

Comments to the *EU Report on Policy Coherence for Development*

OECD Workshop on “More Coherent Policies for More Inclusive Growth and Development”;

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I will like to start by recognizing how much the European Union has achieved in furthering the case of the need to keep *Policy Coherence for Development*. This is a conclusion that one arrives after reading the report we are discussing today.

But also a conclusion I reinforced by reading the recent DAC Peer Review on the EU and by witnessing the participation of the EU in a recent joint meeting between the Health Committee and the Working Party on Migration.

This meeting convened a few weeks ago to tackle the controversial issue of migration as a source of supply of nurses and doctors to wealthy OECD countries.

In this meeting the E U delegate brought attention to the “Brain Drain” PCD issue involved and throughout the discussion made the most consistent case for the need to do something about it.

This particular meeting highlighted two other facts:

First, that PCD remains a sensitive political issue that does not easily gather support. In fact, the meeting killed a proposal to organize together with the WHO, a

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high level seminar on the issues it was discussing, precisely because no consensus had been reached on the PCD dimension.

Second, that in spite of being with us for more than 15 years, the notion of PCD is still not widely used nor comprehended. Indeed the delegate from the E.U was the only one who used the term “Policy Coherence” throughout a day long discussion.

My first reaction to this last fact was that these particular delegates were not from the development community and just had not come across the concept. But days later, as I was reading the EU report to prepare this comment, my opinion shifted.

While I was very much impressed by the content of the report, I found it sometimes difficult to relate what I was reading to my notion of PCD. Specially while going through some of the policy areas highlighted in the report such as transport, information society or even security.

I could not see a clear boundary between what was supposed to be a PCD evaluation, and an evaluation of the assistance the EU was channeling to those particular sectors.

By checking on some OECD documents on the matter (one as old as 1991) I sensed that the concept of PCD had shifted with time and that the way we ourselves use it is not always clear. No wonder there was much confusion on the matter beyond the development community.

In the time that I have left I will make a short comment on this definition issue, which in my view has important political connotations from a Mexican perspective (here viewing Mexico as a member of the Hellingendamm G5 rather than a member of the OECD).

Originally PCD was defined negatively as the need to *avoid, incoherence* between domestic policies and the development goal. You recall the definition used not so long ago in the Poverty Reduction Guidelines: PCD is about encouraging OECD countries to “avoid having policies and actions of other parts of their governments undercut development agencies efforts to reduce poverty”.

A PCD assessment under this “negative definition” would typically begin: First, by identifying incoherences between a number of domestic policies vis a vis development. And, second, by assessing how much or how little the examined country was in fact doing to mitigate or avoid such incoherences.

I think it is fair to say that this is basically the way that the first round of DAC peer reviews that dealt with PCD issues were organized.

By this type of assessment the most polemical and political issues between developing and developed countries came to the fore: trade protection, agricultural subsidies, brain drain, capital flight, intellectual property rights, etc.

But at some point the concept of PCD expanded, taking on board more issues.

Now PCD is ***not only*** about avoiding or mitigating *incoherence*. It is also about actively *seeking more coherence* with development across sectors. PCD is now as much identified with avoiding incoherence, as with the need for proactive policies to encourage horizontality, coordination, and synergies and ultimately a “whole of government approach to development”.

This broader concept of PCD has been endorsed by both the OECD (for example in the last document on PCD approved by Council a few weeks ago) and by the European Union, and underlies the report we are discussing.

One might think that what I see as a process of broadening the concept of PCD is just a matter of fleshing out what you need to do to avoid incoherence in the first place: namely promote more coordination and synergies between your domestic sectors and your developmental policies.

But I don't think it is as simple as that, because, after all, incoherence in its original meaning arises not from a lack of coordination, horizontality or synergies between different parts of OECD governments, ***but from a clash between domestic interests and the developmental objective.***

Thus, it is not by more coordination across government that you can tackle such incoherences, but by confronting those domestic particular interests.

By the same token, the obstacles that prevent more horizontal coordination and synergies between domestic and developmental policies often are due to ignorance, insensibility or bureaucratic pettiness, rather than to the opposition of entrenched domestic interests.

In fact if you move from a concept of PCD fixed on the politically charged issue of incoherence to a more neutral one that includes issues of coordination, and synergies, you can examine PCD in a broader range of sectors, precisely as the EU report does.

To take an example: It is difficult to see, under the original view of PCD, in what way the domestic transport policy of the EU would have a negative impact on development. But if we have a less restrictive concept of PCD, as I argue we now have in practice, you might try to discuss transport in a PCD context as the EU report does.

Consistent with a broader definition of PCD, the EU report is not always organized on "incoherences" spotted in each of the 12 highlighted areas (as should have

been the case under the original definition centered on incoherence). But more broadly, on what the EU is doing and aims to do for the benefit of developing countries in these sectors.

Developmental policies of the EU are here discussed, not always or mainly because they tackle incoherences, but because they further development.

I close now with some conclusions.

The concept of PCD that underlies the EU report, allows for an incursion into sectors and themes that we would not normally identify as PCD relevant. This broader scope can only be welcomed

This advantage in my view comes however, as the report itself reveals, at some important costs

First, as the underlying PCD concept is vague, the analysis tends to be less rigorous, and the boundaries between a PCD evaluation and a plain assessment of sector policies more tenuous.

Second, and in my view more important, as the issues and sectors dealt with a PCD perspective expand, there is the risk that we might focus away from the traditional questions of incoherence (trade, migration, agriculture, property rights etc.). Indeed, in my view, some of these issues are in fact too lightly treated in the E.U report. However these are precisely the type of questions that remain paramount to most developing countries.

In short, we should make an effort to assure that a broader and more inclusive definition of PCD, does not devoid this concept of teeth, power and political relevance.