



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 November 2007

14921/07

**DEVGEN 234
POLGEN 114
RELEX 835
ACP 222
WTO 237
ENV 601
PESC 1325
AGRI 369
PECHE 332
SOC 442
ASIM 83
RECH 353
TELECOM 137
TRANS 351
ENER 270**

REPORT

from : COREPER
dated : 15 November 2007
to : Council

No. prev. doc. : 14904/07
No. Cion prop. : 13135/07 + ADD1

Subject : Draft Conclusions of the Council and of the Representatives of the Governments
of the Member States meeting within the Council on Policy Coherence for
Development (PCD)
- Adoption

1. Policy coherence for development (PCD) is based on article 3 of the Treaty of the European Union and on article 178 of the Treaty of the European Community. It is one of the key elements required to help achieve both international and EU commitments on poverty eradication. The EU has already expressed a strong commitment to deal with PCD challenges, most notably in the 2005 EU Joint Development Policy Statement - the European Consensus for Development¹.
2. In its Conclusions of May 2005 on the Millennium Development Goals², the Council identified 12 areas³ for which the EU has committed itself to pursue PCD objectives in order to enhance the effectiveness of the EU development policy.
3. In order to assess progress on PCD implementation, the Council invited the Commission, in its conclusions of October 2006⁴, to prepare a biennial Report on the application of PCD to be presented for the first time in 2007.
4. On 20 September 2007, the Commission transmitted to the Council its first biennial EU Report on PCD covering the above mentioned 12 PCD areas⁵.
5. In light of the findings of the report and the discussions at the Working Party on Development Cooperation, the Presidency presented on 19 October 2007 draft Conclusions on PCD⁶.

¹ OJ C 46, 24.2.2006, p.1.

² Doc. 9266/07, Annex.

³ These policy areas are: Trade, Environment, Climate change, Security, Agriculture, Fisheries, Social dimension of globalization, employment and decent work, Migration, Research and innovation, Information society, Transport and Energy.

⁴ Doc. 14072/06, p.5.

⁵ Doc. 13135/07 - COM(2007) 545 final (p.8) + ADD 1 - SEC(2007) 1202 (pp. 106-114).

⁶ The policy areas of Migration, Security and Climate change are subject to specific sets of Conclusions (see docs. 14559/07, 14919/07 and 15078/07).

6. COREPER approved the attached draft Conclusions on 15 November 2007.

 7. Council is therefore invited to adopt the attached draft Conclusions at its GAERC/Development Ministers segment on 20 November 2007 in the framework of the debate on PCD.
-

DRAFT
CONCLUSIONS OF THE COUNCIL AND OF THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES MEETING WITHIN THE COUNCIL
ON
POLICY COHERENCE FOR DEVELOPMENT (PCD)

Introduction

1. The Council recalls the EU commitment to strengthening Policy Coherence for Development (PCD), as expressed in the 2005 EU Joint Development Policy Statement ‘The European Consensus on Development’, as well as the EU overall objective of improving the coherence, efficiency and visibility of the Union’s external policies. The Council emphasises that EU policies other than development can make a substantial contribution in assisting developing countries’ efforts in their poverty reduction strategies and in achieving the Millennium Development Goals (MDGs).

2. The Council recalls that the EU takes account of the development objectives in all policies that are likely to affect developing countries. More specifically, the Council recalls its Conclusions of May 2005¹ in the following relevant areas: Trade, Environment, Climate change, Security, Agriculture, Fisheries, Social dimension of globalization, employment and decent work, Migration, Research and innovation, Information society, Transport and Energy. The Council further recalls its commitments on integrating development concerns in Council decision making.²

¹ Doc. 9266/05

² Doc. 13735/06

The first biennial EU Report on PCD

3. The Council welcomes the submission by the Commission of the first EU biennial report on the application of PCD¹, which was prepared in close collaboration with all Member States. The report provides valuable information on progress made by the EU in promoting a higher degree of policy coherence and contains a comprehensive list of outstanding issues for further action. It gathers different pieces of information on PCD under a single umbrella, establishing links between development and other policy areas for which information was until now fragmented.
4. The preparation of the report in itself played an important role in raising awareness, both at national and at EU levels, of the effects of EU policies on the political, economic, social and environmental situation in developing countries. The Council invites the Commission and the Member States to draw on the report to generate debates on PCD issues at the European and the national level, as well as with all development partners.

