COOPERATION AGREEMENT

between the European Community and the Republic of India on partnership and development

THE COUNCIL OF THE EUROPEAN UNION,
on the one part,

THE GOVERNMENT OF INDIA,
on the other part,

CONSIDERING the excellent relations and traditional links of friendship between the European Community and its Member States, hereinafter referred to as ‘the Community’, and the Republic of India, hereinafter referred to as ‘India’;

RECOGNIZING the importance of strengthening the links and enhancing the partnership between the Community and India;

HAVING REGARD to the foundations for close cooperation between India and the Community laid by the first Agreement between India and the Community signed on 17 December 1973 and later developed by the Agreement for Commercial and Economic Cooperation signed on 23 June 1981;

NOTING with satisfaction the achievements resulting from these Agreements;

REAFFIRMING the importance they attach to the principles of the United Nations Charter and the respect of democratic principles and human rights;

INSPIRED by their common will to consolidate, deepen and diversify their relations in areas of mutual-interest on the basis of equality, non-discrimination and mutual benefit;

RECOGNIZING the positive consequences of the process of economic reforms for modernization of the economy undertaking in India for enhancing commercial and economic relations between India and the Community;

DESIROUS of creating favourable conditions for a substantial development and diversification of trade and industry between the Community and India, within the framework of the more dynamic relationship which both India and the Community desire, which will further, in their mutual interest and consistently with their developmental needs, investment flows, commercial and economic cooperation in areas of mutual interest including science and technology, and foster cultural cooperation;

HAVING REGARD TO the need to support Indian efforts for economic development especially improving the living conditions of the poor;

CONSIDERING the importance attached by the Community and India to the protection of the environment on a global and on a local level and to the sustainable use of natural resources and recognizing the linkage between the environment and development;

TAKING INTO ACCOUNT their membership of the General Agreement on Tariffs and Trade (GATT), the importance of its principles and of the need to uphold and reinforce the rules which promote free and unhindered trade in a stable, transparent and non-discriminatory manner;

BELIEVING that relations between them have developed beyond the scope of the Agreement concluded in 1981;

HAVE DECIDED, as Contracting Parties, to conclude this Agreement and to this end have designated as their plenipotentiaries:
THE COUNCIL OF THE EUROPEAN UNION:

Willy CLAES,
Minister for External Relations of the Kingdom of Belgium,
President-in-Office of the Council of the European Union,

Manuel MARIN,
Member of the Commission of the European Communities,

THE GOVERNMENT OF INDIA:

Pranab MUKHERJEE,
Minister for Trade,

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1

Basis and objectives

1. Respect for human rights and democratic principles is the basis for the cooperation between the Contracting Parties and for the provisions of this Agreement, and it constitutes an essential element of the Agreement.

2. The principal objective of this Agreement is to enhance and develop, through dialogue and partnership, the various aspects of cooperation between the Contracting Parties in order to achieve a closer and upgraded relationship.

This cooperation will focus in particular on:

— further development and diversification of trade and investment in their mutual interest, taking into account their respective economic situations;

— facilitation of better mutual understanding and strengthening of ties between the two regions in respect of technical, economic and cultural matters;

— building up of India’s economic capability to interact more effectively with the Community;

— acceleration of the pace of India’s economic development, supporting India’s efforts in building up its economic capabilities, by way of provision of resources and technical assistance by the Community within the framework of its cooperation policies and regulations, in particular to improve the living conditions of the poorer sections of the population;

— development in their mutual interest of existing and new forms of economic cooperation directed at promoting and facilitating exchanges and connections between their business communities, taking into account the implementation of Indian economic reforms and opportunities for the creation of a suitable environment for investment;

— support of environmental protection and sustainable management of natural resources.

3. The Contracting Parties acknowledge the value in the light of the objectives of this Agreement of consulting each other on international, economic and commercial issues of mutual interest.

Article 2

Most-favoured-nation treatment

The Community and India shall grant each other most-favoured-nation treatment in their trade in accordance with the provisions of the General Agreement on Tariffs and Trade.

Article 3

Trade and commercial cooperation

1. In the interest of strengthening new relations in a dynamic and complementary way, thereby providing mutual benefits, the Contracting Parties undertake to develop and diversify their commercial exchanges and to improve market access, to the highest possible degree, in a manner compatible with their economic situations.

