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from: ACP Working Party  
to: Permanent Representatives Committee / Council

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Subject: Draft Council Conclusions on the 10th European Development Fund Performance Review  
- Adoption

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1. The revised ACP-EU Partnership Agreement, signed in Cotonou on 23 June 2000<sup>1</sup>, the Internal Agreement<sup>2</sup> and the Implementation Regulation<sup>3</sup> applicable to the 10th European Development Fund (EDF), call for a performance review of the 10th EDF to be undertaken by the Council, together with the ACP States, on the basis of a proposal to be prepared by the Commission.
2. The performance review shall assess the financial performance, as well as the quantitative and qualitative performance of the 10th EDF (which covers the period 2008-2013), and in particular the results and the impact, measured in terms of progress towards achieving the Millennium Development Goals.

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<sup>1</sup> Cotonou Agreement, Annex 1b, Article 7.

<sup>2</sup> Internal Agreement, Article 1(10) (OJ L 247, 9.9.2006, p. 32).

<sup>3</sup> Implementation Regulation, Article 14(5) (OJ L 152, 13.9.2007, p. 1).

3. On 9 September 2011, the Commission , in order to facilitate the exercise to be conducted jointly by the Council and the ACP States, forwarded to the Council a Staff Working Paper (SWP): "10th EDF Performance Review"<sup>4</sup> , which provides a summary of the programming, activities and results of the 10th EDF.
4. On the basis of the Commission SWP, the ACP Working Party discussed the issue of the performance review and on 7 November 2011 reached an agreement on a text of Council Conclusions. These Conclusions constitute the EU position with a view to conducting the performance review of the 10th EDF together with the ACP States.
5. The Working Party agreed to recommend that the Permanent Representatives Committee invite the Council to adopt the Conclusions, as set out in the Annex to this Note, under the "A" items of its Agenda.

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<sup>4</sup> Doc. 14021/11 - SEC(2011) 1055 final.

**Draft**  
**Council Conclusions**  
**on the 10<sup>th</sup> European Development Fund Performance Review**

1. In accordance with the ACP-EU Partnership Agreement, the Council, together with the ACP States, shall undertake a performance review of the 10<sup>th</sup> European Development Fund (EDF).<sup>1</sup> The performance review shall assess the degree of realisation of commitments and disbursements as well as the results and impact of the aid provided through the 10th EDF measured in terms of progress towards achieving the Millennium Development Goals (MDGs)<sup>2</sup>. The performance review is an important opportunity to consider the current state of 10 EDF programmes.
  
2. These Council Conclusions constitute the EU position with a view to conducting the performance review together with the ACP States. The Conclusions are informed by a Commission Staff Working Paper<sup>3</sup> which aims to provide a summary of the programming, activities and results of the 10th EDF, examines the value added by the 10th EDF in its main areas, reports on financial performance and assess overall performance.

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<sup>1</sup> The 10th EDF covers the period from 2008 to 2013 and has an overall budget of 22 682 million EURO. Of this amount, 21 966 million EURO is allocated to the ACP countries, 286 million EURO to the Overseas Countries and Territories (OCT), and 430 million EURO to the Commission as support expenditure for programming and implementation of the EDF.

<sup>2</sup> Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement.

<sup>3</sup> Doc. 14021/11.

3. Over the past ten years, the European Union has improved its performance in development cooperation, modernising its partnerships and financial instruments, putting in place mechanisms to support policy coherence and advocating shared policy approaches with Member States. Recognising partner countries' primary responsibility in defining their own development strategies, the EU has moved from a donor-beneficiary type of relation to a partnership mode, and is seeking greater mutual responsibility in its relations with partner countries. The ACP-EU Partnership Agreement is the framework of the EU's engagement with ACP States on questions that are of global concern, such as poverty eradication, climate change, environmental protection, migration, good governance, human rights, peace and security issues.
  
4. The Council notes that the Staff Working Paper highlights the added value of the 10th EDF in regard to its programming, providing a summary of activities at different levels — national, regional and intra-ACP — and its responsiveness. With the concentration of the major part of EDF funds on the national level, the Council notes that EU programmes are country specific, tailor made and based on ACP countries' needs, strategies, priorities and assets. To respond to each specific situation, the EU has designed specific instruments and methods. The EDF is built on the principle of predictability, nevertheless the EU has been able to introduce innovative incentive mechanisms to respond to changing circumstances for example through re-prioritising unallocated funds from country and regional allocations, as well as establishing innovative instruments such as the response to the crises related to soaring international food prices and the V-FLEX. The EU has been able to play an important role in supporting ACP countries facing disasters, food, economic, financial and political crises. The Council notes that following breaches of essential elements of ACP-EU Partnership Agreement: respect for human rights, democratic principles and the rule of law; appropriate measures were taken under Article 96 of the Agreement in order to assist the countries concerned to return to constitutional order.

