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COVER NOTE

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signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Pierre de BOISSIEU, Secretary-General of the Council of the European
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- Policy Coherence for Development Work Programme 2010-2013

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COMMISSION STAFF WORKING DOCUMENT

Policy Coherence for Development Work Programme 2010- 2013

accompanying 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

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COMMISSION STAFF WORKING DOCUMENT

Policy Coherence for Development Work Programme 2010- 2013

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1. INTRODUCTION

The European Consensus for Development¹ states: "It is important that non-development policies assist developing countries' efforts in achieving the MDGs."

The Policy Coherence for Development (PCD) work programme translates this political principle into an operational framework involving concrete steps to enhance the coherence of EU policies with development objectives. Building on the PCD Council Conclusions of November 2009², this work programme outlines how the EU will address, through relevant policies, processes and financial means, five global challenges in a development-friendly manner:

trade and finance,

climate change,

global food security,

migration and

security.

The work programme does not provide a comprehensive list of all the initiatives that might be relevant for development but rather focuses on those initiatives and processes planned that stand out for their catalytic potential to promote PCD³. In setting concrete targets and indicators it establishes a scoreboard to track progress towards the identified PCD objectives.

The PCD work programme is conceived as a tool for all EU institutions and Member States, to guide their reflection and decision-making across the broad range of decisions that affect developing countries' opportunities, including development cooperation but going beyond it. The Commission, for its part, will focus its PCD work on the initiatives identified in the work programme. Through interservice consultations and impact assessments (including trade sustainability assessments) it will ensure that development objectives are taken into account and reconciled with other EU objectives.

The PCD work programme also represents an important step towards strengthened dialogue with developing countries on PCD issues. On the basis of the programme, developing countries might identify relevant initiatives on which to engage in a dialogue with the EU.

The five global challenges at the heart of this programme are all very closely linked to the Millennium Development Goals (MDGs). Food security and trade are explicitly mentioned in the MDG agenda. The combat against climate change as well as policies on migration and

¹ December 2005 (OJ C 46, 24.2.2006, p. 1), Joint Statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the European Commission – 'The European Consensus on Development'.

² Council Conclusions on Policy Coherence for Development (PCD), 18 November 2009, No 16079/09.

³ Commission Work Programme 2010 - COM(2010) 135, 31.3.2010.

security all have clear implications for progress towards the MDGs⁴. Thus, the work programme sets out ways for the EU to support developing countries achieving the MDGs through its wider policy agenda.

As the global policy context is not defined by the EU alone but also by other influential states, the PCD Work Programme makes the case for an international development agenda that goes beyond development cooperation and extends to key policies with a global impact.

This is a rolling work programme, to be regularly updated. Progresses will be reported in 2011 in the EU Report on Policy Coherence for Development.

⁴ The 2009 EU Report on Policy Coherence for Development (SEC(2009) 1137) provides concrete evidence for this.

2. TRADE AND FINANCE

2.1. Trade negotiations

The conclusion of the ongoing multilateral and bilateral trade negotiations is a priority which has also been underlined in the Communication on Europe 2020⁵. These negotiations will be particularly important for promoting growth in developing countries. A successful outcome of the ongoing Doha Development Agenda (DDA) negotiations would mean better market access for goods and services, including those of interest to developing countries, and in the rules-based framework for international trade. Further key development deliverables under the DDA include a reduction in developed countries' trade-distorting domestic support by developed countries including on products exported by developing countries and the eventual elimination of export subsidies, subject to the parallel discipline on other export supporting measures by other developed countries.

Bilateral trade agreements⁶ complement multilateral negotiations, for instance by providing for further liberalisation and rule-making. This includes promoting regulatory convergence to reduce transaction costs and non-tariff barriers even further, as well as monitoring mechanisms to evaluate implementation and results. Inevitably, unilateral reductions of MFN tariffs, multilateral reduction of tariffs as discussed under the DDA as well as new free trade agreements erode existing preferences for beneficiary countries. While some research indicates that the vast majority of developing countries have more to gain from multilateral liberalisation than they lose from preference erosion⁷, there is a need to carefully assess on a case by case basis the impact of unilateral measures or of new free trade agreements on developing countries.

Alongside its support for developing countries, helping them to reap benefits of new trade deals, including through Aid for Trade, EU trade policy also promotes regional integration of developing country markets, encouraging other developed countries to match the openness of the EU, promoting South-South trade (in particular the opening up of emerging markets to imports from the poorest economies) and improving the WTO framework in areas such as trade facilitation.

⁵ COM(2010) 2020.

⁶ At this stage, ongoing negotiations include Central America, Andean countries, India and ASEAN countries.

⁷ For example: Lippoldt D. and Kowalski P. (2005), Trade preference erosion – Potential economic impacts. OECD Trade policy Working Paper 17.

Trade negotiations

Targets

Conclusion of the negotiations of the WTO - Doha Development Agenda.

Conclusion of WTO-compatible and development-oriented Economic Partnership Agreements (EPAs) with all regions in Africa and the Pacific.

To take into account the impact of new Free Trade Agreements or other bilateral agreements on developing countries.

Indicators

The outcome of the WTO-DDA round is ambitious, comprehensive and balanced.

Number of regional/bilateral Economic Partnership Agreements concluded.

Developing countries are consulted on Free Trade or other bilateral agreements being negotiated by the EU and which have potential side impact on their own development (ACP countries are consulted under Article 12 of the Cotonou Agreement).

Analysis undertaken by sustainability impact assessments (SIAs) of trade negotiations and agreements.

2.2. Market access

Developing countries often find it difficult to make use of the opportunities offered by international trade and to adjust smoothly to them. In addition to multilateral and bilateral negotiations, the EU also undertakes unilaterally measures which can have an impact in terms of market access for developing countries. These measures relate for example to unilateral trade preferences under the General System of Preferences (GSP) as well as standards and regulations applying to the EU internal market.

The GSP, GSP+ and Everything but Arms (EBA) schemes provide additional tariff preferences to developing countries, based on their level of development, and in some cases adherence to international conventions. The current regulation expires at the end of 2011, providing scope for a discussion on how to best adapt it to differentiated needs of various developing countries⁸.

Standards on the EU market serve to prevent deceptive practices and protect human health or animal safety. Furthermore, the establishment of technical regulations and standards are legitimate under WTO rules subject to certain conditions. The Technical Barriers to Trade (TBT) and Sanitary and Phyto Sanitary (SPS) agreements under WTO contain important mechanisms which ensure that legal measures decided by WTO members do not unnecessarily and unjustifiably impose non-tariff barriers, taking development objectives and

⁸ The Commission intends to proceed in two steps: first, to propose a time limited extension of the present GSP regime beyond 2011; second to propose in early 2011 a new GSP regulation.

the interests of developing countries into account. For the period 2010-2013, a number of initiatives are envisaged by the Commission, in particular in the area of Plant and Animal Health. A careful assessment of the impact on developing countries, notably on LDCs, will be part of the decision-making process in line with the Commission's guidelines for Impact Assessment.

Through its Aid for Trade Strategy (AfT), the EU is committed to provide developing countries with technical assistance to anticipate and reduce any negative impacts of new trade rules or other measures affecting trade, and, more generally, to build capacity and address constraints that prevent developing countries from exporting effectively. However, in order to ensure that AfT fulfils this purpose, developing partners must integrate trade in their national development strategies. A special report is issued annually on EU progress in implementing the EU AfT strategy⁹.

The Commission also recognises the potential contribution of fair trade and other private trade-related sustainability assurance schemes to sustainable development and intends to remain committed to continued support of these schemes¹⁰.

Market access

Targets

To ensure maintenance of preferential access to EU market by developing countries under GSP.

Helping developing countries' to adjust to SPS measures, technical regulations and standards or other market regulation.

