

ROADMAP	
TITLE OF THE INITIATIVE	Communication on Social Protection in EU Development Cooperation.
TYPE OF INITIATIVE	X CWP • Non-CWP • Implementing act/Delegated act
LEAD DG – RESPONSIBLE UNIT	DEVCO D.3
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This indicative roadmap is provided for information purposes only and is subject to change.
It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.

A. Context, problem definition
<p>(i) What is the political context of the initiative?</p> <p>(ii) How does it relate to past and possible future initiatives, and to other EU policies?</p> <p>(iii) What ex-post analysis of the existing policy has been carried out and what results are relevant for this initiative?</p>
<p>i) The Lisbon Treaty commits the EU to contribute to eradicating poverty worldwide. To achieve this goal, the EU development policy promotes inclusive and sustainable growth for human development. By helping third countries strengthen economic and social conditions, the EU also contributes to the stabilisation of the world economy and building resilient societies. Developing countries, with growth rates having recovered to 4 – 10% provide a major share of the increase in global demand. In this sense, the EU Development Policy also seeks to contribute to the external dimension of the Europe 2020 Strategy. It is also aligned to the G20 "Seoul Development Consensus for Shared Growth" which recognizes the need to enhance the role of developing countries.</p> <p>The present Communication will address one of the key areas of the Communication launched in 2011 "Increasing the impact of EU Development Policy: an Agenda for Change", namely "Social protection in EU development cooperation". It will take into account the outcome of Council and Parliament deliberations on the Agenda for Change.</p> <p>With regard to the political and development context, the global financial and economic crisis proved that social protection plays a key role as an automatic economic and social stabilizer. There is a growing consensus that social protection schemes do not only help prevent individuals and their families from falling or remaining in poverty, they also contribute to economic growth by raising labour productivity, stabilizing domestic demand, and enhancing social stability. Social security is also a Human Right and is enshrined as such in the 1948 Universal Declaration of Human Rights. Furthermore, social protection is one of the four pillars of Decent Work (target 1B of the Millennium Development Goals). The Communication will also take into account the discussions at international level (G20 process with the 2010 "Seoul Development Consensus" that emphasize social protection mechanisms as key for resilient and inclusive growth, ILO Recommendations and UN Advisory Group's work on a Social Protection Floor, etc).</p> <p>There is an increasing demand for support and/or exchanges on social development and protection from partner countries. Demands on exchanges or technical cooperation have increased in the last years: dialogue on social protection is included in the Joint Africa-EU Strategy (Strategic Partnership on Migration, Mobility and Employment) and in the dialogues with India, Brazil, China and South Africa (within the framework of their respective strategic partnerships with the EU). It is one of the priorities of the EuroSocial Programme on social cohesion (which enables exchanges between EU and Latin American policymakers). At the October 2010 Summit, ASEM leaders specifically asked for "further sharing of experiences and for technical assistance in implementing social welfare policies". At project/programme level, since 2007 the Commission has supported social protection reforms or programmes in almost every region (for instance, new programmes are being implemented in Ethiopia, Lesotho, Rwanda, Zimbabwe, Cap Vert, Burkina Faso, Paraguay, El Salvador, Honduras, Kyrgyzstan, Tajikistan, Syria, Cambodia).</p>

An increasing number of donors are seeking to include support to social protection policies, programmes and measures in their country programmes.

(ii) References to social protection have appeared in a number of EU policy documents. The European Consensus on Development (2005) identifies social cohesion and employment as key elements in the context of poverty eradication and underlines the importance of social dialogue and protection. In 2007 the Council recognized that "partner countries and donors need to scale-up efforts to create more, better and more productive employment, and to develop systems of social protection with broader and effective coverage which should be guided by each country's needs and circumstances" and explicitly invited the Commission "to prepare a proposal on social protection in EU development cooperation" (21/06/07 Council Conclusions). A combination of competition with other priorities within DEV for inclusion in the annual CWP together with the need for further study and reflection on this relatively new field of development cooperation¹ has left this invitation unanswered until now.

In the May 2009 Council Conclusions on 'Supporting Developing Countries in Coping with the Crisis', the EU committed to support developing countries' actions to cope with the direct social impact of the crisis through the creation and strengthening of social protection systems and programmes. More recently, the 2010 Commission Communication 'A Twelve-point EU Action Plan in Support to the MDGs' and the Green Paper 'EU Development Policy in Support of Inclusive Growth and Sustainable Development' have recognized the importance of supporting wide coverage social protection systems both to achieve social cohesion and stability, and to promote human capital investment, enhanced productivity and, ultimately, inclusive growth.

(iii) A thematic global evaluation of the Commission's support in the sectors of Employment and Social Inclusion will be available by the end of 2011. Lessons learnt from evaluations of EU-funded social protection programmes in developing countries (such as Ethiopia, Moldova, Paraguay, Kyrgyzstan) will be incorporated in the Communication. Other than the above-mentioned ERD 2010 on Social Protection, the Commission has elaborated the following related studies: "Social protection in the southern ENP countries" (2009), "Social protection in Central America" (2010) and the "Study on Social Transfers in the Fight Against Hunger" (2011).

