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REPORT

on the EU Policy Coherence for Development and the ‘Official Development Assistance plus’ concept
(2009/2218(INI))

Committee on Development

Rapporteur: Franziska Keller

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the EU Policy Coherence for Development and the ‘Official Development Assistance plus’ concept (2009/2218(INI))

The European Parliament,

- having regard to Articles 9 and 35 of the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: ‘The European Consensus’¹,
- having regard to Title V of the Treaty on European Union and, in particular, Article 21(2) thereof, establishing the principles and objectives of the EU in international relations, and to Article 208 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries,
- having regard to Article 7 of the Treaty on the Functioning of the European Union (Lisbon Treaty), which reaffirms that the EU shall ensure consistency between its policies and activities, taking all of its objectives into account,
- having regard to Article 12 of the ACP-EC Partnership Agreement (the Cotonou Agreement),
- having regard to the Joint Africa-EU Strategy, adopted in Lisbon in December 2007,
- having regard to the communication from the Commission ‘Policy Coherence for Development: accelerating progress towards attaining the Millennium Development Goals’ (SEC(2005)0455),
- having regard to the first biennial EU report on Policy Coherence for Development (COM(2007)0545) and the accompanying Commission Staff Working Paper (SEC(2007)1202),
- having regard to the Communication from the Commission to the Council and the European Parliament entitled ‘EU Code of Conduct on Division of Labour in Development Policy’ (COM(2007)0072),
- having regard to the EU 2009 report on Policy Coherence for Development (COM(2009)0461 final) and the accompanying Commission Staff Working Paper (SEC(2009)1137),

¹ OJ C 46, 24.2.2006, p. 1.

- having regard to the communication from the Commission ‘Policy Coherence for Development – Establishing the policy framework for a whole-of-the-Union approach’ (COM(2009)0458),
- having regard to the Commission staff working document ‘Policy Coherence for Development Work Programme’ (SEC(2010) 421 final) accompanying the Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions,
- having regard to the Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions: A twelve-point EU action plan in support of the Millennium Development Goals (COM(2010)159) ,
- having regard to the Commission Communication ‘Supporting developing countries in coping with the crisis’ (COM(2009)160),
- having regard to the Commission Green Paper on Reform of the Common Fisheries Policy (COM(2009)163),
- having regard to its resolution of 25 February 2010 on the Green Paper on Reform of *the* Common Fisheries Policy¹,
- having regard to its legislative resolution of 24 April 2009 on the proposal for a Council directive amending Directive 2003/48/EC on taxation of savings income in the form of interest payments, and in particular Annex I²thereto,
- having regard to the Council conclusions of 21 and 22 December 2004 on agriculture and fisheries,
- having regard to the Council conclusions of 24 May 2005 on accelerating progress towards achieving the Millennium Development Goals,
- having regard to the Council conclusions of 17 October 2006 on integrating development concerns in Council decision-making,
- having regard to paragraph 49 of the European Council Presidency conclusions of 14 and 15 December 2006,
- having regard to the Council conclusions of 19 and 20 November 2007 on policy coherence for development,
- having regard to paragraph 61 of the European Council Presidency conclusions of 19 and 20 June 2008,
- having regard to the conclusions of the General Affairs and External Relations Council of 18 May 2009 on supporting developing countries in coping with the crisis,

¹ Texts Adopted, P7_TA(2010)0039.

² Texts Adopted, P6_TA(2009)0325.

- having regard to the Council conclusions of 17 November 2009 on policy coherence for development and on the Operational Framework on Aid Effectiveness,
- having regard to the 1996 OECD strategy document ‘Shaping the 21st Century: the Contributions of Development Cooperation and the 2002 OECD ministerial declaration ‘Action for a Shared Development Agenda’ and its 2008 report entitled ‘Building Blocks for Policy Coherence for Development’,
- having regard to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action,
- having regard to the ministerial declaration on policy coherence for development adopted by the OECD on 4 June 2008,
- having regard to the 2000 UN Millennium Declaration and the eighth Millennium Development Goal,
- having regard to the WTO ministerial meeting in November 2001 and to the Monterrey Consensus of 2002,
- having regard to the World Summit on Sustainable Development of 2002 and the Resolution adopted by the General Assembly in the framework of the World Summit of 2005,
- having regard to the Resolution on the role of the Cotonou Partnership Agreement in addressing the food and financial crisis in ACP countries adopted at the 17th ACP-EU Joint Parliamentary Assembly¹ held in Prague from 4 to 9 April 2009,
- having regard to its resolutions based on reports by its Committee on Development: European Parliament resolution of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs)²; European Parliament resolution of 1 February 2007 on mainstreaming sustainability in development cooperation policies³; European Parliament resolution of 25 October 2007 on the state of play of EU-Africa relations⁴; European Parliament resolution of 17 June 2008 on policy coherence for development and the effects of the EU’s exploitation of certain biological natural resources on development in West Africa⁵; European Parliament resolution of 29 November 2007 on Advancing African Agriculture – Proposal for agricultural development and food security in Africa⁶; and European Parliament resolution of 22 May 2008 on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness⁷,

¹ ACP-EU/100.568/09/fin.

² OJ C 292E, 1.12.2006, p. 121.

³ OJ C 250E, 25.10.2007, p. 77.

⁴ OJ C 263E, 16.10.2008, p. 633.

⁵ OJ C 286E, 27.11.2009, p. 5.

⁶ OJ C 297E, 20.11.2008, p. 201.

⁷ OJ C 279E, 19.11.2009, p. 100.

