

CONCORD's responses to the Public Consultation on the Evaluation of the EU's Policy Coherence for Development (2009-2016)

Background

The Council and the European Parliament have requested the European Commission for an independent assessment of progress regarding the EU's Policy Coherence for Development (PCD) commitment. An external evaluation has been commissioned by DG DEVCO to cover the period 2009-2016 and should provide stakeholders with an overall independent assessment of the EU's actions on PCD. It should also serve to identify key lessons and produce recommendations to improve current actions and inform future choices for the EU's approach to PCD. To further enrich the assessment, the Commission has launched [a public consultation](#) to gather feedback from stakeholders.

The results of this public consultation will be taken into consideration for the final report by external consultants, which is expected to be ready by August-September 2018, followed shortly thereafter by a dissemination seminar. And these should feed into an evaluation report by the Commission before the end of 2018. The timing of this evaluation should allow the Commission to take into account its outcome into the future PCD reporting process planned for 2019. You can find [here](#) the background document to this online consultation.

General reflection on the explanatory document

The explanatory document refers to art 208 of the Lisbon treaty as including a commitment to sustainable growth which is not the case. Even if the current European Commission leadership is a strong believer in GDP growth as a relevant objective, it doesn't have the power to amend the EU treaty provisions or pretend they say what they don't. We, in CONCORD, believe with many other very knowledgeable experts and organisations, that GDP growth is not an appropriate measure of economic progress, and even less of development impact. We therefore believe that if this is the approach through which the PCD evaluation will be conducted, they are disqualified even before they start. However, we consider that it would be in line with Agenda 2030 and its strong commitment to leave no one behind, as well as with the Consensus for development, to integrate inequality in the PCD evaluation. Poverty reduction is what art 208 is about, and inequality is intrinsically linked to poverty and an obvious obstacle to poverty reduction and the realisation of human rights.

Sustainable development should be the political direction all policies should be coherent towards. Not sustainable growth. If we are to achieve Policy Coherence for Sustainable Development, we need first the political priorities to be set right, before we can make policies coherent with that objective. The Commission's political guidelines failed to reflect sustainable development as a core priority, so when incoherencies arose and trade offs were made, this happened often to the detriment of sustainable development. The future political priorities should better include sustainable development as a core priority.

The questionnaire

1. Do you consider that the way in which PCD has been implemented in the EU has been/is relevant?

- Yes
- No
- Do not have an opinion

Please explain here why you think this is the case

CONCORD Europe would like to point to the fact that Policy Coherence for Development is one of the pillars of EU action towards developing countries. It is enshrined in Article 208 of the EU Treaty: “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.” Recently, the EU has endorsed the 2030 Agenda, with its explicit commitment to Policy Coherence for Sustainable Development (SDG 17.14), which in fact extends and gives a much broader scope and strength to Policy Coherence for Development.

With regard to the question, CONCORD Europe thinks that the way in which the principle of Policy Coherence for Development has been implemented is relevant, but unfortunately sometimes in a negative sense. The increasing focus of various EU policies on its perceived self-interests such as keeping migrants out of Europe or promoting the interests of European enterprises abroad, does not contribute to the reduction and/or eradication of poverty in developing countries, nor to the reduction of inequalities. The EU should take its PCD commitment seriously into account, including when it is difficult and trade-offs cannot be avoided. The bare minimum is that such trade-offs need to be made explicit. The positive maximum is that the EU contributes positively to sustainable development in developing countries through its actions in other policy domains, like trade, migration, energy and tax.

We welcome the move from PCD to PCSD, meaning that we also see the need for the EU to identify possibilities to contribute via other policies (trade, migration, energy etc.) to sustainable development in general, and in developing countries more specifically. The focus on mitigating adverse impacts is too narrow. In our understanding, during the period covered by the evaluation the EU has not yet started to operationalise the concept of PCSD. As CONCORD Europe we stand ready to contribute with our expertise to policy development in this direction.

1.1. Has it responded well to the evolving (past and current) needs of developing countries?

- Yes
- No
- Do not have an opinion

Please explain here why you think this is the case

CONCORD Europe doubts whether the EU’s PCD policy has responded well to the needs of developing countries. While the five thematic PCD areas are all relevant for developing countries, we fail to see, for example, how the principle of PCD has been taken into account when the EU Delegations drafted the National Indicative Programmes for the period 2014-2020. The NIPs formulate the EU’s priorities for development cooperation with partner countries X, Y, Z, but do not make explicit how the EU via its trade policy, migration policy, human rights diplomacy etc. contributes to sustainable development of these partner countries.