2. The Contracting Parties are committed to a policy for improving the terms of access for their products to each other’s markets. In this context, they shall grant each other the highest degree of liberalization of imports and exports which they generally apply to third countries and they agree to examine ways and means of eliminating barriers to trade between them, notably non-tariff barriers, taking account of the work already done in this connection by international organizations.
3. The Contracting Parties agree to promote the exchange of information about mutually beneficial market opportunities and to hold consultations in a constructive spirit on the issues of tariff, non-tariff, services, health, safety or environmental measures, and technical requirements.

4. The Contracting Parties agree to improve cooperation in customs matters between the respective authorities, especially in professional training, the simplification and harmonization of customs procedures, and the prevention, investigation and suppression of infractions of customs regulations.

5. The Contracting Parties also undertake to give consideration, each in accordance with its laws, to exempting from duty, tax and other charges, goods admitted temporarily to their territories for subsequent re-export unaltered or for goods which re-enter their territories after processing in the other Contracting Party which is not sufficient for the goods to be treated as originating from the territory of that Contracting Party.

6.1. The Contracting Parties agree to consult each other on any dispute which may arise in connection with trade. If the Community or India request such consultation, it shall take place at the earliest opportunity. The Contracting Party making the request shall provide the other Party with all information necessary for a detailed examination of the situation. Attempts shall be made through such consultations to resolve trade disputes as rapidly as possible.

6.2. In respect of anti-dumping or subsidies investigations, each Contracting Party agrees to examine submissions made by the other Contracting Party and to inform the interested parties concerned of the essential facts and considerations on the basis of which a decision is to be based. Before definitive anti-dumping and countervailing duties are imposed, the Contracting Parties shall do their utmost to bring about a constructive solution to the problem.

6.3. Paragraphs 6.1 and 6.2. shall be without prejudice to the Contracting Parties’ rights and obligations under the GATT, which shall prevail in the event of any inconsistency.

Article 4

Economic cooperation

1. The Contracting Parties undertake, in their mutual interests and in accordance with their respective policies and objectives, to foster economic cooperation of the widest possible scope in order to contribute to the expansion of their respective economies and their developmental needs.

2. The Contracting Parties agree that economic cooperation will involve three broad fields of action:

(a) improving the economic environment in India by facilitating access to Community know-how and technology;
(b) facilitating contacts between economic operators and other measures designed to promote commercial exchanges and investments;
(c) reinforcing mutual understanding of their respective economic, social and cultural environment as a basis for effective cooperation.

3. In the broad fields described above, the aims shall be in particular to:

— improve the economic environment and business climate,
— cooperate in the protection of the environment and natural resources,
— cooperate in the field of energy and energy efficiency,
— cooperate in the field of telecommunications, information technology, and related matters,
— cooperate in all aspects of industrial standards and intellectual property,
— encourage technology transfer in other sectors of mutual benefit,
— exchange information on monetary matters and the macro-economic environment,
— reinforce and diversify economic links between them,
— encourage the two-way flow of Community-Indian trade and investments,
— activate industrial cooperation including agro-industry,
— promote cooperation in order to develop agriculture, fisheries, mining, transport and communication, health, banking and insurance, tourism and other services,
— encourage close cooperation between the private sectors of both regions,
— promote cooperation in industrial and urban ecology,
— promote support of undertaking by means of trade promotion and market development,
— promote scientific and technological development,
— promote training and specific training programmes,
— cooperate in the fields of information and culture.

Cooperation in a number of the abovementioned sectors is set out in more detail in Articles 5 to 15 included which follow.

4. The Contracting Parties shall consider in particular the following means to achieve these aims:

— exchange of information and ideas,
— preparation of studies,
— provision of technical assistance,
— training programmes,
— establishment of links between research and training centres, specialized agencies and business organizations,
— promotion of investment and joint ventures,
— institutional development of public and private agencies and administrations,
— access to each other’s existing data bases and creation of new ones,
— workshops and seminars,
— exchanges of experts.

5. The Contracting Parties will determine together and to their mutual advantage the areas and priorities to be covered by concrete actions of economic cooperation, in conformity with their long-term objectives. In view of the importance of long-term enhancement of cooperation between the Community and India, no sector shall be excluded a priori from the field of economic cooperation.

