

# WHAT MEPS NEED TO KNOW ABOUT POLICY COHERENCE FOR DEVELOPMENT

Policy paper: briefing

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## Why should Members of the European Parliament care about Policy Coherence for Development?

The European Commission and the Member States together are the biggest aid donor in the world. This is a strong signal and good news but development is not just about aid and additional efforts and commitments from Europe are needed.

From the perspective of the developing countries, Europe is also known for its subsidies to European farmers and companies that local farmers and businesses cannot compete with, its tax havens that enable European companies to dodge taxes they should have paid to the developing countries they operate in, its low tariffs to export to Europe, its companies that grab vast areas of land to produce biofuels or extract raw materials with devastating impacts on local communities, its complex migration rules... all of which create obstacles to the development of national economies and aspirations of poor people to live a better life.

### EU Incoherencies: Focus on Food security and nutrition

Every night, 870 million people go to bed hungry and malnutrition is responsible for nearly half (3.1 million dead) of all deaths in children under five every year. There has been increased momentum around the urgency of eradicating hunger and under-nutrition as well as explicit commitments both at the EU and global levels.

Small-scale food producers are recognized as producing most of the food consumed in developing countries – about 80% of the food eaten in Asia and sub-Saharan Africa. They are also the main investors in agriculture in low and middle income countries.

The need to support small-scale food production is recognized by the EU and it is vital to ensure that investment from other sources, whether public or private, supports farmers own investment and does not undermine their efforts.

While the EU has actively supported the UN Year of Family Farming in 2014, still too much European investment has been damaging to the detriment of small-scale farmers, particularly through land grabs by large companies. Different initiatives and policies supported by the EU – such as most recently the New Alliance for Food Security – actually incentivize land grabs and undermine the rights of smallholder farmers in the developing world. This is in total contradiction

Indeed, in today's densely interconnected world, **letting your right hand undermine what your left hand is doing is a very counterproductive approach to decision-making.** This is witnessed at first hand by CONCORD's member organisations working with partner Civil Society Organisations (CSOs) and communities in the field, in developing countries. Our partners know from experience the vital difference European development aid makes to millions of poor people across the planet. But they also witness the devastating consequences inflicted by other incoherent political choices, made in Europe, on local communities in developing countries.

Positively, and as a unique case in the world, the European Union took a strong commitment in the form of a binding obligation to be accountable for how all its policies affect the world's poorest.

Indeed, the Treaty of Lisbon states in its article 208 that the European *“Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.”* This is what we refer to as Policy Coherence for Development (PCD).

**Making PCD a legal obligation is a huge progress in the fight against global poverty and a formidable promise sent to the developing world. In setting the standard so high, the European Union (EU) has also staked its credibility and accountability vis-à-vis the citizens of both Europe and developing countries.**

The PCD principle builds on the Union's own founding values of solidarity, equality and respect for human rights, which enabled European nations and citizens to raise their living standards. By removing the obstacles posed by wealthier nations, PCD is a formidable enabler for development, creating an environment in which developing countries themselves can lead their own development. Moreover, this principle recognizes the fact that many of the worlds' problems and their solutions cannot be address unilaterally anymore: it does not make sense to oppose the welfare of EU citizens and citizens of developing countries.

In the context of the discussions on the post-2015 framework for global development, the EU has a unique opportunity to transform PCD into a universal standard and make a crucial difference for the future and well-being of millions of people in the world.

### **CONCORD's vision on PCD**

For CONCORD, PCD means that all EU policies must be in support of developing countries' development needs, or at least not contradict the aim of poverty eradication. Thus, PCD is the process by which development concerns penetrates non-development policy areas with the ultimate objective to safeguard the chances of the poorest people to achieve better living conditions. Together with development policy and effective aid, PCD is a significant and complementary instrument that has an important impact on sustainable development, poverty eradication and the respect for Human Rights.