Horizontal and organisational issues

5. PCD requires, in addition to political commitments, a clear approach providing adequate information on the impact of other policies on developing countries, appropriate fora for dialogue across policy areas, sufficient expertise and enhanced accountability and transparency.
6. The Council notes with satisfaction that a number of organisational PCD mechanisms have been put in place at Council, Member State and Commission levels, but acknowledges the Report's finding on the need to pursue efforts to ensure that EU's commitments continue to be met. The Council invites all parties to develop and improve such mechanisms and use them in a more systematic manner, when necessary.

¹ Doc. 13135/07 + ADD 1

7. Within the Council, noting that PCD is not yet systematically pursued at the different stages of the decision making process, the Council invites future Presidencies, with the support of the General Secretariat of the Council (GSC) and the Commission, with due respect to their respective competences, to continue their efforts to ensure that development concerns are taken into account across the relevant policies. Experience has shown that the screening of Council agendas and joint meetings of different Council bodies are often useful procedures to be encouraged .
8. The Council recalls its invitation to each Presidency to carry out an update of the PCD rolling Work Programme, in light of the EU and the international agenda, to serve as a check list for PCD. This work should be done with the assistance of the GSC and the Commission and in accordance with these Conclusions as well as the Council Conclusions of October 2006 ¹.
9. The Council underlines the role it has assigned to the Committee of Permanent Representatives (COREPER) in its Rules of Procedure, in particular Article 19 (1), in ensuring the consistency of the Union's policies and actions. In this context, COREPER should continue to be the main forum for ensuring PCD, while efforts to enhance policy coherence should start at national level and furthered at Council Working Parties.
10. The Council underlines the role it has assigned to the GSC in its Rules of Procedure, in particular Article 23 (3), by involving it in organising, coordinating and ensuring the coherence of the Council's work. The GSC shall assist the Presidency in ensuring that PCD relevant issues are identified and discussed according to existing Council procedures in relevant Working Parties. Recent experience in implementing priority themes for PCD has shown that this support is crucial.

¹ Doc. 14075/06, Doc.14072/06

11. At national level, Member States are invited, as appropriate, to reinforce and use PCD procedures where they already exist and to develop, if needed, mechanisms of dialogue between development and other departments, in order to increase awareness among the latter of the importance of PCD in all policies that are likely to affect developing countries, while adopting capacity building measures if necessary.
12. At Commission level, while a number of PCD mechanisms are already in place, the Council encourages the Commission to use PCD instruments in a systematic way and continue its efforts to ensure that development concerns are taken into account in the preparation and implementation of policies; in particular asks the Commission to improve and better use the Impact Assessment process to evaluate the impact of EU policies on developing countries. The revised Impact Assessments guidelines should give more attention to the external impacts on developing countries.
13. The Council invites the Member States and the Commission to strengthen dialogue with developing countries, at national, regional and global level, on the effects of EU policies as well as on the relevance of PCD to developing countries' own policies; to that end, the Commission and Member States should better integrate the PCD approach into Country and Regional Strategy Papers (CSPs and RSPs).
14. The Council underlines the importance of establishing a constructive and fruitful exchange with non-state actors, both in the EU and in developing countries on PCD-related issues. The Council also stresses the importance of the involvement of the European Parliament in PCD.

Policy areas relevant to PCD¹

15. The Council notes with satisfaction progress in certain policy areas that are very important for developing countries, such as Trade, Agriculture and Fisheries, while noting that the development potential of areas such as Migration, Security, Climate change, Energy, Environment and Research should be further exploited. The Council invites the Member States and the Commission to continue monitoring and improving PCD in the twelve policy areas, with a view to promoting synergies between Development and other policies.
16. In the area of **Trade**, the Council emphasizes:
- The importance of reaching an ambitious , balanced comprehensive and development oriented outcome of the WTO/DDA negotiations;
 - The important step which the General System of Preferences (GSP) schemes, in particular the duty-free and quota-free access for Least Developed Countries (LDCs) provided by the “Everything but arms” (EBA), represents;
 - The need to ensure a strong development dimension in the Economic Partnership Agreements (EPAs) with the ACP countries;
 - The importance of taking into account development objectives and needs in Association and Free Trade Agreements with all countries and regions, take into account the development level of the countries involved;
 - The need to further explore the potential for improving trade relations with developing countries where those agreements are not yet in place;
 - The need to take into account the development dimension in the ongoing revision of preferential rules of origin;
 - The EU’s firm intention to do its utmost to fulfil its trade-related assistance (TRA) commitments and to implement the EU Strategy on Aid for Trade², including the wider Aid for Trade agenda.

