A few months before these incidents, the Commission had been invited by the Council to examine existing customs legislation. The need to ensure that the EU’s framework does not hinder the legitimate trade in (generic) medicine will be taken into account in this process. In April 2009, the EU Commissioner for Trade wrote to the European Parliament, stating that: *“The explicit right of the ACP to regulate their own markets will be recognised and there will be no limitation of access to essential medicines or collecting seed – in fact we would rather seek to strengthen than limit ACP rights and capacity in these areas.”*¹¹

Since the incidents took place, no fundamental amendments have been made to the aforementioned EU Council Regulation. The issue has, however, been the subject of much debate, resulting in greater awareness of the importance of predictable and reliable exports of generic medicine throughout Europe. The fact that no major incidents have taken place since may suggest that EU pharmaceutical companies are now exercising greater restraint in using the Regulation to inspect transit shipments of medicines.

⁷ ActionAid, Christian Aid and Oxfam (2008)

⁸ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1980&format=HTML&aged=0&language=en&guiLanguage=en>

⁹ The EU legislation is available at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:196:0007:0014:EN:PDF>

¹⁰ The letter to the Dutch Parliament is available at <http://www.ez.nl/dsresource?objectid=163702&type=PDF>

¹¹ EU Trade Commissioner Ashton, asking the European Parliament to give its assent to the CARIFORUM-EU Economic Partnership Agreement, 23 March 2009.

See: http://ec.europa.eu/commission_barroso/ashton/speeches_articles/spca009_en.htm

1.2 1992-2009: institutional experiments, monitoring and 'natural limits'

The first efforts to systematically monitor Europe's progress were launched in 2005, when the EU Council invited the European Commission to prepare a biennial report on the EU's performance in the 12 areas defined in the EU Consensus. The Commission prepared and published the first two reports in 2007 and 2009. They served as key input for discussions on PCD in the November meetings of the General Affairs and External Relations Council.

In addition to progress made in the 12 areas, the biennial reports also focused on efforts made by EU member states and institutions in relation to the realisation of specific 'mechanisms' for promoting PCD: formal and systematic efforts to foster PCD in given contexts. These mechanisms can be divided into three categories:

- (1) explicit policy statements of intent;
- (2) administrative and institutional mechanisms (such as inter-departmental coordination committees and specialist coherence units);
- (3) knowledge-input and knowledge-assessment mechanisms (information and analysis capacity) (Mackie et al, 2007).

These concepts also featured in the two biennial EU reports on PCD published in 2007 and 2009. They have also been raised by the Organisation for Economic Cooperation and Development (OECD), which, based on a synthesis of peer reviews between 2003 and 2007, distinguishes three essential 'building blocks' in a PCD cycle:

- (i) setting and prioritising objectives,
- (ii) coordinating policy and its implementation, and
- (iii) monitoring, analysis and reporting (OECD, 2008).

Mechanisms for promoting PCD commonly comprise different features and vary from one country to another, depending on the national political and administrative context. For this reason, they should always be considered in a broader context. Promoting policy coherence should not be studied in splendid isolation, but should be seen as part of the regular process of policy formulation, refinement, adoption and change. Policies are constantly being reviewed, improved and adjusted to make them more effective, and promoting PCD should therefore be seen as part of this. Although governments committed to policy coherence will seek to reduce or eliminate trade-offs between different aspects of policy, there will often remain moments when they are inevitable. For this reason, most formal PCD mechanisms are found in the middle layers of government. Below these levels, efforts to promote coherence will tend to be of a more informal, consultative nature. Higher up, on the other hand, political decision-making and trade-offs will be relied upon in order to overcome unresolved aspects of incoherence (Mackie et al, 2007). This, as well as the two EU biennial reports on PCD that have been published in 2007 and 2009 have shown important variations between member states in the efforts they make to promote PCD both at home and in Brussels. This pattern results from highly differing degrees of political importance attached to development cooperation in general and PCD in particular across the different member states. These differences have stimulated intense debate but have also hampered progress made in European policy processes.

The EU Council formally recognised the need to establish mechanisms for promoting PCD on 10 April 2006, when it invited: '(...) *the Commission and the member states to provide for adequate mechanisms*

and instruments within their respective spheres of competence to ensure PCD as appropriate.'

Mechanisms in the EU member states can both promote PCD in national policies and improve the leverage for promoting PCD in EU policy-making. A joint evaluation of existing mechanisms in the EU concluded in 2007 that, whereas there is no single 'best solution' for promoting PCD, there are a number of elements or ingredients that are worth considering in any situation. These are listed in Annex A to this paper.

The extent to which EU member states and European institutions have put these mechanisms in place can be – and has been – monitored, as has their effectiveness. The 2007 joint evaluation noted that only 12% of the identified mechanisms (i.e. 10 out of 85) were of the third type and focused on knowledge input and assessment. Among other things, this means that, even though a number of EU member states have structures in place for coordinating shared positions on (more coherent) policy decisions, such structures do not necessarily benefit from a steady flow of relevant information and/or regular assessment. Practical progress has thus been hampered by the fact that, although the EU Treaties legally oblige the Union to make an effort, they do not insist that these efforts should be successful.

Another obstacle to measuring progress in PCD is the absence of either a clear 'baseline' that shows how coherent the EU's policies are at a given point in time, or any agreement on how coherent such policies should have become by a given deadline. This means that assessing progress by the EU does not even result in a debate about whether 'the glass is half-full or half-empty', and instead produces disagreement both on the size of the glass and on its contents. In the absence of a sufficiently unambiguous result orientation, one may argue that, when the European Commission claims that the EU has made substantial progress at the same time as EU civil-society organisations describe progress as absolutely disappointing, both of them are in fact making valid points. Throughout the past years, this situation has severely hampered result-orientation in the EU's efforts to promote PCD, and has allowed the EU member states and the Commission to determine their own pace and move the goal-posts along the way.

Although it may be claimed that European taxpayers have a basic interest in preventing conflicts between policies, and that there will always be some degree of incoherence, the regular expression of a demand for PCD is important for legitimising its continued presence on the EU's political agenda.

European civil society has been a major source of such demands. A recent example was the publication of an 'alternative' European report on PCD by a European NGO called the Confederation For Relief and Development (CONCORD). This report explores the effects of various EU policies on developing countries, including in areas not covered by the European Commission such as international finance, and makes recommendations on how to advance PCD more effectively. In doing so, the report takes a much more fundamental look at the EU's policies, thinking 'outside the box' by focusing on sustainable development and the advancement of human rights.¹² The report also argues that – contrary to the implication of the EU's division into 12 areas – PCD is often much more complex than a simple '[single EU policy versus development objectives] equation' (CONCORD, 2009).

The complexity of PCD in practice is illustrated by one of the externally commissioned case studies, on fisheries, that fed into the 2009 EU biennial report:¹³

¹² The report is available at <http://www.concordeurope.org>.

¹³ Adapted from: Mackie, J. et al [forthcoming], 'EU 2009 PCD Report: Preparation of MDG Case Studies.' Study commissioned by DG Development.

Box 2: EU fisheries policy and development in Senegal

From 1979 to 2006, the EU had a fisheries agreement with Senegal. As efforts to renew this agreement in 2006 were unsuccessful, EU fisheries policy is no longer informed by events in Senegal. Yet there are serious fisheries problems in Senegal to which the EU is contributing simply by being the nearest big market with both a high and unsatisfied demand. This demand is encouraging severe overfishing and illegal fishing in Senegalese waters by fishing boats from all over the world.

Although there is a broad consensus that EU fisheries policies are affected by other EU policies (especially trade policy), that the member states also have certain competences in relation to fisheries and that non-EU vessels and markets also play a role in this respect, it is also widely accepted that an effective and joint European policy promoting sustainable fisheries along the West African seaboard would serve both EU and West African interests.

The key issue now is not so much the number of EU boats fishing in Senegalese waters, but far more the impact of the EU as a whole on fishing stocks in Senegal. Any new agreement should therefore address the following issues first and foremost: conservation, regeneration, fisheries management and protection, research, adequate surveillance, and policing. Support also needs to be given to the campaign to move fishermen into new areas of economic activity. Stakeholders interviewed during the fieldwork claimed that young men from fishing communities were risking their lives to emigrate in open boats because they saw only very limited opportunities in traditional livelihoods and no real alternatives.

Some of this latter work on diversification and widening economic opportunities and even the Senegalese government's first steps in regulating artisanal fishing by registering pirogues (small, flat-bottomed boats) can be – and is already being – funded with EU development cooperation funds. However, properly managing the fisheries on the scale that is required is a huge challenge that the EU's Common Fisheries Policy needs to address. A renewed agreement could provide the framework for the EU and Senegal to start working together again on this vital question.

The European Parliament is also an important actor in expressing the demand for more PCD on behalf of the European electorate. The aforementioned joint evaluation of EU mechanisms reported a big increase in the proportion of reports published by the European Parliament's Development Committee on the issue of PCD, and there are promising signs that the new Committee will continue this positive trend.

Addressing members of the European Parliament, former EU Development Commissioner Louis Michel stated that anti-poverty activists were ethically and intellectually correct to point to the damaging effects of the sale of European food in Africa at prices lower than local producers can compete with. However, he felt that they were perhaps politically wrong, arguing that *'there are limits to what we can do. There are limits to what is feasible in political terms.'*¹⁴

This display of 'political honesty' clearly underlines that the act of promoting PCD, no matter how technical it may seem with its mechanisms and consultation processes, is essentially a political undertaking. The successful promotion of PCD is more than just about having the right arguments and ensuring sufficient technical and analytical support. It also requires the presence of a strong political champion in the European Commission, with plenty of political weight and powers of persuasion.

¹⁴ Source: Cronin, D. 'Development Live With EU's Contradictions'. IPS News: <http://ipsnews.net/news.asp?idnews=43186>.

2. The Council's discussion of the 2009 EU report on PCD

In September 2009, the European Commission published a Communication, entitled 'Policy Coherence for Development – Establishing the policy framework for a whole-of-the-Union approach'. In the document, the EC noted that the EU had significantly tightened up its approach to PCD in recent years, and that it had gone through two specific phases since 2005:

- (1) adopting commitments on PCD in the 12 areas;
- (2) sharpening the mechanisms for promoting PCD.¹⁵

As described in the previous chapter, the European Commission has published two biennial reports on its efforts to promote PCD. These reports examined the 12 policy areas defined in 2005 and alluded to the two trends outlined above. The second biennial report was published a few days after the publication of the Communication in September 2009. Compared with the first biennial report published in 2007, the second report contained a couple of changes, including the inclusion of three case studies based on additional empirical research. This research centred on the 2007 Joint Africa-EU Strategy on Millennium Development Goals 1 (i.e. food security) and 6 (i.e. access to HIV/Aids medication). Like the first report, the second report also identifies a number of 'outstanding issues' that need to be tackled in order to promote PCD more effectively. These issues, both of a general nature and specifically in relation to each of the 12 policy areas, have been brought together in annex B to this paper.

The Communication observed that due to closer interactions and ever-intensifying globalisation, other EU policies were having increasingly marked side effects on developing countries. This trend was gradually reducing the relative influence of Official Development Assistance (ODA) on promoting development and broadening the focus of ACP-EU cooperation and policy dialogue. In 2009, the re-orientation of development cooperation was illustrated by the debates on the use of ODA to reduce climate change and to give assistance to refugee camps in developing countries in support of the EU's migration policies. However, it also worked the other way around, as witnessed by the debate on the use of leftover funds from the Common Agricultural Policy to support food security in developing countries.

