



TEXTS ADOPTED

P8_TA(2016)0246

2015 Report on policy coherence for development

European Parliament resolution of 7 June 2016 on the EU 2015 Report on Policy Coherence for Development (2015/2317(INI))

The European Parliament,

- having regard to Article 208 of the Treaty on the Functioning of the European Union, which reaffirms that the Union must take account of the objective of development cooperation in the policies that it implements which are likely to affect developing countries,
- having regard to Article 21 of the Treaty on European Union, which states that the Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law,
- having regard to paragraphs 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 of December 2005 entitled 'The European Consensus on Development'¹,
- having regard to the successive conclusions of the Council, the biennial reports by the Commission and the resolutions of Parliament on policy coherence for development (PCD), particularly Parliament's resolution of 13 March 2014 on the EU 2013 Report on Policy Coherence for Development²,
- having regard to the Commission's fifth biennial report on PCD, namely its Working Document on Policy Coherence for Development, published in August 2015 (SWD(2015)0159),
- having regard to the 2030 Agenda for Sustainable Development, adopted at the UN

¹ OJ C 46, 24.2.2006, p. 1.

² Texts adopted, P7_TA(2014)0251.

Sustainable Development Summit in New York in 2015¹, which includes a target to ‘enhance policy coherence for sustainable development’ (target 17.14),

- having regard to the Fourth High Level Forum on Aid Effectiveness outcome document of December 2011 on partnership for Effective Development Co-operation,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and the opinion of the Committee on International Trade (A8-0165/2016),
- A. whereas the Council conclusions on the fifth EC biennial report on PCD, adopted in October 2015, emphasised that PCD will be an important part of the EU’s contribution to achieving the broader aim of policy coherence for sustainable development (PCSD);
- B. whereas the adoption of the 2030 Sustainable Development Agenda presents a new challenge for the achievement of PCD, as it establishes a single, universal set of development goals applicable to all;
- C. whereas the EU must take the lead in promoting PCD;
- D. whereas 1,5 billion people are still living in poverty with deprivation in health, education and living standards; whereas most of them are women;
- E. whereas the fiscal space of developing countries is de facto constrained by the requirements of global investors and financial markets; whereas developing countries have been offering various tax incentives and exemptions to attract or retain investors, leading to harmful tax competition and a ‘race to the bottom’;
- F. whereas the EU has a direct and historical responsibility in its dealings with partner countries;
- G. whereas the current European framework for development lacks effective mechanisms to prevent and remedy incoherencies arising from the policies pursued by the Union;

PCD in the framework of the 2030 Agenda

1. Reiterates that PCD is a key element for delivering and achieving the new sustainable development agenda; calls for proactive action based on a common understanding of PCD; points out that the human rights-based approach should lead to a deepened understanding of PCD, since without addressing the obstacles to the realisation of rights there can be no progress towards sustainable development and the eradication of poverty; considers that PCD should contribute to the establishment of the rule of law, to impartial institutions and to tackling the challenge of good governance in developing countries;
2. Regrets that, although PCD was endorsed in the UN Millennium Declaration², the Lisbon Treaty and the Busan Forum on Aid Effectiveness³, little progress has been

¹ http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/1

² <http://www.un.org/millennium/declaration/ares552e.htm>

³ <http://www.oecd.org/development/effectiveness/49650173.pdf>

made as to its concrete implementation;

3. Calls for an EU-wide debate on PCD in the framework of the 2030 Sustainable Development Agenda and its new 17 universal and indivisible SDGs, so as to understand better how the concept might fit with the more universal concept of PCSD;
4. Recalls that the sustainable development goals apply to both developed and developing countries and that the SDGs should be comprehensively integrated into the EU's decision-making process at both internal and external levels; stresses the need to develop governance processes to promote PCD at the global level, and calls for the inclusion of PCD as a core issue in the upcoming EU policy debates on the new Global Strategy and the MFF;