- having regard to its resolutions based on reports by its Committee on International Trade: European Parliament resolution of 23 May 2007 on the EU's Aid for Trade¹ and European Parliament resolution of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief²,
- having regard the 2009 CONCORD report entitled 'Spotlight on Policy Coherence',
- having regard to the 2003 ActionAid study entitled 'Policy (in)coherence in European Union support to developing countries: a three country case study',
- having regard to the 2006 study by Guido Ashoff (2006) entitled 'Enhancing policy coherence for development: conceptual issues, institutional approaches and lessons from comparative evidence',
- having regard to the 2007 report by the ECDPM entitled 'The EU institutions & Member States' mechanisms for promoting policy coherence for development: final report',
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Development and the opinion of the Committee on International Trade (A7-0140/2010),

- A. whereas the OECD has proposed defining the concept of policy coherence for development (PCD), which means 'working to ensure that the objectives and results of a government's development policies are not undermined by other policies of that government, which impact on developing countries, and that these other policies support development objectives, where feasible'³; whereas the EU has developed a concept of PCD aimed at building synergies between EU policies, and whereas lack of political action to this end may have a negative impact on the expected result of development cooperation,
- B. recalling the European Union's commitment to taking measures to encourage policy coherence for development, in accordance with the conclusions of the European Council in 2005⁴,
- C. whereas there is a difference between consistency among policies (avoiding contradictions among different external policy areas) and coherence for development (the obligation for all EU policies that impact on developing countries to take development objectives into account);
- D. whereas Article 208 of the Treaty on the Functioning of the European Union establishes the reduction and, in the long term, the eradication of poverty as the primary objective of

¹ OJ C 102E, 24.4.2008, p. 291.

² OJ C 298E, 8.12.2006, p. 261.

³ 'Policy Coherence for Development: Institutional Approaches: Technical Workshop': OECD workshop held in Paris on 13 October 2003.

⁴ Article 35 of the Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: '**The European Consensus**' (2006/C 46/01).

EU development policy; whereas PCD works towards the Union's development cooperation objectives through all its policies,

- E. whereas there are clear incoherencies in the EU's trade, agriculture, fisheries, climate, intellectual property rights, migration, finance, arms and raw materials policies; and whereas PCD can lead to poverty reduction by finding fundamental synergies among EU Policies,
 - F. whereas constraints for PCD are lack of political support, unclear mandates, insufficient resources, absence of effective monitoring tools and indicators, as well as the lack of prioritisation of PCD over conflicting interests,
 - G. whereas the financial contributions paid by the EU within the framework of Fisheries Partnership Agreements (FPAs) have not helped to consolidate the fisheries policies of partner countries, largely owing to a lack of monitoring of the implementation of these agreements, the slow payment of assistance, and sometimes even the failure to use this assistance,
 - H. whereas the first Millennium Development Goal aims to reduce by half the proportion of people who suffer from hunger by 2015, yet whereas nearly a billion people still lack food on a daily basis, even though the planet provides enough food to meet the needs of its entire population,
 - I. whereas EU export subsidies for European agricultural products have a disastrous effect on food security and the development of a viable agricultural sector in developing countries,
 - J. whereas the EU is committed to reaching the UN target of giving 0.7% of gross national income (GNI) in official development assistance (ODA) by 2015, and the interim aid target for the EU collectively is 0.56% by 2010,
 - K. whereas the Court of Justice of the European Union (CJEU) issued a judgment in November 2008 whereby European Investment Bank (EIB) operations in developing countries must prioritise development over any economic or political objective,
 - L. whereas the crisis has shown that ODA is unique in targeting the poorest countries and providing development finance in a more predictable and reliable way than other financial flows,
 - M. whereas a large number of studies have shown that there are approximately EUR 900 billion per year of illicit financial flows out of developing countries, which severely hinders the fiscal revenue of developing countries and consequently their self-development capacities,
1. Welcomes the increased attention and commitment to PCD by the Commission, the Council and the Member States, as demonstrated by the biennial reporting;
 2. Reaffirms its own commitment to enhance PCD in the EU and in its parliamentary work;

3. Stresses that the European Union is by far the biggest aid donor in the world (EU aid rose to €49 billion in 2008, representing 0.40% of GNI), and that aid volumes are expected to increase to €69 billion in 2010 to meet the collective promise of 0.56% of EU GNI made at the G8 Gleneagles Summit in 2005; points out that this would release an additional €20 billion for development objectives;
4. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with a commitment to increase the collective EU trade-related assistance to €2 billion annually by 2010 (€1 billion from the Community and €1 billion from the Member States);
5. Calls on the developing countries, especially those that benefit most from EU aid, to ensure good governance in all public matters, and especially in the management of aid received, and urges the Commission to take all necessary steps to ensure transparent and efficient aid implementation;
6. Welcomes the PCD Work Programme 2010- 2013 as a guideline for the EU institutions and Member States, and acknowledges its role as an early warning system for upcoming policy initiatives; welcomes also the interlinkages between the different policy fields;
7. Recalls the responsibility of the European Union in taking into account the interests of developing countries and their citizens;
8. Considers that all EU policy areas with an external impact must be designed to support and not contradict the fight against poverty and the achievement of the Millennium Development Goals, as well as the fulfilment of human rights, including gender equality and social, economic and environmental rights;
9. Stresses the need to take relevant aspects of Policy Coherence for Development into account in bilateral and regional trade agreements and multilateral trade agreements firmly anchored in the rules-based WTO system, and in this connection urges the Commission and the Member States to actively engage with all other relevant WTO partners that can contribute to bringing about a balanced, ambitious and development-oriented outcome to the Doha Round in the very near future;
10. Underlines the fact that the so-called 'Singapore issues', such as liberalisation of services, investment and government procurement, the introduction of competition rules and stronger enforcement of intellectual property rights, do not serve the aim of achieving the eight Millennium Development Goals;
11. Insists that the European Union, the Member States and the EIB assume a leading role in this and make investments through tax havens less attractive by adopting rules on public procurement contracts and the granting of public funds that prevent any company, bank or other institution registered in a tax haven from benefiting from public funds; with a view to this, asks the Commission and the Member States to use the mid-term review of EIB external lending activity to make concrete improvements to its capabilities for evaluating the beneficiaries of its loans and to ensure that its investments in developing countries actually contribute to eradicating poverty by providing annual reports on their progress;
12. Calls on the Commission and Member States to give an overall assessment of the fisheries