The European Commission's Communication, which proposed that the EU should engage more proactively in five broader areas,¹⁶ signalled a greater understanding of the interrelationships among European policies, as well as an awareness of the unavoidable consequence of the promotion of PCD: once development policy permits itself to have an opinion about other policies, these policies will subsequently permit themselves to have an opinion about development policy.

On the basis of the Commission's proposal and the 2009 biennial report, the EU Council adopted a set of statements in November 2009 that set out the future of the EU's efforts on PCD. In relation to the biennial

¹⁵ The Communication is available at: http://ec.europa.eu/development/icenter/repository/COM_2009_458_part1_en.pdf.

¹⁶ These five areas are as follows: (1) combating climate change: ensuring the developmental component of EU policies (2) ensuring global food security: taking account of the international dimension, including developing countries' needs in EU policies, (3) making migration work for development, (4) seeking opportunities to use intellectual property rights for development and (5) promoting security and building peace for development.

report's main findings, the Council noted '(...) with satisfaction that the EU has strengthened its approach to PCD over recent years, and that a number of Member States have made official commitments to PCD and increased their capacity to enhance PCD.'¹⁷ Recognising the progress made, the EU member states called, however, for a more 'targeted, effective and strategic' approach: 'Although progress has been made in improving PCD within the EU, the Council agrees that further work is needed to set up a more focused, operational and result-oriented approach to PCD in order to more effectively advance this commitment within the EU at all levels and in all relevant sectors.'

The most important element of the detailed Council Conclusions is the agreement to develop a PCD Work Programme for 2010-2013 setting out the role of the EU institutions and the member states. The Conclusions also contain an outline and the basic 'ingredients' of the work programme:

1. On the basis of the Commission's proposal, the Council has adopted five broad priority areas for a more pro-active engagement on PCD, namely:
 - (a) trade and finance;
 - (b) climate change;
 - (c) global food security;
 - (d) migration;
 - (e) security and development.

2. Area (a) is a significant broadening of the Commission's original proposal, which only suggested looking at intellectual property rights. The Council agreed on specific priorities for each of these areas; these are summarised in Annex C to this paper. The inclusion of finance in the first area goes beyond the 2005 mandate of the EU Consensus, which focused on the 12 policy areas for PCD listed in the biennial PCD reports for 2007 and 2009. These 12 areas will probably also form the focus of the next report, due out in 2011.

3. The proposed objectives and scope of the PCD work plan go much further than the previous 'rolling' work plan adopted during the Austrian EU Presidency in 2006. The plan stresses result orientation and proposes the development of indicators for tracking progress as well as a dialogue on PCD with developing countries.¹⁸

Paragraph 12 of the draft Conclusions lists four requirements for the future work plan:

1. outlining **how** the five priority issues will be addressed;
2. creating **political momentum** in all relevant policy areas for the five issues;
3. establishing a clear set of objectives, targets and gender-disaggregated indicators to **measure progress**; and
4. facilitating a **dialogue on PCD** with developing countries.

With regard to the third point, the annexed table makes clear that some of the priorities set for the five areas are already more result-oriented (e.g. 'reducing transfer costs for remittances') than others (e.g. 'national plans that take account of security and development needs'). In the former area, one can argue that the Council had already done some of the Commission's work by defining certain goals.

¹⁷ The Council conclusions are available at: <http://register.consilium.europa.eu/pdf/en/07/st14/st14921.en07.pdf>.

¹⁸ Several EU member states have noted that the lack of concretisation and result orientation were the main reasons for the relative ineffectiveness of the previous rolling work programme.

The next two chapters of this paper will look at two interconnected approaches which were recognised by the European Commission's Communication and the Council Conclusions as being capable of encouraging a shift to a more strategic and result-oriented approach to the promotion of PCD: impact assessments and the use of indicators for monitoring PCD. While evidently being explored in the context of the April 2010 Work Programme (analysed in the concluding chapter), the ideas presented in relation to impact assessments and indicators may also be of interest to other actors seeking to promote PCD.

3. The potential role of impact assessments in promoting PCD

It is now broadly recognised that gathering more information about how European policies affect developing countries' efforts to achieve the Millennium Development Goals is essential for improving the coherence of the European Union's policies with its development objectives.¹⁹ For the implementation of the future PCD Work Programme, a more pro-active European engagement requires more information on the five priority areas.

Much of this information on the impact of EU policies (either actual or anticipated) can be provided by existing mechanisms. This chapter looks at these mechanisms and describes some of their main characteristics. Although existing mechanisms can be used to gather information on policy outcomes, ensuring that the data is made available and analysed on a timely basis remains a challenge. Another problem is that the current mechanisms do not always distinguish sufficiently between different types of developing countries and regions. If they did, we would be able to learn more about the impact of the EU's policies.

3.1 Current impact assessment mechanisms

The relevance of a mechanism for assessing policy outcomes to the promotion of Policy Coherence for Development lies in the extent to which it is actually used in practice and helps to achieve this objective. Two types of action may be taken in this connection:

- a) adjusting existing policies that adversely affect developing countries on the ground, and preventing new policies from adversely affecting them; and
- b) creating synergies between existing and new policies which are expected to foster development in the south.

Both actions generate different kinds of information needs. The former type of action is considered as posing more of a challenge than the latter. It is difficult to work out whether EU policies 'do no harm' **on the**

¹⁹ In parallel with earlier discussions in the OECD, as well as the results of the joint evaluation in 2007 referred to in the introduction, the 2009 EU Report on PCD recognises this need for gathering, analysing and using information as one of the three essential components for a successful approach to promoting PCD. The other two are (1) an explicit – and preferably legal – commitment to promoting PCD, and (2) institutional mechanisms with a specific mandate to promote PCD.

ground, given that this requires the researcher to establish uncontested and systematic causal links between the implementation of EU policies and their effects in developing countries. Even where sound conceptual and methodological approaches are available, the results of such studies will often not be available in time to feed into policy processes, which are dynamic and short-term in nature.

While the lack of reliable data makes it difficult to assess policy outcomes in individual countries that could be related to changes in EU policies, case studies may nonetheless be conducted in specific countries. Indeed, case study techniques are currently being tested and improved. Although such studies do not cover all countries, and while there are no grounds for automatically assuming that similar developing countries will be affected in similar ways by EU policies, they do generate plausible and informed expectations of the type of impact that is likely to be made on different countries. The validity of the cases selected for assessment may also be raised if they are informed by a constant monitoring process. However, apart from the factors already mentioned, the fact that the European Commission is active in such a large number of development countries makes this a doubly difficult proposition. Finally, Article 12 of the Cotonou Partnership Agreement, which creates opportunities for pursuing a political dialogue, could be used to exchange more information and learn about the impact of EU policies in specific countries and regions.

Monitoring and assessing **EU policy processes** themselves, and ascertaining whether or not the resultant policies are in conflict with development objectives, would appear to be more feasible. This is because such an assessment could focus on a number of priority issues such as the five areas for pro-active engagement defined by the Council last year. The EU has control over policy outputs and PCD objectives, and could define objectives, targets and indicators so as to track progress in this connection. The limitation of this type of focus on EU policy processes would be that greater attention would be paid to what is being done rather than to what is not being done.

There are three types of mechanism for informing EU policy processes about their impacts on developing countries:

- **Ex-ante impact assessment:** The impact assessment procedure was set up in 2003 to simplify the regulatory environment and improve policy-making in the Commission. It functions as an *ex-ante* analytical tool for improving the coherence of measures that are under preparation. The Commission identifies the likely positive and negative economic, environmental and social effects of proposed policy actions, and outlines potential synergies and trade-offs in achieving competing objectives, thus enabling informed political judgments to be made about the proposed measures. The assessment process involves consultation with stakeholders and coordination across the various Commission services. In addition to the basic impact assessment procedure, the Commission also uses a variety of other *ex-ante* assessment mechanisms that can provide information for promoting PCD, including trade sustainability impact assessments, impact assessment studies, and the Eco-Management and Audit Scheme.
- **Ex-post evaluations:** Periodic reviews of national and regional strategy papers published by the European Commission on developing countries have been commissioned by the Joint Evaluation Unit responsible for evaluating EuropeAid, DG Development and DG External Relations. Such geographical evaluations measure the effect of EU policies on the implementation and success of these national and regional development cooperation programmes. The *ex-post* assessment of policy impacts on developing countries in evaluations launched and managed by other Directorates-General is not a standard requirement, however, and as a result rarely takes place.

For this reason, the Competitiveness Council meeting of 2 and 3 December 2009 invited the European Commission to expand the *ex-post* evaluation of existing legislation and create a more systematic link with impact assessments.

- **Country and regional programming and reporting:** Finally, there is scope for exploring the impact of EU policies on specific countries in regions throughout the development cooperation programming process. The Country and Regional Strategy Papers include a standard section on PCD, which is subsequently assessed during the Annual Operational Reviews and the Mid-Term and End-of-Term Reviews. Existing studies have noted, however, that this reporting does not produce an evidence-based analysis of PCD that would make the papers a useful means of improving PCD, even though they clearly have a strong potential in this regard (Hoebink, 2005). One of the reasons for this potential is the fact that cooperation between ACP countries and the EU is based on the principle of co-management and can inform further consultations under the Cotonou Partnership Agreement (including under Article 12 on PCD).

Finally, of course, studies analysing the impact of EU policies in developing countries may also be conducted by non-state actors such as independent research organisations, civil-society organisations and the media. These can subsequently feed into EU decision-making processes. Various examples of such studies are briefly described in the following box.

Box 3: Examples of PCD impact studies

The first study was commissioned by the European Union's Poverty Reduction Effectiveness Programme and completed in 2005. Entitled 'The Coherence of EU Policies: Perspectives from the North and the South' (Hoebink, 2005), it was specifically intended to improve the quality of the Country Strategy Papers produced for the EU's various regional cooperation programmes. It was based on an analysis of documents and interviews with key informants in Brussels, Senegal, and Morocco.

A second noteworthy report was published by ActionAid International in 2003. It was based on a series of case studies performed by local researchers in Bangladesh, Brazil and Kenya (Hilditch, 2003). Like Hoebink's study, the ActionAid paper focused on the European Commission's Country Strategy Papers (CSPs) as an essential ingredient in promoting greater coherence between EU policies and development. Whereas the DG Development's inter-service Quality Support Group was created partly in order to improve this function of CSPs, the Group's own assessment of the strategy papers produced for the 9th European Development Fund (EDF) concluded that the section on policy coherence was underdeveloped in 34% of the papers.

More recent examples include six country case studies on food security and access to HIV/Aids medication, which the ECDPM conducted for the European Commission. These studies featured in the final chapters of the 2009 EU report on PCD, and also in the aforementioned CONCORD report on PCD published at about the same time. These studies seem to have inspired other organisations to expand the volume of impact studies, one such organisation being the Fair Politics EU Programme, which recently (i.e. June 2010) published a study on the impact on Ghana of EU policies on trade, illegal logging and migration. This study, which is the first in a series of three – the other two centring on Cape Verde (by the Marquês de Valle Flôr Institute, Portugal) and Ethiopia (Glopolis, Czech Republic) – is based on semi-structured interviews, desk research and field visits. It contains a number of recommendations on the three policy areas referred to above.

Despite the wide variety of mechanisms at the European Commission's disposal for informing its efforts to promote PCD, the current expectation is that *ex-ante* impact assessments (IAs) offer the greatest potential

for informing the EU's PCD Work Programme. This conclusion appears to be justified by the focus of the PCD Work Programme on the five priority areas, in which IAs have an important role to play.

