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"I/A" ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Draft Council Conclusions on the European Court of Auditors' Special Report on "EU Support for Governance in the Democratic Republic of the Congo" - Adoption

1. On 3 October 2013, the General Secretariat of the Council received the European Court of Auditor's special report No 9/2013 entitled "EU Support for governance in the Democratic Republic of the Congo" together with the Commission and the European External Action Service's replies. ¹
2. The Working Party on Development cooperation examined the report in accordance with the provisions laid down in the Council Conclusions on the procedure for examining Special Reports drawn up by the Court of Auditors. ²
3. On 27 February 2014, the Working Party reached agreement on the draft Council Conclusions set out in the Annex to this note.

¹ OJ 2013/C 287/04.

This special report is also available on the Court's website: <http://eca.europa.eu>

² Doc. 7515/00 FIN 127 + COR 1.

4. Coreper is accordingly invited to approve these draft Council Conclusions and to submit them to the Council for adoption as an "A" item.
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**Draft Council Conclusions on the European Court of Auditors' Special Report No. 9/2103 on
"EU Support for Governance in the Democratic Republic of the Congo"**

1. The Council welcomes the European Court of Auditors' Special Report on "EU Support for Governance in the Democratic Republic of the Congo (DRC)." ³
2. The Council notes that the Court, among its findings, recommends that the Commission and the EEAS, in coordination with other development partners, notably EU Member States, should:
 - Pay increased attention in future programming, notably within the 11th EDF, to an appropriate geographical balance of aid at all levels: local, provincial, central and regional;
 - Continue efforts for strengthening dialogue with the DRC government on governance issues, increasing EU leverage and carefully assessing risks for EU programmes in this area;
 - Dedicate appropriate attention to supporting the fight against fraud and corruption;
 - Throughout the programming cycle, pay due attention to political, operational, fiduciary and other risks to the achievement of programme objectives and establish measures to prevent or mitigate such risks.
3. The Council underlines that assistance to fragile States, including financial support, is a challenging but essential component of EU foreign policy, noting that the New Deal for Engagement in Fragile States is based on mutual trust and accountability and on country-led and country-owned transition processes, with associated risks that must be managed but cannot be completely eliminated. In this regard, coordination with other donors on risk mitigation strategies for the DRC should be initiated.

³ OJ 2013/C 287/04 and <http://eca.europa.eu>

4. In seeking to reduce possible risks, the Council recognises the importance of focusing programme objectives on a limited number of priorities, with clear and realistic timeframes, while providing enough flexibility so that expected outcomes can be promptly reviewed, as appropriate, in response to opportunities and setbacks. The Council also underlines the importance of monitoring and independent evaluation in securing reliable information and in drawing relevant lessons on the effectiveness and impact of aid.
5. The Council recognises that sustainable development, including poverty reduction, can only be achieved with strong, efficient and accountable state institutions allowing the provision of essential services across the whole territory of the DRC. The Council supports efforts by the EU to focus assistance to well-coordinated central public financial management reform, as well as on those ministries which are key partners for sector reforms, in order to improve their capacity to meet the needs of citizens in a cost-effective and accountable manner.
6. In line with its Conclusions on "Increasing the Impact of EU Development Policy: An Agenda for Change," ⁴ the Council recalls that support to partner countries should be determined according to their needs, capacities, commitments and performance, while being adapted to their development situation and progress with regard to human rights, democracy, the rule of law and good governance. In this regard, the Council notes the lead role of partner countries in the definition of their development priorities, needs and commitments, including through a regular and inclusive consultation with civil society.
7. Recalling its Conclusions on the "Report from the Commission on EU Support for Democratic Governance, with a Focus on the Governance Initiative," ⁵ the Council also notes that elements of an incentive-based approach in programming, enhanced by a EU coordinated policy and political dialogue, can stimulate progress and results measured with commonly agreed and clear country-specific indicators and benchmarks. At the same time, the Council also recognises the importance of continuity and the principle of predictability in aid delivery.

⁴ Doc. 9369/12

⁵ Doc. 17590/13

8. In the light of the above, the Council calls on the Commission and the EEAS to ensure, in close coordination with EU Member States and other partners, an appropriate policy dialogue with the DRC as well as context-specific programming within a results-based framework. The latter should define outputs and outcomes with commonly agreed specific, measurable and realistic indicators, and baselines and, where appropriate, time-bound benchmarks with regular reviews. Resources supplementary to country allocations, in the framework of a performance-based mechanism with commonly agreed benchmarks, may also be envisaged. Furthermore, the Council calls on the Commission and the EEAS to encourage and assist the Government of the DRC in improving sector policies and accountability, including through capacity-building of national oversight institutions, and facilitating civil society space. In addition, the Council notes that the planned electoral cycle provides an opportunity for further strengthening democratic governance.
9. In implementing the Busan aid effectiveness agenda and the New Deal for Engagement in Fragile States, the Council calls on the Commission and the EEAS to strive to align their engagement with the New Deal fragility assessment for the DRC, which should be country-led, and to further strengthen the effectiveness of their assistance to the DRC, performance measurement and the sustainability of development results. In particular, the Council calls on the Commission and the EEAS to underline, in their sector policy and political dialogue with the DRC government, the importance of securing concrete engagements on Security Sector Reform, which are conducive to stability and sustainable development.
10. Looking ahead, the Council underlines that working on support to democratic governance requires a long-term perspective and should remain a priority of EU cooperation with the DRC.