PCD mechanisms

5. Calls for PCD to be discussed at a European Council meeting in order to foster an interinstitutional debate involving the Commission, the EEAS, the Council, and Parliament, as well as debate at the national level;
6. Proposes that in preparation for that summit, the Commission and the EEAS should address concrete recommendations to the EU heads of state and government on effective mechanisms to operationalise PCD and integrate EU strategies to better implement SDGs, and on how to define more clearly the responsibilities of each EU institution in achieving PCD commitments; believes that such a process should be as transparent and as inclusive as possible, involving local and regional governments, civil society organisations and think-tanks;
7. Welcomes the creation of a group of Commissioners involved in external relations; calls for regular reporting on the work of this group by the VP/HR to the Committee on Development;
8. Considers that the mechanisms that have been used by some EU delegations to provide feedback to the Commission's 2015 PCD Report should be extended to all EU delegations, and that this should become a yearly exercise; calls on the EU delegations to ensure that PCD is on the agenda of the respective bilateral meetings and joint assembly meetings, as well as of the yearly meeting of EU Heads of Delegations in Brussels;
9. Welcomes the Better Regulation Package adopted by the Commission on 19 May 2015; further welcomes the fact that PCD is specifically mentioned as a legal requirement in Tool 30 of the Better Regulation Guidelines (COM(2015)0215);
10. Regrets the fact that although impact assessments represent a significant tool for achieving PCD, assessments of development impacts remain few in number and do not properly address the potential impact on developing countries; hopes that the Better Regulation Package and its guidelines will improve this situation by taking development and human rights into account in all impact assessments and by enhancing transparency; calls on the Commission systematically to consult human rights organisations at an early stage of the policymaking process and to put in place stronger safeguards and mechanisms in order to better balance stakeholders' representativeness; welcomes the public consultation on the roadmap, which is aimed at determining the outcome and

impact of PCD on developing countries and which opens up opportunities for external stakeholders, including developing countries and civil society, to give their views and actively participate; further welcomes the field phase of the roadmap and the case studies, which could contribute effectively to an accurate evaluation of the impact of PCD; considers it necessary to undertake more systematic ex-post assessments during EU policy implementation;

11. Believes that more emphasis must be put on institutional coordination, whether between EU institutions or with Member States; calls on the governments of the Member States to embed PCD in a legally binding act and to define a Policy Coherence for Sustainable Development (PCSD) action plan to operationalise it; considers that national parliaments should be more fully involved in the PCD agenda, in the context of their capacity to hold their governments accountable and scrutinise progress in this field;
12. Stresses the important role that Parliament must play in the process of promoting PCD by giving it priority in its agendas, increasing the number of meetings between committees and between parliaments relating to PCD, promoting exchanges of views on PCD with partner countries, and fostering dialogue with civil society;
13. Notes that some Member States have established an effective interministerial coordination mechanism with a specific mandate on PCSD; calls for Member States to follow and exchange the good practices already adopted by other Member States;
14. Notes that joint programming is a successful tool for the coherent planning of EU development cooperation activities; welcomes the fact that it includes Member States' bilateral activities in partner countries, but laments past failures to link EU action to Member States' activities, which have led to opportunities for exploiting synergies being missed;
15. Recognises that implementing PCD correctly will require an appropriate level of resources and staff; urges that PCD focal points in national ministries and EU delegations be granted the necessary resources to put in place national and European strategies on PCD;
16. Underlines the essential role played by national parliaments in the implementation of PCSD by ensuring that political commitments, monitoring and the full involvement of civil society organisations (CSOs) receive periodic scrutiny, and by scrutinising impact assessment reports by governments;
17. Recalls its proposal for an independent system within the Union for receiving complaints by persons or communities affected by the Union's policies; recognises the important role of Parliament's Committee on Development and its standing Rapporteur on PCD in relaying the concerns expressed by members of the public or by communities affected by EU policies;
18. Stresses the need for the EU to invest more resources in evidence-based analysis of PCD; calls on the Commission to identify incoherencies without delay and produce an analysis of their cost, as well as to develop adequate monitoring and progress-tracking mechanisms on PCD; also calls on the Commission to include in its analysis proposals on how to avoid and deal with incoherencies between different policies; further stresses the need to improve PCD referencing in programming documents;

