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Subject: Increasing the impact of EU Development Policy: an Agenda for Change  
- Council Conclusions

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At its meeting on 14 May 2012, the Council adopted the Council Conclusions at Annex.

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**Council Conclusions****‘Increasing the Impact of EU Development Policy: an Agenda for Change’****Improving the EU’s contribution to development in a global world**

1. The global landscape has dramatically changed over the last decade. Differences between developing countries have increased. Emerging countries’ growth has become an essential part of global growth. Several countries have become donors in their own right and key partners concerning global public goods. Further, some Least Developed Countries (LDCs) have recently seen high growth rates, while others are facing increasing fragility. While the 2015 target date for achieving the Millennium Development Goals (MDGs) is close, some of the MDGs remain off-track and severe poverty and hunger persist in some regions and countries, especially in Sub-Saharan Africa and the LDCs. Also, many countries remain highly vulnerable to shocks and crises.
2. The rapidly changing global environment and the new international aid architecture require a more comprehensive, responsive and effective approach in EU external action and development policy. The Arab Spring is a case in point. At the same time, European citizens must be shown, now more than ever, that EU development cooperation delivers clear results and impact on the ground and achieves greater effectiveness and better accountability for public spending; it also helps advance human rights, democracy, the rule of law and good governance.

3. The EU and its Member States remain firmly committed to the goal of eradicating poverty, as set out in the Lisbon Treaty<sup>1</sup> and the European Consensus on Development<sup>2</sup> and, convinced of the catalytic role of Official Development Assistance (ODA), reaffirm their commitment to achieve all their development aid targets, including the collective 0.7% ODA target to be reached by 2015<sup>3</sup>.
4. In the light of these challenges and new realities, the Council welcomes the Commission Communication on “Increasing the impact of EU Development Policy: An Agenda for Change” which builds on the European Consensus on Development, and on the EU commitments to eradicate poverty and to aid volumes, aid and development effectiveness and Policy Coherence for Development (PCD). It sets out important new directions on how to better address these challenges and deliver greater impact, also looking ahead to the Rio+20 outcomes and the development agenda beyond 2015, including the role of ODA and innovative sources of financing for development.

#### **A shared vision for development action**

5. Relations between the EU and its Member States and partner countries are based on and will promote shared values of human rights, democracy and the rule of law as well as the principles of ownership and of mutual accountability. Support to partners will be adapted to their development situation and commitment and progress with regard to human rights, democracy, the rule of law and good governance.
6. The promotion of human rights, democracy, the rule of law and good governance and of inclusive and sustainable growth are two basic pillars of our policy and should receive strengthened support. They are mutually reinforcing.

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<sup>1</sup> Treaty on the Functioning of the EU, Article 208.

<sup>2</sup> OJ C 46 of 26.2.2006, p.1.

<sup>3</sup> doc. EUCO 23/1/11 REV 1: European Council Conclusions of 23/24 June 2011 and Doc. 10593/1/11 REV 1: Council Conclusions on the First Annual Report to the European Council on EU Development Aid Targets (Annex 1).

7. EU support to governance should feature more prominently in all partnerships. This calls for a rights-based approach, promoting in particular the right to universal and non-discriminatory access to basic services, participation in democratic political processes, transparency and accountability, justice and the rule of law, and with a focus on poor and vulnerable groups. The EU and its Member States will support and promote an enabling environment for an independent, pluralistic and active civil society in partner countries, building on the Structured Dialogue<sup>4</sup>. Awareness raising and development education are part of this. Successful development cooperation also requires significant progress on gender equality, empowerment and opportunities for women, including through political and policy dialogue, gender mainstreaming in policies and programmes, and specific actions<sup>5</sup>. Further, the rights of, and opportunities for, young people and children should be promoted as it is critical for societies to offer a future to the young.
8. As for inclusive and sustainable growth, support for inclusiveness will be focused primarily on social protection, health and education. Support to social inclusion and human development will continue through at least 20% of EU aid. Furthermore, the EU will strengthen those sectors that have a strong multiplier effect in developing countries, notably sustainable agriculture and energy, including natural resources management. In this context, giving poor people better access to resources such as land, forests, food, water and energy without harming the environment will be given special emphasis. These sectors are key to the transition to a green economy, including resource efficiency, and also contribute to food and nutrition security, environmental protection and climate change mitigation and adaptation.

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<sup>4</sup> The Structured Dialogue for an efficient partnership in development is an EU initiative aiming at increasing the effectiveness of all stakeholders involved in EU development cooperation.

<sup>5</sup> Doc. 10830/10 (Annex): Gender Equality and Women's Empowerment in Development : EU Plan of Action 2010-2015.

9. The private sector and trade development are important drivers for development. An enabling business environment and more effective ways of leveraging private sector participation and resources in partner countries as well as increased regional integration, aid for trade and research and innovation will be key to the development of a competitive private sector. This has to go along with promoting labour rights, decent work and corporate social responsibility.
10. In its support for transition and reform in partner countries, the EU and its Member States will continue to draw on and to share the experiences of Member States and lessons learned from its enlargement and neighbourhood policies.
11. The EU will remain engaged in fragile states, which present particular challenges requiring an integrated response, linking development cooperation, humanitarian relief, conflict prevention as well as peace and state building. In these situations, there is a need to ensure a well-coordinated international response that includes the use of greater flexibility. There must also be a coordinated and coherent approach when engaging the range of instruments available to the EU and its Member States. The work on the security, fragility and development nexus must be taken forward, including through the development of a comprehensive strategy, taking into account previous Council Conclusions<sup>6</sup>. The EU and its Member States shall pursue actions to implement the New Deal for engagement in fragile states, as set out in the Busan Partnership for Effective Development Co-operation<sup>7</sup>.
12. Fostering developing countries' resilience to national and global shocks and crises is key to their sustainable development. It requires integrating resilience and disaster risk reduction in development programmes and linking humanitarian relief and development cooperation. Likewise, strong coordination between the EU's climate and development policies is vital.

