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Subject: Addressing inequality in partner countries
- Council conclusions (25 November 2019)

Delegations will find in the annex the Council conclusions on addressing inequality in partner countries, as adopted by the Council at its 3732nd meeting held on 25 November 2019.

Addressing inequality in partner countries**Council conclusions**

1. The Council notes with concern that many partner countries remain confronted with levels of inequality that are higher than they were 30 years ago, and which are a threat to sustainable development and to the implementation of the 2030 Agenda. The Council acknowledges the multidimensional nature of inequality, which encompasses economic, social, political and environmental aspects and requires urgent attention.
2. The Council notes that inequality is a major brake on the eradication of poverty and sustainable economic growth. It can threaten democracy, social cohesion and inclusion, resilience and stability. Inequality can also exacerbate environmental degradation, climate change as well as forced displacement and may contribute to irregular migration. The Council is concerned that climate change and environmental degradation threaten to undermine the ability of countries to achieve sustainable development, manage natural resources sustainably and eradicate poverty and inequality in its various forms.
3. The Council recalls that the 2030 Agenda is an opportunity for positive change. The Council further recalls SDG 10 "Reducing inequality within and among countries" and the fact that tackling inequality is stressed throughout the 2030 Agenda, as it can accelerate progress towards many of the other goals, including SDG 1 "End poverty in all its forms everywhere" and is essential in order to fulfil the commitment to leave no one behind and seek to reach the furthest behind first.
4. The Council reaffirms that tackling inequality is an internal and external priority for the European Union and that equality and solidarity are among the values and principles guiding the European Union and its external action, as set out in the Treaties. The Global Strategy for the European Union's Foreign and Security policy recalls the commitment to fight poverty and inequality, and the 2017 European Consensus on Development makes it a priority of EU development policy to eradicate poverty and to tackle discrimination and inequality.

5. The Council recalls its conclusions of 8 July 2019 on "Supporting the Sustainable Development Goals across the world"¹, which welcome in particular the enhanced efforts made by the EU and the Member States to reach those in extreme poverty and to tackle all forms of inequality, in line with the principle of leaving no one behind and aiming to prevent that inequality is transmitted from one generation to the next.
6. The Council welcomes the Commission Staff Working Document "Implementation of the New European Consensus on Development - Addressing inequality in partner countries" as a valuable contribution to reflections on how to further integrate the reduction of inequality in EU development cooperation, in line with the Consensus, which calls on the EU and its Member States to strengthen their tools and approaches to make them more effective in addressing inequality and to mainstream the reduction of inequality in their development cooperation.
7. The Council also welcomes the July 2019 meeting of the UN High-level Political Forum on Sustainable Development, at which SDG 10 was among the goals under review, and takes note of the findings of the 2019 UN Sustainable Development Goals Report, which finds that increasing inequality among and within countries is a persistent cause of concern. The Council furthermore takes note of the recently published Global Sustainable Development Report, which highlights that if inequality is not addressed in international development, the SDGs will not be achieved.
8. The Council reaffirms that human rights, good governance and the rule of law are key to empowering and supporting people in vulnerable situations and form the best foundation for peaceful and inclusive societies. The Council also recognises the important role of civil society as a driver of change. The Council underlines the vital importance of enabling democratic processes, which also have the capacity to prevent and manage conflicts and enable stable and peaceful societies.