agreements with third countries, so as to ensure that the European Union's external policy in the field of fisheries is completely consistent with its development policy, while strengthening European Union partner countries' capacity to guarantee sustainable fishing in their waters, enhancing food security and local employment in the sector;

13. Recalls that EU access to fish stocks in third countries should not in any way be a condition for development assistance to those countries;
14. Urges the Commission to include, in addition to social clauses, human rights clauses in all FPAs to enable the European Union to use appropriate measures where known human rights violations take place in third countries that have signed FPAs with the EU;
15. Recalls that 75 % of the world's poor population lives in rural areas, but that only 4 % of ODA is dedicated to agriculture; calls on the Commission, Member States and developing countries, therefore, to put the issue of agriculture at the top of their development agendas;
16. Is concerned about the negative impact on development in third countries of financial institutions aimed principally at tax avoidance; asks the Commission to step up cooperation on fiscal governance, particularly with the countries listed in Annex 1 to its legislative proposal of 24 April 2009 (A6-0244/2009), which receive European development funds;
17. Welcomes the recommendation contained in the conclusions of the Council meeting of 14 May 2008 to include a clause on good governance in the tax area in trade agreements, since this constitutes the first step in the fight against fiscal measures and practices that encourage tax evasion and fraud; asks the Commission to include such a clause immediately in its negotiations on future trade agreements;
18. Calls on the Commission and the ACP countries to continue their dialogue on migration in order to strengthen the principle of circular migration and its facilitation by granting circular visas; stresses that the article in question emphasises respect for human rights and equitable treatment of nationals of ACP countries, but that the scope of these principles is seriously compromised by bilateral readmission agreements with transit countries in a context of externalisation by Europe of the management of migration, which do not guarantee respect for the rights of migrants and which may result in 'cascade' readmissions which jeopardise their safety and their lives;
19. Urges the Council to reach a rapid, comprehensive agreement on the proposal for amendment of the directive on taxation of savings income, particularly in relation to the countries listed in Annex 1 to this legislative proposal which receive European development funds;
20. Stresses the need to include the EDF, which is the main financing instrument for EU development cooperation, in the framework of PCD; confirms its support for the full budgetisation of the EDF in the context of democratic parliamentary control and of transparency in its implementation, taking into account in particular the increasing importance of implementation of the EU development policies setting up specific facilities (as in the case of the EU-Africa Strategy);

21. Invites the Commission not only to monitor economic growth objectives, but to look particularly at reducing inequalities in income distribution both within individual developing countries and globally. Particular attention should be paid to increasing participative processes of sustainable self-development through forms of association such as cooperatives and PRA (Participatory Reflection and Action), which are based on consensus and participation by local communities and which therefore provide more effective organisational models with a more long-term impact, promoting the role of the social economy in development;
22. Invites the Commission to promote development assistance actions that, taking account of the effects of the financial crisis, can prevent a rise in insecurity and conflict, global political and economic instability, and an increase in forced migration (‘refugees from hunger’);
23. Calls on developing countries to provide basic public services and guarantee access to land, including credit for small-scale farmers, in order to promote food security and the fight against poverty, which help to reduce the concentration of large farms and the intensive exploitation of resources for speculation, with the destruction of the ecosystems, calls furthermore on the Commission to support the abovementioned policies;
24. Invites the Commission to assess the impact of the digital divide between rich and poor nations, looking particularly at the risk of information technologies being instrumental in discrimination, since they marginalise those who, for social, economic or political reasons, cannot access these new products, which are ushering in the new information revolution;
25. Asks for clear mandates to assess PCD, for clear and precise operational goals, and for detailed procedures to carry out this exercise;
26. Underlines the crucial need to approach PCD as a long-term endeavour so as to secure lasting support for PCD; stresses the importance of a timely assessment of policies to avoid negative impacts on developing countries; to this end, asks for the impact of the activities of European and non-European private players to be assessed, paying particular attention to multinationals;
27. Calls for the assessment, by comparative analysis, of the approach, methodology and results of cooperation and aid policies outside Europe and relative levels of international collaboration, looking particularly at China’s intervention in Africa;
28. Stresses that the Council’s decision to focus on five broad areas for the PCD exercise in 2009 must not replace the monitoring of the 12 traditional policy areas - Trade, Environment, Climate Change, Security, Agriculture, Bilateral Fisheries Agreements, Social Policies (employment), Migration, Research/Innovation, Information Technologies, Transport, and Energy; calls on the Commission, furthermore, to identify incoherencies whenever European policies have a negative impact on development and to suggest that it provide solutions; calls on the Commission to create mechanisms for including new policy areas that do not fit satisfactorily into the existing 12, such as raw materials;
29. Recalls its vital international commitments to the 0.7% ODA/GNP target for 2015, which must be devoted exclusively to poverty eradication; expresses its concern that the ‘ODA-

plus approach' may dilute the EU's ODA contribution to the fight against poverty; is concerned that funds raised with the 'ODA-plus approach' have no legal commitment to poverty eradication or to assisting with the achievement of the Millennium Development Goals;