The current approach is definitely not participatory, leaves little room to affected communities and CSOs from the Global South to share their views about the possible and already tangible impact of EU policies on their livelihoods and rights. CONCORD Europe’s EU delegation reports (CONCORD Europe 2014, Mutual engagement between EU delegations and civil society organisations, pp.20, <https://bit.ly/2KtCSFW>) testify to that. With the entry into force of the Lisbon Treaty EU delegations gained the status of diplomatic missions, now representing the European Union officially in partner countries. Their role has been expanded from development cooperation and economic and trade cooperation to include duties such as conducting political dialogue and making diplomatic representations on behalf of the EU. They play a key role in designing, programming and implementing EU development cooperation programmes, and also take a leading role by coordinating on the spot

with Member States on the implementation of all EU assistance, both multilateral and bilateral, to boost synergy and increase the visibility of the EU. This made it even more important for civil society partners in the Global South to be consulted directly about non-development policies affecting them. Also, there is a need to incorporate an inequality lens in PCD, and to pay equal attention to all dimensions of sustainable development, as per Agenda 2030 (CONCORD Europe 2016, Sustainable Development – The Stakes could not be higher, pp. 7-9, <https://bit.ly/2wNIWbo>). That is far from being the case now.

At partner country level, EU delegations have scarcely made any visible effort to make sure that different EU interventions (trade, development, human rights, diplomacy etc.) coherently contribute to local sustainable development. The last report from the European Commission about Policy Coherence for Development (2015) talks about capacity building activities for EU delegations' staff, and about 'initiating steps for a regular PCD reporting mechanism for EU delegations'. We have not been able to retrieve any public information to check whether these intentions have materialised and what the concrete benefits have been for partner countries.

1.2. Has it responded well to institutional changes at the Commission level and the European External Action Service?

- Yes
- No
- Do not have an opinion

Please explain here why you think this is the case

No. The institutional changes have brought a solid coherence between various EU policies, such as development, external action, trade, migration and agriculture, etc. However, they have not led to increased policy coherence for development in the sense that development objectives have been taken more into account in non-development policies, as enshrined in article 208 of the Lisbon Treaty. Instead, it seems that development cooperation policies and programmes need to increasingly take into account the EU's interests and objectives in other (non-development) areas of work, often to the detriment of its own (sustainable) development objectives. The EU's Global Strategy on Foreign and Security Policy even seems to subordinate development objectives and makes no reference whatsoever to Policy Coherence for Development. What EU leaders perceive as the interests of Europe (i.e. build a fortress Europe and consolidate the power of large European transnational corporations) have been increasingly prevailing in all the EU's policies. In the development sphere, this means that development aid is used to back up the EU's economic diplomacy, as best exemplified with the EU's External Investment Plan. It is important that the EU's efforts, through development and non-development policies, are made coherent with sustainable development principles and human rights.

1.3. Has it responded well to EU's development objectives?

- Yes
- No
- Do not have an opinion

Please explain here why you think this is the case

The way in which PCD has been implemented by the EU, has responded to the EU's development objectives only in a limited number of cases. In a recent CONCORD Europe report, we showed that only in 4 out of 17 cases of new proposals with a likely impact on developing countries, the aspect of PCD was taken into account during the impact assessment phase (CONCORD Europe 2017, Seeing the bigger picture, pp. 4, <https://bit.ly/2wOcZ1h>)

There are a few positive exceptions though. E.g. the Proposal for a Directive on the conditions of entry and residence of third-country nationals for the purposes of highly skilled employment (see (CONCORD Europe 2017, Seeing the bigger picture, pp. 7-8). In this case, the interests of developing countries were clearly taken into account when weighing the different policy options, and influenced the policy option which was finally retained.

In other cases, while the impacts in developing countries have been looked at from a development perspective, the option most favourable to those countries is not the one that has been retained by the European Commission, such as in the proposal for a country-by-country reporting directive (CONCORD Europe 2017, Seeing the bigger picture, pp. 9-10).