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<sup>6</sup> Council Conclusions on An EU response to situations of fragility (Doc. 15118/07), on Security and Development (Doc. 15097/07) and on the MDGs for the UN High-Level Plenary meeting in New York and Beyond (Doc. 11080/10).

<sup>7</sup> Busan Partnership for Effective Development Co-Operation (4th High Level Forum on Aid Effectiveness, Busan, South Korea, 29 November-1 December 2011), paragraph 26.

## Implementation of the Agenda for Change

### *Sectoral concentration and targeting of resources*

13. The Council endorses the EU's intended focus on governance and inclusive and sustainable growth and the priorities in these areas set out in the Commission Communication.
14. EU bilateral development cooperation will be concentrated in a maximum of three sectors per partner country, based upon consultations with the country concerned on its priorities, and with donors locally, and taking account of the EU Code of Conduct on Complementarity and Division of Labour in Development Policy<sup>8</sup>.
15. Resources should be targeted at countries most in need, including those in situations of fragility, and where they can have the greatest development impact in terms of poverty reduction. Particular emphasis will be on supporting development in Europe's neighbourhood, in Sub-Saharan Africa and in LDCs elsewhere.
16. The EU will also continue to cooperate with other countries and regions, such as in Latin America and Asia, that are key partners in responding to global challenges and where poverty and inequalities remain widespread. The EU will continue its political dialogue on poverty reduction and the fight against inequalities with more advanced countries. Differentiation will also imply new forms of strategic cooperation based on mutual interests and allow for joint initiatives to address global challenges with more advanced partners, to whom bilateral development grant aid is being accordingly phased out.
17. In order to leverage further resources and increase the EU's impact on poverty reduction, new financial tools will be promoted, including blending grants and loans and other risk-sharing instruments. The issues of debt sustainability and proliferation of funds and facilities will be taken into account.

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<sup>8</sup> Doc. 9558/07: Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council.

18. In future, the scope of the partnership and the corresponding resource allocation will be determined on the basis of: i) country needs (including economic and social trends, as well as vulnerability and fragility), ii) capacity, iii) country commitments and performance and iv) potential impact. This will allow the EU to adapt its support (the mix and level of aid) to the country's situation and progress in its commitment to and record on human rights, democracy and the rule of law, ability to conduct reforms and to meet the demands and needs of its people. This differentiation should lead to a more effective policy mix, appropriate aid levels, as well as efficient aid arrangements and the use of new and existing financial tools.

### *Working together better*

19. The EU and its Member States have a joint responsibility to reduce aid fragmentation, improve coordination and deliver concrete development results effectively and efficiently on the basis of agreed international and EU commitments. In implementing the Busan Partnership for Effective Development Cooperation the EU and its Member States will focus on the country level. Important contributions will be the implementation of the EU Transparency Guarantee and making concrete progress in joint multiannual programming starting in 2012 with a number of partner countries ready to engage<sup>9</sup>. In this regard, EU Delegations will have an important role in enhancing coordination and information sharing with Member States, as well as coordination with other donors.

20. The EU and its Member States intend to continue their work on cross-country division of labour, paying specific attention to aid orphans, in the line with the EU Code of Conduct<sup>10</sup>.

21. The Council calls on the EU and its Member States to promote a common results-based approach, including through the use of strengthened results-based frameworks at country-level, and to strengthen their capacities to monitor and evaluate results. This will also provide a basis for improving mutual accountability and transparency. Appropriate risk management systems should be developed, including for cooperation in fragile and conflict affected situations.

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<sup>9</sup> Doc. 16773/11: Council Conclusions of 14 November 2011 on the EU Common Position for the 4th High Level Forum on Aid Effectiveness (Busan, South Korea, 29/11 -1/12/2011).

<sup>10</sup> Doc. 9558/07: EU Code of Conduct on Complementarity and Division of Labour in Development Policy.

22. The Council reaffirms its commitment to improve Policy Coherence for Development (PCD) at all levels<sup>11</sup>. The EU's development policy requires a more ambitious approach to PCD in the twelve areas identified in 2005 and a more pro-active integration of development objectives into EU policies and external action. In the immediate future, PCD work will focus on trade and finance, climate change, food security, migration and security. Supporting knowledge-sharing, including on the development impacts of other policies, strengthening country-level dialogue, improving evidence-based PCD and engaging local civil society, stakeholders and governments will be key.
23. Concerning the development-migration nexus, the EU should assist developing countries in strengthening their policies, capacities and activities in the area of migration, mobility and employment, with a view to maximising the development impact of the increased regional and global mobility of people.

#### **Next steps**

24. Recalling that the Union's development policy and that of the Member States complement and reinforce each other, the Council calls on the EU and its Member States to apply these Conclusions.
25. The principles contained in these Conclusions will guide the design and implementation of external action instruments under the Multiannual Financial Framework 2014-2020.

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<sup>11</sup> Regarding PCD, Article 21 of the Treaty on European Union provides that "*The Union shall ensure consistency between the different areas of its external action and between these and its other policies.*" Article 208 of the Treaty on the Functioning of the EU provides that "*The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.*"