Article 5

Industry and services

1. The Contracting Parties shall:

(a) identify sectors of industry on which cooperation will centre and the means to promote industrial cooperation with a heavy technological bias;

(b) promote the expansion and diversification of India’s production base in the industrial and service sectors, including modernization and reform of the public sector, directing their cooperation activities at small and medium-sized enterprises in particular and taking steps to facilitate their access to sources of capital, markets and technology directed especially towards promoting trade between the Contracting Parties as well as at third country markets.

2. The Contracting Parties shall facilitate, within the relevant existing rules, access to available information and capital facilities in order to encourage projects and operations promoting cooperation between firms, such as joint ventures, sub-contracting, transfer of technology, licences, applied research and franchises.

Article 6

Private sector

The Contracting Parties agree to promote the involvement of the private sector in their cooperation programmes in order to strengthen economic and industrial cooperation between themselves.

The Contracting Parties shall take measures to:

(a) encourage the private sectors of both geographical regions to find effective ways of joint consultations, results of which could then be transmitted to the Joint Commission, referred to in Article 22 of this Agreement, for the required follow-up action;

(b) involve the private sectors of the Contracting Parties in activities developed within the framework of this Agreement.

Article 7

Energy

The Contracting Parties recognize the importance of the energy sector to economic and social development and undertake to step up cooperation relating particularly to the generation, saving and efficient use of energy. Such improved cooperation will include planning concerning energy, non-conventional energy including solar energy and the consideration of its environmental implications.

Article 8

Telecommunications, electronics, and information and satellite technologies

The Contracting Parties recognize the importance of cooperation in the fields of telecommunications, electronics, and information technologies which contribute to increased economic development and trade. Such cooperation may include:

(a) standardization, testing and certification;

(b) earth and space-based telecommunications;

(c) electronics and micro-electronics;

(d) information and automation;

(e) high definition television;

(f) research and development in new information technologies and telecommunications;

(g) promotion of investment and joint investment.

Article 9

Standards

Without prejudice to their international obligations, within the scope of their responsibilities and in accordance with their laws, the Contracting Parties shall take steps to reduce differences in respect of metrology, standardization and certification by promoting the use of compatible systems of standards and certification. To that end, they shall encourage the following in particular:
— establishing links between experts in order to facilitate exchanges of information and studies on metrology, standards, and quality control, promotion and certification,

— encouraging interchange and contact between bodies and institutions specializing in these fields including consultations to ensure that standards do not constitute a barrier to trade,

— promoting measures aimed at achieving mutual recognition of systems of quality certification,

— developing technical assistance in connection with metrology, standards and certification, and in connection with quality promotion programmes,

— providing technical assistance for institutional development to upgrade standards and quality certification organizations as well as for the setting up of a national accreditation scheme for conformity assessment in India.

Article 10

Intellectual property

The Contracting Parties undertake to ensure as far as their laws, regulations and policies allow that suitable and effective protection is provided for intellectual property rights, including patents, trade or service marks, copyright and similar rights, geographical designations (including marks of origin), industrial designs and integrated circuit topographies, reinforcing this protection where desirable. They also undertake, wherever possible, to facilitate access to the data bases of intellectual property organizations.

Article 11

Investment

1. The Contracting Parties shall encourage an increase in mutually beneficial investment by establishing a favourable climate for private investments including better conditions for the transfer of capital and exchange of information on investment opportunities.

2. Taking into account work done in this area in relevant international fora, and recognizing in particular the recent signing by India of the Multilateral Investments Guarantee Agency (MIGA) Convention, the Contracting Parties agree to support the promotion and protection of investments between the Member States of the Community and India on the basis of the principles of non-discrimination and reciprocity.

3. The Contracting Parties undertake to encourage cooperation between their respective financial institutions.

Article 12

Agriculture and fisheries

The Contracting Parties agree to promote cooperation in agriculture and fisheries, including horticulture and food processing. To this end, they undertake to examine:

(a) the opportunities for increasing trade in agricultural and fishery products;

(b) health, plant and animal health, environmental measures and any obstacles to trade which they might engender;

(c) the linkage between agriculture and the rural environment;

(d) agricultural and fishery research.

Article 13

Tourism

The Contracting Parties agree to contribute to cooperation on tourism, to be achieved through specific measures, including:

(a) interchange of information and the carrying out of studies;

(b) training programmes;

(c) promotion of investment and joint ventures.

