



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 October 2009

15146/09

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"I/A" ITEM NOTE

from : Working Party on Development Cooperation
dated : 28 October 2009
to : COREPER/Council

No. Cion prop. : 13323/09 and 13468/09 + ADD 1

Subject : Draft Council Conclusions on Policy Coherence for Development (PCD)
- Adoption

1. On 15 and 18 September 2009 respectively, the Commission forwarded to the Council a communication on "Policy Coherence for Development - Establishing the policy framework for a whole-of-the-Union approach"¹ and the "EU 2009 Report on Policy Coherence for Development"².

¹ Doc. 13323/09 - COM(2009) 458 final.

² Doc. 13468/09 + ADD 1 - COM(2009) 461 final + SEC(2009) 1137 final.

2. On 29 September 2009 and in light of discussions on the above documents, the Presidency tabled a set of draft Council Conclusions on Policy Coherence for Development (PCD). Following further discussions at a number of meetings, the Working Party on Development Cooperation reached agreement on the attached draft Council Conclusions on 27 October 2009.

 3. COREPER is therefore invited to confirm the agreement on the attached draft Council Conclusions and to submit them to Council for adoption as an A item on its agenda at its meeting (GAERC) on 16-17 November 2009.
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Draft

Council Conclusions on Policy Coherence for Development (PCD)

Introduction

1. The Council recalls its Treaty obligations on consistency between all the Union's policies and its external activities¹ and on taking account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries², and reaffirms its PCD commitments³ including the 2005 commitments on the 12 policy areas⁴.
2. The Council recalls its May 2009 Conclusions on 'Supporting developing countries coping with the global economic and financial crisis'⁵, which underlined the importance of PCD and the need to ensure that the measures to tackle the crisis take full account of their impact on developing countries, especially the poorest and most vulnerable.
3. The Council notes 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.

¹ Article 3, 2nd paragraph of the Treaty on European Union.

² Article 178 of the Treaty establishing the European Community.

³ Council Conclusions on MDGs of 24 May 2005 (doc. 9266/05); European Consensus on Development (OJ C 46, 24.2.2006, p.6); Council Conclusions on PCD adopted in 2006 and 2007 (docs. 8387/06, 14072/06, 14075/06 and 15112/07); and European Council Conclusions of June 2008 (doc. 11018/08).

⁴ Trade, Environment, Climate Change, Security, Agriculture, Fisheries, Social Dimension of Globalization, Employment and Decent work, Migration, Research and Innovation, Information Society, Transport and Energy.

⁵ Doc. 10018/09 + COR1.

4. The Council welcomes the increased emphasis on PCD in the European Commission, the better use of the inter-service consultation mechanism and the strengthening of the development dimension of the impact assessment tool as important instruments to improve PCD and the regular screening of the Commission Legislative and Work Programme from a PCD perspective.
5. The Council calls on Member States and the Commission to pursue these efforts to further improve their approach to PCD, including awareness-raising at national and EU level and continue to engage in dialogue with civil society. The Council encourages all donors and developing countries to pursue similar efforts while bearing in mind that each country has primary responsibility for its own development.
6. The Council welcomes the submission of the second PCD report building upon the findings and recommendations of the first EU biennial report in 2007⁶. The 2007 and 2009 PCD biennial reports, as well as the 2007 OECD Peer Review of European Community Aid⁷ also provide useful recommendations on how to improve the EU approach to PCD.

Towards a new framework for a more targeted, effective and strategic approach to PCD in the EU

7. 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 results-oriented approach to PCD in order to more effectively advance this commitment within the EU at all levels and in all relevant sectors.

⁶ Doc. 13468/09 + ADD 1 - COM(2009) 461 final + SEC(2009) 1137 final.

⁷ http://www.oecd.org/document/0/0,3343,en_2649_34603_38897408_1_1_1_1,00.html

8. The Council welcomes the Commission suggestion to approach PCD in a more targeted, strategic and partnership-oriented way, including *inter alia* strengthening EU dialogue with partner countries on PCD issues, which is presented in its Communication ‘Policy Coherence for Development - Establishing the policy framework for a whole-of-the-Union approach’⁸. The Council recognises that this work could contribute to further harnessing the synergies of relevant policies and instruments contributing to development objectives, including by contributing to OECD/DAC⁹ discussions on the concept of a “whole of the country” approach.

Follow up - EU PCD work programme 2010-2013

9. The Council welcomes the initial selection of five priority issues where the EU will take account of development objectives in a more pro-active way as part of a more focused and evolving approach to PCD. It underlines that over the years priority issues may evolve.
10. To this end, the Council invites the Commission, in cooperation with Member States and in consultation with relevant stakeholders as appropriate, to prepare concrete proposals for a focused and operational PCD work programme to be presented to the Council in 2010.

⁸ Doc. 13323/09 - COM(2009) 458 final.