3.2 Key features of the European Commission impact assessment system and its relevance to PCD

Each year, the Secretariat-General of the European Commission, working in conjunction with the Impact Assessment Board and the Commission departments, screens all forthcoming initiatives and decides which of them require impact assessments. In 2009, 79 impact assessments were conducted, as compared with 135 in 2008 and 102 in 2007.²⁰ Impact assessments are performed for the most important initiatives and those with the most far-reaching impacts. Impact assessments are not either relevant to or appropriate for every single initiative.

Following the introduction of the system in 2003, the EC's Guidelines on Impact Assessments were revised in 2005 and 2009. The most recent version now pays more attention to assessing the impacts on developing countries. The following box highlights some of the main changes that have been made to the guidelines in order to accommodate new insights.

Box 4: Summary of main changes in European Commission's Guidelines on Impact Assessments

The Commission revised its Guidelines in 2009, based on an external evaluation of the Commission's impact assessment system in 2006-2007, the experience of the independent Impact Assessment Board since its creation in 2006, and the experiences of the Commission services in preparing impact assessments.

A summary document issued by the Commission discussing the main changes in the 2009 Guidelines highlights the following areas: *'Specific attention is given to **re-distributional impacts** and impacts on **poverty and social inclusion**, both in the EU and in third – especially developing – countries.'*²¹

Pages 34 and 35 of the 2009 Guidelines present a table of key questions for assessing social impacts. In relation to social inclusion and the protection of particular groups, these include the following question: *'Does the option significantly affect third country nationals?'* The table also includes three questions under the heading of 'Social impacts in third countries', referring specifically to the MDGs and the Cotonou Partnership Agreement, and also asking whether the proposal would increase poverty and/or affect the income of the poorest populations.

Finally, and most importantly, pages 40 and 41 state that every impact assessment should establish whether the policy options affect relations with non-EU countries. Among the aspects examined should be: *'impacts on developing countries – initiatives that may affect developing countries should be analysed for their coherence with the objectives of the EU development policy. This includes an analysis of consequences (or spill-overs) in the longer run in areas such as economic, environmental, social or security policy.'*

The overall revision of the Guidelines was also intended as a response to the findings of an external evaluation completed in April 2007. The latter evaluation contained a number of critical findings on the potential of impact assessments for promoting PCD.²²

²⁰ The lower number is due to the fact that 2009 was a transition year for the European Parliament and the European Commission.

²¹ http://ec.europa.eu/governance/impact/commission_guidelines

²² The evaluation is available at: http://ec.europa.eu/governance/impact/key_docs/key_docs_en.htm.

- There is a widely shared perception of impact assessments as a bureaucratic requirement intended primarily to justify the proposed initiative.
- Insufficient tools, expertise, time and resources are available for conducting impact assessments that are capable of significantly improving the quality of the proposal they accompany.
- Members of the Cabinets of EU Commissioners, the European Parliament and the European Council find that the quality of impact assessments varies and is often unsatisfactory. The latter two institutions are regarded as lacking a working culture and capacity such as would enable them to make use of impact assessments.
- The majority of stakeholders agreed that impact assessments give interested parties a good opportunity to state their opinions and give information. However, stakeholder consultations are not always as wide, timely and well-organised as they could be, and stakeholder satisfaction with the extent to which their views are taken into account varies considerably.

The annexes to the Guidelines also list the qualitative methods (ranging from surveys, consultations, secondary data to ‘guessing’) and quantitative methods (e.g. adapting existing models and econometric analysis) that can be used for gathering and interpreting data. Valid results can also be produced by combining the two types of method. In addition, many impact assessments are hampered by an absence of good quality, reliable quantitative data on developing countries. For example, studies on migration are hampered by the poor quality of the data on migration flows and illegal migrants. This means that such studies have to rely more extensively on qualitative analysis.

Annex D to this paper contains three excerpts from recent impact assessments, discussing the way in which they looked at impacts on developing countries. Other 2009 impact assessments that were reviewed paid less attention to impacts on non-EU countries; in some cases, the impacts on developing countries were regarded as being irrelevant, and in others they were deemed to be of such limited magnitude as not to warrant in-depth analysis.

3.3 Some ideas for improving the use of impact assessments for promoting PCD

Impact assessments are used as part of the process of formulating a new policy. Once a proposal has been adopted (or not), the relevant impact assessment report is then centrally archived.²³ Concerns have been expressed about the EC’s ‘knowledge absorption capacity’, and also about the inability to ‘accumulate knowledge’ with the aid of impact assessments as most of them do not refer to past assessments performed in the same or other policy fields.

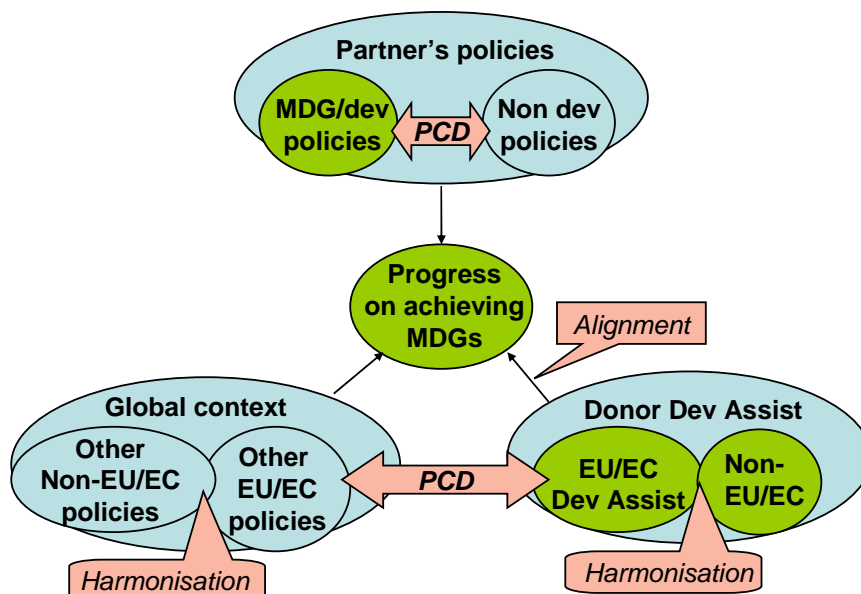
While it may be of interest, for the purpose of promoting PCD, to monitor and where possible inform ongoing impact assessments, as far as we know no efforts have been made to accumulate PCD-relevant knowledge contained in past assessments for future use. Despite the daunting nature of this task, it would be worth developing a ‘body of knowledge’ about the impact of certain types of policy change on developing countries.

Some impact assessments, for instance, claim that the quality of state governance in developing countries makes it difficult for such countries to adjust to new policy initiatives. In doing so, they refer to the linkages between the EU’s policies and those of third countries (rather than examining the direct impact of EU

²³ See: http://ec.europa.eu/governance/impact/index_en.htm.

policies in the countries concerned). The following figure, taken from the 2009 EU report on PCD, shows how EU policies interact with those of third countries as well as with the wider global context.

Figure 1: Key policy interactions



An interesting feature that is common to all impact assessments that were explored for this paper is that they do not generally distinguish between ‘third’ and developing countries, and also do not define the two in detail. While policy coherence for development (or incoherence, as the case may be) results from the interplay of European, partner country and global policies, the debate on the 2009 EU PCD report highlighted the danger of ‘comparing apples with oranges’ where developing countries were concerned. Various commentators pleaded for greater awareness of the fact that developing countries are not a homogenous group, and that the same EU policy may affect different developing countries in very different ways.

In order to prevent this from obscuring the debate on PCD, we need to think further about how to differentiate between developing countries. Such an insight might be beneficial, not just for impact assessments, but also for a broader debate and for the new Work Programme. A variety of dimensions could be considered in constructing a typology of countries, such as governance and demographic, geographic, environmental and economic dimensions. Annex C gives examples for each of these.

A typology of countries would represent a simplification of reality. In order to remain manageable, it should not involve too many parameters. On the basis of the exploration of the dimensions listed in Annex E, the following two options could be envisaged:

Option 1: a standardised typology for all policy areas. Such a typology would be relatively limited in scope and would mainly stress the economic dimensions, since this would allow it to be used in different fields. A useful basis would be a distinction between the least-developed countries on the one hand and ‘other developing countries’ on the other, given that this binary distinction is also made in other EU policies

(e.g. on compulsory licensing under TRIPS, Everything But Arms, etc.). It would also be useful to distinguish at a second level between those countries for whom the EU is their main trading partner and those for whom the EU is not (especially for LDCs, this may have to do with their absolute and relative distance from Europe). Finally, it would be useful to make a binary distinction between those countries where the majority of the population lives in rural or urban areas, on the assumption that countries with a heavily rural population rely more (both actually and potentially) on exports of agricultural products.

Option 2: a customised typology depending on the policy issue concerned. For example, separate classifications could be made for each of the five broad areas of the PCD Work Programme so as to better distinguish between developing countries in *ex-ante* and *ex-post* impact assessments. For example, 'trade and finance' might distinguish between countries on the basis of certain financial criteria, whereas 'security and development' might want to differentiate between fragile and more stable countries and regions.

4. The role of indicators in promoting PCD

Paragraph 12(3) of the November 2009 Council Conclusions on Policy Coherence for Development sets out the following requirement for the future PCD Work Programme: '*establish a clear set of objectives, targets and gender-disaggregated indicators to measure progress in the selected priority areas.*' Technical though it may seem, this commitment essentially seeks to clarify the Union's PCD goals and improve accountability in this respect.

This chapter looks at the various steps that have been taken to formulate objectives, targets and indicators for the April 2010 EU Work Plan. Drawing on relevant research in this area, this chapter focuses on indicators, paying specific attention to the challenges and opportunities for gender-disaggregated indicators.

4.1 The process of preparing the Work Programme and key terms

The preparations for the future EU PCD Work Programme, which in fact started directly after the EC Communication of September 2009, consisted of three successive phases:

Phase 1: setting objectives. After reaching agreement on the five broad areas for a more pro-active European engagement in promoting PCD, the EU Council agreed in November 2009 on specific focus areas for each of these five broad areas. The number of specific focus areas ranges from two to five per area. The differing formulations of the areas, ranging from a simple statement of the name of the area to a description of the desired outcome, also resulted in differing formulations of the associated objectives.

Phase 2: identifying targets. Following the Council Conclusions, five Inter-Service Groups were created by the EC, containing representatives of all the relevant Directorates-General. These groups specified the targets that needed to be set in order to achieve the objectives. Such targets therefore focus on the main policy and legislative initiatives that the Commission will take in these areas.

Phase 3: formulating indicators. The Council Conclusions require the formulation of indicators to guide the selection of new targets and monitor the extent to which the targets help to achieve the objectives. These indicators can be used to track the resources devoted to the different targets, and capture characteristics of target populations in developing countries. The indicators can be used either *ex-ante* (as a baseline or to see what happened before a new EC policy initiative or combination thereof was taken) or *ex-post* (to monitor the possible effects of EC policy initiatives on developing countries and inform possible changes to these initiatives).