30. Is concerned that the capital outflow from developing countries into the EU caused by incoherent policies under the 'ODA-plus approach' is not mentioned and that the damage inflicted on developing countries by unfair tax competition and illegal capital outflow is not taken into account;
31. Is concerned that the 'ODA-plus approach' only focuses on the financial inflows from the EU to the South and overlooks the financial outflows from the South to the EU, which gives a misleading picture of the direction of the financial flows;
32. Asks the Commission to further clarify the whole-of-the-Union approach and its impact on the EU's development policy; expresses concern that this approach could be integrated into the next Financial Perspective;
33. Calls on European members of the OECD's DAC to reject any attempt to broaden the ODA definition designed to include the "Whole of the Union" and "ODA+" approaches recently proposed by the European Commission, as well as non-aid items such as financial flows, military spending, debt cancellation, particularly cancellation of export credit debts, money spent in Europe on Students and refugees;
34. Recognises that the fulfilment of the ODA commitments is imperative but still not sufficient to tackle the development emergency, and reiterates its call upon the Commission to identify as a matter of urgency additional innovative sources of finance for development, and to present proposals for the introduction of an international financial transaction tax to generate additional resources in order to overcome the worst consequences of the crisis and to keep on track towards the achievement of the MDGs;
35. Firmly reminds the Commission and Member States that ODA has to remain the backbone of the European development cooperation policy aiming at eradicating poverty; therefore, underlines that if innovative sources of development financing are to be widely promoted, they must be additional, used in a pro-poor approach and cannot be used to replace ODA in any circumstances;
36. Fears that, in most developing countries, most of the MDG targets will not be met by 2015; urges the Member States, therefore, to reach their collective target and proceed to binding legislation and to issue annual timetables to meet the promises they have made; welcomes, with this in mind, the 'Draft International Development Bill' presented by the UK Government in January 2010;
37. Recalls that, in accordance with the EU institutional framework, it proposes to appoint a standing rapporteur for 'policy coherence for development', with the mandate of following up, and informing the DEVE Committee of, incoherencies in EU policies;
38. Calls on the Commission to use systematic, clear benchmarks and regularly updated indicators in order to measure PCD, for example the Sustainable Development Indicators,

as well as to enhance transparency vis-à-vis the European Parliament, aid recipient States and civil society;

39. Calls on developing countries to create country-specific indicators on PCD in line with the EU general indicators, in order to assess real needs and achievements in terms of development;
40. Takes the view that, if actions and measures within the EU's development policy do not respect the principles and objectives laid down in Article 208 of the Lisbon Treaty and the EU's external action listed in Article 21 of the Treaty on European Union, these constitute a breach of an obligation for which an action may be brought before the Court of Justice of the European Union under Articles 263 and 265 of the Treaty on the Functioning of the European Union;
41. Emphasises the importance of coherence between trade and development policies for better development and tangible implementation, and welcomes in this respect the EU 2009 Report on Policy Coherence for Development (COM(2009)0461);
42. Reiterates the need for coherence between trade policy and other (environmental and social) policies, notably in regard to trade agreements containing incentives for the production of biofuels in developing countries;
43. Reiterates the importance of coherence between trade and development policies and stresses that the implementation of the Sustainable Development Chapters in the trade agreements should serve as an opportunity for the European Commission to promote good governance and the application of fundamental European values;
44. Considers the recent EU decision to re-establish export subsidies for milk powder and other dairy products, which in the main subsidise agro business in Europe at the cost of poor farmers in developing countries, a blatant violation of the core principles of policy coherence for development, and calls on the Council and Commission to revoke that decision immediately;
45. Calls for the cessation of export subsidies; to this end, recalls the commitment made in Doha in 2001 by all WTO members to conclude a Development Round of negotiations aiming at rectifying the existing imbalances in the trade system, putting trade at the service of development, and contributing to poverty eradication and the achievement of the Millennium Development Goals;
46. Calls on the Commission, in order to ensure that DG Trade has a coherent mandate for trade negotiations, to take due account of Parliament's preconditions for giving its consent to the conclusion of trade agreements;
47. Calls on the Commission to take every measure available to it to ensure that, while the Sugar Protocol is ending and the EU reform of the sugar regime is taking place, it safeguards its relevant partners against any temporary upheavals in the market;
48. Proposes further to develop existing EU instruments for lowering customs tariffs such as the GSP/GSP+ System and chapters in FTAs and EPAs, and further to integrate

internationally agreed labour and environmental standards into those instruments;

