

# COUNCIL OF THE EUROPEAN UNION



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#### PRESS RELEASE

3283rd Council meeting

# **Foreign Affairs**

Brussels, 12 December 2013

President Catherine Ashton

High Representative of the Union for Foreign Affairs and Security Policy

# PRESS

#### Main results of the Council

The Council decided that the conditions had been fulfilled for the complete resumption of the EU's development cooperation with the **Republic of Guinea**. The holding of inclusive and peaceful parliamentary elections on 28 September 2013 made it possible to lift the EU's appropriate measures adopted in 2009 under Article 96 of the Cotonou Agreement.

The Council also took stock of work in the international community on moving towards an overarching **post-2015 framework** for poverty eradication and sustainable development which will replace the Millennium Development Goals when they expire in 2015.

In addition, the Council discussed **policy coherence for development**, reaffirming its political engagement and its existing commitments on policy coherence for development, and pointing out the Treaty obligation to take account of the objectives of development cooperation in policies which are likely to affect developing countries.

The Council also adopted transitional management measures for the European Development Fund (EDF). Since the entry into force of the internal agreement establishing the 11th EDF is likely be delayed beyond 1 January 2014, the Council established a bridging facility to ensure the availability of funds for cooperation with ACP countries and overseas countries and territories between January 2014 and the entry into force of the internal agreement.

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<sup>•</sup> Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.

<sup>•</sup> Documents for which references are given in the text are available on the Council's Internet site (http://www.consilium.europa.eu).

<sup>•</sup> Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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Ms Hillevi ENGSTRÖM Minister for Development Assistance

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#### **ITEMS DEBATED**

#### Towards an overarching post-2015 framework

The Council discussed the post-2015 agenda, namely an overarching framework for the period after 2015 when the Millennium Development Goals expire. It also exchanged views on financing poverty eradication and sustainable development beyond 2015.

### **Implementing the agenda for change**

The Council was briefed by the Commission on progress in implementing the agenda for change, which was agreed by the Council in May 2012. Ministers debated the joint programming of development aid between the EU and member states, which will go ahead in around 40 partner countries.

#### Policy coherence for development

The Council exchanged views on policy coherence for development and adopted the following conclusions:

- "1. The Council confirms its political engagement to Policy Coherence for Development (PCD), reaffirms all its existing PCD commitments and recalls the Treaty obligation to take account of the objectives of development cooperation in the policies which are likely to affect developing countries, as well as to pursue these objectives in the overall framework of the Union's external action.
- 2. The Council welcomes the fourth biennial EU PCD report, <sup>1</sup> taking stock of progress made and providing information on the efforts of the EU and its Member States to promote PCD in policy and in practice. The Council also welcomes the increased political engagement and institutional capacity to enhance PCD in some Member States and in the European Parliament and highlights the importance of disseminating and discussing the report within the EU institutions and in the Member States beyond the development community.
- 3. The Council notes the progress made by the Commission and the EEAS in taking forward the recommendations contained in the Council Conclusions on Policy Coherence for Development of 14 May 2012, in particular in terms of promoting independent assessments and strengthening PCD at country level, inter alia through a reinforced role for EU Delegations. Nevertheless, further progress is needed.
- 4. The Council recalls that the role of EU Delegations is essential in providing feedback on issues relating to PCD and encourages the Commission and the EEAS to continue their efforts and report further on PCD processes and initiatives at country level. This includes a strengthened dialogue with local stakeholders regarding the impact of EU policies. Designating PCD focal points in EU Delegations could be useful in this regard.
- 5. The Council notes that, in the context of EU external action, close cooperation between the EEAS, the European Commission and EU Member States is necessary to strengthen PCD.