Indicators can be associated with different levels of intervention, the definitions of which are not standardised and tend to vary, depending on the perspective of the organisation in charge of the intervention (in this case, implementing the Work Programme). The following terms are appropriate in this context:²⁴

- **Input indicators (key ‘ingredients’ and ‘actions’)** relate to direct actions and inputs (i.e. investments of resources) and can be formulated in direct relation to the **targets** identified (e.g. publication of Communications, new policies adopted).
- **Output indicators (changes in Europe in relation to the targets)** reflect the intermediate results of the input indicators, direct actions and key ingredients, and track changes in the implementation of EU policies (e.g. changes in import tariffs and in the number of visas granted).
- **Outcome indicators (‘effects’ of the actions in developing countries)** reflect the outcomes of one or more policy initiatives, and capture what has ‘changed’ and ‘happened’ in (groups of) developing countries as a result (e.g. improved enrolment in higher education, immigration rates, etc.).²⁵

The PCD Work Programme and the way in which it is monitored will probably be oriented around what are here termed as **input** and **output** indicators. These will be used for the **ex-post monitoring** of the implementation of the programme. Changes at the outcome level will be explored by means of retrospective evaluations and prospective impact assessments.

4.2 Practical and methodological challenges

While the following sections of this paper present further ideas for defining indicators, the process of preparing the PCD Work Programme has been both a novel and a challenging one, and has resulted in a Work Programme that was not warmly received by all EU stakeholders:

- Though there have been remotely comparable exercises with other policy areas (notably the environment) in the past, designing a result-oriented PCD Work Programme has meant a **steep learning curve** for all concerned. The decision to move forward with this programme during the first half of 2010 is also ambitious, in view of the delays in the preparation of the Commission’s Legislative Work Programme for 2010 (to which the Work Programme needed to correspond).
- The PCD Work Programme is ultimately a **consensual product** balancing the interests of various DGs in Brussels. The usefulness of the indicators will depend on the relationship between the objectives and the targets in the Work Programme. The indicators may be revised during the Council discussions of the draft Programme.

²⁴ Adapted from EC (2002), *Guidelines for the use of indicators in country performance assessment*.

²⁵ Impact level indicators, as a fourth type of indicators, are less relevant to the PCD Work Programme, which runs for four years (2010-2013). This period is not long enough for changes at impact level to materialise.

- A particular challenge for the PCD Work Programme is that some of the outcomes cannot be quantified in a meaningful way. Although most indicators are associated with quantitative data, **qualitative indicators** will also be needed, for which prior data may not be available in a systematic form.

The European Commission will probably have few resources available for collecting ‘new’ data, and will have to rely instead on the collection, aggregation and systematisation of data from existing sources (i.e. generated both by its own systems and by others, such as those of the UN and international financial institutions). It is debatable whether all these sources contain data that is of sufficient quality to inform the monitoring of the PCD Work Programme and is acceptable to all the DGs involved in the implementation of the Work Programme. Bourguignon et al. (2008) refer, for instance, to issues such as time lags (certain data is not collected frequently enough) and comparability (such as changing definitions of poverty).²⁶ Other challenges affecting the appropriateness of indicators include whether they disaggregate for the EU or are global in coverage. Specific EU data may also be too general to be of interest for monitoring purposes, e.g. where data on agricultural subsidies does not differentiate between specific products, or exports to specific countries or groups of countries.

Another challenge is that the indicators are not intrinsically useful. Rather, their usefulness lies in how they are applied in specific processes, mechanisms and instruments. Finally, the problem of resources will compel the PCD Work Programme to make use of existing quantitative data sources, even though qualitative indicators may require the collection of additional data. Another complicating factor is that the Work Programme will be annually updated with new targets based on planned EC policy initiatives. This will require the formulation of new indicators for these evolving targets.

4.3 Some suggestions for relevant and useful PCD indicators

Indicators are a unit of measure, helping to simplify phenomena, provide information and explain causal relationships. Indicators must be relevant to the intervention for which they structure the available data, and should be used selectively (‘less = more’).

The UK Government applied a range of criteria in selecting indicators for measuring sustainable development, (EC 2004: 52²⁷). In short, indicators need to:

1. be representative; 2. be scientifically valid; 3. be simple and easy to interpret; 4. show trends over time; 5. give early warning of irreversible trends where possible;	6. be sensitive to the changes they are meant to indicate; 7. be based on readily available data or be available at a reasonable cost; 8. be based on data that is adequately documented and of known quality; 9. be capable of being updated at regular intervals; and 10. have a target level or guideline against which to compare them.
--	---

As mentioned in the introduction, the PCD Work Programme’s result orientation needs to be gender-disaggregated. The importance of promoting gender equality is recognised in the EU Consensus on Development, further detailed by the European Council in 2007: ‘*The promotion of gender equality and the enjoyment of human rights by women and girls are goals in their own right and also instrumental and key to*

²⁶ See: http://ec.europa.eu/development/icenter/repository/mdg_paper_final_20080916_en.pdf.

²⁷ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-AU-04-001/EN/KS-AU-04-001-EN.PDF.

achieving internationally agreed development goals, including the Millennium Development Goals (MDGs).’ Consequently, gender equality should be pursued as ‘(...) a core aspect in the EU development policy’s programming, implementation, monitoring and evaluation’ (EU, 2007). Given that indicators are relevant only in relation to the objectives and targets defined, gender-disaggregating such indicators would make them more useful.

While impact assessments differentiate between different social categories, including gender, the 2009 Guidelines do not address the social impact in developing countries in a gender-disaggregated manner. Giving explicit attention to gender in the PCD Work Programme would be a useful step in paving the way for future impact assessments. There are various relevant areas in which this could be done.²⁸ The fact that the Work Programme does not, however, provide gender-disaggregated indicators for most areas may be due to the fact that the objectives and targets for the work programme – informed by the November 2009 EU Council and 2010 Inter-Service Group meetings and projections for the Legislative Work Programme – are themselves not sufficiently gender-disaggregated.

Finally, the indicators are likely to be of a relatively diverse nature, and will relate to either quantitative or qualitative data. As part of efforts made in Ireland to define national PCD indicators, Barry, Matthews and King (2009) defined four potential properties that could be considered when selecting indicators:

- a) **Per person or as a percentage of GDP:** should information be gathered on per capita terms or within the context of the overall income of the country or region concerned?
- b) **Static or dynamic:** dynamic indicators (i.e. showing growth rates or changes in a variable) appear to be more appropriate for use as PCD indicators.
- c) **Binary indicators:** while appropriate to capture the degree to which planned actions have been taken, and thus included in the Work Programme, binary indicators should ideally be supplementary indicators to facilitate monitoring.
- d) **Objectively verifiable and self-reported:** the Work Programme will feature some self-reported indicators, especially where policy process-related information is concerned.

Box 5: Formulating PCD indicators – lessons learned from Ireland

With the support of the Advisory Board for Ireland Aid (ABIA), the Institute for International Integration Studies (IIIS) at Trinity College Dublin and the School of Biology and Environmental Science at University College Dublin are conducting a four-year research project (2007-2011) into the coherence of various aspects of Irish government policy. The overarching objective of Irish Aid is to help reduce poverty, inequality and exclusion in developing countries.

The research project seeks to inform the efforts of the Inter-Departmental Committee on Development, which was established in 2007 on the recommendation of the Irish Government White Paper on Irish Aid (2006). The Inter-Departmental Committee on Development supplies the institutional framework for achieving a more cohesive government approach to overseas development and the Millennium Development Goals.

Following an academic analysis that generated a set of criteria for indicators, the project researchers proceeded to consult members of the Inter-Departmental Committee on Development (IDCD) and civil society with a view to:

- suggesting and criticising potential indicators;
- assisting in the collection of internal departmental statistics or information on policy positions.

Following additional consultations in government ministries, Ireland could become the first EU member

²⁸ For example, access to finance for men and women, participation in the formal economy, differing migration patterns, engagement in small-scale agriculture by women, etc.

state to define indicators for PCD. In the words of the researchers, this is principally about representing the interests of the poorest developing countries within Irish and European policy-making processes.

4.4 Monitoring and using the indicators

The indicators will not monitor themselves. A further debate is therefore required about how future PCD Work Programme indicators will be monitored and used. Although monitoring resources will probably be limited, it is clear that the PCD Work Programme will raise the level of ambition in relation to result orientation and accountability. This may be difficult to achieve without some degree of investment. Since the EU Foreign Affairs Council is not the forum for such methodological debate, it might be worth including in the Work Programme a proposal for modalities for monitoring and ensuring the use of the data collected.

Here are some suggestions:

- regular meetings in the Inter-Service Group configurations on the five priority areas;
- regularly stock-taking with Brussels-based representatives of developing countries;
- a dedicated webpage could be opened on the DG Development website, where information on the various indicators could be displayed, together with more details on the PCD Work Programme itself;
- EU Delegations in developing countries could help to implement the PCD Work Programme.

5. Analysis of the European Commission's proposal for an EU Work Programme on Policy Coherence for Development

Following the Commission-wide consultation process described in Section 4.1, which was completed within about five months, the European Commission's Directorate-General for Development published a Staff Working Paper entitled 'Policy Coherence for Development Work Programme 2010-2013' in its traditional Spring Package of policy proposals.²⁹ This package was led by a Communication entitled 'A twelve-point EU action plan in support of the Millennium Development Goals'. A pro-active Policy Coherence for Development Work Programme was one of these twelve points.

The European Commission introduced the Work Programme in this Communication by noting that, during the past five years, the EU has put in place both *ex ante* and *ex post* mechanisms for facilitating the achievement of the MDGs by making other policies beyond aid more supportive of development objectives. The Communication specifically referred to the EC's impact assessments, which examine the external impact of policy proposals, and noted that the PCD Work Programme sets '(...) *concrete targets and indicators of progress to implement the EU commitments on PCD across a whole range of policies*'

²⁹ European Commission (2010). 'Staff Working Document (SEC(2010)421): Policy Coherence for Development Work Programme 2010-2013. Brussels: European Commission.
http://ec.europa.eu/development/icenter/repository/SEC_2010_0421_COM_2010_0159_EN.PDF

impacting the five priority areas introduced earlier on in this paper.³⁰ Following this brief introduction, the Commission proposed using the Work Programme ‘(...) *proactively and early on as a tool to guide EU decision-making on the broad range of decisions that affect developing countries beyond development assistance.*’

As introduced in the Communication, the PCD Work Programme is the Commission’s response to paragraph 12(3) of the November 2009 Council Conclusions on Policy Coherence for Development, which set out the following requirement for a future PCD Work Programme: ‘*establish a clear set of objectives, targets and gender-disaggregated indicators to measure progress in the selected priority areas.*’ While the Commission had previously developed a ‘rolling Work Programme on PCD’, which remained largely unused, the explicit emphasis on result orientation in the Council’s brief made this a much more political assignment. In a sense, the Council did no less than request the Commission to prepare a proposal for clarifying the Union’s ambitions in promoting PCD and improving accountability in this area. The European Commission had previously recognised this point in debates with the European Parliament, with the Director-General for Development, Stefano Manservigi, referring to the Work Programme as providing a ‘scoreboard for PCD’.³¹

Following the Council Conclusions, the EC formed five Inter-Service Groups, containing representatives of all the relevant Directorates-General. These Inter-Service Groups met several times in January and February 2010. They sought to set targets for the specific objectives, as well as indicators which could help in monitoring whether the targets had indeed been achieved as intended.

The Work Programme itself, covering the five priority areas, is preceded by a short introduction. This introduction states that the Commission will focus its PCD work on the initiatives identified in the Work Programme, and that this work will revolve around inter-service consultations and impact assessments. As instructed by the Council, the Programme refers to a PCD dialogue with developing countries, but leaves the initiative to the developing countries. As is explored in greater detail in the final section of this paper, this element of the Work Programme does not satisfy the EU’s desire to improve the dialogue with developing countries on PCD.³² In fact, it would not appear to be fully in keeping with the idea of a Work Programme aimed at a ‘more pro-active EU engagement’.