Article 14

Science and technology

1. The Contracting Parties will, in accordance with their mutual interest and aims of their development strategy in this area, promote scientific and technological cooperation including in high-level fields, e.g. life-sciences, bio-technology, new materials, and geo and marine sciences, with a view to:

(a) fostering the transfer of know-how and stimulating innovation;

(b) disseminating information and expertise in science and technology;

(c) opening up opportunities for future economic, industrial and trade cooperation.

This will be implemented through:

(a) joint research projects between the Parties’ research centres and other appropriate institutions;

(b) exchange and trading of scientists and researchers, particularly promoting the establishment of permanent links between the scientific and technical communities of the Parties;

(c) exchange of scientific information.

2. The Contracting Parties undertake to establish appropriate procedures to facilitate the greatest possible degree of participation by their scientists and research centres in the abovementioned cooperation.
**Article 15**

**Information and culture**

The Contracting Parties will cooperate in the fields of information and culture, both to create better mutual understanding and to strengthen cultural ties between the two regions. Such cooperation may include:

(a) exchange of information on matters of cultural interest;
(b) preparatory studies and technical assistance in the preservation of cultural heritage;
(c) cooperation in the field of media and audio-visual documentation;
(d) organizing cultural events and exchanges.

**Article 16**

**Development cooperation**

1. The Community recognizes India's need for development assistance and is prepared to strengthen its cooperation and enhance its efficiency in order to contribute to India's own efforts in achieving sustainable economic development and social progress of its people through concrete projects and programmes. Community support will be in accordance with Community policies, regulations and limits of the financial means available for cooperation and be in accordance with an elaborated development strategy.

2. Projects and programmes will be targeted towards the poorer sections of the population. Particular attention will be given to rural development with participation of the groups to be targeted and, where appropriate, the involvement of qualified non-governmental organizations. Cooperation in this area will also cover the promotion of employment in rural towns, and of the role of women in development, with appropriate emphasis on their education and family welfare.

3. Public health, especially in the form of primary health care including control of both communicable and non-communicable diseases will also be covered. The aim will be to increase the quality of health care in India of the most disadvantaged sections of the population both in urban and in rural areas.

4. The cooperation will concentrate on mutually agreed priorities and will pursue project and programme efficiency, sustainability and respect for the environment.

**Article 17**

**Environment**

1. The Contracting Parties recognize the need to take account of environmental protection as an integral part of economic and development cooperation. Moreover, they underline the importance of environmental issues and their will to establish cooperation in protecting and improving the environment with particular emphasis on water, soil and air pollution, erosion, deforestation and sustainable management of natural resources, taking into account the work done in international fora.

Particular attention will be paid to:

(a) the sustainable management of forest eco-systems;
(b) protection and conservation of natural forests;
(c) the strengthening of forestry institutes;
(d) the finding of practical solutions to rural energy problems;
(e) prevention of industrial pollution;
(f) protection of the urban environment.

2. Cooperation in this area will centre on:

(a) reinforcing and improving environmental protection institutions;
(b) developing legislation and upgrading standards;
(c) research, training and information;
(d) executing studies and pilot programmes and providing technical assistance.

**Article 18**

**Human resource development**

The Contracting Parties recognize the importance of human resource development in improving economic development and the living conditions of the disadvantaged sections of the population. They agree that human resource development should constitute an integral part of both economic and development cooperation.

In their mutual interest, particular attention should be paid to promoting cooperation between Community and Indian higher education and training institutes.

**Article 19**

**Drug abuse control**

1. The Contracting Parties affirm their resolve, in conformity with their respective competences, to increase the efficiency of policies and measures, to counter the supply and distribution of narcotics and psychotropic substances as well as preventing and reducing drug abuse, taking into account work done in this connection by international bodies.

2. Cooperation between the Parties shall comprise the following:

(a) training, education, health promotion and rehabilitation of addicts, including projects for the reintegration of addicts into work and social environments;
(b) measures to encourage alternative economic opportunities;
(c) technical, financial and administrative assistance in the monitoring of precursors trade, prevention, treatment and reduction of drug abuse;
(d) exchange of all relevant information, including that relating to money laundering.
Article 20

South-south and regional cooperation

The Contracting Parties recognize their mutual interest in furthering economic and trade relations with other developing countries within a concept of regional and south-south cooperation.