What are the main problems which this initiative will address?

Interest in social protection has grown both in response to the persistent failure of high levels of growth in developing countries to deliver a commensurate reduction in poverty and in the context of the food-oil-financial and economic crisis. Social protection has been shown both to address poverty eradication directly and to function as an important absorber of external shocks. Social protection can foster growth by protecting assets and encouraging households to invest in riskier but higher productivity and higher return activities, and can increase social spending returns by offering poor people the means to use available services. This highlights its potential role in effective policies for inclusive growth to emerge from the crisis and, in the longer term, eradicate poverty.

The European Commission is already involved in a number of initiatives and programmes in this field, ranging from small scale pilot transfer schemes to the set up or reform of comprehensive national social protection systems. These supports are likely to increase, in view of the growing demand from partner countries. In the absence of a comprehensive policy framework on social protection in development cooperation policy-makers and staff in charge of programming and management of cooperation programmes -including policy dialogue- may adopt an ad hoc approach. A comprehensive policy framework would allow a more structured and coordinated approach which respects the best practices in the field, leading to improved implementation and stronger delivery and sustainability of results. Given that there are many entry points for supporting social protection programmes (e.g. education, health, employment, food security, etc...) the need for such a policy framework is even greater.

Who will be affected by it?

1. The Communication will directly address policy makers in the EU and Member states in the areas directly or indirectly related to social protection and development as well as national authorities and non-state actors both in the EU and in third countries. It will be accessible for partner country's officials and civil society organisations. It will also serve as guideline for staff at headquarters and in EU delegations and will deliver orientations for policy dialogue with international partners such as the UN, G20, World Bank etc.

¹A key study has been the European Report on Development (ERD) 2010 on "Social Protection for Inclusive Development".

<p>The proposed actions would involve Commission services in Brussels, EEAS and EU Delegations, Member States and EU partner/developing countries, notably the most vulnerable ones.</p> <p>2. The indirect beneficiaries of the initiative will be vulnerable populations in partner countries. More efficient and effective social protection programmes should lead to reducing vulnerability along their life cycle to avoid falling into poverty traps and to providing access to basic services to the poorest, thus contributing to strengthened social cohesion.</p>
<p>(i) Is EU action justified on grounds of subsidiarity? (ii) Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? (Necessity Test) (iii) Can the EU achieve the objectives better? (Test of EU Value Added)</p>
<p>Social protection is an integral part of the European Social Model. All Member States are committed to providing universal and equal access to social protection for the major social risks such as illness, disability, unemployment or old age. Despite differences between national systems, the right to social protection is enshrined in the Charter of Fundamental Rights, and social protection is a key element for inclusive growth in line with the Europe 2020 Strategy. The EU supports the reform process towards greater social inclusion and cohesion and financial sustainability through an open method of coordination aimed at spreading best practices and achieving greater convergence towards the main EU goals.</p> <p>The EU has accumulated a wealth of different experiences and approaches in the field of social protection as a key tool to foster social inclusion, social cohesion and pave the way for sustainable and inclusive development. The differences between Member states in social protection financing, levels of coverage, administration and delivery systems offers a wide range of experiences and knowledge particularly attractive for partner countries. A coherent policy framework in this cooperation is needed at EU level to provide partner countries with the most appropriate support from the experience capitalised within the EU.</p> <p>The EU and a number of Member States have expressed their willingness to support the establishment and/or reform social protection systems in partner countries through development cooperation (for an overview of the EU Member States' commitments and actions in support of social protection see Chapter 7 of the ERD²). In line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, this Communication will promote better coordination among the EU and Member States (and other development partners) working in this field.</p>

B. Objectives of the initiative
<p>What are the main policy objectives?</p> <p>The main policy objectives of the proposal are:</p> <ul style="list-style-type: none"> - Make social protection a key element of the EU's support to sustainable and inclusive development. Social protection addresses vulnerability and tackles inequality and thus has a direct impact on building resilience and achieving inclusive growth. - To deliver an appropriate and transparent policy framework for actions on social protection. These actions will include policy dialogue and technical and financial cooperation.
<p>Do the objectives imply developing EU policy in new areas?</p> <p>The Communication fits inside the overall framework of the Development and Cooperation Policy and further develops the Human Development sectoral development policy, which already mentions the need to support social protection in developing countries (European Consensus). The Communication will provide guidance in order to ensure a more structured and coordinated approach which respects the best practices in the field, leading to improved implementation and stronger delivery and sustainability of results. The Communication does not imply legislative initiatives. The Regulations on thematic and geographic financing instruments for development cooperation remain adequate frameworks for financing EU actions in this field.</p>

² http://erd.eui.eu/media/2010/Social_Protection_for_Inclusive_Development.pdf

C. Options

- (i) What are the policy options being considered?
- (ii) What legislative or 'soft law' instruments could be considered?
- (iii) How do the options respect the proportionality principle?

i) The following policy options have to be considered:

Option 1 "no new initiative": current status quo. Ad-hoc cooperation on social protection, no structured responses to requests and needs of partner countries.

