

WORKING ON POLICY COHERENCE FOR DEVELOPMENT

The Dutch Experience

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Introduction

"Policy Coherence for Development (PCD) means working to ensure that the objectives and results of a government's development policies are not undermined by other policies of that government, which impact on developing countries, and that these other policies support development objectives, where feasible"¹. In Dutch development policy, PCD has been a priority for quite some time now. Early on, it was recognised that reducing global poverty and meeting the Millennium Development Goals (MDGs) require more of developed countries than the provision of substantial and effective aid. Designing and implementing coherent non-aid policies in areas such as trade, agriculture, fisheries, migration, security and environment are important as well.

However, coherent policies do not emerge automatically, in particular when policy issues are politically sensitive and interests diverge. This is often the case. Further, competences and decisions in key areas like agriculture and trade have been transferred to EU level where the Commission has the right of initiative and where the Netherlands is only one of 25 players involved in decision-making.

This paper describes the Dutch approach towards PCD, in particular the experience of the Policy Coherence for Development Unit (PCD Unit) of the Ministry of Foreign Affairs (MFA). To some extent the approach presented below is still work-in-progress, describing preferred policies that are not actually fully in place yet in the Netherlands. The focus of this text is on how PCD is organised institutionally and not on the substance of Dutch policies in specific areas.²

Key Elements of Working on PCD in the Netherlands ('six Cs')

The experience of the PCD Unit of the Dutch MFA suggests that, when implementing general PCD objectives and organising daily work, the following elements – or 'six Cs' – can play an important role.

Commitment

Recognition of the importance of PCD at the highest level of government and political backing on specific issues is crucial for concrete progress on PCD.

¹ Working definition used in OECD paper *Policy Coherence for Development: Promoting Institutional Good Practice*, OECD Paris 2005.

² A March 2006 PCD Progress Report to Parliament that focuses on achievements and constraints in specific PCD areas is available in English. It can be ordered by mailing to: dgis-ce@minbuza.nl.

- In the Netherlands, a minister with full cabinet status is responsible for development. PCD is one of the 10 priorities in Dutch development policy. It is important to have an advocate for development interests – a voice for the poor – in the cabinet. If there is a minister who can negotiate on PCD issues with fellow ministers from a position of equality, issues can be taken to cabinet level and interests properly weighed. The government's commitment to PCD has been broadened through several government-wide policy documents and sectoral policy frameworks on PCD. These include the national MDG-8 reports, adopted by the cabinet and signed by the Prime Minister, and a memorandum on Policy Coherence between Agriculture and Development. Unlike some other countries, the Netherlands has no formal legal framework in place to address PCD in government policies (there is no statute law underpinning development cooperation either).

Capacity and Competence

In order to work effectively on PCD issues, adequate staff capacity is required to analyse and act on a manifold of complex non-aid policy issues that may have an impact on developing countries. Activities include preparing positions and specific papers that are relevant and appropriate to the decision-making process, interacting with key stakeholders, closely monitoring the overall decision-making agenda (national, EU and international) and being a credible counterpart for specialists at the other competent ministries. To facilitate interaction and deal-making with other ministries responsible for PCD issues, PCD work should preferably be managed by officials who are sufficiently high-ranking.

- The Ministry of Foreign Affairs in the Netherlands (Development Cooperation also comes under the MFA) has created a dedicated PCD Unit within the Directorate-General for International Cooperation (DGIS) in 2002. In addition, capacity within the wider MFA/DGIS is assigned to work on PCD issues, partly in the form of temporary project teams often led by the Unit (see below for more details).

Coordination

It is important to closely coordinate efforts with non-aid ministries on PCD issues so that development concerns can be included in the decision-making processes led by these ministries. This should preferably be done through both informal exchanges and a formal presence in existing interministerial coordination structures, if applicable.

- The PCD Unit represents the Minister for Development Cooperation in various interministerial coordination mechanisms, in particular on EU decision-making (see below for more details), and participates in informal exchanges as well.