49. Calls again on the Commission to make full use of the GSP and GSP + mechanisms for building institutional capacity in developing countries in order to enhance their own internal coherence in drawing up development strategies;
50. Stresses that systematic consultation of labour organisations and trade unions on the implementation of social and environmental standards in non-EU countries, notably before the conclusion of EPAs or the granting of GSP +, would ensure a better coherence in trade policies benefiting sustainable development in developing countries;
51. Recognises that according to the Commission's Aid for Trade (AfT) monitoring report 2009 (COM(2009)160 final, p. 30), the EU's AfT commitments to the African, Caribbean and Pacific (ACP) States fell from €2975 million in 2005 to €2097 million in 2007, that the ACP's share of the EU's overall AfT commitments fell from 50% to 36% over the same period, and that this is not consistent with prior promises to prioritise poverty eradication and development;
52. Welcomes, in this connection, all the existing initiatives in the area of trade with developing countries at EU and WTO levels, in particular the Everything But Arms (EBA) initiative, GSP and GSP+ , the asymmetry and transitional periods in all existing European Partnership Agreements (EPAs) and the Aid-for-Trade Work Programme 2010-2011, and calls for the revision of the last of these, with a view to giving it greater leverage to foster sustainable growth;
53. Recognises the important role that the EU's GSP+ system can play in encouraging good governance and sustainable development within developing countries, and encourages the Commission to ensure that this tool is effective and that ILO and UN conventions are properly implemented on the ground;
54. Reiterates that the EU should support those developing countries which use the 'flexibilities' built into the TRIPS Agreement in order to be able to provide medicines at affordable prices under their domestic public health programmes;
55. Welcomes the safeguard clause on food security drafted into the Economic Partnership Agreements, and encourages the Commission to ensure its effective implementation;
56. Deplores the TRIPS+ provisions included in the CARIFORUM-EC Economic Partnership Agreement, and in the agreements that are being negotiated with the countries of the Andean Community and Central America, provisions which create barriers to access to essential medicines;
57. Urges the Commission to end its present TRIPS-plus approach in EPA negotiations regarding pharmaceuticals and medicines, to allow developing countries to provide medicines at affordable prices under domestic public health programmes;
58. Points out that any measures in ACTA negotiations to strengthen powers of cross-border inspection and seizure of goods should not harm global access to legal, affordable and safe medicines;

59. Is worried about recent cases of EU Member States' custom authorities seizing generic medicines in transit in European ports and airports, and underlines that such behaviour undermines the WTO Declaration on Access to Medicine; asks the EU Member States concerned to put a swift stop to this practice; calls on the Commission to assure Parliament that the currently negotiated ACTA does not prevent access to medicine for developing countries;
60. Believes that the climate change challenge must be addressed through structural reforms, and calls for a systematic climate change risk assessment of all aspects of policy planning and decision making, including in trade, agriculture and food security; demands that the result of this assessment be used to formulate clear and coherent country and regional strategy papers, as well as in all development programmes and projects;
61. Welcomes the Commission's recent comments to the effect that it will look again at Regulation (EC) No 1383/2003, which has had unintended consequences for the transit through the EU of generic medicines which were ultimately destined for developing countries;
62. Believes that initiatives such as the Unitaid patent pool for HIV/Aids medicines can help bring coherence to the EU's health and intellectual property policies;
63. Welcomes the Commission's support for proposals to help indigenous communities to exploit and benefit from their traditional knowledge and genetic resources;
64. Welcomes the Commission's comments to the effect that the EU could lower tariffs on environment-friendly goods with like-minded countries in the event that an agreement cannot be found within the WTO;
65. Supports the Commission in facilitating the transfer of technology to developing countries, specifically low-carbon and climate-resilient technology which is essential for climate change adaptation;
66. Acknowledges the economic importance of remittances to developing countries, but stresses the need to address the issue of 'brain drain' in the implementation of bilateral trade agreements, in particular within the health sector;
67. Highlights the work done by many civil society organisations on tax evasion by EU multinationals in developing countries and asks the Commission to take their recommendations into account in future negotiations;
68. Welcomes the mechanisms to enhance PCD within the Commission, namely the inter-service consultation system, the Impact Assessment process, the Sustainability Impact Assessment, the Interservice Quality Support Group and, where appropriate, the Strategic Environmental Assessment; asks, however, which criteria DG Development used when deciding to overturn incoherent policy initiatives and asks for greater transparency as regards the outcome of inter-service consultations; calls for the information gathered in the Impact Assessments to be made available to the European Parliament in a more comprehensible form, and for the European Parliament, the national parliaments and the parliaments of the developing countries to be more closely involved in these mechanisms;

69. Asks that the ‘aid for trade’ strategy benefit all developing countries, and not only those agreeing to a greater liberalisation of their markets; during trade negotiations, notably in the context of Economic Partnership Agreements, calls on the Commission not to impose, against the wishes of developing countries, the opening of negotiating chapters on the ‘Singapore issues’ and financial services, and not to enter into agreements of this type unless these countries have first set up an appropriate national regulatory and supervisory framework;
70. Asks the Commission to include legally binding social and environmental standards systematically in trade agreements negotiated by the European Union, in order to promote the objective of trade working for development;
71. Asks the Commission to start the impact assessments earlier, i.e. before the drafting process of policy initiatives is already far advanced and to base them on existing or specially conducted evidence-based studies, and to systematically include social, environmental and human rights dimensions, since a prospective analysis is most useful and practical given the lack of data and the complexities of measuring PCD; asks the Commission to include the results of the impact assessments in the Development Cooperation Instrument (DCI)’s Regional and Country Strategy Papers, together with suggestions for a follow-up;
72. Expresses its concern that, out of 82 impact assessments conducted in 2009 by the Commission, only one was dedicated to development ; stresses the need for a systematic approach to PCD performance measuring; therefore calls on the Commission to give to its unit for forward-looking studies and policy coherence in DG DEV a central role in enhancing the consideration of PCD;
73. Calls on the Commission to involve the European Parliament in the process of the Commission’s PCD report, e.g. in terms of the questionnaire, better timing, and taking account of Parliament’s own initiative reports;
74. Asks the Commission to involve the EU Delegations in its PCD work by appointing PCD focal points responsible for PCD in each Delegation to monitor the impact of EU policy at partner-country level; asks for inclusion of PCD in staff training; calls on the Commission to publish annually the results of field consultations to be conducted by EU delegations; to this end, calls on the Commission to ensure that the EU delegations have sufficient capacity to broadly consult local governments, parliaments and to guarantee opportunities for active participation by non-state actors and civil society on the issue of PCD;
75. Suggests that European Commission staff and members of Council delegations working in the field of PCD be trained with a view to raising their awareness of that policy goal;
76. Calls on the Commission to give the Commissioner for Development sole responsibility for country allocations, Country, Regional and Thematic Strategy papers, National and Multiannual Indicative Programmes, Annual Action programmes and the implementation of aid in all developing countries, in close cooperation with the High Representative and the Humanitarian Aid Commissioner, in order to avoid incoherent approaches within the College and the Council;