To implement effectively Aid for Trade.

Indicators

Time-limited extension of present GSP regulation and preparation by the Commission of a proposal for a new regulation on GSP scheme (2011), on the base of an analysis of the effectiveness of the current scheme in achieving its objectives and an impact assessment.

The impact assessments of technical regulations and standards, including SPS, initiatives planned for 2010-2013, as for example on Plant or Animal health cover impact on developing countries.

Volumes by categories of countries of assistance requested and provided under the AfT scheme.

⁹ See "EU Aid for Trade Monitoring Report 2010", Commission Staff Working Document SEC(2010) 419.

¹⁰ Communication COM(2009) 215: "Contributing to sustainable development: the role of fair trade and non-governmental trade-related sustainability assurance schemes".

2.3. Core International Labour Organisation (ILO) labour standards, decent work agenda and environmental standards

In an analysis of the interaction between globalisation and the labour market, a recent joint WTO-ILO study noted that increased trade had contributed to global growth and job creation. However, for many people strong growth in the global economy has not led to a corresponding improvement in working conditions and living standards. The adherence to and effective implementation of ILO core labour standards, including in the maritime sector, as well support for the broader decent work agenda more generally need to be addressed in the context of these countries' overall economic and social development strategy. This also applies to aligning environmental standards on key multilateral conventions (including in the maritime area). Hence, the most important instrument available to the EU for supporting this objective in line with the principles of the European Consensus for Development is development cooperation. Nevertheless, other policy instruments, including trade policy instruments, should contribute as well. This includes sustainability impact assessments, inclusion of sustainability development provisions and monitoring of their implementation. The overall objective is to commit partner countries to a framework for the promotion of employment/labour and environmental policies, while recognising the right of developing countries to use their comparative advantage for economic development and fighting poverty. Moreover, the GSP+ scheme gives vulnerable developing countries incentives for adhering to and implementing core human and labour rights UN/ILO conventions and conventions related to the environment and to governance principles.

Employment/labour and environmental standards

Targets

Continue to provide incentives for developing countries notably through the GSP+ scheme to adopt and effectively implement ILO core labour standards and environmental standards included in key multilateral conventions.

Continue to use EU regional and bilateral trade agreements to support improvements in environmental and social standards.

Indicators

GSP+ countries effectively implement the conventions concerned by the scheme

Inclusion of provision on environmental and employment/labour standards in trade agreements; partner countries adopt and implement national frameworks for promoting employment/labour and environmental standards.

2.4. Corporate social responsibility

Developing countries aim at attracting foreign investors to support their development. In order to achieve this, they may provide various incentives. However, where they exist, national social and environmental standards may be low and developing countries may face weak institutions and limited administrative resources to enforce them. In such a context, socially and environmentally responsible behaviour by foreign (and national) enterprises is particularly important, not only to ensure the sustainability of their own business activities over the longer term, but as a demonstration of good practice to host governments and local business. The Commission encourages European companies to adhere on a voluntary basis to internationally recognised guidelines for corporate social responsibility (CSR), for their business operations both within and outside the EU. The OECD Guidelines for Multinational

Enterprises are a particularly relevant instrument in this regard. In 2010, they are expected to undergo a substantial update, providing an opportunity for the EU to seek to reinforce both their content and their practical application. In trade agreements, the EU also requires its trading partners not to lower or reduce the enforcement of social and environmental standards in order to attract investment.

The Commission is developing activities aimed at enhancing CSR, in particular in developing countries, while taking into account the voluntary character of the efforts made towards greater Corporate Social Responsibility. This includes addressing this issue at meetings of the High Level Group of Member States representatives and working on an EU contribution to strengthen the OECD guidelines for Multinational Enterprises.

2.5. Intellectual Property rights (IPR)

A number of features and flexibilities have been built into the trade related intellectual property rights (TRIPS) agreement to ensure that the IPR national legislations of WTO members support development-related objectives, in particular related to medicines. Under the TRIPS Agreement, LDCs benefit from a transition period up to 2013. Concerning patents related to pharmaceuticals¹¹, this transition period is even extended until 2016. Moreover, an amendment to TRIPS was adopted in 2005 with a view to facilitating access to generics for countries without pharmaceutical production capacities. While this amendment still needs to be ratified by several WTO members, it has already been incorporated into EU legislation (Regulation (EC) 816/2006 on compulsory licensing of patents relating to the manufacture of pharmaceutical products for export to countries with public health problems). IPRs provisions are also included in the bilateral and regional trade agreements negotiated (see 2.1 above). In the area of intellectual property, EU activities which may be relevant for PCD relate mainly to three goals beside provisions being included in the EPAs and other pluri-lateral or bilateral agreements:

- (a) Enhancing the IPR regime inside the Union, notably with the adoption of a unitary European Union patent and of an European patent jurisdiction. This will substantially reduce patent costs and uncertainties for EU and foreign applicants. At least one provision will directly relate to a development goal: the one on implementing the objectives of the Doha Declaration and the Regulation 816/2006.
- (b) Negotiating improvements of the international regime at WTO and WIPO, notably on the protection of geographical indications and of genetic resources and traditional knowledge, with a link to the negotiation of the International Regime for Access and Benefit Sharing under the UN Convention on biological diversity.
- (c) Assisting developing countries in adopting and enforcing IPR regime in line with their international obligations and taking into account development level and needs, including awareness raising and capacity building.

¹¹ http://www.wto.org/english/tratop_e/trips_e/factsheet_pharm01_e.htm

Intellectual property rights

Target

To make better use of IPRs for development, for example to promote investment and innovation and to facilitate IPR protection in the EU of export products from developing countries.

Ensure that balanced IPR provisions (e.g. in bilateral agreements) help developing countries to leverage the value of their intellectual creations and to promote technological progress, innovation and support domestic and foreign investment.

Preserve access to affordable medicine in line with the principles of the Doha declaration and subsequent WTO agreements and EU legislation.

Indicators

Progress in negotiating at WTO and WIPO the protection of genetic resources and traditional knowledge, in liaison with negotiations under the Convention for Biological Diversity.

Inclusion in EPAs and in other bilateral agreements of IPR provisions taking into account development needs and administrative capacities of partners.

Ensure that any EU legislation on IPR enforcement does not affect the principles of the Doha Declaration on access to medicine.

Adoption of the report due in 2010 on the implementation of Regulation 816/2006.

2.6. Good tax governance and finance

Developing countries face considerable difficulties in funding their public policies. Better mobilisation of public revenues calls for more effective of EU support for fiscal revenue systems on the one hand¹², and for the promotion of a transparent and cooperative tax environment on the other, including the principles of good tax governance. Success will also depend on enhanced international cooperation and improved transparency of transnational enterprises. Particularly important is the implementation of transparency rules in the extractive sector, more particularly those rules established within the Extractive Industries Transparency Initiative (EITI) covering payments made by mining companies to governments¹³.

¹² Analysis of it and related proposals are included in Cooperating with developing countries on promoting good governance in tax matters - COM (2010) xxx.

¹³ ibidem

Even with improved fiscal governance, developing countries will still need external assistance, including to face Climate Change challenges. Substantial efforts by developed countries will be necessary to fulfil ODA commitments and deliver the aid to developing countries agreed in the Copenhagen Climate Change Accord of December 2009. In this context, several schemes for multilateral innovative financing are being discussed¹⁴.

Tax governance and finance

Targets

To encourage closer cooperation between relevant OECD and UN bodies when developing international tax cooperation standards, taking into account the specific needs and capacities of developing countries.

To support the implementation of principles of good governance in the tax area, e.g. transparency, exchange of information and fair tax competition.

To support the adoption and implementation of the OECD transfer pricing guidelines in developing countries.

To support ongoing research on a country-by-country reporting requirement as part of a reporting standard for multinational corporations, such as in the extractive sector.

