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Subject : Council Conclusions on Support to Democratic Governance – Towards an enhanced EU framework

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At the meeting on 18 May 2009, the General Affairs and External Relations Council adopted the Conclusions set out in the Annex to this note.

**Council Conclusions**  
**on**  
**Support to Democratic Governance – Towards an enhanced EU framework**

1. The Council underlines that democratic governance is critical for poverty reduction in the context of sustainable development and for reaching the Millennium Development Goals (MDGs). The EU approach to democratic governance is set out in the EU Consensus for Development and the Council Conclusions of October 2006<sup>1</sup>.
2. The Council acknowledges the multidimensional nature of governance, which includes political, social, economic, security, legal, institutional, cultural and environmental aspects, at all levels. All these aspects are interlinked and should be addressed in a holistic and balanced way.
3. The main drive towards democratic governance can only come from within partner countries themselves, through domestic incentives, dialogue and accountability mechanisms. The EU remains committed to supporting and encouraging these processes through the range of instruments at its disposal, including dialogue between partners and incentives for result-oriented reforms.

**The Governance Initiative**

4. The Council welcomes the Commission Review of the Governance Initiative<sup>2</sup> and its main findings and recommendations.

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<sup>1</sup> Doc. 14024/06.

<sup>2</sup> Doc. 5504/09 – Commission Staff Working Paper: "Supporting democratic governance through the Governance Initiative: A review and the way forward".

5. The Council reaffirms its support for the Governance Initiative as an important mechanism to support ACP partner countries' efforts in strengthening democratic governance by emphasizing dialogue and incentives. The Council also notes that this mechanism and the underlying approach are relatively new and need to be further developed and fine-tuned.

### *Dialogue*

6. The Council calls on the Commission and the Member States and invites the ACP countries to have a more systematic, transparent, inclusive and regular political dialogue on governance, including the Governance Initiative, in the framework of Article 8 of the Cotonou Agreement, and to see it in a more strategic long-term perspective.
7. The Council notes that the dialogue with partner countries and their regional and supra-national organizations is a vital element of a results oriented process. The implementation of the Joint Africa-EU Strategy and the Partnership on Democratic Governance and Human Rights provides a good framework for closer cooperation and dialogue on the Governance Initiative, both within the EU and with African Partners. The EU aims to work together with the African Union to support African countries' efforts to strengthen their own governance systems and implement national plans of reform. To this end, the Council calls on all parties to reinforce this partnership.
8. The Council welcomes the progress by African partners in respect of the African Peer Review Mechanism (APRM) process and notes the Commission's and the Member States' support for the APRM and the reforms generated at country level, and encourages the Commission and the Member States to provide further support to the APRM, notably in the context of the Africa EU Partnership on Democratic Governance and Human Rights. The Council invites the Commission and the Member States to reflect and consult with partners on how the APRM and the Governance Action Plans can be better linked in the future, with a view to stronger ownership of democratic governance and reform processes.

### *The incentive tranche*

9. The incentive tranche for ACP States created in the context of the Governance Initiative is a useful tool to stimulate partner countries' wish to engage in a political dialogue on democratic governance and contribute to achieving actual improvements. It reflects the conviction that democratic governance helps achieve better development outcomes.
10. The Council encourages the Commission and the Member States to build on the governance profile and to use it, where appropriate, in development cooperation and regular political dialogue at EU level. In this context, the Council invites the Commission and the Member States to enhance the guidance for Commission delegations and the Member States at country level. The Council also encourages the Commission to regularly update the governance profile and to involve the Member States at all stages of the process in a timely manner in order to make the profile used more intensively as an EU tool and, where appropriate, in bilateral programming.
11. The methodology used in elaborating governance profiles needs to be enhanced to take account of broader political and economic factors including the relations between the state and society, which underpin governance weaknesses. The profile should better reflect the special governance challenges in countries facing situations of fragility and where the security-development nexus is of utmost importance.
12. The credibility of the Governance Initiative depends heavily on the ownership and actual implementation of the Governance Action Plans, which should reflect partner governments' existing reform plans. Their monitoring should involve more extensive consultation with parliaments, civil society, other relevant national institutions and stakeholders.