77. Calls on the Member States and their national parliaments to promote PCD through a specific working programme with binding timetables, in order to improve the European PCD work programme, as well as aid efforts, whilst ensuring that this agenda does not run counter to partner countries' development strategies;
78. Suggests including PCD in the DCI midterm review, especially in the relevant thematic programmes;
79. Suggests inclusion of specific PCD commitments in every Presidency's work programme;
80. Suggests that the Council improve the work of existing structures for enhancing PCD, for example by having more joint meetings of the working groups and making the work programme publicly accessible;
81. Suggests drafting a biennial EP report on PCD; suggests to all its committees that they draft reports that address their respective development perspectives;
82. Underlines the importance of inter-committee cooperation in the European Parliament; to this end, suggests that, when a sensitive issue regarding PCD is discussed by a committee, the other relevant committees are closely associated, and that when a committee organises an expert hearing on a sensitive issue concerning PCD, the other relevant committees must take part in organising the hearing;
83. Encourages the existing joint parliamentary assemblies, such as the ACP-EU Joint Parliamentary Assembly, to appoint standing rapporteurs for PCD and to draft a biennial PCD report in order to detect policy incoherencies;
84. Asks for institutional clarification regarding the Commission's Communication on Policy Coherence (COM(2009)458) concerning an enhanced partnership and dialogue with the developing countries on the topic of PCD; asks whether this enhanced partnership would also include a mechanism for advising developing countries what they themselves can do to promote PCD and a plan for capacity building at country level to perform PCD assessments;
85. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Policy coherence implies that all EU policy areas must be designed to support developing countries' development needs. Despite the EU's commitment to PCD, its policies undermine development objectives in several ways, for example:

- In developing countries, markets are flooded by heavily subsidised European products, which contribute to the weakening of these countries' economic and social infrastructure, exacerbating malnutrition and famine and exposing local farmers to structural poverty and accelerated dependence on external aid;
- Several countries, such as Malaysia, Indonesia and Colombia, as well as a number of African countries, have set aside large parts of their farmland for agrofuel production to meet the EU's renewable energy need at the expense of food security and biodiversity;
- A massive land grab for agrofuel constitutes a serious threat to the livelihood of small farmers. Over 10,000 hectares have been cleared for jatropha plantation in Northern Ghana; up to 60% of fertile land has been allocated for agrofuel in Tanzania; 50,000 to 200,000 hectares are under negotiation in Senegal, and yet all these countries are not self sufficient in producing food to cover local consumption;
- The document 'Global Europe: competing in the World' containing the EU's trade strategy shows that the bilateral and regional free trade policy strategies foster the EU's access to developing countries' raw materials markets, including agricultural commodities, by opening them to EU large companies at the expense of small scale farmers and infant industry;
- The EU market access for developing countries is in practice relegated to raw material export, which is less taxed compared to processed goods. This policy perpetuates developing countries in their role as providers of raw materials for EU industry;
- Financial liberalisation, including speculative and volatile financial flows, over which the developing countries have little control, has generated significant instability at international level with disastrous impacts on developing countries' economies;
- The different association and free-trade agreements under negotiation at present risk liberalising the banking and the financial services sector in an irresponsible way, threatening the already impoverished communities with unsafe financial products, speculation, tax evasion etc.;
- In 2009 the European Commission reintroduced export subsidies for dairy products, which are mainly exported to ACP countries while at the same time markets in poor countries are unprotected. For instance, world market prices for milk dominate ACP countries' prices and the high volatility of prices has serious impacts on local farmers and milk industry (including a sharp increase in import dependency and undermining local prices). In Nigeria, where 80% of the population are cattle farmers, the imports of dairy products have quadrupled since 1996, while the EU's share accounts for 65% of imports;

- As a major arms exporter, the EU exports or facilitates the shipment of arms across its borders. While the EU provides sustainable amounts of developing aid it exports arms, either directly or indirectly, to the same countries where millions are spent on development funds (the EU-15 spends approximately 70 billion € yearly on development funds, while the value of the EU arms exports amounts to approximately 360 billion € annually);
- Also, in the new Fisheries Partnership Agreements, overexploitation of fish stocks will still occur since reliable scientific data to determine a sustainable maximum catch is often lacking. Local fishermen do not have priority access to fishing grounds and will still be harmed by subsidized competition from European vessels. In this case, the local processing industry, which has the highest potential added value in the production chain, receives little support;
- The EU has put sustainable development, deforestation, related biodiversity loss, climate change and poverty alleviation prominently on its policy agenda. The adaptation of the Forest Law Enforcement on Governance and Trade (FLEGT) Action Plan incorporates all ingredients for a coherent policy approach towards sustainable development. However, in putting these commitments into practice the EU doesn't show much progress. The current implementation of FLEGT will not make a decisive difference in tackling illegal and destructive logging;
- Regarding global warming, the EU is not cutting its emissions enough to reach the 2C goal and a rise of the global temperature will first and foremost hit developing countries. EU countries should offset up to 70% of its emissions and so far there is too little concrete commitments for climate financing for developing countries and no real technology transfer cooperation with Least Developed Countries (most of the Clean Development Mechanism's projects are done with emerging economies like China);
- Taking just the cases documented by the press, the number of deaths along EU borders since 1988 has reached 14,794. At the same time, the budget of the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) has doubled between 2007 and 2009. The EU budget devoted to fighting irregular immigration has increased by six during the same period. A few examples help illustrate how important this policy has become: EU member states carried out 174,275 deportations in 2007; the 27 EU member states registered nearly 240,000 asylum applicants in 2008, or 480 applicants per million inhabitants. Up to 73% of these requests were rejected and only 24,425 asylum seekers (13%) were granted refugee status, 18,560 (10%) subsidiary protection and 8,970 (5%) were granted authorisation to stay for humanitarian reasons.