To enhance support for the Extractive Industries Transparency Initiative in order to enhance revenue transparency, domestic accountability and good governance in resource-rich settings.

Indicators

Agreement at the OECD and the UN on compatible international standards of tax cooperation.

Number of countries having committed to the good governance principles in the tax area.

Number of countries adhering to OECD transfer pricing guidelines associated with assessment of effective implementation.

Assessment of progress in identifying obstacles to the adoption of country-by-country reporting for multinational corporations, such as in the extractive sector.

Assessment of progress in the global EITI implementation, notably by taking into account the number of EITI compliant countries in resource-rich developing countries.

¹⁴ Staff Working Document on "Innovative Financing at a Global Level" - SEC(2010) 409, 1.4.2010.

3. CLIMATE CHANGE

3.1. Strengthening the comprehensive approach to climate change

Combating climate change requires a **comprehensive approach**, which combines a number of policies ranging from research humanitarian assistance, and development to economic and agriculture policies and must address **interlinked environmental concerns** such as loss of biodiversity, degradation of ecosystems, and desertification as well as their social and human impact.

The Communication on a **post-2010 biodiversity policy framework for the EU**¹⁵ stresses the role that terrestrial and marine ecosystems play in the combat against climate change by absorbing around half of anthropogenic CO₂ emissions and by providing cost-effective protection against some of the threats that result from climate change such as storms and flooding. Acknowledging that most of the world's biodiversity is found outside the EU it calls for stepping up EU action to address the global biodiversity crisis. This may entail measures aimed at further reducing the impact of EU consumption patterns on biodiversity elsewhere in the world and enhancing efforts to protect biodiversity in other countries (on the importance of biodiversity for food security and related targets and indicators see 4.4).

Through its **Forest Law Enforcement, Governance and Trade (FLEGT)** initiative, the EU contributes to reducing emissions from tropical deforestation and forest degradation which represent around 20% of the total global greenhouse gas (GHG) emissions. This was recognised as a key priority in the Copenhagen Accord. FLEGT combats illegal logging and promotes sustainable forest management by improving the governance of the forestry sector through the negotiation of FLEGT Voluntary Partnership Agreements (VPA).¹⁶ In 2010, the EU will continue negotiations with Central African Republic, Gabon, Indonesia, Liberia, and Malaysia. Work on FLEGT is planned with Democratic Republic of Congo, Equatorial Guinea, Guyana, Ivory Coast, and Sierra Leone.

To complement FLEGT and to minimise the risk of illegal timber being placed on the EU market, in October 2009 the Commission proposed legislation on **Obligations of Operators who place Timber and Timber Products on the Market**¹⁷. In ongoing discussions, both the EP and Council, have accepted the basic principle put forward by the Commission, whereby operators placing timber and timber products on the EU market for the first time (including importers and domestic producers) should exercise 'due diligence' to minimise the risk of illegal timber entering the supply chain. In principle, timber products supplied to the EU under FLEGT VPAs will be considered to meet the requirements of the legislation, thus providing favourable market conditions for countries with FLEGT VPAs.

Another important initiative in this areas is the comprehensive **study** that the Commission has launched to assess the impact of **EU production, consumption and trade in both food and non-food commodities on deforestation and forest degradation**. The objective of this study is to identify the policy reforms needed at EU and national level.

¹⁵ Options for an EU vision and target for biodiversity beyond 2010 - COM(2010) 4. 19.1.2010.

¹⁶ The Commission already concluded the negotiation of FLEGT VPA with Ghana, Congo and Cameroun.

¹⁷ COM(2008) 644 - 2008/0198/COD.

The 7th EU Framework Programme for research and technological development (2007 - 2013), provides a framework for international collaborative research and covers the area of climate change. The programme facilitates collaboration with researchers from developing countries, who participate directly in a range of EU projects starting from understanding the phenomenon and its impacts up to the development of response options and new technologies. The **Annual Work Programme** for research and technological development gives a high priority to developing countries in the field of climate change. For example, the 2010 Work Programme for the Environment Theme (including climate change) includes topics with a focus on developing countries such as climate policy scenarios for developing countries and the development of a methodological framework for assessing the overall risks and benefits of alternative GHG emission reduction policies for health and well-being in urban areas. A number of other topics dealing with climate change issues have been included in the **call for Africa**, which is targeted as a priority region in 2010. The specific topics addressed within the 2010 call deal with the effects of environmental change on the occurrence and distribution of water-related, vector-borne diseases in Africa, with early warning and forecasting systems to predict climate-related drought vulnerability and risks as well as with water management in Africa.

Monitoring climate change is a priority of the **Global Monitoring for Environment and Security programme (GMES)**, with Earth Observation providing unique tools to assess change and account for adaptation in early planning (budget FP7-Space). Adaptation planning in Africa is indeed difficult as in-situ monitoring networks do not exist for many variables. The initiative **GMES and Africa** is being pursued under the 8th partnership of the Joint Africa-EU strategy and duly accounts for initiatives on climate change and adaptation.

In an effort to improve synergies between research programmes at the level of Member States, the European Commission is accompanying their efforts with the development of **Joint Programming Initiatives, e.g. on 'Agriculture, Food Security and Climate Change'**¹⁸.

Strengthening the comprehensive approach to climate change

Targets:

Reduce trends regarding the loss of biodiversity, degradation, of ecosystems and desertification.

Reduce emissions from deforestation and forest degradation.

Contribute to the understanding of the climate system and the implications for mitigation and adaptation in developing countries.

Indicators:

Number of FLEGT processes implemented and launched in 2010.

Tropical deforestation rates have reduced since 2009.

Within the annual work programme on research, the number of climate change topics specifically targeting developing countries.

Number of EU-funded-climate-change research projects targeting / involving developing countries.

3.2. Seeking synergies between climate, energy, and development policies

The main challenge of climate change policy, also from a PCD perspective, is the further **reduction of GHG emissions**. At EU level the adoption of the EU Climate and Energy Package in April 2009 was a landmark, highlighting the interactions between energy and climate issues. With this package the EU has not only committed itself to a unilateral 20% GHG reduction by 2020, but has also set out a strategy for achieving this objective, including the necessary changes in **consumption and production patterns**. Following up the Copenhagen Accord, the EU is discussing further measures for its transition to a low carbon economy, including an analysis of what practical policies would be required to implement a 30% reduction target by 2020.

The 2009 Climate and Energy Package is also important for developing countries because it is likely to increase imports of biofuels. As part of the Climate and Energy package, the **Renewable Energy Directive**¹⁹, aims at ensuring the EU's energy supply and at reducing GHG emissions. It sets binding targets of a 20% overall share of renewable energy in 2020, and a 10% share of renewable energy in transport. Moreover, the 2009 revision of the Fuel Quality Directive requires a reduction in the greenhouse gas intensity of transport fuels by

¹⁸ idem

¹⁹ Directive 2009/28/EC.

2020. It is expected that these Directives will increase imports of **biofuels** from developing countries.²⁰

To limit the social and environmental risks associated with the increased production of biofuels the Renewable Energy Directive requires all EU Member States to apply a common sustainability scheme. For the first time this scheme obliges economic operators to ensure that all the biofuel used to meet EU targets – whether of EU origin or imported - has been produced in compliance with clear environmental criteria, and to report on a number of additional effects, including possibly social conditions in third countries. In 2010 the Commission is going to issue a Communication to assist Member States, economic operators, third countries and non-governmental organisations in the various aspects of the implementation of the sustainability scheme.