¹ The Council Conclusions on specific Policy areas are largely based on contributions received by relevant Council Committees and Working parties.

² Doc. 14470/07

17. In the area of **Environment**, the Council:

- Reaffirms that the EU is keen to pursue the broad agenda defined by the 2002 World Summit on Sustainable Development (WSSD) and the 2005 World Summit, because halting and reversing environmental degradation is not only a global environmental objective, but is also key to poverty reduction, economic growth and security and it is therefore crucial for the achievement of the MDGs and Sustainable Development for all;
- Underlines the need for all countries to intensify efforts to enhance sustainable consumption and production patterns and sustainable management of natural resources;
- Reaffirms that, to be sustainable, poverty reduction strategies must integrate environmental commitments to better manage the natural resource base of economic and social development;
- On international environmental governance, recalls the EU's readiness to work to strengthen International Environment Governance (IEG) and to explore possibilities for a more coherent institutional framework of environmental governance. While significant strengthening of the IEG system can be achieved through short- and medium- term reform, the EU firmly believes that an ambitious reform is required in order to achieve the desired strengthening of the IEG system and feels encouraged to work for the establishment of a UN environment organization, in Nairobi, based on UNEP, with a revised and strengthened mandate, supported by stable, adequate and predictable financial contributions and operating on an equal footing with other UN specialised Agencies.¹
- Encourages the Member States and the Commission to intensify dialogue on environment and development with partner countries.

¹ The Council refers in particular to the June 2005 European Council Conclusions (doc. 10255/1/05 REV1)

18. In the area of **Climate Change**, the Council refers to its Conclusions on Climate Change of 30 October 2007¹. and its Conclusions on a Global Climate Change Alliance with the most vulnerable developing countries²
19. In the area of **Security**, the Council refers to its Conclusions on Security and Development³ and its Conclusions on “An EU response to situations of fragility”⁴.
20. In the area of **Agriculture**, the Council:
- Notes with satisfaction that the process of CAP reform is making an important contribution to coherence between agricultural and development policies, and therefore to the objectives of PCD;
 - Emphasises the importance of taking into account, in the context of trade negotiations, the developing countries’ needs, including in the areas of rural development, food security and the livelihoods of the poorest.
21. In the area of **Fisheries**, the Council:
- Recognizes the vital contribution fisheries can make to national economies, to food and livelihood security;
 - Underlines the relevance of earlier ex-ante impact assessments and of making better use of scientific committees;
 - Encourages the relevant bodies to continue reinforcing the sustainability objectives of the Fisheries Partnership Agreements (FPAs), which play an important role for the development of coastal States, and to strengthen the regional dimension of the FPAs;
 - Invites the Commission to encourage partner countries to use the financial contribution of the FPAs in line with the development objectives of the country and make better use of the joint committees to this end;

¹ Doc. 14178/07

² Doc. 15103/07

³ Doc. 15097/07

⁴ Doc. 15118/07

- Further invites the Commission and Member States to encourage partner countries to use donor support for the development and good governance of the fisheries sectors where this can make an important contribution to poverty reduction;
- Invites the Commission and the Member States to encourage developing countries' participation in international fora, including the Regional Fisheries Management Organisations (RFMOs).

22. In the area of **Social dimension of globalization, employment and decent work**, the Council:

- Welcomes the growing attention paid to employment, decent work and social cohesion in the debate on development and calls for a strengthening of these dimensions in the dialogue and cooperation of the EU and Member States with the developing countries;
- Highlights the importance of promoting gender equality, gender mainstreaming and combating all forms of discrimination and social exclusion as an integral part of the decent work agenda;
- Welcomes the increasing interest of developing countries and regions in the EU's experience of integrated development combining economic performance and social justice, in particular their increasing interest in the EU Lisbon Strategy;
- Invites the Commission to further develop its dialogue with developing countries and regions on employment and social policies as part of the efforts to promote decent work and the external dimension of the Lisbon Strategy;
- Welcomes the EU's increased cooperation with the UN, the ILO and others relevant actors and supports in particular the ILO initiative on Decent Work Country Programmes.

23. In the area of **Migration**, the Council refers to its Conclusions on Coherence between EU Migration and Development Policies¹.