Option2 "Communication": a Communication on social protection as aimed at addressing, inter alia, the following topics and issues:

- Support for partner countries to mainstream social protection into their national development policies and relevant sector policies through a differentiated approach according to the country's profile;
- Addressing the different types of social protection programmes and systems in partner countries, according to local needs: old age/pensions, sickness, health and safety at work, unemployment, disabilities, conditional/unconditional social transfers, etc;
- Addressing the challenges of social protection in the informal sector;
- EU support for home-grown social protection initiatives at national level in partner countries and the promotion of domestic processes. There is no 'one size fits all' solution for social protection.
- that the need to mobilise domestic resources is crucial for a long-term sustainability of social protection programmes. In order to find fiscal space, the EU should support partner countries e.g. to reform tax systems and enhance revenue collection.
- Deepening the link with other/already existing policies and initiatives at country level: e.g. employment, education and health policies, initiatives on pensions, disability issues etc., to provide more adequate support when partner countries adapt national policies;
- Strengthening dialogue at EU level/partner country level/south-south cooperation and foster exchange of knowledge and peer-to-peer cooperation. Strengthen capacity development for national authorities and non-state actors on all areas relevant to social protection;
- Addressing and further strengthening south-to-south cooperation and north-south-south cooperation in the field of social protection.

(ii) None of the options would imply legislative initiatives. The regulation on thematic and geographic instruments with third countries would remain adequate frameworks.

(iii) The objectives set out by this initiative are in line with the proportionality principle.

D. Initial assessment of impacts

What are the benefits and costs of each of the policy options?

Option 1 "no new initiative": An absence of action would mean that the EU and the Member States do not respond to the expectations raised by the Council (21/06/07 Council Conclusions), the European Parliament³ or International Organisations and civil society⁴, as well as those of partner countries. The EU would risk criticism for not responding to these requests and its credibility might be undermined in view of its having already committed to a policy framework on social protection on several occasions (see A).

Option 2 "Communication": a communication on social protection will provide the EU with the appropriate comprehensive policy framework within the human, social and economic dimension of the EU's development cooperation, taking into account the range of different entry points according to local circumstances.

Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for certain Member States?

³ EP Resolution 2011/2047 of 5/07/2011 "calls the Commission and Member States to develop a comprehensive policy framework" on social protection.

⁴ E.g. see the response of IOs and NGOs to the Green Paper on "EU Development Policy in support of inclusive growth and sustainable development".

<p>(iii) The Communication aims to have a positive impact on partner countries, by supporting a better design and further mainstreaming of different types of social protection mechanisms, instruments and systems in support of nationally owned policies and programmes. Furthermore, the Communication will facilitate policy dialogue on social protection.</p> <p>i), ii) iv) and v): No.</p>
<p>(i) Will an IA be carried out for this initiative and/or possible follow-up initiatives? (ii) When will the IA work start? (iii) When will you set up the IA Steering Group and how often will it meet? (iv) What DGs will be invited?</p>
<p>No formal IA is foreseen.</p>
<p>(i) Is any of options likely to have impacts on the EU budget above €5m? (ii) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial regulation? If not, provide information about the timing of the ex-ante evaluation.</p>
<p>No.</p>

E. Evidence base, planning of further work and consultation
<p>(i) What information and data are already available? Will existing impact assessment and evaluation work be used? (ii) What further information needs to be gathered, how will this be done (e.g. internally or by an external contractor), and by when? (iii) What is the timing for the procurement process & the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)? (iv) Is any particular communication or information activity foreseen? If so, what, and by when?</p>
<p>(i) The European Report on Development 2010 provides a great deal of valid information. In addressing social protection for inclusive development, it identifies several challenges and priorities for the EU support in partner countries in Africa, Asia, Central & Latin America and the European Neighbourhood. Its most important recommendation is that the EU should adopt a comprehensive policy framework for social protection and improve the coordination, complementarity and coherence of EU action. Other recommendations are:</p> <ul style="list-style-type: none"> - promote and support domestic processes laying the foundations for long-term sustainability; - assist in tackling affordability by helping to increase domestic revenue mobilisation, providing reliable and predictable aid, and exploring innovative finance options; - tailor intervention modalities to specific contexts and needs; - support knowledge-building and lesson-sharing; - strengthen EU partnerships for a progressive social protection agenda. <p>(ii) To be confirmed. (iii) Not at this stage, has to be determined.</p>
<p>Which stakeholders & experts have been or will be consulted, how, and at what stage?</p>
<p>A public consultation is foreseen for the first quarter of 2012 with the broad development community, including partner countries, civil society and private sector. Round-table discussions with representatives of partner governments are also foreseen in different regions (Africa, ENP and Asia).</p>