A second important step is the establishment of a **sound monitoring system for the impacts of EU biofuels policy in the EU and third countries**. To this end the Commission launched a study in November 2009: 'Support activities for the development of baseline data and methodology for reporting requirements for biofuels'. This study as well as the statistical data on biofuels collected by the Commission systematically already will be the main inputs for the biannual reports of the Commission on the impact of the promotion of biofuels, including in developing countries and will inform the decision of the Commission's decision on possible corrective action. The first reporting exercise by the Commission is due to be carried out in 2012. On the specific issue of indirect land-use change (land-use change as a result of displacement) the Commission will issue a report in 2010 assessing the impact and identifying ways to address and minimise possible negative effects.

Seeking synergies between climate, energy, and development policies

Target:

Identify the impacts of the Renewable energy directive's biofuels provisions on developing countries exporting biofuels to the EU.

Indicators:

A set of baseline data is established describing the situation in 2008, so that the impact of biofuels production can be measured from that date onwards.

A methodology is established for regular monitoring and reporting on the impacts from increased consumption of biofuels in the EU and the main third countries of supply from 2008 onwards.

The report on indirect land use assesses the impact of the promotion of biofuels and identifies ways to address any negative effects.

²⁰

For a more detailed exploration the positive and negative impacts of biofuels on developing countries as well as a discussion of policy options see the Commission Staff Working Paper 'the EU – a global partner for development. Speeding up progress towards the Millennium Development Goals. Policy Coherence for Development Climate Change/Energy/Biofuels, Migration and Research (SEC(2008) 434.

3.3. Facilitating access of developing countries to low-carbon and climate-resilient technologies

In the **framework of the Post-Copenhagen negotiations and as part of its bilateral cooperation activities** the EU and the Member States will continue to promote improved access to green technology for developing countries. The EU is already active in that regard through its trade and research policy and development cooperation.

The current round of world trade talks under the WTO, the Doha Development Agenda, includes negotiations on **trade liberalisation for environmental goods and services**, with a view to reducing and eliminating tariffs and non-tariff barriers on goods and services that can deliver environmental benefits. The reduction of tariffs on low-carbon technologies will promote the growth of markets inside and outside Europe and increase the take-up of low-carbon technology, making it easier for developing countries to embark on low-carbon development plans.

Through **FP7-financed research on climate change issues and low-carbon technologies** the EU contributes to the broadening of the science and technology knowledge base needed for a greener economy. The **FP7 Specific energy research programme** may include activities which promote science and technology cooperation with developing countries and research to support capacity building in developing countries.

Today the FP7 energy theme is used to support the development of the EU Strategic Energy Technology Plan (SET-Plan)²¹. The SET-Plan is the technology pillar of the EU's energy and climate change policy which aims at a 20% reduction in greenhouse gases by 2020. In the context of the SET-Plan, cooperation with developing and emerging countries will duly be taken into consideration where relevant.

Development cooperation in many areas contributes to technology transfer. The **Global Energy Efficiency and Renewable Energy Fund (GEEREF)**, which is managed by the European Investment Fund(EIF), facilitates participation in small-scale private ventures that introduce new technology in the area of renewable energy.

²¹ COM 2009) 519.

Facilitating access of developing countries to low-carbon and climate resilient technologies

Targets:

Liberalise trade in environmental goods and services at international level.

Broaden the knowledge base in developing countries with respect to low-carbon and climate-resilient technologies.

Support technology transfer through GEEREF.

Indicators:

Tariffs and non-tariff barriers worldwide on environmental goods and services.

Prices and availability of environmental goods and services, including for developing countries.

Value of international exchanges in environmental goods and services.

Deliverables produced within EU funded research projects contributing to the above mentioned target in 2010.

Number of EIF funded private ventures introducing new green technology in 2010.

3.4. Support for developing countries taking climate change measures including through their participation in the international carbon market

Climate change will have significant impact on developing countries, and be an additional burden on, in particular, the poorest and the most vulnerable countries. The combat against climate change, including disaster risk reduction strategies, should therefore be an integral part of development strategies. However, climate financing should not undermine or jeopardise the eradication of poverty and continued progress towards the Millennium Development Goals. Support for mitigation and adaptation in developing countries will therefore require additional finance to be mobilised from a wide range of sources.

In the **Copenhagen Accord**, developed countries committed to a goal of mobilizing jointly **\$100 billion a year by 2020** to address the needs of developing countries. This funding should come from a variety of sources: public and private, bilateral and multilateral, including alternative sources of finance. In the short term, a collective commitment was made to provide new and additional resources approaching \$ 30 billion for the period 2010-2012.

In this context, the **EU announced it was prepared to contribute fast-start funding of €2.4 billion annually for the years 2010 to 2012**. This EU funding should come from Member States and the EU. The following key thematic areas will be covered: adaptation of developing countries to the adverse impacts of climate change; mitigation focusing on capacity building; and technology cooperation. The EU will build on existing initiatives and channels, ensuring that funding remains as close as possible to beneficiaries' needs and linked

to country development programmes. For adaptation, the priority focus will be on the most vulnerable countries such as LDCs, SIDS and African countries.

From 2013 onwards, the **revised European Emissions Trading System (ETS)**²² will generate revenues through the auctioning of emission allowances, estimated at nearly €26 billion per year by 2020. While Member States will decide on the use of the revenues, they have agreed to allocate at least 50% to climate-change related activities, including in developing countries.²³

At this stage, the main way for developing countries to participate in the International Carbon Market is via **the Clean Development Mechanism (CDM)**. The CDM is an innovative instrument of the Kyoto Protocol. It aims to help industrialised countries/companies meet their emission targets by investing in projects that reduce emissions in developing countries. Over the past few years, it resulted in a sizeable new flow of resources to developing countries of around €5 billion per year. However, the geographical balance needs to be improved as well as the governance and environmental integrity of CDM. At present, the geographical distribution is highly skewed towards China and other emerging countries. Least Developed Countries (LDC), particularly countries in sub-Saharan Africa, have so far attracted very few CDM investments. To promote their participation in the CDM, the EU supports **CDM capacity building** within the 9th EDF intra-ACP programme for the Multilateral Environmental Agreements. One option from which LDCs could benefit would be to **extend the types of project** that are permitted through the CDM in the EU's Emission Trading Scheme to include afforestation and reforestation as well as low-emission agricultural practices. The Commission also favours the gradual introduction of a **sectoral mechanism** to overcome the limitations of the current project mechanism.

²² Directive 2003/87/EC as amended by Directive 2009/29/EC of 23 April 2009.

²³ Council conclusions on energy and climate change, no 17215, 12.12.2008.

Innovative sources of financing can also play a role in increasing financial flows to help developing countries implement ambitious adaptation and mitigation strategies while ensuring predictable development cooperation flows. The EU supports efforts made at internal and international levels to explore the potential of innovative financing from international aviation and maritime transport for example, to raise revenue for global challenges.

Support to developing countries taking climate change measures including through their participation in the international carbon market

Targets:

Annually provide €2.4 billion for the period 2010-2012, combining different financial instruments, in a coordinated way at EU level and meeting developing countries expectations and needs.

Integrate fast-start financing into development strategies.

Adapt the CDM to facilitate the offsetting of emission reductions also in LDC.

Continue to explore new sources of financing climate change adaptation and mitigation measures.

Indicators:

Amount of funding available to developing countries for adaptation and mitigation measures in 2010: EU reporting on fast-track funding.

Appropriate channels are used for effective spending of fast-start funding.

Number of Country Strategy Papers including climate change in 2010.

Level of ODA in 2010.

CDM finances in 2010.

Share of CDM investment going to LDCs in 2010.

Policy papers issued on innovative financing at EU level.