19. Points out the need to strengthen PCD in the context of the revision of the European Consensus for Development and of the discussions on the future post-Cotonou agreement;

Priority areas

Migration

20. Acknowledges that the EU is facing its biggest refugee crisis since World War II; stresses that strengthening the link between migration and development policies is essential to addressing the root causes of this phenomenon; believes that the EU should use all the tools at its disposal to tackle the crisis, including security and diplomatic instruments; underlines that the response to the refugee crisis should not focus only on security concerns and that development objectives must be better integrated so as to make EU migration policies compatible with those that seek to reduce poverty; emphasises that PCD represents an important part of the new EU policy on migration; welcomes the adoption of the European Agenda on Migration (COM(2015)0240), which develops a comprehensive response to the crisis; believes that its implementation should be accompanied by concrete actions to boost economic, political and social development and good governance in the countries of origin; highlights the importance of remittances as a source of financing for development; stresses the importance of Member States' agreements with third countries in facilitating safe movement and the mobility of international workers; considers that development aid programmes and budgets should not be used for migration control purposes; stresses that any common migration policy needs to focus on legal routes to Europe and on the reception of migrants;
21. Emphasises that the EU needs greater harmonisation of migration and asylum policies, both within the Union itself and with its international partners; suggests that a truly efficient and holistic migration and asylum policy has to fully integrate EU internal and external policies, in particular within EU working structures; underlines the importance of developing a single common asylum and immigration policy; calls for an inclusive approach to tackle the root causes of migration that is closely linked to development in order to achieve a sustainable settlement of the current migration crisis; recalls that women and girls who are refugees or migrants are particularly vulnerable to sexual violence and exploitation and that a gender perspective must be integrated into EU migration policy;
22. Calls on the EU and its Member States, in order to enhance coherence between migration and development policies, not to report refugee costs as ODA, as doing so has a huge opportunity cost at the expense of development programmes which effectively tackle the root causes of migration;

Trade and finance

23. Underlines that the EU and its Member States taken together remain the most important Aid for Trade donor in the world (EUR 11,7 billion in 2013 – SWD(2015)0128); suggests that EU Aid for Trade must also aim to empower poor producers, cooperatives, micro- and small enterprises, facilitate the diversification of domestic markets, enhance women's equality, and further regional integration and the reduction of income inequality; welcomes the Commission's aim to put more focus on the development-

related provisions of trade agreements; recalls the commitment by Member States to make concrete efforts towards the target of 0,7 % of GNP as ODA to developing countries, as well as the OECD/DAC recommendation of reaching an average grant element in total ODA of 86 %; underlines that trade agreements should contribute to the promotion of sustainable development, human rights and the fight against corruption around the world;

24. Recalls that trade liberalisation is not per se positive for poverty eradication, since it can have negative effects on sustainable development;
25. Calls on the Commission to submit an annual report to Parliament and the Council on the implementation of EU Aid for Trade in developing countries, giving details of the amounts and sources of the funding allocated, both under Chapter 4 of the EU budget and under the EDF; takes the view that such a report would provide a sound basis for EU reports on PCD, to be published every two years;
26. Recalls that SDG target 17.15 acknowledges the need to respect each country's policy space for poverty eradication and sustainable development; reiterates the right of developing countries to regulate investment so as to ensure obligations and duties for all investors, including foreign investors, with the aim of protecting human rights and labour and environmental standards;
27. Welcomes the progress made since the establishment of the Bangladesh Sustainability Compact, and calls on the Commission to expand binding frameworks to cover other sectors; urges the Commission, in this regard, to extend corporate social responsibility and due diligence initiatives that complement the existing EU timber regulation or concern the proposed EU regulation on conflict minerals to other sectors, thereby ensuring that the EU and its traders and operators live up to the obligation to respect both human rights and the highest social and environmental standards;
28. Recalls that EU investment policy, especially when involving public money, must contribute to the realisation of the SDGs; recalls the need to enhance the transparency and accountability of development finance institutions (DFIs) in order to effectively track and monitor flows, debt sustainability and added value in respect of their sustainable development projects;
29. Recalls the unique role of ODA in achieving effective development results; calls for the development focus and nature of ODA, including a transparent and accountable reporting system, to be protected; recalls that untying aid is a necessary condition for opening up opportunities for developing-country socio-economic actors, such as local firms or technical assistance experts, and advocates boosting the use of developing-country procurement systems for aid programmes in support of activities managed by the public sector with a view to enhancing the local private sector;
30. Recalls, however, that aid alone is not sufficient; believes that innovative and diversified sources of financing such as a financial transaction tax, a carbon tax, an air ticket levy, rents from natural resources, etc., must be considered and should be aligned with development effectiveness principles; believes that coherence should be strengthened between public, private, international and domestic financing; recognises the essential role of the private sector in this regard; emphasises that it is important to create the right conditions for private enterprise in developing countries, and to promote