Article 21

Resources for undertaking cooperation

The Contracting Parties will, within the limits of their available financial means and within the framework of their respective procedures and instruments, make available funds to facilitate the achievement of the aims set out in this Agreement especially as concerns economic cooperation.

Concerning development aid, and within the framework of its programme in favour of Asian and Latin American (ALA) countries, the Community will support India's development programmes, through direct concessional transfers, as well as through institutional and other sources of finance in accordance with the rules and practices of such Community institutions.

Article 22

Joint Commission

1. The Contracting Parties agree to retain the Joint Commission set up under Article 10 of the 1981 Agreement for Commercial and Economic Cooperation.

2. The Joint Commission is in particular required to:
   (a) ensure the proper functioning and implementation of the Agreement;
   (b) make suitable recommendations for promoting the objectives of the Agreement;
   (c) establish priorities in relation to the aims of the Agreement;
   (d) examine ways and means of enhancing the partnership and development cooperation in the areas covered by the Agreement.

The Joint Commission shall be composed of representatives of both sides, at an appropriately high level. The Joint Commission shall normally meet every year, alternately in Brussels and New Delhi, on a date fixed by mutual agreement. Extraordinary meetings may be convened by agreement between the Contracting Parties.

The Joint Commission may set up specialized sub-groups to assist in the performance of its tasks and to coordinate the formulation and implementation of projects and programmes within the framework of the Agreement.

The agenda for meetings of the Joint Commission shall be determined by agreement between the Contracting Parties.

The Contracting Parties agree that it shall also be the task of the Joint Commission to ensure the proper functioning of any sectoral agreements concluded or which may be concluded between the Community and India.

Article 23

Consultations

The Contracting Parties shall hold friendly consultations in the fields covered by the Agreement if any problem arises in the intervals between the meetings of the Joint Commission. These shall be dealt with by the specialized sub-groups according to their responsibilities or be the subject of ad hoc consultations.

Article 24

Future developments

1. The Contracting Parties may, by mutual consent, expand this Agreement in order to enhance the level of cooperation and add to it by means of agreements on specific sectors or activities.

2. Within the framework of this Agreement, either of the Contracting Parties may put forward suggestions for expanding the scope of the cooperation, taking into account the experience gained in its application.

Article 25

Other agreements

Without prejudice to the relevant provisions of the Treaties establishing the European Communities, neither this Agreement nor any action taken thereunder shall in any way affect the powers of the Member States of the Communities to undertake bilateral activities with India in the framework of economic cooperation or to conclude, where appropriate, new economic cooperation agreements with India.

Article 26

Facilities

To facilitate cooperation within the framework of this Agreement, the Indian authorities will grant to Community officials and experts the guarantees and facilities necessary for the performance of their functions. The detailed provisions will be set out by way of a separate Exchange of Letters.

Article 27

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in the Treaty and, on the other, to the territory of the Republic of India.
Article 28

Annex

The Annex attached to this Agreement shall form an integral part of the Agreement.

Article 29

Entry into force and renewal

This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose. Upon entry into force, it shall replace the Cooperation Agreements signed on 17 December 1973 and 23 June 1981.

This Agreement is concluded for a period of five years. It shall be automatically renewed on a yearly basis unless one of the Contracting Parties denounces it six months before its expiry date.

Article 30

Authentic texts

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish and Hindi languages, each text being equally authentic.
En fe de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Acuerdo.

Til bekræftelse heraf har undertygnede befaligmægtigede underskrevet denne aftale.

Zu Urkunde dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

Σε πίστωση των ανωτέρω, οι υπογράφοντες πληρεξούσιοι ἔδεαν την υπογραφή τους στην παρούσα συμφωνία.

In witness whereof the undersigned Plenipotentiaries have signed this Agreement.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

In fede di che, i plenipotenziali sottoscritti hanno apposto le proprie firme in calce al presente accordo.

Ten blijk waarvan de ondergetekende gevorderden hun handtekening onder deze Overeenkomst hebben gesteld.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente acordo.

साक्ष्य के तौर पर इस करार पर निम्नलिखित पूर्णधिकारियों द्वारा हस्ताक्षर किये गए हैं।

Hecho en Bruselas, el veinte de diciembre de mil novecientos noventa y tres.