In CONCORD's view, a **human rights-based approach (HRBA)** must be taken to PCD, building on the belief that all human beings have inalienable rights that entitle them to make claims on others when their rights are being denied or violated. The EU and its Member States have extraterritorial obligations (ETOs) to respect human rights in third countries. Implementation of PCD and ETOs must go hand in hand for an optimal impact in fighting back global poverty. At the core of this lies the idea that people who are the most directly affected by policy decisions should be able to participate in the making, monitoring and evaluation of these policies. **Making PCD a reality must involve channelling the voices of poor people living beyond Europe's borders into EU policy-making, and ensuring that the EU's actual policies undergo necessary review to ensure that they respect people's rights.**

CONCORD applauds the EU for making PCD a legal obligation, meaning that it is accountable for it. As civil society, we aim at playing a critical watchdog role by bringing to the attention of European decisions-makers cases of injustice, damages and threats to development caused by incoherent European policies, that we witness through our field work in developing countries. Our role is also to propose alternative, development-friendly policy options.

#### **EU Incoherencies : Focus on Tax evasion**

For developing and developed countries alike, domestic resources, such as taxation, are by far the largest source of revenue for financing economic and social development, including public services. This is why combating tax dodging by European companies is crucial for development. In 2010 alone, at least US\$ 859 billion escaped developing countries through illicit financial flows. Thus, every year, the world's poorest countries have been losing around US\$100 billion because of tax dodging by EU companies and other transnational corporations due to inappropriate international and European tax policies.

Recently, the EU has made promising moves backed up by a strong political signal from the Heads of States of all EU Member States calling for "taking effective steps to fight tax evasion and tax fraud". The EU, with the large support of the European Parliament, now requires companies in the forestry, extractive and banking sectors to provide a full picture of their actual economic performance for every country in which they trade, which allows tax authorities both in Europe and in developing countries to detect suspicious transactions and collect revenues by making these companies pay a fair share of their profits. The challenge is now to extend this obligation to all large companies in all sectors.

## How can you contribute to PCD as a Member of the European Parliament?

PCD requires first and foremost political will, leadership and sustained efforts, anchored into a vision of a more just international order. In this vision, the interests of Europe are not opposed to the interests of developing nations, but on the contrary, Europe's interest, role and responsibility as a global player is to unlock the development potential and enable citizens in developing countries to enjoy better living conditions and the realisation of their human rights.

### EU Incoherencies : Focus on climate change

Climate change will and already is having a devastating effect on developing countries. Rising greenhouse gas emissions are driving up temperatures, shifting rainfall patterns and making extreme weather events more likely, with devastating consequences for food production. The impacts of climate change on global food security can already be seen in the livelihoods of the poorest people, who spend the majority of their income on food. The EU spends millions of euros on food security and climate change adaptation programmes, and humanitarian crises, in the Sahel. But if the EU does not meet its PCD obligations, and shoulder the responsibility it shares with other polluting States to slash emissions drastically and stop causing runaway climate change, these commitments will not be enough.

Without urgent action, at current growth rates we will exceed – within the next few decades – the 2°C limit for acceptable global warming that world leaders set themselves in 2010.

The current proposal for the 2030 Climate and Energy Package put forward by the Commission for emissions cuts of 40% by 2030 is not ambitious enough to address the climate crisis. Without tackling this issue the development progress that has been made and supported by EU development cooperation stands to be reversed.

Unfortunately, the conclusion so far is that European leaders have not yet demonstrated the political courage needed to make fair policies a reality.

One compelling example is the recent reform of the EU Common Agriculture Policy (CAP). Despite a very positive contribution by the Parliament's committee on development, at the time of voting in plenary, the reform ended up being mainly about supporting the competitiveness of the EU's big agribusiness companies to the detriment of food security in developing countries and environmental protection. Thus, the complex European subsidy system (export refunds and direct aid payments) remains in place and allows the dumping of cheap European agricultural products on the market of developing countries, at the expense of local farmers. The Parliament even refused to introduce a monitoring mechanism that would allow EU institutions and citizens to know how their agricultural policy effectively affects developing countries.