While proposing a ‘scoreboard’ which the various actors can put to use, the EC intends to update it regularly (as a ‘rolling’ Work Programme) and do its own ‘scoring’ in the context of the preparations for the next EU PCD report in 2011. Because the Work Programme only contains a narrative description of a (sub-)area and no clear specification of an objective, perhaps the main criticism that could be levelled at it is that it is difficult to assess whether the targets and indicators are appropriate and sufficiently ambitious with regard to the objectives to which they relate. The Work Programme only refers specifically to targets and indicators, and remains ambivalent about its objectives. Working on this premise, four further remarks could be made about the quality of the Programme contents:

- First of all, the majority of the indicators identified in relation to the targets are not SMART,³³ particularly in the time dimension (i.e. ‘by when?’), and lack baseline data reflecting the current

³⁰ For the reader’s convenience, these are: (a) trade and finance; (b) climate change; (c) global food security; (d) migration; (e) security and development.

³¹ This was during a debate of a draft own-initiative report on Policy Coherence for Development in the EP DEVE Committee on 22 February 2010.

³² These commitments were for instance already made in the Council’s discussion of the first EU biennial report on PCD, such as detailed in paragraph 14 of the Council Conclusions of 15 November 2007:

<http://register.consilium.europa.eu/pdf/en/07/st14/st14921.en07.pdf>

³³ SMART in the sense of being Specific, Measurable and unambiguous, Attainable and sensitive, Relevant

state of play. In some of the areas, the definitions of indicators and targets are also mixed up. This makes it difficult to interpret the implied result orientation (for example, one indicator is formulated as ‘the outcome of the WTO-DDA round is ambitious, comprehensive and balanced’).

- Some of the indicators refer to impact assessments (e.g. on SPS and animal health) as a means of tracking progress on the targets concerned. However, as discussed in section 3 of this paper, pages 40 and 41 of the revised EC Impact Assessment Guidelines state that every impact assessment should establish whether the policy options affect relations with third countries. They should look at: *‘impacts on developing countries – initiatives that may affect developing countries should be analysed for their coherence with the objectives of the EU development policy. This includes an analysis of consequences (or spill-overs) in the longer run in areas such as economic, environmental, social or security policy.’* If these are the guidelines, there is little reason for impact assessments to consider the impacts on developing countries as something ‘extra’ or indicative of the progress made in promoting PCD. At the same time, a number of impact assessments that have recently been completed do not refer to the impacts of the proposed policy options on developing countries in much detail. Clearly, therefore, there is still room for improvement.
- In paragraph 11 of the November 2009 Council Conclusions, the Council agreed that *‘(...) the PCD work programme should outline the respective roles of the EU institutions and the member states.’* This ‘who does what?’ element has not, however, been incorporated in the Work Programme, which was drafted at fairly short notice, with limited time for consultation outside the Commission services.
- The fact that no systematic use has been made of the outstanding issues identified in the 2009 EU Report (based on questionnaires submitted by the member states and EU Institutions; see Annex B) is a missed opportunity.
- Finally, while the Council’s instructions referred to the need for gender-disaggregated indicators, and even though Article 8 of the Lisbon Treaty states that *‘in all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women’*, the indicators provided in the Work Programme are nevertheless ‘gender-blind’. The only exception is the section on ‘enhancing migrants’ rights and gender balance’.

The weakness of such a technical critique, however, is that it implies a technical formulation process. On the other hand, it is very likely that the EC officials who drafted the PCD Work Programme were perfectly aware of the main criteria and dimensions for result orientation and indicator formulation as put forward in this paper, as well as the wealth of literature on these aspects. However, if we bear in mind that the Work Programme was formulated in a process in which the targets and indicators were ‘negotiated’ for each of the five priority areas in five separate inter-service groups of varying composition, we may conclude that the resultant wording of the Work Programme broadly reflects the quality of the dialogue process in the respective groups. As we explained in Box 4 in section 4.3, another option for preparing a Work Programme of this nature would have been to commission a group of external experts, but this would obviously have required more preparation.

On 14 June, the Foreign Affairs Council discussed the Commission’s Spring Package and in its Conclusions included two paragraphs on the PCD Work Programme:

and easy to collect, and Time-bound.

Box 6: Council Conclusions on the PCD Work Programme, 14 June 2010³⁴

'18. The EU takes development objectives into account in non-development policies that are likely to affect developing countries and is committed to support them in achieving the MDGs through its wider political agenda. The EU will continue to enhance PCD, and encourages all other partners to take a similar approach, and in this regard considers useful a global High-Level Event to address policy coherence for development, to be prepared in the framework of relevant international and multilateral fora.

19. The PCD work programme outlined by the European Commission for the period 2010-2013 supports a strengthened focus on those policy areas being potentially most relevant for meeting the MDGs, notably trade and finance, climate change, food security, migration and security. In accordance with its Conclusions on Policy Coherence for Development of 18 November 2009, the Council encourages consultation with member states with a view to a proactive and early use of the PCD Work Programme as a tool to guide EU decision-making on the broad range of decisions that affect developing countries beyond development assistance.'

The first paragraph refers to the idea of an 'international conference on Policy Coherence for Development'. This was not included in the Work Programme and must therefore have been suggested by the Council Working Group that prepared the Conclusions. This rather 'soft' message, in the sense that the EU does not propose organising such a conference but merely 'considers it useful', seems to reflect the outcome of previous discussions that some incoherencies can only be dealt with effectively at a global level, for instance by the UN or the G20. At the same time, it may also point to a reduced appetite on the part of the EU to 'run faster than the rest'. This was also evident in relation to the ambitious CO₂ emission targets it had proposed during the 2010 Copenhagen Conference of Parties.

The second paragraphs shows that the Commission's own proposal for using the Work Programme as formulated in its April Communication has been adopted literally by the Council. The reference to the November 2009 Conclusions appears to suggest, however, that some work still needs to be done in realising previous agreements, such as in specifying actions to be taken by member states and the EC. Moreover, the Council does not state its 'opinion' or 'position' with regard to the Work Programme, but merely encourages consultation with a view to putting it into use. Given this rather 'modest' response to the most prominent element of the November Council Conclusions, it is interesting that paragraph 14 of the Conclusions of 14 June 2010 states that *'(...) political ownership of the PCD agenda and awareness of development objectives in all relevant parts of the EU institutions and member states is crucial for success'*, implicitly recognising that there is still much to be done.

In addition to encouraging EU-wide decisions on PCD, the Council of the European Union also promotes coherence in other fields. This issue is relatively under-researched, although a comprehensive study was published by the Centre for European Policy Studies (CEPS) in 2006, which evaluated the various Council working groups in detail from a PCD perspective. The study observes that:

'(...) it seems easier to ensure policy coherence in general, and by extension policy coherence for development, in the policy-making processes in the European Commission than in the Council. The main reason is that decisions are ultimately taken by the Commission as a whole, thereby allowing all interests to be represented and cleared at the central level, i.e. the college of Commissioners, whereas decision-making in the Council

³⁴ The Council Conclusions are available at: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/genaff/115157.pdf.

must navigate the nine sectorally-divided ministerial formations and numerous subordinate bodies, where the majority of decisions are taken.’ (CEPS, 2006)

Whereas the Council plays a role in promoting the coherence of the EU member states and the European Commission inside the same policy area, it also has to promote the coherence across different EU policy areas. This is arguably a complex task, given the institutional structure, with a multitude of Council formations (though reduced through successive reforms in 1999 and 2002), Committees and Working Parties. As one of the authors puts it:

‘The heavily segmented structure of policy-making in the EU Council has led to a situation where it is difficult to coordinate views or ensure awareness of the relationship between the main issue areas and related topics such as development cooperation. This contradicts the adage that ‘the Council is one’, as it casts doubt over the ability of EU member states to coordinate their positions and to ensure that common objectives are respected in all decisions. (...) For [the member states] it seems already difficult enough to negotiate a deal between 25 member states without bothering to involve development experts to assess external impacts of their decisions. And they can always argue that development specialists would not reciprocate and make every attempt to incorporate external concerns in their own decisions.’ (Schaik, 2006)

In the same year as the latter study was published, the EU Council took a number of decisions under the Finnish EU Presidency on ‘integrating development concerns in Council decision-making’.³⁵ The Council accepted some of the observations and recommendations of the CEPS study, including the central role of the Committee of Permanent Representatives. It also acknowledged the need for further capacity development at all relevant levels, as well as the need for broad consultation and transparent decision-making. These ideas have not received much follow-up, however, and have not been referred to in recent Council discussions. It would be worth conducting another study to see where things stand with the Council formations today, to assess the changes stemming from the Lisbon Treaty, and to see what (if any) action has been taken to integrate development concerns in the Council’s decision-making.

6. The prospects for ‘global public guts’ in a Union under stress

‘We reconfirmed our commitment to the Millennium Development Goals, to be reached in 2015. We will not be derailed by our own financial problems – they become relative, in a global perspective – from the objective of helping the world’s poorest countries.’

EU Council President Herman van Rompuy, 17 June 2010³⁶

Based on the analysis in this paper, we would like to make three principal recommendations for producing a more result-oriented PCD agenda:

³⁵ These Conclusions are available here:

http://ec.europa.eu/development/icenter/repository/2006.10.17_GAERC_Conclusions_Council_EN.pdf

³⁶ Source: Remarks by Herman van Rompuy, President of the European Council, made at a press conference following the meeting of Heads of State or Government, 17 June 2010:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/115347.pdf.

1. ensure that the institutional changes propelled by the Lisbon Treaty result in adequate attention being paid to, responsibility being taken for and resources being allocated to the promotion of PCD in the wider context of European external action;
2. step up investments in, and efforts to move from the current supply-driven approach to, a more multi-stakeholder dialogue so as to foster PCD;
3. intensify activities in the area of *ex-ante* and *ex-post* development impact assessments.

1) Ensure that the changes in the EU landscape engendered by the Lisbon Treaty boost the EU's capacity to work on PCD

The Lisbon Treaty mandates the High Representative on Foreign and Security Policy (HR) to coordinate all areas of external action and makes him or her responsible for their consistency. As poverty reduction, as well as the promotion of democracy and human rights and conflict prevention, are now objectives of the EU's external action, the HR has a clear mandate to ensure that the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP) take these objectives into account. As was noted in the introduction to this paper, although part of the objectives for external action, development policy enjoys a privileged position in the sense that the Lisbon Treaty requires all other EU policies to take account of the Union's development objectives in decisions that might affect their realisation. As Vice-President of the Commission, the HR should wield considerable clout in the College of Commissioners and, as chair of the Foreign Affairs Council, has a very direct link to the member states. In the widening agenda of international development, in which an increasing proportion of ODA is used in emerging areas such as climate change, migration and security, the HR will have a vital role to play in upholding the Treaty's objectives for the EU's role in promoting global development (Gavas and Koeb, 2010).