Udfærdiget i Bruxelles den tyvende december nitten hundrede og treoghalvfems.

Geschehen zu Brüssel am zwanzigsten Dezember neunzehnhundertdreihundertneunzig.

'Εγινε στις Βρυξέλλες, στις είκοσι Δεκεμβρίου χίλια εννιακόσια ενενήντα τρία.

Done at Brussels on the twentieth day of December in the year one thousand nine hundred and ninety-three.

Fait à Bruxelles, le vingt décembre mil neuf cent quatre-vingt-treize.

Fatto a Bruxelles, addì venti dicembre millenovecentonovantatre.

Gedaan te Brussel, de twintigste december negentiennederland driënnegentig.

Feito em Bruxelas, em vinte de Dezembro de mil novecentos e noventa e três.

विंबर मासका बीसवाँ दिन, सात एक हज़ार नौ सी और तिरावटे को ब्रैज़लमें किये गये।
Por el Consejo de la Unión Europea
For Rådet for Den Europæiske Union
Für den Rat der Europäischen Union
Για το Συμβούλιο της Ευρωπαϊκής Ένωσης
For the Council of the European Union
Pour le Conseil de l'Union européenne
Per il Consiglio dell'Unione europea
Voor de Raad van de Europese Unie
Pelo Conselho da União Europeia

पुरोपीय संघ परिषद
के लिए

Por el Gobierno de la India
For regeringen for Indien
Für die Regierung Indiens
Για την κυβέρνηση της Ινδιας
For the Government of India
Pour le gouvernement de l'Inde
Per il governo dell'India
Voor de Regering van India
Pelo Governo da Índia

कृप्या भारत सरकार
ANNEX

Declaration of the Community concerning tariff adjustments

The Community reaffirms its declaration annexed to the Cooperation Agreement signed on 23 June 1981 on the Generalized Scheme of Preferences (GSP) autonomously put into force by the European Economic Community on 1 July 1971 on the basis of Resolution 21 (II) of the second United Nations Conference on Trade and Development held in 1968.

The Community also undertakes to examine proposals or issues related to origin rules raised by India which aim at enabling India to make best use of the opportunities afforded by the system.

The Community is also willing to organize workshops in India for public and private users of the system with a view to ensuring maximum use of it.

Declarations of the Community and India

In the course of the negotiations on the Cooperation Agreement between the European Community and the Republic of India on Partnership and Development, the Community declared that subject to the provisions of Article 25 of the Agreement, the provisions of the Agreement shall replace provisions of agreements concluded between Member States of the Community and India where such agreements are either incompatible with or identical to the provisions of the Agreement.

Further, the Community confirmed its declaration made at the occasion of the conclusion of the Cooperation Agreement signed on 23 June 1981:

(a) that it is not its intention to withdraw the jute and coir products, which are presently covered at zero duty in the Generalized Scheme of Preferences which was autonomously put into force by the Community on 1 July 1971 on the basis of Resolution 21 (II) of the second United Nations Conference on Trade and Development held in 1968, and that is is not its intention to withdraw them from GSP in the foreseeable future;

(b) that it is prepared, in the course of its endeavours to improve the system of generalized preferences to take into account the interests of India in the extension and strengthening of its trade relations with the Community.

India took note of the declarations by the Community.

A DECENT LIFE FOR ALL:

Ending poverty and giving the world a sustainable future

A DECENT LIFE FOR ALL:
Ending poverty and giving the world a sustainable future

1. INTRODUCTION

Two of the most pressing challenges facing the world are eradicating poverty and ensuring that prosperity and well-being are sustainable. Around 1.3 billion people still live in extreme income poverty and the human development needs of many more are still not met. Two-thirds of the services provided by nature – including fertile land, clean water and air – are in decline and climate change and biodiversity loss are close to the limits beyond which there are irreversible effects on human society and the natural environment.

These challenges are universal and inter-related and need to be addressed together by all countries. It is not sufficient to address the challenges separately – a unified policy framework is needed. Such an overarching policy framework is needed to mark out a path from poverty towards prosperity and well-being, for all people and all countries, with progress remaining within planetary boundaries. It should also be closely related to issues relating to governance, human rights and peace and security issues, which are enabling conditions for progress. It is estimated that 1.5 billion people are living in countries experiencing significant political conflict, armed violence, insecurity or fragility.