13. The Council notes that the incentives offered by the Governance Initiative are primarily of political nature and that the financial dimension in itself remains modest. It encourages the Member States and the Commission to explore the possibilities to enhance and reinforce this incentive, where appropriate and based on a results oriented approach. A better understanding of the range of incentives - both domestic and external - that can contribute to improved governance reforms is required. The Council also notes the need for transparent and evidence based allocation principles.

### **The way forward**

14. Underlining that support to democratic governance involves a whole range of issues, the Council encourages the Commission to continue to strive for a multidimensional and holistic approach, respecting national ownership and dialogue while focusing on results and operational tools.
15. Experience with the Governance Initiative and its political and financial incentives suggests that they have a good potential to promote reforms owned by partner countries and to facilitate dialogue on governance issues. The Council calls on the Commission and the Member States to work in close cooperation and to draw on the lessons learned to improve the Initiative.
16. In this context, the Council emphasizes:
- The need to respect the principles of country ownership and of respect for the pace and specificities of governance processes in individual countries concerned. While the decision on reform strategies and their implementation remains with partner countries, the EU should continue to support such reforms, where appropriate.
  - National accountability at all levels as a key component of democratic governance processes.

- The need to move from evaluating situations to addressing the causes and the domestic incentives for governance reform.
  - The need to further explore the possibilities to enhance sectoral governance assessments.
  - The need to make full use of already existing governance assessment tools.
17. The Council calls on the Commission and the Member States to take advantage of the mid-term review of the External Financing Instruments and of the 10th EDF to improve the EU approach to governance. In this context, the Council looks forward to discussing governance as a separate dimension of performance, which should not be seen as a form of conditionality.
18. With a view to aid programming beyond 2010, a sound methodology should be prepared to ensure effective monitoring and standard, objective and transparent allocation process and performance assessment.
19. The Council invites the Commission and the Member States to strengthen their cooperation with relevant stakeholders in their support to governance processes. The role of national parliaments, local and regional authorities, civil society and the private sector should be emphasized.
20. The Council underlines the vital importance of women empowerment and gender equality. Women are a driving force in development aid and without active participation of women in political and democratic processes no sustainable development will be achieved.
21. The Council stresses the importance of covering democratic governance in regular political dialogue between the EU and partner countries in all regions, as well as with regional organizations, in order to facilitate a mutual understanding of reforms needed.

22. With a view to intensifying the dialogue with partner countries on governance and related matters, the Council invites the Commission, in close cooperation with the Member States, to present an overview of current practices at the EU level, accompanied, where appropriate, by suggestions for a more systematic and coherent approach.
23. The Council encourages the Commission and the Member States to use the Governance Initiative process to strengthen cooperation and further contribute to a comprehensive approach to aid effectiveness, including alignment with nationally owned processes, such as Poverty Reduction Strategy Papers (PRSPs). In this regard, the Council invites the Commission and the Member States to strengthen their cooperation in line with the principles of aid effectiveness and to further deepen the work on developing shared analyses, joint assessment and monitoring tools, harmonized dialogues and common programming frameworks, including joint identification of objectives for support in the governance reform process in partner countries.
24. The Council encourages the Commission and the Member States to further deepen the synergies and co-operation with other partners working in the field of the democratic governance.
25. The Council recalls the common objectives, values and principles in the European Consensus on Development and the approach set up in the October 2006 Council Conclusions on Governance<sup>3</sup>, which should apply to the EU assistance to all regions. The Council invites the Commission to consider using the experience and lessons learned with the Governance Initiative in addressing democratic governance processes in other regions<sup>4</sup> and to report to the Council.

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<sup>3</sup> Doc. 14024/06.

<sup>4</sup> Paragraph 19 of Doc. 14024/06.

26. The Council requests the Commission to provide, in early 2012, a comprehensive report on the implementation of the October 2006 Council Conclusions, focusing on the EU support to democratic governance, managed by the Commission, in all regions, including the Governance Initiative and the Governance Facility. This report should also address the participation of women in the implementation and strengthening of EU support to governance.
27. The Council recognises that support to democratic governance in partner countries involves broader democracy and human rights issues and notes that a more coherent EU approach may be called for to increase the effectiveness of EU support.
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