Although the formation of a European External Action Service is not proceeding as fast as some would like, the contours of the service are becoming increasingly clear (although still under negotiation). On May 27 2010, the European Think Tanks Group – consisting of ODI, ECDPM, DIE and FRIDE – published a policy brief containing a number of suggestions for ensuring that the HR and the European External Action Service are well-placed to promote policy coherence for development. These ideas include:

- both the High Representative and the Development Commissioner need to be held accountable for Policy Coherence for Development by the European Parliament and engage with both the foreign affairs and development committees, along with other relevant committees depending on the policy area concerned;
- the process of inter-service consultation needs to be more effective in promoting the coherence of all EU policies with development objectives. Today, PCD effects are 'side effects', in that the mandate of the inter-service consultation does not formally require this process to lead to improved PCD;³⁷
- Finally, an external evaluation of the Netherlands Ministry of Foreign Affairs' Policy Coherence Unit (PCU) noted that *'(...) the present human resources policy of the Ministry of Foreign Affairs, whereby officials can radically change specialisation at least once every four years, erects a barrier to the implementation of PCD in general and for the functioning of the PCU in particular'* (Engel et al, 2009). The EU Think Tank Group included two recommendations relating to the future External Action Service: *'A human resource system that allows for a parallel but separate career-path for technical development advisors in the EEAS and relevant Commission Services should be considered in the medium term'* and *'all EEAS staff working on topics affecting developing*

³⁷ A case study of the Inter-Service Consultation is available at: http://www.three-cs.net/content/download/500/5017/file/Appendix%20X_case%20study%20rpt%20EC.pdf.

countries, both at headquarters and in the delegations, should receive development training.' In view of the comparable experiences in the member states, these two recommendations would seem to be key here.

2) Step up investments in a genuine multi-actor dialogue

Although the EU institutions have their own interests in ensuring coherent policy-making,³⁸ and even though policies that are inconsistent with development objectives may damage the EU's reputation as a trustworthy partner and hence harm its economic relations, it clearly goes much too far to assume that these interests will induce the EU to take independent action to resolve any policy incoherence in all its policy areas. At the international level, recent negotiations in areas such as global finance and climate change have shown that the EU may have lacked in 'global public guts' to successfully look beyond its own short-term domestic interests and broker deals representing more global long-term interests, including those of the developing countries. Rather than being a 'service' of the European Union to its partners in the South, Policy Coherence for Development will continue to be a right that will be claimed most successfully by those actors who are directly concerned. As was noted in the previous section, this is why the November 2009 Council Conclusions referred to the importance of the PCD Work Programme in '*facilitating engagement in and inclusion of PCD in dialogue with partner countries around the selected priority areas*'. Unfortunately, this is something that the Work Programme does not do, although it may still act as a useful aid in this respect.

For these reasons, it remains crucial for key actors in developing countries to insist on more coherent EU policies. The 2000 Cotonou Partnership Agreement between the Africa, Caribbean and Pacific (ACP) Group and the EU even formally provides for this in an article entitled 'Coherence of Community policies and their impact on the implementation of this Agreement'. Despite the article's importance, it was not used at the request of the ACP Group until 12 February 2009, at a meeting of the Joint ACP-EU Subcommittee on Trade Cooperation. According to the 2009 EU PCD report, in which this event is documented, '*(...) the ACP Group had requested information on five Commission initiatives dealing with the use of pesticides, nickel substances, fisheries cold chain requirements, the renewable energy directive and the FLEGT licensing system. The Commission replied to concerns expressed by the ACP countries that these proposals could have significant impacts on their export of certain products to the EU and provided further detailed explanations. The Commission reassured the ACP representatives that their concerns would be taken into account in the preparation of these measures or in their implementation.*'³⁹

Why has such a relevant provision in a cooperation agreement been invoked so rarely by the developing countries? One reason could be that the topics for discussion are of such a technical nature that the ACP would need prior knowledge about them in order to benefit from invoking the article. Alternatively, at a more basic level, the developing countries may lack clear information about the dates when key policy issues are due to be tabled for discussion at the EU. This is not just a problem for the ACP countries, however, as many studies have shown that civil servants in the EU member states and at the EC often lack both the general and the technical knowledge to effectively engage with their colleagues in other policy areas.

If we accept that PCD should be seen as a political process involving competing interests, some of which take precedence over others, rather than as a 'technical problem requiring a solution', it is a promising sign

³⁸ Which is also why a representative from the EU Ombudsman Office recently noted, in a presentation to the European Parliament's Development Committee (22 February 2010), that policy incoherence could be regarded as a form of 'maladministration'.

³⁹ The 2009 EU PCD report is available on the website of DG Development: http://ec.europa.eu/development/policies/policy_coherence_en.cfm

that there appears to be both growing interest in the topic, as well as a greater allocation of resources for empirical research. Another encouraging sign is the fact that the subject is clearly of interest to the new members of the European Parliament's Development Commitment; indeed, a report produced on the Committee's own initiative was recently adopted by a narrow majority in the plenary session. Addressing an impressive array of topics related to PCD, this report – which is briefly analysed in the following box – both reflects the EP's commitment and testifies to the importance of a multi-stakeholder approach.

Box 7: The EP resolution on 'Policy Coherence for Development and the ODA+ concept'⁴⁰

A motion based on an own-initiative report by MEP Franziska Keller (Greens/EFA, DE) on Policy Coherence for Development (PCD) was adopted by a narrow majority during the European Parliament plenary session in Strasbourg on 18 May 2010.

The motion recalls the EU's legal obligation under the Lisbon Treaty in relation to PCD. Recognising the need for the Commission, the Council and Parliament itself to live up to their commitments, the motion highlights a wealth of actions. In addition to calling for action to remedy known incoherencies, the motion also calls on the Council, Commission and Parliament to adopt a result-oriented approach to PCD, while improving dialogue with and the accountability of all the actors involved.

Since the motion was based on an 'own initiative report' in relation to a non-legislative document, neither the EC nor the EU Council is legally obliged to act on the motion's recommendations. Under the Lisbon Treaty, Parliament has gained co-decision in the legislative procedure and therefore the power to influence, delay or reject the Commission's policy proposals. The Treaty also gives the European Parliament the power to adopt legislation jointly with the EU Council, requiring the two bodies to agree on an identical text before any proposal can become law. The EP is thus now empowered to promote PCD in EU legislation in all areas.

During the plenary debate, the Development Commissioner supported many of the points in the motion and noted that the Council was planning to discuss its action plan on the MDGs in June. This action plan cites PCD as a priority, supported by a specific EU Work Programme and the improved use of impact assessments. Finally, the Commissioner also called for more systematic use to be made of the PCD provision in the Cotonou Partnership Agreement.

Finally, as part of such multi-stakeholder processes, the experiences gained at a horizontal level in 'peer review systems' (e.g. the OECD/DAC's Peer Review system) may also work well in a sectoral context. One example of a sectoral 'peer pressure' system is the 'Access to Medicine Index', which ranks the world's largest pharmaceutical companies in terms of their efforts to increase access to medicine for societies in need. The idea behind such systems is that, although pressure from governments and civil-society organisations can help, competition among companies is a stronger incentive for development-friendly innovation. Such systems, which include a degree of 'naming and shaming', are also relevant in view of the EU's desire to move from a 'lessons learned' phase to a more result-orientated phase.

3) Intensifying activities in the area of *ex-ante* and *ex-post* development impact assessments

Last but not least, the Work Programme provides a clear and convincing picture of the sheer volume of data that the European Union needs to manage in order to take more informed decisions, leading to more coherent policies. While referring to the need for more information on a number of targets and indicators, the Work Programme does not problematise the fact that not all of this data might be obtainable through

⁴⁰ The adopted resolution is available at: <http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2010-0140&language=EN&mode=XML>.

existing systems. As the figure in section 3.3 shows, performing research into the impact of European policies on development processes is challenging in both conceptual and methodological terms. With the exception of one or two examples, it still remains very much unexplored terrain.

While the *ex-ante* impact assessments managed by the Commission are required to look into the potential impact of policy options on developing countries, giving greater prominence to this aspect in the guidelines will not immediately give it greater prominence in assessment reports if the necessary accompanying investments are not made. The emphasis given to the need for improvement in recent Council and EP discussions may provide the necessary backing for these investments.

However, as impact assessments rely largely on secondary sources as well as consultations of key actors, investments in complementary *ex-post* research may help to ensure that the EC's assessments are better informed in the future. As one possible means of achieving this, the EU Think Tank Group recommended that a 'PCD focal point' be established within the EEAS to monitor and report on progress on PCD in the EU's common foreign and security policy in close collaboration with DG Development. This focal point could support the High Representative and the Development Commissioner in promoting PCD in the college of Commissioners. PCD focal points could also be established in EU Delegations in order to relay systematic feedback from partner countries, with the Head of Delegation made responsible for reporting on PCD. All PCD focal points should receive adequate training and institutional backing and report directly to the Head of Delegation (EU Think Tank Group, 2010). The PCD focal point should also be responsible for drafting the sections on PCD in Country Strategy Papers (which to date show a certain lack of understanding of the concept among the Delegations).

Finally, in view of the methodological challenges, it might be worth exploring whether a specialist 'development impact assessment' might be a better means of optimising impact assessment studies, on similar lines to DG Environment's 'Environment Management System'. Given President Herman van Rompuy's clear statement that EU development cooperation should not be seen as a complementary exercise at times when the economy is booming, the various actors will hopefully invest sufficient energy and resources to ensure that the EU moves from 'learning' to 'achieving' in the promotion of policy coherence for development. As per this paper's analysis, the only way for Europe to move forward with PCD and consolidate its international credibility and legitimacy under the present multitude of global challenges is through combining further strengthening its technical competencies with showing ample 'global public guts' through its interventions and decisions.

Bibliography

Barry, F., King, M., Matthews, A. (2009). *Policy Coherence for Development. The State of Play in Ireland. A Scoping Report* commissioned by the Advisory Board for Irish Aid.

http://www.tcd.ie/iis/documents/discussion/pdfs/PCD_report.pdf

CONCORD (2009). *Spotlight on policy coherence*. Report 2009. Brussels: CONCORD.

Egenhofer et al. (2006). *Policy Coherence for Development in the EU Council Strategies for the Way Forward*. Brussels: Centre for European Policy Studies.

Engel, P., Keijzer, N., van Seters, J. and Spierings, E. (2009). *External Evaluation of the Policy Coherence Unit of the Netherlands Ministry of Foreign Affairs: Summary*. Maastricht: ECDPM. Discussion Paper 91

www.ecdpm.org/dp91

EU Think Tank Group (2010). *Development-proofing the European External Action Service*. European Think Tank Group policy brief. <http://www.odi.org.uk/resources/download/4894.pdf>

Gavas, M. and Koeb, E. (2010). *Setting up the European External Action Service: building a comprehensive approach*. ODI Background note (joint publication with the ECDPM).

<http://www.odi.org.uk/resources/details.asp?id=4777&title=setting-up-european-external-action-service-building-comprehensive-approach>

Hardus, S. (2010). *Ghana's Traders, Lumberjacks and Fortune Hunters. PCD in practice: the impact of European policies on development in Ghana*. Amsterdam: Evert Vermeer Foundation.

Hilditch, L. (2004). *Policy (in) coherence in European Union support to developing countries: a three country case study*. Brussels: ActionAid International.

Hoebink, P. (2005). *The Coherence of EU Policies: Perspectives from the North and the South*. Brussels: European Union's Poverty Reduction Effectiveness Programme. http://www.three-cs.net/content/download/402/3754/file/Hoebink_coherence_EU_policies_N-S_perspectives.pdf

http://www.three-cs.net/content/download/402/3754/file/Hoebink_coherence_EU_policies_N-S_perspectives.pdf

Koulaïmah-Gabriel, A., and A. Oomen (1997). *Improving Coherence: Challenges for European Development Cooperation*. (Policy Management Brief No. 9). Maastricht: ECDPM. www.ecdpm.org/pmb9

Mackie, J. et al (2007). *Evaluation Study on the EU Institutions & member States' mechanisms for Promoting Policy Coherence for Development*. Studies in European Development Co-operation Evaluation 7. Amsterdam: Aksant Academic Publishers. Available at <http://www.three-cs.net>.