In still other cases, while we note with satisfaction that the EU's human rights obligations have sometimes played a positive role, such as in the case of the conflict minerals regulation, PCD has not been an argument for or against different policy options. On conflict minerals, e.g., the European Commission outlined six policy options, but opted for a non-binding approach in its legislative proposal. The Impact Assessment Unit of the European Parliament noted that "a certain bias is shown throughout the IA towards the preferred option [consisting of a voluntary self – certification scheme for EU Importers]. (...) The three main objectives of the proposal directly affect third countries (...) Nevertheless, the IA does not provide a separate part on third countries in the analysis, and there is no explicit treatment of any development aspects." (<https://bit.ly/2GroOKn>)

Furthermore, some new proposals with a likely impact on developing countries did not even go through the impact assessment process at all, such as the Partnership Framework on Migration (CONCORD Europe 2017, Seeing the bigger picture, pp. 15-16).

There are thus many improvements to be made to the scope and process of impact assessments.

2. In your opinion, is the way in which PCD has been implemented in the EU coherent with wider EU policy and evolving international obligations of the EU?

- Yes
- No
- Do not have an opinion

Please explain why, providing specific examples, as appropriate.

Yes. It is in line with the 2030 Agenda for Sustainable Development adopted globally in 2015 to which the EU and its Member States committed. It is also in line with the EU and Member States' obligations in the field of human rights, as confirmed in article 21 of the Treaty. It also fits well with the Better Regulation aim of increased coherence across different policy domains. This being said, the principle of PCD does not mean that development cooperation objectives should be aligned with wider EU policy, but the reverse.

3. Do you consider that the use of PCD tools and mechanisms has been effective and efficient in influencing EU policies likely to affect developing countries so that they take account of development objectives?

- Yes
- No
- Do not have an opinion

Please explain why, providing specific examples, as appropriate.

CONCORD Europe has always appreciated the fact that, until 2015, the European Commission published a bi-annual PCD progress report. We hope that anytime soon the Commission will renew its PC(S)D reporting, whether in separate format, or as part of the intended annual SDG reporting cycle.

We also recommend that the format will be changed from showcasing to real progress reporting, based on clear targets, actions plans and timelines. It could also include a thorough evaluation of the functioning of PC(S)D institutional architecture and processes within EU institutions. An inspiring example could be the Dutch PCD Action Plan and the annual progress report to the Dutch House of Representatives. Another one is the EU first progress report on the gender action plan, which identifies in a honest way both achievements and gaps and is useful to identify next steps going forward.

With regard to PCD training activities and EU Delegations' reporting we refer to our answer to question 1.1. The Commission and the EEAS staff in EU delegations worldwide should reach out more proactively to local groups of people whose rights are affected by EU policies, in order to engage in a dialogue with them, and that this should be closely monitored. The PCD training for EU staff should give guidance on how to reach out to local stakeholders and how to deal with reports about serious human rights impacts by EU policies. The EU country roadmaps for engaging with civil society, the Human Rights Country Strategies and the Gender Action Plan also provide useful tools to build on. Additionally, there should be more transparency about the feedback all EU delegation staff send to Brussels in their various reports, and about the analysis that is done at headquarters level, and how this feedback is taken forward. This feedback should also be discussed in more depth at the annual meetings of EU heads of delegation and of heads of cooperation. Hopefully the evaluation will shed light on the Commission's efforts in the field of capacity building and Delegations' reporting (CONCORD Europe 2016, Sustainable Development – The Stakes could not be higher, pp. 14, <https://bit.ly/2wNIWbo>).

With regard to impact assessments and interservice consultations, in addition to our response to question 1.3, we would like to share our observation that, apart from DG DEVCO, there is no systematic PCD capacity available in other DGs (i.e. staff with expertise and a solid background in environmental protection and social issues/human rights, able to capture those too often neglected dimensions of sustainable development). Safeguarding PCD seems to be seen in the European Commission as the main responsibility of DG DEVCO. This means in practice that, unless DG DEVCO takes a proactive role in Impact Assessments and interservice consultations, other (lead) DGs will not automatically include the PCD perspective in their proposals. The nature of the PCD concept, and even more the PCSD concept, however is that every DG, especially when it has the lead on a certain policy proposal, should by definition take the impact on sustainable development and on developing countries into account. CONCORD Europe therefore recommends to structurally build and/or enhance the PCSD capacity in the other DGs.

4. Do you consider that honoring the commitment to promote PCD by the EU has created additional value, beyond what could be achieved by the EU Member States acting independently?

- Yes
- No
- Do not have an opinion

Please explain why, providing specific examples, as appropriate.

Yes, because in several policy areas the EU has shared (environment, agriculture, parts of fisheries policy) or exclusive (e.g. trade policy, parts of the Common Fisheries Policy) competence. In those areas PCD by member states can not replace an EU PCD check.