The list is not exhaustive and far more cases of incoherence could be added. Overall, although the PCD process started in 2005, not much real progress has been made. The situation will not improve if only single problems are addressed: many of the incoherencies presented are inherent to the system. The EU's short-term interests often prevail over long-term interests and development objectives.

The overall aim of the report is to tackle the prevailing incoherencies and to point to the structural problems concerning PCD. Moreover, the Rapporteur hopes to raise more

awareness for PCD amongst the EU institutions, to involve the EP further in the PCD process of the Commission and to improve PCD within the EP, which is why the Rapporteur included some commitments for Parliament itself.

Finally, one of the central suggestions of the report is to introduce a complaint mechanism which could serve as a PCD focal point in the EU that receives complaints and independently drafts reports of policy incoherencies. The Rapporteur suggests using the Ombudsman for this position which would have the advantage of using existing structures. If the European administration, that is, in this case mainly the Commission, fails to act in accordance with law or violates human rights, this constitutes at the very least maladministration, which the Ombudsman can investigate – also on his/her own initiative, as explicitly stated in Article 228(2) TFU. One such own-initiative inquiry led, for instance, to the adoption of the first rules on public access to EU documents, through decisions adopted by the Council, Commission and (later) Parliament.

Furthermore, breaking the law and violating human rights would also clearly, at the same time, represent the kind of incoherence that the Commission's Communication seeks to avoid. Finally, it would contradict the objectives and principles governing the Union's policy in the field of development, laid down in Article 209 TFU.

As regards the role of national supervisors in developing countries, the Ombudsman would not be in any conflict of competence with them, as his/her mandate is limited to the European Union's institutions and bodies – which, again, tend to be beyond the mandate and powers of national supervisors.

No amendment to the mandate of the Ombudsman would be needed. The Ombudsman made a commitment, in public, to use his/her powers of own inquiry, if the status of the complainant were the only reason why an otherwise admissible complaint would be declared inadmissible. Another example is EP's own committee on petitions, which can, but is not obliged to, deal with petitions from non-residing non-nationals in/of a member state.

If the Ombudsman states, in response to a specific call from the European Parliament, that he is willing to use his/her powers of own-initiative inquiry when receiving complaints about instances of lack of coherence – with relevant objectives, principles, and criteria – in the EU's actions in the field of development policy, this does not mean that the Ombudsman would be obliged to use these powers for the investigation of complaints concerning other issues.

Finally, a similar arrangement is already in place: the Memorandum of Understanding between the European Investment Bank and the Ombudsman was first raised, in 2007, by the European Parliament in the Sbarbati report on the annual report on the European Ombudsman's activities in 2006¹, on the basis of two amendments by Margrete Auken².

¹ A6-0301/2007

² Warmly welcomes the declaration of the European Ombudsman to deal with the European Investment Bank's lending activities outside the EU using his powers of own inquiry and notes that the Ombudsman would need to evaluate and ensure the internal capacity to deal with such complaints;
Invites the Ombudsman to consider concluding a Memorandum of Understanding with the European Investment Bank on the modalities of the cooperation between the institutions as regards the exercise of the Ombudsman's powers to investigate complaints concerning instances of maladministration in the activities of the EIB and takes the view that the EIB would be best placed to actively inform citizens concerned by projects financed by the Bank of the possibility to complain to the Ombudsman, including when these are third country nationals resident outside the EU;

2.3.2010

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Development

on the EU Policy Coherence for Development and the 'Official Development Assistance plus concept'
(2009/2218(INI))

Rapporteur: Vital Moreira

SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises the importance of coherence between trade and development policies for better development and tangible implementation, and welcomes in this respect the EU 2009 Report on Policy Coherence for Development (COM(2009)0461) and the balanced approach taken by DG Trade in implementing trade agreements that not only promote the strategic economic interests of the EU but also underline the need for good governance and the implementation of fundamental European values;
2. Reiterates the need for coherence between trade policy and other (environmental and social) policies, notably in regard to trade agreements containing incentives for the production of biofuels in developing countries;
3. Stresses that the European Union is by far the biggest aid donor in the world (EU aid rose to €49 billion in 2008, representing 0.40% of GNI), and that aid volumes are expected to increase to €69 billion in 2010 to meet the collective promise of 0.56% of EU GNI made at the G8 Gleneagles Summit in 2005; points out that this would release an additional €20 billion for development objectives;
4. Reiterates the importance of coherence between trade and development policies and stresses that the implementation of trade agreements should serve as an opportunity for the European Commission to promote good governance and the application of