¹ 10997/19

9. Discrimination as a cause of inequality must be addressed comprehensively and in all its forms covering inter alia ethnicity, gender, age, disability, religion or beliefs, sexual orientation and gender identity. Discriminatory laws and norms should also be addressed. To achieve gender equality, women's and girls' rights and empowerment should be advanced to reach SDG 5.
10. The Council reaffirms the importance of policy coherence for development (PCD) in working to achieve the SDGs and reduce inequality. The Council also recognises the added value of PCD as a substantial contribution to the broader objective of policy coherence for sustainable development. Strong coordination mechanisms and tools, such as the Commission's Better Regulation policy, remain essential at EU and Member State levels to scrutinise policies and effectively apply PCD in the context of EU's implementation of the 2030 Agenda and the reduction of inequality. Enhanced dialogue with different stakeholders, such as local and regional authorities, civil society, private sector and international organisations, should also be ensured.
11. The Council takes note of the good progress made by EU development cooperation in addressing drivers of inequality in partner countries through policies and interventions in relevant areas.
12. The Council stresses the need to further address drivers of inequality in partner countries in EU and Member States development cooperation, in particular by increasing the impact of existing policies and actions as well as developing new approaches, including by:
 - a) strengthening the implementation of a rights-based approach to development cooperation;
 - b) promoting gender equality by strengthening the implementation of the EU Gender Action Plan (2016-2020) as well as other relevant EU policies;

- c) promoting democracy, human rights and the rule of law by strengthening implementation of the EU Action Plan on Human Rights and Democracy (2015-2019) including the commitment to supporting responsive, participatory and representative decision-making and increasing focus on economic, social and cultural rights in its external policy;
- d) investing more in human development, particularly in health and inclusive and accessible quality education for all, including basic education, vocational education and training as well as higher education, while promoting cross-sectoral approaches to maximise the efficiency of these investments;
- e) promoting inclusive and sustainable growth patterns that benefit the bottom 40 % of the income distribution through fiscal and labour market policies, including wage policies and domestic resource mobilisation, while also combating existing inequalities;
- f) supporting sustainable and universal social protection systems, providing universal access to basic services and supporting innovative social practices;
- g) supporting the creation of decent jobs in particular for young people and for those living in poverty and working in the informal sector, as well as full employment for women;
- h) promoting sustainable investment and cooperation with the private sector, including micro, small and medium-sized enterprises; encouraging the private sector to contribute to the implementation of SDGs through inclusive market-based partnerships, investments and business models in line with internationally agreed principles on Responsible Business Conduct;
- i) strengthening action to mitigate climate change, increase the capacity of communities to adapt to its effects, build resilience and protect biodiversity as well as the sustainable management of natural resources;
- j) harnessing digitalisation, connectivity and technological change as well as investing in infrastructure, scientific research and innovation in a way that enhances inclusion.

13. The Council considers that the EU and its Member States should mainstream the reduction of inequality in the programme and project cycle by further integrating inequality into country situation analyses and the development of country assistance programmes, including through ex-ante assessment of inequality impacts and inequality-related indicators in programmes and projects where feasible.
14. The Council stresses the importance of the EU and Member States to continue to work better together e.g. pursuing joint approaches at country level where relevant, to reduce inequality in partner countries. The Council also underlines the importance of strengthened partnerships with international partners, the private sector, academia, civil society and other relevant stakeholders. In this context, the Council acknowledges the G7 initiative "Gender at the Center" in tackling inequalities between women and men.
15. The Council stresses the need for tailored engagement to address the specific challenges and unique inequality dynamics of partner countries. In this regard, the Council notes that with low-income countries, which face both high levels of poverty and inequality, official development assistance continues to play an important role in the design and implementation of inequality reduction policies. Engagement on inequality policies with middle-income countries, many of which still have high numbers of people living in poverty and which often face very high levels of inequality and social exclusion, includes in particular tools such as policy dialogue, exchange of knowledge and expertise as well as technical assistance, and in this regard the Council also recalls the engagement with more advanced developing countries in line with the Consensus.
16. The Council further stresses the need to improve data and knowledge, including by collecting disaggregated data, including with regard to women, children and young people, as well as persons with disabilities and other people living in marginalised communities and vulnerable situations, and to improve related institutional capacity.
17. The Council considers that the EU and Member States should accelerate efforts to implement EU measures to support the reduction of inequality in partner countries, and reflect these considerations in their respective development cooperation policies.