In autumn 2013, a UN special event will take stock of the efforts made towards achieving the Millennium Development Goals (MDGs), discuss ways to accelerate progress until 2015 and start exchanging on what could follow after the MDG target year of 2015. In addition, the commitments made at the Rio+20 Conference in June 2012 need to be implemented, including through actions towards an inclusive green economy. Furthermore, it will be necessary to build further on this progress through the Open Working Group that was established in Rio. All of these inputs will provide input for the development of a post-2015 overarching framework.

This Communication proposes a common EU approach to these issues. To do this, it first identifies the main global challenges and opportunities. It then turns to evaluate the success of global poverty eradication agenda and the experience of the MDGs, as well as outlining some of the key steps towards sustainable development as agreed in Rio+20, and outlining key actions. It then describes the challenges and elements for a future framework that can be drawn from the experience of the MDGs and the work stemming from Rio+20, in particular the elaboration of Sustainable Development Goals (SDGs), and indicates how these can be brought together within relevant UN processes.

Based on these considerations, it proposes principles for an overarching framework for post-2015 which would provide a coherent and comprehensive response to the universal challenges of poverty eradication and sustainable development in its three dimensions, thereby ensuring a Decent Life for All by 2030.
2. **NEW GLOBAL CONTEXT, NEW CHALLENGES, NEW OPPORTUNITIES**

The world has undergone enormous change over recent years, including major shifts in the global economic and political balance, increased global trade, climate change and depletion of natural resources, technological change, economic and financial crises, increased consumption and price volatility of food and energy consumption, population changes and migration, violence and armed conflict and natural and man-made disasters, and increased inequalities. New actors, including private and other non-governmental players, have arisen in the global arena.

While developed and emerging economies account for most of global GDP, the latter have now become the key drivers of global growth and already have a significant impact on the world economy. Trends suggest that the balance is expected to shift further; by 2025, global economic growth should predominantly be generated in emerging economies, with six countries expected to collectively account for more than half of all global growth.

Unemployment remains a worldwide challenge. Some 200 million people are out of a job, among them 75 million young people. Rates of female participation in the labour market often remain low, while social services remain limited. Furthermore, some 621 million young people worldwide are not in school or training, not employed and not looking for work, risking a permanent exclusion from the labour market. Undeclared work and the fundamentals for decent work, including rights at work and social dialogue, are problems in many countries. Most poor people in developing countries are engaged in small-scale farming or are self-employed. Many poor people in these countries are working in unsafe conditions and without the protection of their basic rights. Only 20% of the world population has access to adequate social protection.

At the same time, inequalities within countries have increased in most parts of the world. The majority of the poor now live in middle income countries, in spite of their fast growth. Achieving poverty eradication in such countries appears to be one of the major challenges. However, longer term projections indicate that by 2050 the locus of poverty might again be concentrated in the poorest and most fragile countries.

More than 1.5 billion people live in countries affected by violent conflict. Violence destroys lives and livelihoods and often affects women and people in vulnerable situations, such as children and people with disabilities. The gap between fragile, violence-affected countries and other developing countries is widening. In April 2011, no low-income fragile or conflict-affected country had achieved a single MDG and few are expected to meet any of the targets by 2015. Poor governance, including a lack of democracy, rule of law and respect for human rights, is currently hampering efforts towards poverty eradication and sustainable development.

In addition, there is overwhelming scientific evidence and consensus that the unsustainable use of the natural resources is one of the greatest long term threats to humankind. The effects of environmental degradation and climate change are already being felt and threaten to undo much of the progress already made in eradicating poverty, and so do natural disasters. We are not on track to keep temperature increases within 2°C above the temperature in pre-industrial times, the threshold beyond which there is a much higher risk that catastrophic impacts on natural resources will occur, posing risks to agriculture, food and water supplies and the development gains of recent years. At the global level, the challenge will be to adapt and to mitigate impacts, including through the reduction of greenhouse gas emissions.