4. FOOD SECURITY

4.1. Agriculture policy

A fundamental challenge the world faces today is to ensure that 1 billion people living in poverty and hunger have access to enough food to maintain a healthy life. Substantial efforts to sustain an agricultural policy which optimises food production and augments farmers' incomes are necessary in many developing countries. At the same time, a well designed and

coordinated food humanitarian assistance is still needed²⁴. On its part the EU's common agricultural policy (CAP) has undergone fundamental reforms over time, responding to changing economic conditions as well as societal expectations and demands²⁵. In the future, the EU would need to produce more food using less land, water and energy. An important initiative in EU agricultural policy expected to be taken in 2010 will be the Communication on the post-2013 CAP. At the operational level, there are several ongoing initiatives to improve the functioning of the food supply chain which have a potential impact on developing countries. They include initiatives aimed at simplifying or rationalising marketing standards, geographical indication schemes, labelling requirements. This is an opportunity to enhance the Commission's capacity to assess, on a case by case basis, the impact of legislation of this nature on development objectives.

Agricultural Policy

Targets

To prepare a post-2013 CAP reform taking into account food security and development objectives in a balanced manner.

To propose EU initiatives in the field of agricultural product quality policy taking into account development objectives.

Indicators

Communication on post-2013 CAP reform considers impact on development objectives.

Development objectives are taken into account in preparing impact assessment for agricultural product quality policy initiatives.

4.2. Trade

Trade can provide a major contribution to food security. With the intended conclusion of the WTO DDA as well as the Economic Partnerships Agreements, there will be new opportunities and challenges for developing countries as a result of improved market access for exports in the EU. In the context of the Doha Round and the current draft modalities on agriculture the EU would reduce its border protection, with a minimum average cut of 54%, reduce trade distorting subsidies by 80% and to eliminate all export subsidies by 2013, provided that similar disciplines are agreed upon for equivalent measures. As regards bilateral agreements, developing countries can use build-in flexibility and transition periods to reinforce the resilience of their agricultural sector and production chains. Furthermore, EPAs include a special food security safeguard clause allowing ACP countries to take measures to protect their markets when their food security is threatened²⁶.

²⁴ Aspects of food security related to development cooperation are more particularly addressed in the communication "An EU policy framework to assist developing countries in addressing food security challenges" - COM(2010) 127, 31.3.2010 - and those related to humanitarian assistance in the communication 'Humanitarian Food Assistance' - COM(2010) 126, 31.3.2010.

²⁵ See also the updated prospective study "Scenar 2020" on trends affecting the rural economy and the agricultural sector: http://ec.europa.eu/agriculture/analysis/external/scenar2020ii/report_en.pdf.

²⁶ For trade related targets and indicators, see the Trade and Finance Chapter of this document

4.3. Research and Development and innovation

Innovation can have clear benefits for smallholder farmers, in terms of improving their livelihoods, including incomes and nutrition, and strengthening resilience to the impacts of climate change²⁷. Several activities are being developed by the European Commission to steer research towards development needs, for example under the so called 'Africa call'. In 2010 and 2011, research issues include sustainable water resource management and soil fertility conservation for food production in Africa, as well as identification of research needs on malnutrition in Africa²⁸. Furthermore, the European Commission is accompanying the efforts of various MS in the development of the Joint Programming Initiative on 'Agriculture, Food Security and Climate Change'.

Research and Development

Targets

To strengthen research efforts targeted on malnutrition and agricultural production

To strengthen research into agricultural production

Indicators

Identify and share with the Research community in Africa research needs on malnutrition.

Number and value of research projects launched under the Framework Program 7 on agricultural production

4.4. Biodiversity

Biodiversity and ecosystems deliver a range of vital services to people, such as productive soils and improved water services, which are essential elements for food production and, therefore for global food security. As such, biodiversity loss and ecosystem degradation caused by overexploitation, pollution, invasive species and habitat change will have increasingly significant implications for food security, human health and wellbeing.

Specific attention will be paid to the linkages and interactions between biodiversity, development and poverty. It will aim at maintaining ecosystem services, avoiding the loss of biodiversity, preserving agro-biodiversity, and will thus contribute to food security. The Commission will also fund a study on the impact of EU consumption on deforestation in developing countries, which relates to both food security and climate change (see also 3.1 of this document).

²⁷ See COM(2010) 127: 'An EU policy framework to assist developing countries in addressing food security challenges', 31.3.2010.

²⁸ The FP 7 is also supporting coordination actions related to Food Security, for instance the ERA Net on Agricultural Research for Development (second phase 2 approved, starting in 2010).

Biodiversity

Target

Step up the EU contribution to averting global biodiversity loss (in accordance with the 2020 EU biodiversity target)

Indicators

Terrestrial and marine protected areas have increased since 2009 (MDG indicator).

Improvement in the state of the World's plant and animal genetic resources for food and agriculture.

Increase in fish stocks within safe biological limits since 2009.

4.5. Land access and use and impact of bio energy production

To secure access to land as well as land tenure²⁹, effective national land policies and laws are required, as well as internationally approved principles to guide investors, host countries and other stakeholders, towards investments in agriculture that respect (human) rights, livelihoods and resources. The EU and its Member States will support the development of principles for responsible investments in agricultural land, building upon the EU Land Policy Guidelines³⁰. Thus, governments in partner countries, farmer organisations and other stakeholders will be assisted in making informed choices that ensure the sustainability of large-scale foreign investments in agricultural land so as to maximise social, economic and environmental benefits for the country.

Under The Renewable Energy Directive³¹ the Commission has a specific obligation to monitor and report to the Parliament and the Council by 2012 on economic, environmental and social impacts in main third countries of supply.

Land access and use

Target

To progress towards greater security of access to land and of land tenure to protect vulnerable groups.

²⁹ See communication: Towards an EU policy framework to assist developing countries addressing agriculture and food security challenges - COM (2010) 127

³⁰ EU Land Policy Guidelines: Guidelines for support to land policy design and land policy reform processes in developing countries:

http://ec.europa.eu/development/policies/9interventionareas/ruraldev/rural/landpolicy_en.cfm

³¹ Directive 2009/28/EC.

Indicator

Agreement at EU level on principles for responsible investments in agricultural land (2010).

4.6. Common fisheries policy (CFP)

The intended post- 2013 reform of the Common Fisheries Policy (CFP), especially its external dimension (Fisheries Partnership Agreements) is an important initiative which is expected to have an impact on developing countries, especially with regard to the sustainability aspect of the exploitation of sea resources.

Fisheries policy reform

Target

To adopt a reform of the post-2013 CFP which takes into account development objectives.

Indicator

Proposals for post-2013 Common Fishery Policy are based on an Impact Assessment, including an assessment of the impact on developing countries.

5. MIGRATION

5.1. Facilitation of legal migration, mobility and circular migration

The Stockholm Programme, unanimously adopted by EU Member States in December 2009³², defines the priorities of the European migration agenda for the next five years. Reaffirming the relevance of the EU Global Approach to Migration the European Council invites the Commission and the Council to continue to implement the 2005 Policy Plan³³ on legal migration and to strive towards improved skills recognition and labour matching between the European Union and third countries.

The 'EU Blue Card directive', adopted in May 2009³⁴, facilitates the entry and residence of highly qualified migrants and represents a first step in the implementation of the 2005 Policy Plan on legal migration. It aims at establishing common conditions and a fast-track procedure for the admission of highly-qualified workers from third countries and grants a number of socio-economic rights on the basis of equal treatment with EU nationals as well as favourable conditions for family reunification. It aims for intra-EU mobility of such workers and circular migration with the countries of origin. In 2010, the European Commission also intends to present, in 2010, proposals for directives on seasonal workers (generally low skilled migrants) and intra-corporate transferees, which will potentially have a positive impact on the development of countries of origin by providing more transparent conditions to work in the EU and ensuring a secured legal status to the workers.

The launch of the EU immigration portal (scheduled for 2010) will also contribute to providing more transparent information on the conditions of entry and residence in each of the 27 Member States.