<sup>&</sup>lt;sup>1</sup> 15646/13

- 6. The Council recognises that there is a need for regular political PCD discussions on related thematic issues at all levels in all relevant formations of the Council, including at Ministerial level. The Council also notes that continued efforts and political will are needed to anchor PCD more strongly in areas beyond external action and in on-going debates on global issues and challenges, including the discussions on a post-2015 framework, with a view to mainstreaming PCD in policy formulation and development processes beyond 2015. The EU can play a prominent role in promoting PCD in this regard. To this end, the Council calls on the Commission, the EEAS, the European Parliament and incoming Presidencies of the Council of the EU to strive towards broad engagement on PCD across policy areas and institutions in order to create a common and forward-looking understanding of challenges and possibilities for PCD.
- 7. The Council also believes that further progress is needed on several issues covered in the 2012 Council Conclusions on issues such as measuring PCD and on promoting a more evidence-based approach, including through the quantification of the costs of incoherencies for selected cases, and underlines that further work is needed to move towards a more focused, operational and results-oriented approach to PCD. Specific attention is required regarding the quality of targets and indicators. The EU's impact assessments, sustainable impact assessments and evaluations can play an important role in ensuring ex-ante mainstreaming of PCD and in assessing results. The Council calls for strengthening the development dimension of these tools in the context of the review of their respective guidelines.
- 8. In this context, the Council encourages the Commission and the EEAS to further develop the PCD knowledge base, through increased research efforts on PCD, including through continued work with the OECD on relevant methodologies and indicators, and through thematic PCD case or country studies as well as independent evaluations and assessments.
- 9. The Council reiterates its decision to focus in the immediate future on five PCD challenges: trade and finance, climate change, food security, migration and security. In that context, the Council calls on the Commission and the EEAS to develop, in cooperation with Member States, an overview of forthcoming policy proposals and initiatives relevant to PCD on the basis of the annual Commission's work programmes to be shared with the relevant Council bodies starting in early 2014 and onwards.
- 10. The Council also encourages the Commission and the EEAS to develop a longer-term programme that would focus on areas where the EU can act as an agent of change and where concrete results can be achieved on the basis of clear political objectives. The new PCD work programme should also take into account, as appropriate, issues emerging from the post-2015 framework.
- 11. The Council looks forward to receiving in 2015 the fifth biennial report on PCD."

# **Democratic Republic of the Congo / Great Lakes issue**

The Council exchanged views on how best to support lasting peace and development in the Democratic Republic of the Congo (DRC) and the Great Lakes region, given that the military defeat of the M23 rebellion in the eastern DRC and the expected conclusion of the Kampala Dialogue between the DRC government and M23 have opened up a window of opportunity.

### **OTHER ITEMS APPROVED**

#### **DEVELOPMENT COOPERATION**

#### **European Development Fund - bridging facility**

The Council adopted transitional management measures for the European Development Fund (EDF) since the entry into force of the internal agreement establishing the 11<sup>th</sup> EDF, signed in June 2013, is likely be delayed beyond 1 January 2014. The Council therefore established a bridging facility to ensure the availability of funds for cooperation with ACP countries and with overseas countries and territories between January 2014 and the entry into force of the internal agreement. The facility will be financed from uncommitted balances and decommitted funds of the 10th and previous EDFs.

#### Resuming development cooperation with the Republic of Guinea

The Council approved a letter to the President of the Republic of Guinea announcing the full resumption of development cooperation between the EU and the Republic of Guinea. For more details, see press release 17479/13.

### **European Year of Development 2015**

The Council adopted a partial general approach on the decision establishing the European Year of Development 2015. The purpose of the European Year is to foster the direct involvement, critical thinking and active interest of European citizens and stakeholders in development cooperation and raise awareness of the benefits of EU development cooperation, not only for EU aid beneficiaries but also for EU citizens.

#### Financing poverty eradication

The Council adopted the following conclusions:

- "1. Work in the coming months and years will be crucial in the process to establish an ambitious and comprehensive post-2015 framework. The European Union (EU) and its Member States are determined that the post-2015 agenda should reinforce the international community's commitment to poverty eradication and sustainable development. Recognising the intrinsic inter-linkage between poverty eradication and sustainable development, we remain committed to a single comprehensive framework and a single set of global goals, as agreed in the June 2013 Council Conclusions on the overarching post-2015 agenda and we welcome the adoption by UNGA of the outcome document of the Special Event to follow up efforts made towards achieving the Millennium Development Goals (MDGs) on 25 September.
- 2. In this context, the Council welcomes the Commission Communication "Beyond 2015: towards a comprehensive and integrated approach to financing poverty eradication and sustainable development" and the accompanying Accountability Report on Financing for Development 2013<sup>2</sup>.
- A. Towards a comprehensive and integrated approach to financing poverty eradication and sustainable development beyond 2015
- 3. In the light of the considerable global changes the world faces, the EU and its Member States call for a coherent and comprehensive international approach to financing beyond 2015, addressing all dimensions of sustainable development (economic, social and environmental), which should build on the Monterrey Consensus and the Doha Declaration on Financing for Development, and which should be fact based, forward looking and guided by the following principles of universal application:
  - a. Each country has the primary responsibility for its own development. At the same time, all countries need to take action to reach policy commitments, goals and targets, agreed under relevant international processes, including on global public goods and challenges, while keeping the flexibility to choose the most effective measures for that purpose.

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Doc. 11559/13.

Doc. 12434/13 and doc. 12440/13 + ADD 1 + ADD 2 + ADD 3.

- b. An enabling environment, sound and coherent policies, including stronger action on Policy Coherence for Development by all countries, as well as good governance, human rights and the rule of law are key in moving towards sustainable development, and finance should be seen in the context of other means of implementation and of actions that support progress on the delivery of a post-2015 framework.
- c. To obtain the best results, all financing sources (public and private, domestic and international) need to be mobilised and used strategically in a manner that maximises synergies and impact.
- d. International finance processes need to support synergies at national level between the various global goals, thereby ensuring that efforts and resources can contribute to several policy objectives at the same time and in a mutually reinforcing manner.
- e. All countries should contribute their fair share. In this context the EU and its Member States recognise the value of South-South and triangular cooperation and call for more harmonised practices among all development partners. The most concessional international public financial flows, notably grants, should be rebalanced towards those countries most in need, including those in situations of fragility.
- f. Mutual accountability and transparency of all actors at both national and global level as well as comprehensive monitoring of domestic and international financing is needed to ensure an effective use of resources and a greater focus on outcomes and results.
- 4. Building on these key elements, the EU and its Member States stand ready to contribute to the reflection on an integrated financial strategy framework which brings together different international financing discussions. It should merge the Rio+20 financing strand and the Financing for Development follow-up process, and also build on the outcome of the processes related to the post-2015 framework. In this context, the EU and its Member States support the work of the UN Intergovernmental Committee of Experts on Sustainable Development Financing in bringing together the views of all stakeholders and await its report as an important input to the international process. The coherence of thematic financing streams and negotiations (e.g. climate change, biodiversity and desertification) also needs to be ensured.

#### B. Continued EU action to support resource mobilisation

5. The EU and its Member States will step up efforts to support the achievement of the MDGs by 2015. In line with the comprehensive approach to supporting developing countries in mobilising financing from all available sources, instruments and mechanisms, the EU and its Member States reconfirm their existing commitments on financing for development. The EU and Member States recall the Council Conclusions on the United Nations Framework Convention on Climate Change<sup>3</sup> and remain committed to scaling up the mobilisation of climate finance in the context of meaningful mitigation actions and transparency of implementation, in order to contribute their share of the developed countries' goal to jointly mobilise USD 100 billion per year by 2020 from a wide variety of sources public and private, bilateral and multilateral, including alternative sources of finance; and they remain committed to preparing the ground for adopting by 2015 at the latest an ambitious single global legally-binding climate change agreement applicable to all. They reaffirm their resolve to contribute to the achievement of the Hyderabad commitments to double total biodiversity-related financial resource flows to developing countries by 2015, using as the reference level the average of annual biodiversity funding for the years 2006-2010, and at least to maintain this level until 2020 and include biodiversity in national prioritisation and planning. The EU and its Member States will also continue to support science, technology and innovation cooperation, as well as capacity building, including through its expertise.