OECD (2008). *Policy Coherence for Development: Lessons Learned*. Paris: OECD Policy Brief. <http://www.oecd.org/dataoecd/32/8/41866464.pdf>

DIE, ECDPM, FRIDE AND ODI (2010). *New Challenges, New Beginnings - Next Steps in European Development Cooperation*. London: Overseas Development Institute. www.ecdpm.org/eumemo

Schaik, L. van (2006). *Could 'Policy Coherence for Development' catalyse EU Council Reform?* Brussels: Centre for European Policy Studies Commentary.

Annex A: General elements for creating effective PCD mechanisms⁴¹

1. *PCD system:* The first basic point to consider is the need to take an integrated view and recognise that there are likely to be a variety of needs which cannot all be met by one single PCD mechanism operating on its own. Adopting a systems view also ensures that full account is taken of the role of a wider group of stakeholders and of the context in which the PCD mechanisms operate. The value of a *PCD system* approach is thus a key conclusion of the study.
2. *All three types of mechanism:* On the basis of this study it is recommended that the bottom line for a PCD System is to have at least one of all three types of PCD mechanism. In practice it may be necessary to have several Institutional and Administrative type mechanisms but at least one appears to be essential. The need for the Policy Statement is fairly self-evident and generally accepted. Provision for a Knowledge & Assessment mechanism, though often forgotten, is in fact also essential in the view of the evaluators. The mechanisms then need to work together in a complementary fashion with good dynamic and proactive inter-linkages between them at different levels.
3. *Clear mandates:* It is essential to ensure that what PCD mechanisms are established have clear mandates that specifically mention the promotion of PCD as a key priority. This also applies, and probably even more so, if existing policy mechanisms are being adapted to cover the promotion of PCD in addition to any existing tasks they may have.
4. *Consolidation of responsibility for development cooperation:* Those EU member states with responsibility for development cooperation consolidated in one ministry were found to be generally further ahead in establishing operational PCD mechanisms, than those member states where such responsibility was dispersed between many actors. Consolidating responsibility for development cooperation would therefore seem to make the task of promoting PCD somewhat easier to carry forward.
5. *Long-term strategy:* Promoting PCD is not a short term task, but one that takes time and it is therefore necessary to plan a strategy over time and particularly one that is able to cope with changes in government and the need to renew the political mandate for PCD at regular intervals.
6. *Political support strategy:* Effective PCD promotion requires high-level, broadly based and sustained political support. It is useful to see how this can be provided and whether it is necessary to put in place a specific strategy to enhance political support. In practice this point implies the mechanism has a direct link with the head of government and in some way the ability to engage all the ministers in appropriate discussions. But it also implies that the policy is well rooted in cross-party debate in parliament and finally that there is either existing strong public support for development cooperation or that efforts are made to build that up in order to provide the popular political base on which to construct the necessary political support for PCD inside government.
7. *Links with civil society, NGOs, academia and the media:* The study found only limited interaction between most of the PCD mechanisms under study and civil society. This emerged as one important area for improvement not least in order to build up the public and political support base to sustain the work of the mechanisms as discussed under the previous point. In addition however, these stakeholders have a lot to offer in terms of improving the knowledge and evidence base required for effective PCD work. Official actors do have problems coping with the wide variety of subject material that needs to be covered in PCD work and it is therefore important to sustain in this with knowledge and expertise both from within government and from outside.

⁴¹ Adapted from Mackie J. et al, 2007.

8. *Visibility*: Again related to both the previous point and the one before on political support, some form of communication strategy should be an essential part of a strategy to promote PCD. Stakeholders both within and without government need to understand what work is being done on PCD and the value of that work
9. *Adequate resources*: The promotion of PCD requires resources, both human and material. Adequate provisions need to be made available for this and not just on an ad-hoc basis but over time. Specific expertise and skills are also needed, such as technical knowledge of different policy areas with which development specialists will come into contact (e.g. trade, security, migration, etc) and negotiation and persuasion skills.
10. *Persuasive & flexible approaches*: This point emerges more from the opinion survey than from the case studies, yet there was also evidence in the latter to support the view that coercive approaches are not the most effective route to achieving PCD. Rather, it emerged that PCD specialists are generally persuaded that it is best to work flexibly through consensus building and where possible seek shared interests with other policy sectors.
11. *Goal-setting, planning, monitoring and evaluation*: As with any programme of action, and promoting PCD is no exception, it is important to seek to be as clear as possible on the goals to be achieved and the impact sought. In turn this enables adequate forward planning and the basis on which to conduct monitoring and evaluation. Progress reports are also an essential tool for increasing visibility and building public awareness and political support for PCD.
12. *Informal networks*: Finally, do not underestimate the importance of informal networks both internally within government and externally with other stakeholders. The study came across considerable evidence of the value of informal networking to support the promotion of PCD for instance through identifying issues, supporting thinking, encouraging knowledge sharing, building and maintaining broad based political support and finding compromises. Even beyond the national policy sphere, linkages with other practitioners across Europe have clearly also been an important influence on moving things forward and need to continue to be encouraged. Although the nature of such networks and an inherent part of their value is that they should remain flexible and informal, their growth and the linkages they provide can be actively supported by sympathetic department heads and senior management in government so as to encourage officials at all levels to use them proactively.

Annex B: Outstanding issues identified in the 2009 EU biennial report on PCD⁴²

0: General/institutional

- The Commission and the EU member states should jointly agree on a few PCD priorities (based on this report) for the next 2-3 years
- The informal PCD Work Programme would consist of two parts: the above mentioned priorities and the screening of the Commission's annual Legislative Work Programme (CLWP)
- EU and developing countries to better use consultation mechanisms to promote PCD and to strengthen them when necessary
- The Commission to assist developing countries in identifying EU initiatives that matter for them by discussing with them the PCD priorities as well as the result of the screening of the CLWP
- Continue to improve awareness and understanding of PCD, particularly on the part of non-development ministries.
- Address the need for pertinent research, knowledge and information on the impact of policy (in) coherence / synergies to inform policy screening / negotiations and decisions.

1: Trade

The negotiations in different areas are ongoing and therefore the issues as mentioned in the 2007 report remain important for continued attention. The need to keep the momentum and continue to focus on development friendly outcomes is obvious in relation to the:

- Doha Development Agenda
- EPA negotiations
- Revision of the Rules of Origin
- Continue to address the importance of Intellectual Property Rights for development

2: Environment

- Global Environment Institution: the creation of an efficient UN Environment Organisation should be supported with a significant representation of developing and emerging countries.
- Additional resources should be made available for the poorest developing countries to tackle environmental issues. In connection with Climate Change initiatives, new financing mechanism should be pursued (such as Payment for Environment/ Ecosystem Services, Carbon Stocking etc.).
- Facilitate environment friendly technology transfers to developing countries
- Promote international agreement on the use of labelling and sustainability schemes on a growing number of natural resources and products while supporting developing countries in the implementation to limit additional cost and loss of opportunities.

3: Climate change

- Encourage the design of low-carbon development strategies in developing countries in particular through capacity building.
- Develop innovative form of financing for supporting climate change actions in developing countries, including financial support to LDC and SIDS to tackle adaptation needs.
- Further Support studies and research on Climate Changes impact and assist with dissemination of information/Awareness raising activities in Developing Countries.
- Reduce geographical imbalance of the CDM by increasing access of LDCs to CDM projects.
- Stronger participation of developing countries in EU and international climate change policies.

⁴² The report can be accessed at http://ec.europa.eu/development/policies/policy_coherence_en.cfm

- Assess the impact of trade policy for environment goods on climate change.

4: Security

- Associate the Commission fully to the planning and implementation phase of ESDP missions in order to take account of development concerns and improve the integration of civil, police and military components.
- Security Sector reform (SSR) has been identified as one of the key areas of relevance in the security and development nexus. EU should develop a common SSR policy as well as guidelines defining the roles and responsibilities of the Commission and the ESDP in supporting SSR in partner countries.
- Strengthen the partnership approach in security operations by assessing with partner countries the causes of conflict in order to produce effective mandates for peace operations and to improve the security-development nexus at the country level.
- In fragile situations, the focus of development cooperation should be on the building of resilient states that can provide for the security of their population and sustainable development. A 'Whole of EU' approach, bringing security, development, humanitarian and other actors together in view of an overarching coherent strategy is of great importance.
- Continue to promote the idea to develop and adopt a legally-binding Arms Trade Treaty to regulate the licit trade in arms.
- Strengthen the African Union and Regional Economic Communities' peacekeeping capabilities for African-led peace support operations by providing flexible, predictable and long-term funding; operationalising the African Peace and Security Architecture (APSA) and the African Standby Force (ASF); improving capacity building efforts and in particular address the training needs of the ASF as jointly identified with African partners.

5: Agriculture

- Continued efforts toward a development friendly WTO Doha agreement, including a significant reduction of trade-distorting support by all countries.
- Careful monitoring of Food Security situation in Developed and Developing countries.
- Renewed efforts for development cooperation to support agriculture and rural development in developing countries through adequate policies internally elaborated following inclusive of all stakeholders consultation processes.
- Engaging Developing Countries in research, innovation and dissemination of results in the field leading to increase agricultural production and productivity while preserving natural resources and reinforcing resilience of food systems.
- Assessment of the impact of climate change mitigation and adaptation measures on sustainable agricultural production in the EU and in Developing Countries. Policy synergies sought between Agriculture, Climate Change, Research and Environment policies.

6: Fisheries

- Reinforce the sustainability of fisheries in particular by improving stock assessments and by making them more transparent.
- Improve market access to the EU for fisheries products from developing countries, including through more flexible rules of origin.
- Support the formulation and implementation of developing countries fisheries policies
- Support and cooperate with developing countries in the fight against IUU.
- Move towards the regional dimension and enhance the capacities of regional organisations to assess and rebuild fish stock to a level of productivity allowing harvesting at MSY levels mandated by the Law of the Sea and supported by the Johannesburg Plan of Implementation.

7: Social Dimension of Globalisation, Employment and Decent Work

- PRSPs are more employment friendly, thanks to ILO involvement, but additional efforts are needed to incorporate core labour standards, and other labour standards, where and when required. Beyond this, ILO should be actively involved in improving social partners' participation in countries where social dialogue is limited and further involved in UN reform, developing more links with UNDAFs.
- Address social protection challenges both in formal and informal economies. Support the ILO campaign to extend social protection for all.
- Support the design and implementation of policies to reduce salary inequity and specially gender inequalities within countries. Particular attention should be paid to integrate Social Dimension in Agricultural and Rural policies at domestic level.
- Integrate Decent Work and employment agenda in the EU-China-Africa trilateral dialogue.
- Given the importance of employment as a driver of south-south and south-north migrations, greater consideration paid to employment and decent work agenda in EU Migration policies.
- Linking employment issues with global challenges, public policies on Climate Changes, in particular the promotion of 'green' employment, should integrate SDG aspects.
- Cooperation with ILO should be enhanced in particular in developing employment guidelines for developing countries and to define relevant indicators relevant to measure quality in work and decent work.