Facilitation of legal migration³⁵

Target:

To organise legal immigration and mobility options for nationals of developing countries who seek learning opportunities and legal employment in the EU, while taking into account the priorities, labour market situations and reception capacities of Member States, respecting Member States' national competences and the principle of Community preference.

Indicators:

Proposals for directives on seasonal workers and intra-corporate transferees to be presented in 2010 by the European Commission.

Launch of the EU immigration portal in 2010.

³² Doc. 17024/09. http://ec.europa.eu/justice_home/news/intro/doc/stockholm_program_en.pdf

³³ COM(2009) 669.

³⁴ Directive 2009/50/EC of 25 May 2009 (OJ L 155, p. 17).

³⁵ In this box and all other of the chapter on Migration, the targets reflect specific conclusions drawn by the Council on the coherence of migration policies for development (December 2009).

Model of good PCD practice

The Mobility Partnership with the Republic of Moldova

Mobility Partnerships appear to be an interesting framework to address migration and mobility issues in a more coordinated fashion at EU level. In the framework of the Mobility Partnership with the Republic of Moldova, thirteen EU Member States took part in an initiative funded by the European Community to strengthen the capacities of the National Employment Agency of the Republic of Moldova to provide viable options in the Republic of Moldova for migrants willing to return. Some Member States additionally offered to change their legislation to facilitate circular migration of Moldovan citizens, by revising the conditions governing loss of residence rights. EU assistance is provided to the Moldovan authorities to negotiate and implement bilateral labour migration agreements as well bilateral agreements on social protection between the Republic of Moldova and interested Member States.

Mobility partnerships³⁶ and cooperation platforms continue to be important instruments of the Global Approach to Migration, according to the Stockholm Programme. There is one formal cooperation platform in Ethiopia, but the various EU political dialogue missions on migration (since 2006) have established a regular political dialogue on migration issues gathering stakeholders from the EU and third countries (including Nigeria, South Africa, Tanzania and the Black Sea). Efforts to consolidate political dialogue on migration issues will be pursued.

Mobility Partnerships

Target

To continue to strengthen the implementation of the migration and development agenda of the Global Approach to Migration, such as promoting the positive synergies between migration and development within the frameworks of the Mobility Partnership and cooperation platform instruments.

Indicators

Launch of new mobility partnerships, based on a preliminary political dialogue with third countries to outline respective expectations and agree on priorities accordingly.

Structured dialogue mechanisms, including cooperation platforms, on migration established with more countries.

It is often argued that circular migration can contribute with "triple win" outcomes: the country of destination can meet the needs of its labour market; it can provide a job to the migrant who will bring expertise, knowledge and funding back home; and such recurrent return flows can benefit the country of origin. Circular migration can be facilitated through: support to circular migration management programmes. It can also be facilitated by legal frameworks that provide opportunities to return to countries of origin for longer periods of time without losing residence rights in the host countries, and by guaranteeing the portability

³⁶ Mobility Partnerships have for the moment been concluded with Cape Verde, Moldova and Georgia. See SEC(2009) 1240 for more details.

of social rights. As mentioned in the Stockholm Programme, the European Union will further explore the concept of circular migration, taking place within or outside the framework of specific projects or programmes, including a wide-ranging study, to be completed before 2012, on how relevant policy areas may contribute to and affect the preconditions for increased temporary and circular mobility.

Facilitation of circular migration

Target

To further examine issues which may have the potential to facilitate circular migration and voluntary return, such as portability of social rights, migrants' opportunities to return to their countries of origin for longer periods of time without losing their right to residence in countries of destination as well as the promotion of viable livelihood options in countries of origin.

Indicators

Launch of a study on circular migration during 2010, based on data and best practice from Member States.

Explore mobility options in the framework of mobility partnerships drawing on the Moldovan example.

Explore possibilities of cooperation between employment agencies as in the ANAPEC example.

5.2. Promotion of the Migration and Development agenda

Whenever possible, the EU promotes cheaper, safer, faster and more secure flows of remittances through its regulatory framework for payments. This has been extended by 14 Member States in order to cover money transfers from the EU to third countries carried out in currencies other than those of the Member States. The Commission is actively monitoring this process and investigating whether migration regulations in the EU could negatively affect remittance sending costs.

The EU will continue to support programmes implemented in partner countries with the aim of developing the financial sector, improving financial literacy and supporting the creation of a more favourable business environment.

The EU will also continue to meet its commitments within the framework of the Monterrey process:

Implementation of the General Principles for International Remittances Services agreed by the Committee on Payments and Settlements Systems (CPSS),

Implementation of solutions to overcome barriers to financial services access for migrants to reinforce the impact of remittances on economic and social development for migrants and their families.

Availability of robust and reliable data concerning the amounts and destination of remittances from your country³⁷

³⁷ See the 2010 Monterrey report for a complete overview. Reference to be added.

Migrants' remittances

Target

To promote cheaper, faster and more secure flows of remittances to migrants' countries of origin, and to ensure that relevant legislation does not contain provisions hampering the effective use of legal remittances channels.

Indicators

Implement the commitments taken in the framework of the Monterrey process

Monitor migration regulations in the EU to make sure they do not contain provisions which could negatively impact on the globally agreed objective of reducing remittances costs, either directly or through measures of equivalent effect.

Support actions aiming to lower remittances costs and to develop the capacities of third countries to better channel those financial flows towards productive investments

PCD challenges related to brain drain were further explored in 2008 by the Commission in a Staff Working Document³⁸. This Document indicates that definition and implementation of country specific policies are to be undertaken, focussing on training, retention, ethical recruitment, return and integration. The European Commission will continue to support third countries on the basis of these principles.

The programme for EU action to tackle the critical shortage of health workers in developing countries (2007-2013)³⁹ is a good example of the EU effort to ensure that policies in the EU are coherent with external action and that internal EU policies do not have an adverse impact on the situation in developing countries. The EU has made a commitment to develop a Code of Conduct for the ethical recruitment of health workers from non-EU countries and to take other steps to minimise the negative (and maximise the positive) impacts on developing countries resulting from the immigration of health workers to the EU. The need to deliver on these commitments is reiterated in the Progress Report on the implementation of the PfA Programme for Action adopted in September 2008.

The Directive to facilitate the entry and residence of High Skilled Workers contains safeguards to prevent brain drain. The Directive on intra-corporate transferees to be presented in 2010 does not raise such concerns due to the temporary nature of migration in its context. Lessons can also be drawn from the Mobility Partnership with the Republic of Moldova and Cape Verde on how to favour circular migration and temporary or permanent return, thus favouring 'brain circulation', for example in the project on migration of Moldovan health workers, as well as from the Marie Curie Fellowship scheme of the EU's 7th Framework Programme for Research and Development, where 'Incoming fellowships' not only provide the possibility for researchers to come to Europe to work for a couple of years, but include a dedicated return mechanism for researchers from developing countries.

³⁸ Commission Staff Working Document Policy Coherence for Development. Climate change/Energy/Biofuels, Migration and Research - SEC(2008) 434/2.

³⁹ COM(2006) 870, 21.12.2006.

Brain Drain

Target

To combat brain drain by applying relevant codes of conduct on ethical recruitment, by assisting developing countries with the development of human resource strategies and the promotion of a safe and attractive work environment, by facilitating the temporary and permanent return of migrants as well as their reintegration and by supporting cooperation in areas such as local employment, education and vocational training.

Indicators

Establishing at EU level a set of principles for the recruitment of health workers from developing countries, that should be reflected in a global Ethical recruitment code of health workers, the elaboration and implementation of which the EU will support and contribute to and introducing methods for monitoring.

Extend the good practices on 'brain circulation' from the Moldova Mobility Partnership in particular to other Mobility Partnerships.

Through the Erasmus Mundus and Nyerere higher education mobility programmes, provide conditions for and facilitate the retention of highly educated Africans.