#### Domestic public finance

6. Taking into account that domestic public resources already exceed international public finance twenty-fold in developing countries as a whole, although it remains weak in some of the poorest countries, the EU and its Member States remain committed to supporting increased domestic resource mobilisation and supporting the capacity of partner countries in the area of taxation. The EU and its Member States also recognise the work on domestic resource mobilisation that is carried out in international fora such as the G8 and G20. The EU and its Member States will continue to support good governance, including good financial governance, the fight against corruption, tax havens and illicit financial flows, and will increase its support for effective, efficient, transparent and sustainable tax policies and administration, including through providing its expertise and technical assistance. They also call for the gradual elimination of environmentally harmful subsidies.

<sup>&</sup>lt;sup>3</sup> Doc. 14714/13.

- 7. The EU and its Member States will continue to encourage the participation of all countries in international tax cooperation and to support regional tax administration cooperation frameworks. Given the significant role natural resource revenues can play in development, the EU and its Member States will further support the Extractive Industries Transparency Initiative (EITI) and encourage an efficient use of natural resources revenues. They will also implement international and internal EU and Member States' commitments on transparency and accountability. Some of these commitments have been incorporated into EU legislation, such as the EU Accounting and Transparency Directives<sup>4</sup>.
- 8. The EU and its Member States will continue to support existing debt relief initiatives and to promote responsible lending and borrowing practices and to support coordination, dialogue and transparency among stakeholders. They will also promote the participation of emerging creditors to debt discussions in different fora, including the Paris Club.

### International public finance

- 9. Official development assistance (ODA) remains an important and catalytic element in the overall financing available for developing countries, in particular to those most in need. A key priority for Member States is to respect the EU's formal undertaking to collectively commit 0.7% of GNI to official development assistance by 2015. The EU and its Member States reaffirm all their individual and collective ODA commitments, taking into account the exceptional budgetary circumstances.<sup>5</sup>
- 10. The Council underlines the importance of more effective development co-operation, the central role of the Busan Global Partnership and its commitment to implementing the Busan Outcome. The EU and its Member States are committed to strengthening the transparency of sustainable development finance and stress the need for a modernised and coherent reporting and monitoring system that fits post-2015 purposes. In that context, and in view of active involvement in discussions at the OECD/DAC, the EU and its Member States will continue to work together on external development finance measurement, including the role and framework of ODA.

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Directives 2013/34/EU of 26 June 2013 (OJEU L 182, 29.6.2013, p.19) and 2013/50/EU of 22 October 2013 (OJEU L 294, 6.11.2013, p.13).

As set out in the Council Conclusions of 29 May 2013: "Annual Report 2013 to the European Council on EU Development Aid Targets" (Doc. 9334/13).

#### Private finance

- 11. The private sector is the key driver of growth and jobs and has a central role to play in the transition to an inclusive green economy. The EU and its Member States stand ready to support developing countries that are undertaking ambitious economic transformations to create a secure and predictable environment for harnessing the potential for businesses, including fair and stable rules on taxes and regulations as well as efficient access to domestic and external markets, including access to inclusive finance. The EU and its Member States recognize the efforts of the UN Global Compact in mobilizing significant private sector action on sustainable development and will also urge companies to adhere to internationally-agreed corporate social and environmental responsibility and accountability principles and standards, including the ILO core labour standards and OECD guidelines.
- 12. The EU and its Member States are ready for new partnerships and cooperation arrangements with the private sector, in view of promoting private financial flows, including FDI that will improve economic, environmental and social sustainability.
- 13. The EU and its Member States will continue to use grants more strategically and effectively for leveraging public and private sector resources towards policy priorities, while fully taking into account debt sustainability and accountability and avoiding market disturbances and budgetary risks. The EU and its Member States will develop best practice on how, when and where such blended finance can have the greatest impact, notably through the EU Platform for Blending in External Cooperation.
- 14. Recognising the key importance of remittances for many developing countries, the EU and its Member States recall the G8 and G20 goal of reducing the average cost of transferring remittances from 10% to 5% by 2014 and reaffirm the need to ensure faster, easier and cheaper remittance transfer, to maximise the development impact of migration and mobility. They will also endevour to strengthen, extend and standardise the measurement of remittance flows.
- 15. The EU remains developing countries' largest trading partner and the market most open to them. The EU and its Member States have delivered on their commitments to increase Aid for Trade, helping developing countries to better harness the benefits of trade. Going forward, they will endeavour to improve coordination and effectivness of EU Aid for Trade and to align it with the development strategies of partner countries.