the establishment of political and legal frameworks facilitating bank account use and the creation of digital infrastructures;

31. Believes that EU trade policy must take into account the realities and development situation of developing countries in order to achieve PCD objectives, as well as the right of developing countries to establish their own development strategies; stresses that trade and investment agreements concluded by the EU and its Member States must not undermine, either directly or indirectly, development objectives or the promotion and protection of human rights in partner countries; recalls that fair and properly regulated trade in accordance with WTO rules can have potentialities for development; welcomes the inclusion of comprehensive trade and sustainable development chapters in all trade and investment agreements;
32. Calls on the EU to set up an appropriate framework to address how corporations integrate human rights and social and environmental standards; calls for the EU and its Member States to continue to engage actively in the work of the UN's Human Rights Council in order to hold corporations accountable for human rights abuses;
33. Supports an efficient, fair and transparent tax system in line with good governance principles; welcomes the package of tax transparency measures presented by the Commission on 18 March 2015 and the Anti-Tax Avoidance Package presented on 28 January 2016, including the Commission communication on an external strategy to promote tax good governance internationally; highlights the importance of conducting an impact assessment and spillover analysis of new EU tax legislation in order to avoid negative impacts on developing countries; recalls that domestic resource mobilisation through taxation is the most important source of revenue for the public financing of sustainable development; urges the EU to support developing countries in building their capacities in the areas of tax administration, financial governance and managing public finances, and in curbing illicit financial flows; calls on the EU to ensure that corporations pay taxes in the countries where value is extracted or created by them; stresses, accordingly, the EU's responsibility to promote and operationalise globally the principle of PCD in tax matters; urges the EU, to this effect, to enable developing countries to participate on an equal basis in the global reform of existing international tax rules;
34. Considers that international cooperation is vital for tackling illicit financial flows and tax evasion, and calls on the EU to encourage further international cooperation on tax matters; calls on the EU to ensure fair treatment of developing countries when negotiating tax treaties in line with the UN Model Double Taxation Convention, taking into account their particular situation and ensuring a fair distribution of taxation rights; welcomes the commitments made at the Addis Ababa Financing for Development conference that took place in July 2015, such as the review of multilateral development finance and the Addis Tax Initiative that aims to help developing countries build up their domestic resourcing systems; calls on the EU to make full use of the OECD Model Tax Convention, which includes an optional provision for assistance in tax collection;
35. Calls for an evaluation of the impact of price subsidies on exports, tariffs and trade barriers for developing countries;
36. Recalls that efforts to secure access to raw materials from developing countries must not undermine local development and poverty eradication, but should, rather, support

developing countries in translating their mineral wealth into real development;

Food security

37. Stresses that achieving global food security will require PCD at all levels, particularly if the more ambitious targets of Agenda 2030, namely to fully eradicate hunger and end all forms of malnutrition, are to be met; believes that the EU should promote the establishment of robust regulatory frameworks with clear criteria to protect the rights and food security of the vulnerable;
38. Calls on the EU to evaluate systematically the impact of, among other factors, EU agricultural, trade and energy policies – such as biofuel policy – on food security in the developing world and on the livelihoods of the most vulnerable people; urges the Commission to continue to concentrate on cooperatives, micro, small and medium-scale farming and agricultural workers, and to promote sustainable and agro-ecological practices in line with the conclusions of Agricultural Science and Technology for Development (IAASTD), the recommendations of the UN Special Rapporteur on the right to food, and the SDGs; recalls the need to ensure that the deployment of CAP measures does not jeopardise the food production capacity and long-term food security of developing countries; stresses that substantive issues of policy coherence and impact need to be addressed in the ongoing monitoring of the EU's Food Security Policy Framework (COM(2010)0127); emphasises that the EU must support the establishment of processing industries in the agricultural sector and the improvement of food storage techniques; recalls the importance of considering the impact of fisheries agreements on the food security of developing countries; calls on the EU and its Member States to contribute to the prevention of land grabs by supporting developing countries in their implementation at national level of the UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests;