The EU should act as a role model/ pioneer for many member states where the implementation of PCD is still weak. However, this must not lead to member states shifting responsibility to the EU. Additionally, the most effective way of honoring the EU's commitment to PCD would be more tangible outcomes for developing countries. In this regard we recommend the European Commission to

develop concrete, time-bound action plans with well-formulated outcomes for the five PCD priority areas.

5. Are you aware of any positive/ negative effects the 4 EU policies listed below may have had on developing countries around the world?

The EU policies/ initiatives concerned by this question are the following: a) Global Approach to Migration and Mobility; b) EU Action Plan against Wildlife Trafficking c) Common Fisheries Policy (reform of 2013); d) Generalised Scheme of Preferences.

- Yes
- No

If the answer is yes, please provide specific examples, as appropriate.

The **Mobility Partnership EU-Cape Verde** projects shows a strong focus on strengthening border control & migration management with a remarkably low representation of development goals. A FMS study (bit.ly/2vRjuAb) shows the EU Mobility Partnership mainly functions as a European instrument to fight irregular migration towards EU territory instead of an instrument utilising migration for Cape Verde's development. It recommends to use the Partnership not only as an instrument to counter irregular migration, but also to contribute to sustainable development & human rights. The EU should: 1. increase the significance of the Partnership by introducing a financial support structure; 2. extend regular migration & mobility opportunities for partner country nationals; 3. further elaborate the engagement of partner country's diaspora in the development of their home country. Within this scope, remittances should play a more prominent role. According to FinanceWatch, migrant families in Europe pay EUR 3.6bn in unjustified extra charges per year when sending money to families in their home country – more than the entire European emergency aid annual budget. The March 2018 Commission's proposal on cross-border payments is a missed opportunity to put a cap on money-transfer fees & help tackle inequality worldwide (bit.ly/2HTMdJf).

CONCORD recently analysed (bit.ly/2r04Roq) the cooperation with Libya, Niger & Ethiopia under the **Partnership Framework for Migration**. The study recommends to redefine the EU's current approach to the migration/development-nexus according to the PCSD principle. In the last 2 years, CONCORD witnessed a 'PCD in reverse': development cooperation is increasingly securitised to serve an internal EU migration control agenda. The PCD principle should be re-established removing conditionality on managing migration. Development funds should not be used to achieve the EU's political goal of migration control. The 2030 Agenda provides a welcome opportunity to focus on protecting migrants' & refugees' human rights & taking their development potential into consideration. The Partnership Framework must be revised to reflect this & should contribute as much as possible to sustainable development & human rights in these countries through support for addressing intra-African migration & strengthening cross-continental migration & regional economic development.

With regard to the **Common Fisheries Policy and its 2013 reform**, ECDPM research (bit.ly/2HvEB0g) shows that this policy reform insufficiently took into account the impact on fishing in non-EU waters: 'The final report of the impact assessment largely restricts the analysis of the external dimension to Fisheries Partnership Agreements & Regional Fisheries Management Organisations & excludes from the analysis the majority of EU vessels that fish outside EU waters under private agreements or joint ventures. Given that the impact assessment itself observes that '(...) any change in the management or fishing opportunities in one area will have a direct impact on the other', the absence of this analysis makes it difficult to judge the full impact of the changes in the external dimension of the CFP. ' This was also noted by the Commission's own Impact Assessment Board. The Commission should take this dimension into account when evaluating the current CFP. A single, unified EU Fisheries Policy should not make a distinction between the EU's territorial waters & fishing activities of EU fleets outside those waters, in terms of standards. Taking 2030 Agenda as a starting point, esp. SDG 14, the internal

& the external dimensions of the CFP should have equal ambition in terms of contributing to sustainable development. Eg. why can EU vessels dump by-catch in non-EU waters, while in EU waters they are not allowed to do so?

With regard to the **Generalised System of Preferences**, the Commission has ordered a mid-term evaluation of the scheme. CONCORD members have participated in the consultations & await the publication of the final report.

Cambodia: The space for CSOs in Cambodia continues to shrink, putting community leaders & land rights defenders at the forefront of risks & oppression. Land dispossessions originating from sugar cane plantations are particularly an issue. CSOs have called upon the EU to uphold its commitment to a comprehensive, independent remediation framework regarding these dispossessions – in view of human rights violations resulting from the impacts of the EBA trade preferences. The Commission has been responsive to these calls for action to the extent that they supported an independent audit to assess complaints about land disputes in the sugar sector. In February 2018, the EU Council Conclusions mention Cambodia & ask the Commission for enhanced monitoring on EBA. However, to date, the EU has not triggered the activation of the human rights clause in the EBA trade preferences nor launched a formal investigation into human rights violations in Cambodia.