#### Mobilising the existing public and private resources better: Innovative financing

16. Taking into account that private finance is bigger than all public resources combined, the EU and its Member States will continue to support an enabling environment at domestic and international level for harnessing this potential, including through relevant EU investment facilities. The Council stresses the importance of better exploiting the significant potential of innovative public and private financing sources, mechanisms and instruments. Innovative approaches to financing can help generate new financing flows, help catalyse private investment and market financing, as well as maximising the impact of existing public and private funds. The Council take note of the work of the Leading Group on Innovative Financing for Development. The Council also calls for further exploration and implementation of innovative sources, mechanisms and instruments by all relevant stakeholders.

#### C. Next steps for the EU

17. The EU and its Member States look forward to constructive and open dialogue with all stakeholders on post-2015 financing and reporting. Building on this dialogue, they will further define and adapt, as necessary, the position of the EU and its Member States on financing and other means of implementation, including on policy coherence for development, tackling illicit financial flows, and develop synergies between funding streams."

#### Annual report on EU development policies in 2012

The Council adopted the following conclusions on the annual report 2013 on the European Union's Development and External Assistance Policies and their implementation in 2012:

- "1. The Council welcomes the Annual Report 2013 on the European Union's Development and External Assistance Policies and their implementation in 2012 as well as the efforts of the Commission and the EEAS to continuously improve the quality and user-friendliness of the report. The Council considers the Annual Report as a key contribution to strengthening accountability and transparency, and towards a results-oriented EU development policy and external assistance.
- 2. The Council recalls the importance of the new EU development policy framework set out in particular in the Council Conclusions of May 2012 on "Increasing the impact of EU Development Policy: an Agenda for Change". The Annual Report needs to demonstrate how key features of the Agenda for Change have been implemented, especially in terms of programming, and what results this has achieved on the promotion of human rights, democracy, the rule of law and good governance, as well as inclusive and sustainable growth. The Council also highlights the need to report on the work to provide at least 20% of EU aid to support social inclusion and human development, as well as on how the EU's development policies will contribute to the target set in the European Council Conclusions of February 2013 on the Multiannual Framework 2014-2020 to devote at least 20% of EU spending to strengthen energy security, building a low-carbon, resource efficient and climate resilient economy.
- 3. The Council invites the Commission and the EEAS to also further report in the next Annual Reports on the implementation and results of budget support, taking into account the Council Conclusions of May 2012 on "The Future Approach to EU Budget Support to Third Countries".
- 4. The Council notes the work made towards the implementation of a results framework for EU development cooperation and stresses in this context the need to report systematically on results. Further, the Council invites the Commission and the EEAS to report in sufficient detail on thematic programmes and projects financed through blending facilities.
- 5. The Council welcomes the effort made to respond to the recommendations contained in its Conclusions on the 2012 Annual Report, in particular concerning a more evidence-based approach to Policy Coherence for Development (PCD), better reporting on coordination, supporting transition countries, enhancing resilience in situations of fragility, as well as progress in the implementation of a rights-based approach to development. Furthermore, the Council underlines the significance of continued reporting on cooperation with civil society, local authorities and the private sector.

- 6. The Council appreciates the effort to strengthen reporting on the mainstreaming of cross-cutting issues and invites the Commission and the EEAS in future Annual Reports to focus more on gender equality, and where appropriate, illustrate progress achieved with concrete examples such as the implementation of the Gender Action Plan. The Council looks forward to reporting on the efforts to implement the New Deal for Engagement in Fragile States.
- 7. In addition, with only two years remaining until the Millennium Development Goal (MDG) target year of 2015, the Council underlines the need for continued reporting in the 2014 report on the EU's contribution to these efforts, as well as on the work to prepare a new post-2015 framework.
- 8. The Council also underlines the need for the Annual Report to report thoroughly on how the progress achieved compares with progress expected and targets set, as well as areas where EU development cooperation has encountered challenges. The analysis of lessons learned could be useful in future programming and implementation of development assistance.
- 9 The Council encourages the Commission and the EEAS to continue developing and refining its annual reporting, taking into account the Council Conclusions adopted on this year's report."