- fundamental European values;
5. Stresses that systematic consultation of labour organisations and trade unions on the implementation of social and environmental standards in non-EU countries, notably before the conclusion of EPAs or the granting of GSP +, would ensure a better coherence in trade policies benefiting sustainable development in developing countries;
 6. Recognises that according to the Commission's Aid for Trade (AfT) monitoring report 2009 (COM(2009)160 final, p. 30), the EU's AfT commitments to the African, Caribbean and Pacific (ACP) States fell from €2975 million in 2005 to €2097 million in 2007, that the ACP's share of the EU's overall AfT commitments fell from 50% to 36% over the same period, and that this is not consistent with prior promises to prioritise poverty eradication and development;
 7. Welcomes, in this connection, all the existing initiatives in the area of trade with developing countries at EU and WTO levels, in particular the Everything But Arms (EBA) initiative, GSP and GSP+ , the asymmetry and transitional periods in all existing European Partnership Agreements (EPAs) and the [Aid-for-Trade Work Programme 2010-2011](#), and calls for the revision of the last of these, with a view to giving it greater leverage to foster sustainable growth;
 8. Considers the recent EU decision to re-establish export subsidies for milk powder and other dairy products, which in the main subsidise agro business in Europe at the cost of poor farmers in developing countries, a blatant violation of the core principles of policy coherence for development, and calls on the Council and Commission to revoke that decision immediately;
 9. Stresses the need to take relevant aspects of Policy Coherence for Development into account in bilateral and regional trade agreements and multilateral trade agreements firmly anchored in the rules-based WTO system, and in this connection urges the Commission and the Member States to actively engage with all other relevant WTO partners that can contribute to bringing about a balanced, ambitious and development-oriented outcome to the Doha Round in the very near future;
 10. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with a commitment to increase the collective EU trade-related assistance to €2 billion annually by 2010 (€1 billion from the Community and €1 billion from the Member States);
 11. Underlines the fact that the so-called 'Singapore issues', such as liberalisation of services, investment and government procurement, the introduction of competition rules and stronger enforcement of intellectual property rights, do not serve the aim of achieving the eight Millennium Development Goals;
 12. Calls on the developing countries, especially those that benefit most from EU aid, to ensure good governance in all public matters, and especially in the management of aid received, and urges the Commission to take all necessary steps to ensure transparent and efficient aid implementation;
 13. Reiterates that the EU should support those developing countries which use the

- 'flexibilities' built into the TRIPS Agreement in order to be able to provide medicines at affordable prices under their domestic public health programmes;
14. Welcomes the safeguard clause on food security drafted into the Economic Partnership Agreements, and encourages the Commission to ensure its effective implementation;
 15. Deplores the TRIPS+ provisions included in the CARIFORUM-EC Economic Partnership Agreement, and in the agreements that are being negotiated with the countries of the Andean Community and Central America, provisions which create barriers to access to essential medicines.
 16. Welcomes the Commission's recent comments to the effect that it will look again at Regulation (EC) No 1383/2003, which has had unintended consequences for the transit through the EU of generic medicines which were ultimately destined for developing countries;
 17. Believes that initiatives such as the Unitaid patent pool for HIV/Aids medicines can help bring coherence to the EU's health and intellectual property policies;
 18. Welcomes the Commission's support for proposals to help indigenous communities to exploit and benefit from their traditional knowledge and genetic resources;
 19. Calls on the Commission, in order to ensure that DG Trade has a coherent mandate for trade negotiations, to take due account of Parliament's preconditions for giving its consent to the conclusion of trade agreements.
 20. Welcomes the Commission's comments to the effect that the EU could lower tariffs on environment-friendly goods with like-minded countries in the event that an agreement cannot be found within the WTO;
 21. Supports the Commission in facilitating the transfer of technology to developing countries, specifically low-carbon and climate-resilient technology which is essential for climate change adaptation;
 22. Recognises the important role that the EU's GSP+ system can play in encouraging good governance and sustainable development within developing countries, and encourages the Commission to ensure that this tool is effective and that ILO and UN conventions are properly implemented on the ground;
 23. Acknowledges the economic importance of remittances to developing countries, but stresses the need to address the issue of 'brain drain' in the implementation of bilateral trade agreements, in particular within the health sector;
 24. Highlights the work done by many civil society organisations on tax evasion by EU multinationals in developing countries and asks the Commission to take their recommendations into account in future negotiations;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.2.2010
Result of final vote	+ : 16 - : 4 0 : 8
Members present for the final vote	William (The Earl of) Dartmouth, Daniel Caspary, Christofer Fjellner, Joe Higgins, Yannick Jadot, Bernd Lange, David Martin, Emilio Menéndez del Valle, Vital Moreira, Cristiana Muscardini, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Iuliu Winkler, Jan Zahradil, Paweł Zalewski
Substitute(s) present for the final vote	Catherine Bearder, José Bové, George Sabin Cutaş, Mário David, Salvatore Iacolino, Syed Kamall, Elisabeth Köstinger, Jörg Leichtfried, Matteo Salvini, Michael Theurer, Jarosław Leszek Wałęsa
Substitute(s) under Rule 187(2) present for the final vote	Patrice Tirolien

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.4.2010
Result of final vote	+ : 26 - : 0 0 : 0
Members present for the final vote	Thijs Berman, Michael Cashman, Corina Crețu, Véronique De Keyser, Leonidas Donskis, Charles Goerens, Catherine Grèze, Enrique Guerrero Salom, Filip Kaczmarek, Franziska Keller, Gay Mitchell, David-Maria Sassoli, Michèle Striffler, Alf Svensson, Eleni Theocharous, Patrice Tirolien, Anna Záborská, Iva Zanicchi, Gabriele Zimmer
Substitute(s) present for the final vote	Proinsias De Rossa, Santiago Fisas Ayxela, Krzysztof Lisek, Isabella Lövin, Emma McClarkin, Cristian Dan Preda, Patrizia Toia