Diaspora organisations are generally recognised to be significant players in the development of their countries of origin both because of the financial and social remittances they send home. However, limited institutional capacities restrain their involvement in mainstream development cooperation. The European Commission funds a number of projects supporting the involvement of Diaspora organisations in the development of their countries of origin, such as the EC-UN Joint Initiative on Migration and Development. It will continue to fund such initiatives and will also seek to engage in a more structured dialogue with Diaspora organisations by supporting the establishment of an African Diaspora platform in Europe.

Dialog with Diaspora

Target

To strengthen dialogue and cooperation with Diaspora groups and migrant organisations, to encourage contacts between migrants and their countries of origin, and to support migrant networks at the European level.

Indicators

Promote the contribution of the diaspora to act in Africa as a development actor through the establishment of an African diaspora Platform for development in Europe.

Provide tailor-made support to diaspora's involvement in the development of their countries of origin through EC financial instruments.

5.3. Enhancing migrants' rights and gender balance

Migrants' rights are recurrently raised in the EU's dialogue with third countries. The EU has extensive legislation and a number of legal instruments regarding the protection of migrants' rights, which were extended with the ratification of the Lisbon treaty and the Charter of Fundamental Rights. However, the non-ratification by EU Member States of the 1990 UN Convention on migrants' workers and their families is a controversial issue and remains a challenge to be recognised, also acknowledged by the Universal Periodic Review of the UN Human Rights Council. As the Convention largely repeats obligations contained in other international conventions already ratified by the Member States, the Commission will open a discussion with the Member States concerning this issue.

The Stockholm Programme confirms that the key to maximising the benefits of immigration remains the successful integration of legally residing third-country nationals. A more robust integration policy should aim at granting legal migrants rights and obligations comparable to those of EU citizens, and this should remain an objective of a common immigration policy, implemented as soon as possible, no later than 2014. The Lisbon Treaty now offers an explicit legal basis in the area of integration, also with regard to the definition of the rights of third-country nationals residing legally in a Member State and including the conditions governing freedom of movement and of residence in other Member States.

The Commission presented a proposal for a Directive on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State (single permit directive)⁴⁰. The proposal aims at granting equal treatment in a number of socio-economic areas to all legally residing third country nationals, whatever the reason for entry and residence in the Member State.

Migrants' rights in the European Union

Target

To seek further progress in the definition and implementation of a common approach to migrants' rights, so as to strengthen coherence of European migration policy with employment, integration, development, social, human rights and other policies that influence the development outcome of migration.

Indicators

Adoption of the single permit directive

In the implementation of all its policies, the European Union is aware of the need to ensure gender equity. Special attention is for example paid to the protection of women as well as other vulnerable groups in the framework of anti-trafficking policies, and the protection of victims of trafficking in human beings in particular.

⁴⁰ COM(2007) 638.

Gender balance

Target

To promote gender balance in EU migration policies and programmes.

Indicator

Successful mainstreaming of gender in migration related programmes

6. SECURITY

6.1. Improving strategic planning: integrating development objectives in the planning and implementation of peace operations

The Treaties on European Union and the Functioning of the European Union should facilitate better coordination between those involved in EU development and security policies. The creation of the post of High Representative of the European Union for Foreign Affairs and Security Policy/Vice President of the Commission and the establishment of a European External Action Service are important steps in this direction.

With Common Security and Defence Policy (CSDP) **crisis management missions** being one of the main instruments of European Union security policy, the EU must ensure that they are also informed by, and coordinated with development strategies in order to take account of development concerns and improve the integration of the civil, police and military components. To that end development actors will be fully involved during the planning and implementation stages.

Improving strategic planning: integrating development objectives in the planning and implementation of peace operations

Target:

To adapt the institutional framework to ensure that security and development policies complement each other.

Indicators:

Extent to which development actors are involved in the planning and implementation stages of crisis management missions in 2010.

Number of joint (Commission - EEAS and EU wide) assessments, joint planning and joint programming conducted in 2010.

Number of joint EU wide political strategies that are in place for partner countries in fragile, conflict or post-conflict situations in 2010.

Extent to which crisis management missions take account of development objectives in 2010.

6.2. Promoting conflict-sensitive development plans and improving the EU response to situations of fragility and conflict

The EU engages in conflict prevention and response through a variety of instruments and processes. The two general policy frameworks guiding this engagement are the EU Programme for the Prevention of Violent Conflicts, and the forthcoming EU Action Plan for situations of fragility and conflict. The **EU Programme for the Prevention of Violent Conflicts**⁴¹ presents an integrated approach to conflict prevention and the overall framework for the promotion of conflict-sensitive development plans. The European Commission's support for conflict prevention (including crisis resolution) and peace building (including demobilisation, disarmament and reintegration) is currently being evaluated. The outcomes of this evaluation will inform a new policy document to be adopted in 2011. Following up from the 2007 Council Conclusions on Security and Development and on Fragile Situations, the EU will adopt an **EU Action Plan for situations of fragility and conflict**.

Promoting conflict sensitive development plans and improving the EU response to situations of fragility and conflict

Targets:

To evaluate the EU's conflict prevention programme and the contribution it has made to development.

To issue an action plan to improve the EU's response to conflict and fragility.

Indicators:

The evaluation assesses how EU support for conflict prevention has promoted cooperation amongst all those involved, the coordination of the instruments, and the reconciliation of development and security objectives.

The evaluation looks at the different situations of men and women and their role in promoting peace and development.

Number of development strategies integrating conflict prevention objectives in 2010.

The Action Plan includes the following points:

Agree on joint EU strategies for a more coherent use of the various instruments.

Focus on the building of peaceful, legitimate and inclusive states.

Address challenges related to aid effectiveness in fragile environments.

6.3. Better control the proliferation of small arms and light weapons and address the issue of anti-personal land mines

The proliferation, trafficking and destabilising use of **small arms and light weapons** (SALW) continue to pose a serious threat to human security, to state stability and to the

⁴¹ Presidency Conclusions, Göteborg European Council, 15 and 16 June 2001, endorsing this programme

normal functioning of societies. In line with the guidelines of the 2005 EU SALW strategy, the European Union addresses both the supply and the demand side of SALW with the aim of diminishing the opportunities for arms proliferation and trafficking while reducing – and if possible eliminating – the need people feel for possessing SALW and making them aware of the threat they represent to their well-being. The objective is to impact on the drivers and the effects of armed violence in order to break the cycle of violence and promote a culture of peace. To this end, the EU uses all its available instruments, both from a development and a security perspective, to support a wide array of measures such as legislative assistance, capacity-building, making and tracing of arms, stockpile management, violence prevention, public awareness campaigns and victim assistance⁴². The EU will take an active role in the Fourth Biennial Meeting of States Parties on the implementation of the UN Programme of Action on Small Arms, in June 2010 to promote a comprehensive approach to SALW.

At multilateral level, the EU is fully engaged in negotiating an **Arms Trade Treaty** (ATT) to establish common international standards for the import, export and transfer of conventional arms. The objective is to have a comprehensive and legally binding instrument to prevent the diversion of the conventional arms trade and its destabilising effects for peace and security. Next, the EU will contribute to the preparatory meetings in 2010 and 2011 to prepare a successful UN Conference on the Arms Trade Treaty in 2012.

The **Guidelines on European Community Mine Action 2008-2013**⁴³ steer the work of desk officers and programmers at European Union headquarters and in the delegations. They ensure the integration of mine action projects in the overall cooperation framework with mine and cluster munitions-affected countries. The implementation of these guidelines will strengthen the security-development nexus.

Better control the proliferation of SALW and address the issue of anti-personal land mines

Targets:

To support developing countries in addressing the proliferation of SALW.

To increase support for an ATT at global level.

To promote the implementation of the mine guidelines.