#### EU support for democratic governance

The Council adopted the following conclusions on the report from the Commission on EU support for democratic governance, with a focus on the governance initiative:

- "1. The Council welcomes the Report from the Commission on EU Support for Democratic Governance, with a focus on the Governance Initiative <sup>1</sup> and the presentation of lessons learned from the EU's work within the context of the Governance Initiative for the African, Caribbean and Pacific (ACP) countries and the Governance Facility for countries covered by the European Neighbourhood Policy.
- 2. The Council notes that the commitment, ownership and leadership of partner countries are vital in driving democratic governance and that country ownership calls for a tailor made approach and the involvement of all relevant domestic actors (CSOs, local authorities, national parliaments, private sector) in order to build stronger democratic processes and accountability systems. The EU's support should be based on a rights based approach, encompassing all human rights, and the principles of participation, non-discrimination, accountability and transparency.
- 3. The Council underlines the importance of a structured policy and political dialogue on governance issues, based on international human rights and governance frameworks, to identify the most appropriate reforms and support measures with commonly agreed clear and country specific indicators and benchmarks to measure results and performance. Notwithstanding the partner country's needs and the commitment of the EU to provide predictable funding, the Council notes that elements of an incentive based approach in programming can stimulate progress and results in democratic governance and should respond in a dynamic way to the level of commitment and progress with regards to human rights, democracy, the rule of law and good governance. The Council also notes that while financial incentives are not sufficient to trigger democratic reforms, an incentive-based approach works best when a critical mass of funding is available in order to generate significant impact and results, and where allocations form part of a broader strategy of EU engagement.
- 4. The Council, furthermore, stresses the importance of continued support for regional and continental governance initiatives such as the Africa Governance Architecture and the Africa Peer Review Mechanism (APRM) for strengthened ownership, transparency and accountability and notes that the local ownership of the APRM also crucially depends on the political and financial support provided by African participating states.

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- 5. The Council underlines that better use should be made of the wealth of experience the EU has accumulated in the area of democratic transition, including through the further promotion of knowledge and experience sharing, people-to-people contacts and the worldwide use, where appropriate, of instruments such as technical assistance and twinning.
- 6. The Council calls for strengthened joint analysis by the EU and Member States on issues relating to democratic governance support. This should inform the development of tailor-made assistance packages and further coordination, in particular in joint programming processes, as well as in the wider context of political and policy dialogues and in the implementation of the Strategic Framework and Action Plan for Human Rights and Democracy.<sup>2</sup>
- 7. The Council also believes that, in view of encouraging partner countries to initiate and accelerate reforms, future governance support should better incorporate monitoring and benchmarking, and that the impact of monitoring could be further increased by involving multiple stakeholders, including civil society, in the process.
- 8. The Council notes that special attention is needed in challenging environments where the government may lack legitimacy or capacity and where a greater partnership may need to be sought with non-governmental actors and local authorities. Such flexibility is often particularly important, among others in fragile and conflict-affected states. Inclusive politics and local ownership in such situations can be promoted by building on the principles of the New Deal for Engagement in Fragile States.
- 9. Looking forward, the Council underlines that support to democratic governance should remain a priority in EU development cooperation, in accordance with the Council Conclusions on "Increasing the Impact of EU Development Policy: an Agenda for Change" and in line with the continuous implementation of the Council Conclusions of November 2009 on Democracy Support in the EU's External Relations. Issues relating to democratic governance and the rule of law need to be properly addressed in the context of the work towards a new post-2015 framework as essential preconditions for poverty eradication and sustainable development, as well as important values and objectives in themselves.
- 10. The Council invites the Commission and the EEAS to regularly take stock and to report by 2015 to the Council on how the above principles are being applied in the context of dialogue and development assistance and how it can be ensured that that they are reflected in strategic decision-making and programming for further strengthening the EU's support for democratic governance."

<sup>4</sup> Doc. 16081/09

Doc. 11855/12

Doc. 9369/12