Health

39. Stresses the need for developing countries to assign priority in their budget funding to establishing sound health systems, constructing sustainable health infrastructure and providing basic services and quality care; calls on the EU to support the establishment of universal health cover, which will guarantee the mutualisation of health risks in developing countries;

Climate change

40. Calls for determined action from the EU, its Member States and all international partners in implementing the recent COP21/Paris climate agreement; stresses that the EU and other developed countries must continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries, and in particular in least developed countries (LDCs); recalls the crucial importance of the provision of adequate climate finance in this context; supports the process of EU energy transition and the shift towards renewable energy in this regard; stresses that failure to limit global warming to well below 2° C may undermine development gains; calls on the EU to assume a proactive role in addressing the global climate challenge by establishing strategic priorities at all levels and across all sectors, and to design and implement new binding climate, energy efficiency and renewable energy targets in line with the Paris agreement;

41. Recognises that private finance in the context of climate finance cannot replace public finance; emphasises the need for transparent reporting and accountability and to ensure the implementation of relevant social and environmental safeguards regarding private climate finance;

Gender

42. Welcomes the EU Gender Action Plan 2016-2020, and encourages the monitoring and implementation of its objectives in all EU external action, including in EU-funded projects at country level; further calls on the EU effectively to mainstream gender equality and women's empowerment in all its policies, including budgets, and to ensure that its external policies contribute to combating all forms of discrimination, including against LGBT persons;

Security

43. Recognises that there can be no sustainable development or poverty eradication without security; recognises, moreover, that the security-development nexus is an important element in ensuring the effectiveness of EU external action;
44. Highlights the importance of guaranteeing policy coherence and coordination between the EU's external action, security, defence, trade, humanitarian aid and development cooperation policies; draws attention to the challenge of good governance in developing countries; insists that PCD should contribute to the establishment of the rule of law and impartial institutions, as well as to the strengthening of actions leading to disarmament and ensuring public health care and food security, and related policies that ensure security and development;
45. Calls on the EU to strengthen its capacities for crisis prevention and early response in order to reinforce the synergies between the Common Security and Defence Policy (CSDP) and development instruments, finding a balance between short-term responses to crises and longer-term development strategies; suggests that creating a new instrument dedicated to the development-security nexus might limit incoherencies and increase the efficiency of PCD; stresses that this instrument should not be financed through existing development instruments, but through new budgetary appropriations; calls for the inclusion of the priorities and policies of the regions and countries concerned in the elaboration of EU strategies for security and development; welcomes the use of the Political Framework for Crisis Approach (PFCA) as an important tool to allow a common early understanding of crises; calls for reinforced collaboration between the Commission, the EEAS and the Member States in order to deliver a comprehensive analysis that enables an informed choice between CSDP and non-CSDP actions when dealing with a crisis;
46. Believes that the Strategy for Security and Development in the Sahel¹, the African Rapid Reaction Force and the Sahel Regional Action Plan 2015-2020² are good examples of a successful implementation of the EU's comprehensive approach, effectively mixing security, development and governance responses;

¹ http://eeas.europa.eu/africa/docs/sahel_strategy_en.pdf

² www.consilium.europa.eu/en/meetings/fac/2015/04/st07823-en15_pdf

47. Calls on the Commission and the Member States to continue improving links between humanitarian aid, development cooperation and resilience to disasters so as to enable a more flexible and effective response to growing needs;

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48. Instructs its President to forward this resolution to the Council and the Commission.