8: Migration

- Offer real migration and mobility options for nationals of developing countries seeking legal employment in the EU.
- Negotiate Mobility Partnerships with other third countries.
- Launch more pilot schemes on circular migration and undertake further study in the EU building on research, existing best practices and consultation with relevant stakeholders in the EU and developing countries explore options to stimulate circular migration.
- Support the establishment of labour migration information and management centres in third countries.
- Consider visa facilitation for certain groups of third country nationals.
- Expand best practices regarding the right to residence and on other citizenship issues.
- Protect the EU Asylum *acquis*: reject the outsourcing of assessment of asylum claims to transit countries outside EU territory if these countries have not ratified/and or do not sufficiently implement the 1951 Geneva Convention or the regional conventions based on the same principles.
- Explore the opportunity of ratifying (or amending) the UN 1990 Migrants Rights Convention, so as to strengthen the EU's international credibility and the coherence of EU migration policy with its migration and human rights policies.
- Continue implementation of the migration and development agenda of the global approach
- Develop and implement country specific 'safeguarding skills for developing countries to address brain drain.
- Strengthen dialogue and cooperation with diaspora groups and migrant communities; support the emergence of an Africa diaspora network at European level.
- Continue to promote cheaper, faster and more secure flows of remittances and stimulating the development impact of remittances.
- Challenge tendencies towards introducing aid conditionality (e.g. in the context of negotiations of bilateral agreements in the area of migration).

9: Research and innovation

- Ensure that research programmes include more topics relevant for developing countries.⁴³
- Improve dialogue by means of joint fora with developing countries to identify research topics of relevance to them and to raise awareness and mutual understanding. The fora should bring together politicians, civil servants as well as scientists and practitioners
- Redouble efforts to make the Africa-EU partnership on science, technology and space work as the nucleus for future EU Africa research cooperation:
 - strengthen its research policy capacity and its capacity to manage a research programme;
 - establish an Africa-EU high level platform for dialogue to facilitate the possible creation of a specific common decision-making platform for joint efforts in science, information society and space.
- Improve synergy between development research and capacity building, for example between FP 7 and support to the CGIAR and regional African research networks that are supported by the Commission and EU member states. EIARD provides the basis for this collaboration.
- Encourage developing countries to incorporate S&T capacity building, including the gender equality aspect in their National or Regional Indicative Programmes for EC external assistance funds and cooperation programmes.
- Continue to work towards a more balanced mobility of researchers between the EU and developing countries and support brain circulation:
 - based on the experience to be gained from the newly launched IRSES scheme, examine the possible expansion of the scheme to other developing countries and regions;
 - develop networks for non-European researchers in Europe and utilise better the potential of the diaspora of developing country researchers in Europe, e.g. by creating short- or medium-term placements in African universities and research institutions for highly qualified diaspora personnel through sabbaticals and other arrangements of leave of absence from tenured positions in the host countries;
 - establish joint physical or virtual research laboratories.
- Encourage innovation:
 - cooperate with diaspora communities to introduce new technologies in the framework of high quality incubation services;
 - consider establishing innovation projects for developing countries following the Medibtikar approach with strong links to private sector development and regional integration;
 - facilitate cooperation of partners in developing countries with the Enterprise Europe Network.

10: Information society

- Identify jointly with developing countries priorities for joint research in the area of ICT.
- Intensify research cooperation in the area of ICT with developing countries in particular by including specific actions (sectoral 'Coordination and Support Actions' (CSAs) and Specific International Cooperation Actions (SICAs), etc) based on European and developing countries specific interests, in the revised FP-7 Work Programme for the ICT Theme.
- Continue the policy dialogue with developing countries on issues including the promotion of the establishment of independent and effective regulatory authorities, the non-discriminatory allocation of scarce resources, publicly available licensing criteria and transparent award procedures, non-discriminatory and cost-oriented interconnection, and the use of open technologies.
- Increase efforts to expand both basic (such as electricity supply) as well as specific ICT infrastructure.
- Use the Joint Africa-EU Partnership on Science, Information Society, and Space to promote PCD.

⁴³ See, for example, the proposal for a SICA on intellectual property rights in the trade chapter of this report.

11: Transport

- Continue to develop the coherent policy dialogue on transport with partner countries and raise awareness of the link between development and transport.
- Increase coordination of transport policies at member state and EU level.
- Develop monitoring mechanisms with a view to promoting PCD in transport.

12: Energy

- Implementation of the energy policy priorities with Developing Countries through the various instruments and programmes should continue aiming at increasing Developing Countries access to modern energy services.
- Political Dialogue with developing countries on energy efficiency, renewable energy and diversification should be enhanced.
- Research Policy should help Developing countries to develop efficient, adapted and environmentally friendly technologies, while ensuring linkages to actors that are in the position to take up these research results.
- Low-carbon technologies transfers should be facilitated to allow for developing countries to catch up with efficient and clean technologies.
- Develop monitoring mechanisms at both national and EU level to measure impact on developing countries of energy policies in the EU.
- Development policies and programmes should be geared to assist willing developing countries to engage in biofuel use and production, both for domestic and export markets, while closely monitoring the effects on food security and other potential social and environmental consequences.

Annex C: The five areas and their specific priorities

Area	Council priorities
1) Trade and finance	<ul style="list-style-type: none"> • WTO/DDA round, EPAs and other EU free-trade agreements • increased access to the EU market for developing countries • emerging trade-related issues of importance for sustainable development • exploring the potential of using Intellectual Property Rights to promote development • transparency and countering of illicit cross-border flows and tax evasion
2) Addressing climate change	<ul style="list-style-type: none"> • the need for a comprehensive approach on climate change • seeking and using synergies between climate change, energy and development policies • facilitating access of developing countries to low-carbon and climate resilient technologies, in particular for adaptation • participation of developing countries, in particular LDCs and other poor climate vulnerable countries, in the carbon market
3) Ensuring global food security	<ul style="list-style-type: none"> • developing countries' needs and concerns and sustainability in the EU's domestic and external policies, including agriculture, fisheries, biodiversity, trade, climate change and research, with the goal of achieving global food security • Common Agriculture Policy (CAP) and its impact on developing countries • links between biofuels, environment and food and livelihood needs
4) Making migration work for development	<ul style="list-style-type: none"> • balanced and comprehensive approach on the migration and development agenda, in particular within the framework of the Global Approach to Migration • reducing transfer costs for remittances, enhancing dialogue with diaspora and preventing 'brain-drain'
5) security and development	<ul style="list-style-type: none"> • planning, security sector reform, conflict prevention, fragility, state building and partnerships with (sub)regional organisations • ensuring that national development plans take into account security and development needs in a more coherent way, including the underlying social and economic factors and fragility • fully taking into account, in the planning and implementation of international peace operations, the social-economic and environmental impact of international peace operations at local level

Annex D: Excerpts from recent impact assessments on developing countries

1) Commission proposal: Report on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling

'For biomass produced within the EU, the current legal framework (notably related to agriculture and forest management) gives certain assurances for the sustainable management of forest and agriculture. The same is true for some third countries – but others lack such a framework. For this reason, concerns have been expressed that an expansion of international trade of biomass and increasing imports from third countries may lead to the unsustainable production of biomass.'

'LULUCF [land use, land use change and forestry] accounting and provisions related to REDD [reducing emissions from deforestation and forest degradation] could help addressing land use related sustainability issues in third countries. As such rules are not yet in place at international level, and because of the relatively higher sustainability risks related to forestry, the Commission will closely monitor progress in this field and, by 31 December 2011, reassess the situation. In case LULUCF and REDD issues are insufficiently addressed at international level, or if countries are not engaging sufficiently to implement such rules, the Commission may consider to introduce a procedure to address potential sustainability problems.'

2) Commission proposal: Communication on agricultural product quality (28 May 2009)

[Conclusions of a conference] *'Private standards for imports from developing countries can improve farming efficiency, promote good agricultural practices, and stabilise business relations*

• *However:*

- *only the best farmers are able to be certified; the weakest may be excluded;*
- *schemes may be perceived as barriers to market access;*
- *stakeholders in developing countries should play a role in the development of schemes;*
- *technical assistance for capacity building should be provided under aid programmes (but need to avoid creating new dependencies)'*

[Note: no references to third/developing countries in the summary]

3) '[A] European Commission Impact Assessment on the proposals for a Visa Information System considered the repercussions that would occur if potential visitors to the EU (from developing countries) were required to provide biometric information when applying for visas.⁴⁴ When the costs and time of travelling to consulates was taken into account the costs were considerable. The monetisation of environmental impacts on developing countries is also of critical importance. For example, agricultural and trade policies affect land use, deforestation, soil erosion and biodiversity in developing countries. It is possible to monetise these effects and hence inform policy revisions.⁴⁵

⁴⁴ Impact Assessment on a Regulation concerning the Visa Information System (VIS) and the exchange of data between member states on short-stay visas. GHK study to inform the Commission's impact assessment study: <http://www.statewatch.org/news/2005/jan/vis-com-835-study.pdf>.

⁴⁵ Quoted from paragraph 29 of: OECD (2009) Framework and Assessment Methodology for Policy Coherence for Development. Paris: OECD.

Annex E: Possible dimensions for country typologies

<p>Governance dimension: World Bank governance indicators, as well as other relevant governance-related indicators maintained by the OECD and the World Bank (e.g. the World Bank's Doing Business Indicators).</p>	<p>Population dimension: poverty and malnutrition, density, migration rate, urbanisation, HIV/Aids prevalence.</p>
<p>Geographic dimension: Distance from Europe (e.g. Senegal as compared with Mozambique), landlocked or not (i.e. dependence on other countries as intermediaries for transport), coastline and maritime claims, natural resources, land use.</p>	<p>Environmental dimension: climate conditions, vulnerable coastline and/or small island state, natural hazards, freshwater.</p>
<p>Economic dimension:⁴⁶ degree of trade integration (trade volume as share of GDP), infrastructure, debts, ratio of formal to informal economy, economic agreements, GDP composition per sector (agriculture, manufacturing industry, services) – and types of product, labour force, skilled/unskilled, by occupation (proportion of workforce employed in agriculture, services, productive sector), foreign exchange holdings, exports as share of GDP and composition of exports (agricultural goods, industrial goods, services), imports as share of GDP and composition of imports (agricultural goods, industrial goods, services), import duties as share of budget, tax income as share of budget, income from natural resources as share of budget, FDI as share of GDP, remittances as share of GDP (% of citizens working abroad), aid as share of budget.</p>	

⁴⁶ For all economic dimensions, it would be important to have EU-specific data in addition to overall figures (e.g. both trade volume as share of GDP and trade with Europe as share of total trade).

The European Centre for Development Policy Management (ECDPM) aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific.

Created in 1986 as an independent foundation, the **Centre's objectives** are:

- to enhance the capacity of public and private actors in ACP and other low-income countries; and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on **three** interconnected thematic programmes:

- Development Policy and International Relations
- Economic and Trade Cooperation
- Governance

The Centre collaborates with other organisations and has a network of contributors in the European and the ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking, infield research and consultations are widely shared with targeted ACP and EU audiences through international conferences, focussed briefing sessions, electronic media and key publications.

ECDPM Discussion Papers

ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

This publication benefits from the generous support of ECDPM's core and institutional funders: The Netherlands, Belgium, Finland, Ireland, Luxemburg, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

ISSN 1571-7569

European Centre for Development
Policy Management

ecdpm

HEAD OFFICE SIÈGE

Onze Lieve Vrouweplein 21
6211 HE Maastricht
The Netherlands *Pays Bas*
Tel +31 (0)43 350 29 00
Fax +31 (0)43 350 29 02

BRUSSELS OFFICE BUREAU DE BRUXELLES

Rue Archimède 5
1000 Brussels *Bruxelles*
Belgium *Belgique*
Tel +32 (0)2 237 43 10
Fax +32 (0)2 237 43 19

info@ecdpm.org
www.ecdpm.org
KvK 41077447



Mixed Sources
Certified
www.fsc.org Cert no: SIC-COC-001890
© 1996 Forest Stewardship Council

Printed on FSC certified paper.