5. The financial performance of the EDF has improved over the past three years in terms of commitment and expenditure. The Council notes that by the end of 2010, approximately 50 % of the 10th EDF funds had been committed. The target of committing the entire 10th EDF by the end of 2013 remains within reach. The level of payments also presents an upward trend, approaching that of commitments.
6. The Council recognises the difficulties to attribute progress towards achieving the MDGs to the various funding sources from international donors and financial institutions, national budgets, civil society and the private sector. The Council emphasises the need for more comprehensive and systematic analysis of the impact and results of the 10<sup>th</sup> EDF, measured in terms of progress towards achieving the MDGs.
7. While the Council recognises the value of the monitoring and evaluation systems put in place by the Commission, which are applicable to programmes and projects funded from the EU budget as well as from the EDF, the Council encourages the Commission to take further steps to improve the assessment of the impact of its development cooperation, taking into account specific situation and challenges of ACP countries. The Council invites the Commission to strengthen monitoring and evaluation systems, including performance indicators, in order to improve its systems and procedures for reporting on results and impact. The Council looks forward to discussing the Commission's proposal included in its Communication on increasing the impact of EU Development Policy<sup>4</sup> to endeavour to provide consolidated results and impact data.
8. The Council reiterates the importance it attaches to continued improvement in aid effectiveness and in particular in mutual accountability. It recalls its conclusions on aid effectiveness adopted for the EU participation in Accra (2008) and Busan (2011) High Level Forum on Aid effectiveness.

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<sup>4</sup> Doc. 15560/11.

9. The Council looks forward to discussing the Commission's recent proposals on the future approach to EU budget support that aim to make EU budget support more efficient and effective in delivering development results. In this context, the Council looks forward to discussing the role of budget support as a vector of change to address key development challenges and objectives, such as (i) the impact on poverty reduction and reaching MDGs (ii) promoting human rights and democratic values, (iii) improving financial management, macroeconomic stability, inclusive growth and the fight against corruption and fraud, (iv) promoting sector reforms and improving sector service delivery, (v) State-building in fragile states and addressing development challenges of SIDS and OCTs, (vi) improving domestic revenue mobilisation and reducing dependency of aid, (vii) predictability, domestic and mutual accountability, (viii) monitoring, evaluation and communication.
  
10. The Council notes that this performance review is conducted in an economic climate which has radically changed since the entry into force of the 10th EDF in 2008. The global economic crisis has put public spending at the heart of the political debate. The Council underlines that the EU has to make an effective use of EU resources internationally as well as inside the Union. In this context, continued attention is required to further streamline procedures and speed up implementation in order to improve EDF impact on partner countries. Proposals to refocus EU development spending and policies in order to increase the impact of programmes on sustainable and inclusive growth and employment in ACP countries are important elements for achieving the MDGs.

11. The Council believes that in the framework of the ACP-EU Partnership Agreement the following issues need to be considered for the post 2013 strategic cooperation: (i) simplifying the programming process that ensures an even closer alignment with partner countries' priorities and strategies, (ii) a more differentiated EU approach in terms of country allocations and implementation modalities, (iii) improving coordination and coherence within the EU, including through joint programming at the country level, where appropriate, and between the EU instruments and institutions, as well as ensuring enhanced synergies with the EIB, (iv) improving dialogue and coordination with other donors, (v) continuously enhancing ACP-EU political dialogue and acting to improve democratic and economic governance and human rights, (vi) further increasing the flexibility for better responding to unforeseen situations and situations of fragility as well as giving incentive for improving performance, (vii) better involvement of civil society and national parliaments, (viii) stronger engagement to implement the regional strategies, (ix) improving transparency and mutual accountability.
  
12. Moreover, the Council invites the European Commission, together with the ACP States, to start a reflection on the scope and objectives of the future review of the ACP-EU cooperation, with a view to enhancing results and impact of the EDF.

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