Concrete Targets and Activities

In addition to overall policy objectives on PCD, it is deemed crucial to formulate and focus on specific targets and dossiers. Without focus, PCD risks becoming another highly abstract 'umbrella target' without much relevance to actual policies on the ground that affect developing countries.

- The PCD Unit has a rolling agenda of specific targets and temporary coherence dossiers that are primarily determined by the calendar of EU decision-making and international negotiations (see below).

Cooperation

In certain cases, the strategic use of development cooperation funds can help to facilitate policy goals identified as part of PCD work. This can also be useful in the

relationship with the competent ministries, which often want to see PCD as a 'two-way street'.

- Development cooperation funds have been used to support policy goals in areas such as fisheries agreements with African countries (stock research in Mauritania), building trade negotiation capacity (for instance in the West African cotton initiative) and improving trade and institutional capacity for products affected by SPS measures. On technical dossiers, such as technical barriers to trade and SPS measures, there is also cooperation with knowledge institutes such as the CBI (Centre for the Promotion of Imports from Developing Countries).

Coalition building

Building coalitions is crucial to the achievement of meaningful results at national, EU and international levels. In the EU, the Commission (DG DEV) and stakeholders at foreign ministries in like-minded EU member states are the first points of entry. Coalitions may change depending on the topic. Producing and sharing impact research and getting support for development enhancing positions through discussion papers are useful tools for creating and sustaining coalitions in the decision-making process.

- The Netherlands was instrumental in initiating an informal EU PCD Network, and is/was active in a 'Cotton Club' (subjects include the West African Cotton Initiative), 'Sugar Club' (EU Sugar Reform), 'Fish Club' (EU Fisheries Agreements), and the Agriculture, Trade and Development (ATD) Network. On many specific PCD matters, discussion papers have been circulated to facilitate information exchange and joint strategies. More could be done jointly to increase the influence of development concerns on EU decision-making. The proposed PCD Work Programme 2006-2007 and the related Council conclusions of 10-11 April 2006 could be helpful in this regard.³

Dedicated Capacity and Focus

Since 2002, a special Unit has been functioning as lead and focal point on PCD within the MFA and the Netherlands.

Organisation and Management

- The PCD Unit was set up as a dedicated task force with a clear mandate in May 2002, after an experiment with an ad hoc PCD group within the MFA. It is part of DGIS, reporting directly to the Director-General for International Cooperation and the Minister for Development Cooperation.
- It has a staff of 6: a director, a senior policy officer/deputy director, 3 senior policy officers, and one secretarial assistant.
- The Unit reports to and advises the Minister for Development Cooperation. In principle, the Director has a brief weekly meeting with the Minister. The Director also participates in the formal policy and management structures of DGIS.
- The Unit works closely with other divisions within the MFA. It involves specialists in dedicated project teams, mostly led by the Unit, to work on PCD dossiers.
- The PCD Unit can draw on DGIS funds for impact research, lobby activities, strategic support of and coalition-building with developing countries and NGOs and other stakeholders.

³ *Policy Coherence for Development, Work Programme 2006-2007*, Commission Staff Working Document, March 2006. *Policy Coherence for Development: Work Programme 2006-2007- Conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council*, 8387/06, 11 April 2006.

Three Intervention Methods

The PCD Unit employs three intervention strategies with a strong EU focus.

1. Across-the-Board Screening of EU Legislative Proposals and Positions

Because of the transfer of competence for most of the relevant policies to the EU (trade, agriculture, fisheries, intellectual property protection, etcetera), Dutch PCD efforts are focused primarily at EU level. The PCD Unit represents development cooperation interests in the existing EU coordination mechanisms in the Netherlands:

- *CoCo*, the EU Coordinating Committee, with all ministries represented at a high level, is chaired by the Minister for European Affairs. It meets weekly to prepare the Netherlands' positions and instructions for all forthcoming EU Council meetings and other relevant EU matters. CoCo conclusions are confirmed or discussed in the subsequent cabinet meeting. The Director of the PCD Unit participates in CoCo meetings and prepares his input in advance with the Minister for Development Cooperation (depending on her availability). This offers the opportunity to raise possible conflicts of interest immediately at the following cabinet session.
- The Working Group for the Assessment of new Commission Proposals (BNC), on which all ministries are represented, is chaired by a senior MFA official. It reviews and assesses all new Commission proposals. A coordinated initial Dutch position is prepared by specialists from the ministries involved. A special form ('BNC-fiche') is used to assess each Commission proposal and to develop a national position. Since May 2004, this form includes a paragraph that highlights possible effects on developing countries. This 'PCD test' is done by the competent ministry in conjunction with the PCD Unit or other MFA specialists. The Unit takes part in the BNC exchanges and meetings to promote a development-friendly Dutch position. Completed draft fiches are passed on to the CoCo for discussion and confirmation and then to the cabinet. Once adopted, they are sent to the Parliament and the Dutch members of the European Parliament.
- *COREPER instruction meeting*, at which all ministries are represented, coordinated by the MFA. These meetings are held every week, while draft instructions are often prepared through the exchange of emails beforehand. The PCD Unit participates in the preparations and the meeting itself. COREPER instructions build on the relevant BNC fiches and the CoCo conclusions.
- The Interministerial Council on Trade Policy (*IRHP*) is focused on trade policy and chaired by the Ministry of Economic Affairs. The PCD Unit does not take part in IRHP meetings but is involved in preparing the MFA's input. A weekly meeting is held to adopt the Dutch position for Article 133 Committee meetings in Brussels and other trade matters. Draft instructions are prepared through the exchange of emails between departments.

2. Pro-active Focus on Specific PCD Dossiers

In addition to horizontal screening, the Unit focuses on a limited number of PCD dossiers that feature on the political decision-making agenda in the near future. This involves small project teams, including specialists from other parts of the MFA and sometimes other competent ministries. They formulate a strategy aimed at achievable results in the short-to-medium term. At present, eight project teams are active on issues such as the Doha Round (including cotton subsidies), EU fisheries agreements, product standards (SPS and TBT measures, in particular: novel food,

EUREPGAP retail standards, inspection regimes for cut flowers, REACH for chemicals, etc.), preferential rules of origin, WIPO Development Agenda, arms trade (Small Arms), migration (temporary labour migration and preventing brain drain) and non-trade concerns.

The project teams scrutinise the Commission's legislative proposals and promote development-friendly Dutch positions in the decision-making process, at national, EU and international levels. Outputs include formal/informal discussion papers for both policy debate in the Netherlands and international coalition-building work and lobby activities. At times this also involves support for developing countries in pleading their own case in international negotiations (such as the West African Cotton Initiative). In 2005, ten papers were produced by the project teams. Four of them were eventually disseminated as official Dutch discussion papers after consultation with the competent ministry or decision-making at political level (REACH, WTO Hong Kong, TRIPs & Medicines 2 x).

3. Promoting awareness of PCD at national, EU and international levels

Raising awareness of PCD on the part of other ministries, stakeholders and the public is seen as an ongoing task. Activities carried out by the Netherlands and the PCD Unit includes:

- Producing a biannual national MDG-8 report, jointly with other relevant ministries and, from 2006 onwards, together with civil society, the business sector and academia;
- Support for and participation in the OECD/DAC work on PCD, including input in the PCD part of peer reviews of donors;
- Support for the Commitment-to-Development Index of the Centre for Global Development, PCD activities of relevant NGOs such as the German Marshall Fund, PCD seminars, etcetera.

About 50% of the available human resources capacity in the Unit is devoted to the specific PCD dossiers and 20% each to the other two intervention methods (with 10% remaining for general management and administration).

Foroaod – Spanish Development Aid

FRIDE organised the project "Spanish Development Aid - Mid-term Review and a Proposal for a Participative Consultation" between June 2006 and April 2007. This project aims to develop a consultation process about the current Spanish government's development cooperation policy. We have created a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of "More Aid, Better Aid". A set of recommendation guidelines were developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy.

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