6. Should you have other views on the way in which PCD has been implemented by the EU, please provide them here.

CONCORD views on EU policies which have an influence on developing countries:

Successive **Common Agricultural Policy** reforms have reduced trade distortion for farmers in developing countries. However, in CONCORD's analysis (bit.ly/2uJO8L2) EU farmers receive direct payments that make them more competitive on the global market. First pillar payments contribute to generate surplus food commodities for cheap exports based on cheap imported inputs. Farmers in the Global South do not receive such support. The combination of CAP subsidies with EU trade defence instruments & market access to third countries under FTAs creates unfair competition for smallholders in developing countries. Since 2009, the value of EU agro-food exports has increased rapidly, hindering the development of the agri-food sector in Sub-Saharan African countries, whose net export surpluses have significantly declined. The EC's ongoing emphasis on export-led agricultural growth makes this increasingly problematic. A telling case is the export of subsidised dairy products towards developing countries. This puts at risk local investments in smallholder dairy supply chains, as in West Africa. The EPAs imply in certain cases an immediate reduction of import duties on some dairy products from the EU – eg. the interim EPAs require the suppression of duties on milk powder from 5% to zero from 2018 in Ivory Coast & from 2021 in Ghana. This will make it even more difficult for these countries to protect their milk producers & develop their domestic dairy sector.

The 2015 **Trade for All** strategy focuses strongly on Global Value Chains. CONCORD members analysed (bit.ly/29yZOMO) the impact of the GVC policy on human rights (decent work, child labour, women's rights), environment (deforestation) & food security. The impact is considerable & often negative. The report recommends to 1) monitor any tensions between GVC policies & the right to food, to ensure sustainable & inclusive local food security & food systems are protected & promoted 2) develop sound criteria for upholding sustainability & human rights in GVC initiatives in line with the right to food, water & land, such as those laid out in OECD Guidelines & the VGGTs 3) adopt a mandatory human rights due diligence regulatory framework, backed with adequate monitoring & enforcement mechanisms 4) take further steps, together with MS, to implement the promising Amsterdam Declarations (2015) on eliminating deforestation from GVCs & on making palm oil sustainable.

EU consumption & global deforestation: Agricultural expansion for the production of commodities such as soy, beef, palm oil, coffee and cocoa drives almost 80% of all deforestation (FAO 2016). The



associated environmental, social & economic impacts are significant. Deforestation may undermine food security, land rights, indigenous rights & livelihoods & contributes to climate change & biodiversity loss. An EC study (2013) states EU MS imported & consumed as much as 10% of the global consumption of products associated with deforestation in the countries of origin. A 2018 EC feasibility study lays out options to step up the EU's contribution to halt deforestation. Quite a few companies have taken voluntary steps to curb forest destruction through their supply chains but so far there has been no commitment from the EU to complement these voluntary measures, incl. through regulatory measures, addressing over-consumption in the EU & supporting producer countries. Halting deforestation by 2020 is an SDG target & critical to reach the Paris Agreement objectives.

Through their **taxation policies** the EU & MS have a significant impact on domestic revenue mobilisation efforts of developing countries. Double taxation treaties (DTTs) between MS & developing countries directly define what developing countries can tax. ActionAid research ('Mistreated', 2016) shows that EU MS have a high number of very restrictive treaties which severely limit developing countries' taxing rights. While some MS have undertaken analysis of development impact of their DTTs & undertaken action, a lot remains to be done. The EU proposal on corporate transparency (COM/2016/0198) which could have introduced a country-by-country tax reporting obligation on large companies came short of including elements of significance for developing countries, despite the Impact Assessment recognising the importance of this directive for their DRM efforts. Some of the other key EU tax policy processes, like the Anti-Tax Avoidance Directive (ATAD) & ATAD2 failed to even consider their potential impact on developing countries, not to mention taking it into account in actual legislation. The Impact Assessment for the CCCTB proposal (SWD(2016)341) fails to mention developing countries even once throughout its 158 pages. While the EC is aware of the importance of the EU for developing countries' DRM, application of the PC(S)D principle in the EU & MS' tax policies remains extremely limited & should be improved.



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