In 2014, the citizens of Europe elected you and your colleagues in a new European Parliament, and new Commissioners have been appointed. This is a tremendous opportunity for Europe to reinvest in PCD by firmly anchoring PCD in the mandates of these new political leaders.

**PCD must be integrated into daily policy-making, and you are at the heart of it. Your role at each step of the EU policymaking cycle is key to prevent, detect and redress incoherencies of EU policies, for the benefit of European citizens and poor and vulnerable people in developing countries.**

*The EP should operationalize PCD inside its own institution. Therefore, CONCORD recommends you to:*

- Ask your President in the European Parliament to be a strong advocate for PCD and convince other leaders; especially require from the European Commission to assume the responsibility, as the guardian of the Treaty, to make arbitration in case of conflict within the Commission when PCD is at stake<sup>1</sup>;
- Work jointly with your colleague Standing Rapporteur on PCD to promote PCD and raise the development concerns in all policy sectors in all relevant committees – don't forget to use social media too!;

<sup>1</sup> In line with the European Parliament [resolution](#) of 13 March 2014 on the EU 2013 Report on Policy Coherence for Development (2013/2058(INI))

- Create or join a specific dialogue space (e.g. working group) for MEPs from different groups and sitting in different committees to identify the PCD challenges in current issues, and together experience a new way of analyzing policy issues and imagining alternative more development-friendly policy solutions;

**To prevent and detect incoherencies, you should:**

- Maintain strong relationships with civil society and other actors who can bring to your attention evidence and analyses of what is actually happening in developing countries;
- Always ask yourself how the different policy options on the table may affect developing countries, when starting a new legislative process; take a thorough look at the Commission's Impact Assessment and verify how development impacts have been evaluated, if they have – don't hesitate to ask the Commission to further elaborate on its findings, through written or oral questions;
- Request the EP's Impact Assessment unit to pay a special attention to development impact issues, and address the loopholes in the Commission's impact assessments.
- Press the Commission and the EEAS to urgently take the appropriate measures to generate the evidence of development impacts (including by involving EU Delegations)<sup>2</sup> that you and other policy-makers to make informed choices;
- Mobilize your political group and coordinators to request the Parliament research unit to investigate the development impacts of the issues on your agenda.
- Include systematically the question of the impacts of EU (non-development) policies on the agenda of the EP fact finding missions in developing countries, at the ACP-EU Joint Parliamentary Assembly and other dialogue spaces with interlocutors from developing countries; encourage ACP parliamentarians to appoint a PCD standing rapporteur amongst themselves to work together with the EP standing rapporteur;
- Organise public hearings and conferences to gather a diversity of actors and confront their evidences and analyses.

**To redress incoherencies, CONCORD strongly recommends that you:**

- Use your influence (through questions to the commission, own initiative report, studies) to press for the review of policies and legislations whose negative effects on poor communities in developing countries are demonstrated – don't hesitate to use and share (e.g. through social media) civil society studies and testimonies!;
- Use your influence and take the necessary measures to implement the European Parliament Resolution on PCD that agreed "to establish an independent system within the Union to receive and formally process complaints by members of the public or communities affected by the Union's policies"<sup>3</sup> who wish to challenge the negative consequences of EU policies on their development, where a violation of PCD can be demonstrated. The ultimate objective is to revise the harmful policies, which gives decision-makers, including the Parliament, a chance to opt for alternative, more development-friendly, options.

*Further reading: CONCORD report "Spotlight on EU Policy Coherence for Development" 2013, 2011 and 2009 on <http://www.concordeurope.org/coherent-policies>*

*Contact: [Blandine.Bouniol@concordeurope.org](mailto:Blandine.Bouniol@concordeurope.org)*

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<sup>2</sup> This is a central element of the Council Conclusions on PCD adopted in [2012](#) and again in [2013](#).

<sup>3</sup> European Parliament [resolution](#) of 13 March 2014 on the EU 2013 Report on Policy Coherence for Development (2013/2058(INI))