¹ Doc. 15116/07

24. In the area of **Research**, the Council considers that:

- The ability to generate, absorb and apply new knowledge is an increasingly important factor for sustainable development; however, developing countries often lack the human and institutional resources to address those issues;
- The EU research policy, both at EC and national level, should contribute to overall development policy objectives by supporting research activities in areas of interest for developing countries, and continue supporting specific international cooperation projects involving research centres, universities and other stakeholders from developing countries;
- The European Space Policy (ESP) should also contribute to increased cooperation between Europe and developing countries regarding the use of space assets and research for sustainable development;
- The Commission and Member States should support developing countries' efforts to build Science and Technology capacity so that they can carry out their own research and be better placed to take advantage of the opportunities available for international cooperation, such as those offered by the EU Research Framework Programmes;
- The *brain drain* effect of EU research policy, by attracting researchers from third countries, may be a matter of concern for some developing countries. The Council invites the Commission to fully exploit the return mechanisms offered by the "People" Specific Programme in the 7th Framework Programme (FP7) 2007-2013 to enable researchers to continue their own research activities in their countries. The Council invites Member States to monitor possible brain drain activities of their research policies and to balance them with support for research activities carried out in developing countries.

25. In the area of **Information society**, the Council considers that:
- Given the substantial potential that Information and Communication Technologies (ICT) have for development, a balanced approach, combining private investment and government action, including public-private partnerships, should be further supported through cooperation actions, notably at regional level;
 - Supporting policy dialogue and capacity building, encouraging greater participation in FP7 and extending the access to research and education networks, in particular GÉANT¹, can play an important role in bridging the digital divide between developed and developing countries and in the developing countries;
 - Increasing Internet connectivity through initiatives supporting lower costs and better management can dramatically enhance the availability of broadband in developing countries, especially for priority applications such as health, environment and education.
26. In the area of **Transport**, the Council:
- Notes that there is a need to raise awareness on PCD issues among EU practitioners. This would in turn allow for an improved dialogue on policy coherence with partner countries, particularly with LDCs and land-locked countries, and for increased integration of PCD into partner countries and regions' sector programmes.

¹ www.geant.net

27. In the **Energy** area, the Council:
- Invites the Commission and the Member States to attach priority, as appropriate, to energy in country programmes, to facilitate dialogue with partner countries and to implement specific actions, including by strengthening the EU Energy Initiative for Poverty Eradication and Sustainable Development (EUEI) and by launching the EU-Africa Partnership for Energy;
 - Highlights the importance of poor people's access to energy services for the achievement of the MDG's and the need to enhance energy security in developing countries through renewable energy and energy efficiency;
 - Underlines the importance of addressing cross-cutting issues, such as environment, climate change, good governance, gender and HIV/AIDS in energy initiatives in developing countries;
 - Stresses that the EU should strive to ensure that developing countries benefit from the EU's efforts to diversify energy supply and to develop energy efficient technologies and renewable energies.

Follow up

28. The Council reaffirms the great importance of closely monitoring all of the 12 EU PCD areas and invites the Commission and the Member States, within the scope of their competences, to give particular attention to the outstanding issues identified in the Report while continuing their efforts to promote PCD, in close consultation and collaboration. The Council looks forward to receiving the next PCD Report in two years time, which should build upon the experience and findings of the first report and include an assessment of progress on the outstanding issues.
29. Recognizing the need to identify complementarities between development and other policies, the Council invites the Commission and the Member States to further develop work on clarifying the role of development cooperation in promoting PCD and in supporting developing countries to reap the benefits of more coherent EU policies.

References

- Treaty on the European Union, Article 3, 2nd paragraph
- Treaty establishing the European Community, Article 178
- Council's Rules of Procedure, Articles 19(1) and 23(3)
- 2005 EU Joint Development Policy Statement: the European Consensus on Development (OJ C 46, 24.2.2006, p.6), paragraphs 35-38 and 109-110
- Council and Member States Conclusions of 24 May 2005 on MDGs review, paragraphs 18-20 and Annex (doc. 9266/05)
- Council and Member States Conclusions of 11 April 2006 on PCD Work Programme 2006-2007. (doc. 8387/06)
- Council Conclusions of 17 October 2006 on Integrating development concerns in Council decision-making (doc. 14072/06)
- Council and Member States Conclusions on the PCD Rolling Work Programme 2006-2007 (doc. 14075/06)