⁹ Development Assistance Committee of the Organization for Economic Cooperation and Development.

11. The Council agrees that the PCD work programme should outline the respective roles of the EU Institutions and the Member States, and should focus on the following five priority issues:

I. **Trade and finance**, emphasising:

a) On trade:

- Continued efforts to reach an ambitious, comprehensive and balanced outcome of the WTO/DDA¹⁰ round; to finalise regional, WTO-compatible and development-oriented Economic Partnership Agreements (EPAs) with ACP partners¹¹ as soon as possible and to take appropriate account of development levels, needs and objectives also in other negotiations for Free Trade or other bilateral agreements;
- Improved and effectively enhanced access for developing countries' exports to the EU, in particular under the EU scheme for the Generalised System of Preferences (GSP)¹², supported by ongoing steps to fully implement the EU Aid for Trade Strategy;
- Emerging issues of importance for sustainable development such as the promotion of core International Labour Organization (ILO) labour standards and the decent work agenda, Multilateral Environment Agreements, Corporate Social Responsibility, and Fair Trade initiatives and other non-governmental trade-related sustainability assurance schemes¹³;
- Further examination of ways of making better use of Intellectual Property Rights in supporting development for example through innovation and investment;

¹⁰ World Trade Organization/Doha Development Agenda.

¹¹ Council Conclusions of 11 November 2008 on regional integration and the Economic Partnership Agreements for development in the ACP countries (doc. 15298/08).

¹² Which covers 3 separate preferential regimes: the standard GSP, GSP Plus and Everything But Arms (EBA) - http://ec.europa.eu/trade/issues/global/gsp/index_en.htm

¹³ See Commission's Communication "Contributing to Sustainable Development: The role of Fair Trade and non-governmental trade-related sustainability assurance schemes" (doc. 9682/09 - COM(2009) 215 final).

- b) On finance:
- Improving transparency and countering illicit cross-boarder flows and tax evasion recognising that these have a severe impact on domestic resource mobilisation in developing countries.

II. Addressing **climate change**, emphasising:

- The need for a comprehensive approach on climate change fully integrating interlinked environmental concerns, such as loss of biodiversity, degradation of ecosystems, deforestation, desertification and consumption and production patterns and taking into account multilateral environmental agreements;
- Seeking synergies between climate change, energy and development policies, integrating measures to enhance PCD in this regard in all relevant instruments and mechanisms;
- Facilitating access of developing countries to low-carbon and climate resilient technologies, in particular for adaptation;
- Participation of developing countries, in particular Least Developed Countries (LDCs) and other poor climate vulnerable countries, in the carbon market.

III. Ensuring global **food security**, emphasising:

- 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 ultimate goal of achieving food security for all;
- Common Agriculture Policy (CAP) and its impact on developing countries, while acknowledging positive changes introduced in the CAP since 2000 and drawing lessons from it towards improving food security in developing countries in the framework of dialogues at all levels;
- The impact of biofuel production on the environment and on the food and livelihood needs of developing countries.

IV. Making **migration** work for development, emphasising:

- promoting a balanced and comprehensive approach on the migration and development agenda, in particular by harnessing the positive links and synergies between migration and development within the framework of the Global Approach to Migration;
- pursuing implementation of initiatives in the field of reduction of transfer costs for remittances, enhancing dialogue with diaspora and preventing “brain-drain”.

V. Strengthening the links and synergies between **security** and development in the context of a global peace building agenda, emphasising:

- strategic planning, security sector reform, conflict prevention, fragility, state building and partnerships with regional and sub regional organizations;
- the promotion of national development plans that take into account security and development needs in a more coherent way, including the underlying social and economic grievances that may drive conflict as well as fragility;
- the importance of 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.

12. The Council agrees that the PCD work programme should have as objectives to:

1. outline how the EU through all its relevant policies, processes and financial means will address the five priority issues selected harnessing the development potential of its policies;
2. create a political momentum from all relevant policy areas with an impact on the five priority issues;
3. establish a clear set of objectives, targets and gender disaggregated indicators to measure progress in the selected priority areas;
4. facilitate engagement in and inclusion of PCD in dialogue with partner countries around the selected priority areas.

13. The Council underlines 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. The Council therefore invites incoming Presidencies, Member States, the Commission and the General Secretariat of the Council, within the scope of their respective competencies, to take work on the PCD work programme forward in order to ensure ownership by all relevant stakeholders and taking into account human rights¹⁴, and invites all relevant Council bodies to make the best use of the 2009 PCD Report and its recommendations on the 12 thematic policy areas in their future work.

14. The Council looks forward to receiving in 2011 the third biennial PCD Report, which should build upon the experiences and findings of the previous PCD Reports and include a progress assessment on all relevant areas.

¹⁴ In line with the European Consensus on Development and the EU Guidelines on Human Rights - <http://www.consilium.europa.eu/showPage.aspx?id=1681&lang=EN>