Indicators:

Number of developing countries with effective small arms control and coherent arms trade systems in place in 2010.

Funding allocated to SALW projects in 2010, number of SALW projects supported.

Ambitious and agreeable proposals identified for governing the trade of arms in 2010.

Number of mine action projects supported and integrated within the overall cooperation framework; funding allocated to these projects in 2010.

⁴² 2005 EU SALW strategy.

⁴³ Guidelines on European Community Mine Action 2008-2013 - SEC(2008) 2913, 24.11.2008.

6.4. Supporting and promoting increased ownership of Security Sector Reform processes

In fragile or conflict-prone countries the state typically does not fulfil even its core function of protecting its people from violence, often due to problems in the security sector. **Security Sector Reform (SSR)** has therefore been identified as an important link between security and development policy as well as a significant element in statebuilding.⁴⁴ The '**Guiding Framework for EU SSR Assessments**' provides a practical tool for the correct identification of possible EU SSR support actions, either in the framework of CSFP or under EU external assistance programmes with a view to ensuring consistency in the overall long-term approach and creating synergies between the different policies and instruments. The implementation of this guiding framework is critical, because ultimately SSR processes will only succeed if they are perceived as legitimate, owned and led by the partner countries. SSR strategies should therefore be coherent with – or better integrated into – national development strategies.

Support to and the promotion of increased ownership of SSR processes

Target:

EU SSR support actions under CSDP or EU external assistance programmes take development policy objectives into account and are linked to development strategies.

Indicators:

Number of EU-supported SSR aligned with the partner countries' development strategies in 2010.

EU-supported SSR include specific actions for women in 2010.

6.5. Improving natural resource management

Natural resources can be both a source of conflict and a source of prosperity depending on how they are managed. To ensure that they fuel development rather than conflict, the EU is involved in a number of processes. It **works with the OECD** on the promotion of responsible investment through enhanced due diligence. As one of the follow-up actions to the **EU Raw Materials Initiative**, it is setting up a multi-stakeholder working group to agree on a set of actions to improve raw material governance in Africa. The EU actively contributes to the **Kimberley Process (KP)** and chairs its Monitoring Working Group (MWG). The KP has as its objective to ensure that the rough diamonds trade serves sustainable development rather than conflict, and to implement certain UN resolutions providing for sanctions against 'conflict resources'. As MWG Chair the EU is promoting initiatives aimed at making the KP more effective, for example, by funding the use of satellite imagery and statistical analysis to detect illicit production and trade in crises situations, e.g. in Cote d'Ivoire. It provides technical assistance in countries where diamond production emerges as a major challenge for development e.g. in Liberia and acts as a mediator e.g. with Zimbabwe. In addition, the EU has embarked on a review of its **own certification system and internal controls** to prevent the illicit infiltration of conflict diamonds into the internal market.

⁴⁴ ((1) 2007 CC on security and development and joint paper, (2) outstanding issues 2009 EU PCD report, (3) 2009 CC on PCD, (4) CC on (GAERC 17/11)).

Earth Observation is an important tool on resources management. The GMES programme can also help monitoring natural resources, in particular through the *GMES and Africa* initiative.

Improving natural resource management

Target:

To enhance the effectiveness of the Kimberley Process.

Indicators:

Number of KP agreements and decisions on crisis situations in 2010.

Satellite imagery and statistical analysis is available to detect illicit production.

Funding for technical assistance to countries to control trade in diamonds in 2010.

Proposal made for the strengthening of EU controls on diamonds in 2010.

6.6. Strengthening partnerships with international, regional and subregional organisations

The EU has a clear commitment to partnerships with international, regional and subregional organisations. Strategic partnerships with the UN, NATO and the AU allow for deeper cooperation and are the pre-conditions for an effective common foreign, security and defence policy.

The **partnership on peace and security of the Joint Africa-EU Strategy** has been particularly vibrant and productive and has played an important role in promoting PCD through intensified political dialogue, the strengthening of capacities for peacekeeping operations and support for the operationalisation of the Continental Early Warning System. **The forthcoming communication on the Joint Strategy** will make proposals for the Joint Africa-EU Strategy beyond 2010 and will outline how Africa-EU cooperation in the security area can better contribute to development.

The EU also strives to improve the security and development link through the United Nations. It plays an important role in the work of the **UN Peacebuilding Commission (PBC)**, which has overseen the development of integrated peacebuilding strategies in Guinea-Bissau, Burundi, the Central African Republic and Sierra Leone. In 2010 the UN will hold a **formal review of the work of the PBC**. The review presents an opportunity for the EU to improve further the PBC's role in supporting societies recover from protracted conflict through more flexible, coordinated and efficient mechanisms.

Strengthening partnerships with international, regional and subregional organisations

Targets:

To improve Africa-EU cooperation in the security area in order to facilitate development.

PBC mechanisms are more flexible, visible, coordinated and efficient.

Improved focus of PBC peacebuilding efforts and stronger leverage and advocacy role.

Increased coordination between peacekeeping and peacebuilding efforts.

Indicators:

Further operationalisation of the African Peace and Security Architecture (APSA): Pooling of the sub-regional and continental peace and security agenda into a comprehensive and coherent APSA Roadmap.

African peace-keeping missions take better account of development objectives.

Percentage of conflicts in Africa that were the subject of a political dialogue between the EU and the AU in 2010.

Greater PBC-UN Security Council coordination and with regional organisations and financial institutions.

Field-based PBC work reinforced.

6.7. Enhancing synergies between development objectives and financial instruments addressing security issues

Ensuring PCD in the security sector is not just a matter of reconciling different policy objectives and cooperating amongst different institutions. It is also a question of coordinating different financial instruments. Some of the EU's financial instruments addressing security issues, such as the EDF⁴⁵ and the DCI⁴⁶ are mainly geared towards development objectives, while others, such as the Stability instrument or the Security theme of the 7th Framework programme for research, development and demonstration (FP7 Security) are used mainly for conflict prevention, peacebuilding and security purposes. They are administered by different institutions and while some instruments such as the DCI, are part of the EU budget, others,

⁴⁵ The European Development Fund (EDF) is the financial instrument of the Cotonou Agreement, the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the one part (ACP countries), and the European Community and its Member States of the other part, providing development aid in the ACP countries.

⁴⁶ The Development Cooperation Instrument (DCI) covers mainly geographic programmes supporting cooperation with 47 developing countries in Latin America, Asia and Central Asia, the Gulf region (Iran, Iraq and Yemen) and South Africa and thematic programmes benefiting all developing countries.

namely the EDF or ATHENA⁴⁷, are outside and Member States contribute to them according to specific keys.

Since many security issues contain a short-term security dimension and a long-term development purpose, they can be addressed both by Common Security and Defence Policy tools as well as by development and cooperation instruments, depending on the main objective of each project. In this context, it is of utmost importance to ensure coherence between all available EU instruments, as well as to foster possible synergies leading to the overall reduction of violence and the establishment of the right conditions for development. With the **establishment of the EEAS** and the preparations for the next **Multiannual Financial Framework 2014-2019** the appropriate structure will be put in place to better facilitate synergies between the different financial instruments and to integrate development perspectives into the security operations financed by non-development instruments.

Enhancing the synergies of financial instruments addressing security issues with development objectives

Target:

All EU security spending takes development objectives into account.

Indicators:

The coordination mechanisms for the different financial instruments are adapted to the new institutional framework in 2010.

Number of security operations financed in 2010 with non-development funding instruments which include a development perspective.

Preparations for the next Multiannual Financial Framework in 2014-2019 take account of the security development nexus.

⁴⁷ Operations with military implications or defence operations cannot be financed from Community funds. For the common costs of such operations the Council of the EU has established a special mechanism called ATHENA. ATHENA is managed under the authority of a Special Committee.