Already today, climate change, depletion of natural resources and ecosystem degradation are having a significant impact on livelihoods, for example through the increased number and
intensity of natural disasters and the depletion of natural capital and infrastructure. Since 1992, natural disasters have caused €750 billion of damage and killed 1.3 million people. The effects of unsustainable patterns of current economic development are still largely determined by developed countries and increasingly by emerging economies, while poorer countries are disproportionately impacted and have the least resources to cope with negative effects. These countries are also often particularly dependent on natural resources, in particular for sectors such as agriculture, forestry, energy and tourism, which aggravates their vulnerability to degradation and depletion.

Development and growth contribute to human prosperity and well-being, but also to environmental challenges, such as resource depletion and pollution, which are likely to become more acute over time. These negative effects are mostly determined by the 5.7 billion people that do not live in extreme income poverty, which leads to a significant increase in global demand and consumption, putting additional strain on natural resources. Progress towards an inclusive green economy through sustainable consumption and production patterns and resource efficiency, including in particular low emission energy systems, is therefore essential.

In order to satisfy increasing demand, it is estimated that global agricultural production in 2050 will have to increase by 60% over 2005 levels, putting increasing pressure on already-scarce natural resources, in particular land, forests, water and oceans. At the same time, there are indications that up to half of global food production is wasted. Given urbanisation and population growth, water use is projected to increase by 50% by 2025, by which time roughly 5.5 billion people – two thirds of the projected global population – will live in areas facing moderate to severe water stress.

Looking ahead, these challenges must be viewed in the context of demographic trends: it is projected that the world population will reach more than 9 billion by 2050, with the population of sub-Saharan Africa set to more than double. Together, Africa and Asia will represent nearly 80% of the world's population by 2050. The increase in the world's median age is expected to affect developing countries most, with consequences for health services and pensions, as well as tax revenues.

It is in this context that the follow up to Rio+20 and the MDG review special event take place. We need to keep in mind that the challenges are interrelated and require a coherent and comprehensive response, supportive also of other international processes, such as climate and biodiversity negotiations.

3. Building on the achievements of the MDGs and Rio+20

3.1. Taking stock of MDG achievements

The EU remains committed to doing its utmost to help achieve the MDGs by 2015, in line with its policy framework as set out in the Agenda for Change and the European Consensus on Development.

The MDGs embody a fundamental global agreement to end poverty and to further human development. They have in the last decade proven to be a valuable tool to raise public

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1 Least Developed Countries comprise more than 880 million people (about 12 per cent of world population) but account for less than 2 % of world GDP.
2 COM(2011) 637 final
3 2006/C 46/01
awareness, increase political will and mobilise resources to eradicate poverty. Impressive progress has been made:

- According to the World Bank, the share of people living on less than USD 1.25 a day (2005 prices) fell from 43% in 1990 to 22% in 2008. It is likely that the target to halve the proportion of people living in extreme poverty was reached in 2010.
- The target to halve the proportion of the population without access to safe drinking water was achieved globally in 2010 – between 1990 and 2010 over two billion people gained access.
- Globally, primary school enrolment has increased to an average of 89%, with girls now almost as likely to be enrolled as boys.
- Children are significantly less likely to die of disease or malnutrition.
- Global HIV infections continue to decline and access to anti-retroviral drugs has expanded widely.

The global partnership for development has complemented national efforts towards the MDGs. Since 2000, annual global Official Development Assistance (ODA) has increased by nearly 70%, to EUR 96 billion, and the share of ODA going to Least Developed Countries (LDCs) has more than doubled. The EU and its Member States collectively are the largest donor, providing an annual EUR 53 billion in ODA (2011), or more than half of global ODA. In parallel, the implementation of the aid and development effectiveness principles and targets has contributed to greater ODA impact. The phenomenal growth in trade has been a major factor in progress: between 2000 and 2009 developing country exports rose by 80%, compared to 40% for the world as a whole The EU is the biggest trading partner for developing countries and has led the way in granting duty-free and quota-free access to all LDC products, under the Everything But Arms initiative. Furthermore, EU-funded research, such as through the European and Developing Countries Clinical Trials Partnership, has also contributed to the achievement of the MDGs.

Challenges to the achievement of the MDGs however remain, with sub-Saharan Africa in particular lagging behind. Globally, 1.3 billion people still live in extreme income poverty. More than 850 million people do not have enough to eat. About 61 million children are still out of school. Women continue to be the subject of discrimination and confront severe health risks, in particular to maternal health and their sexual and reproductive health and rights. Violence affects one third of all women in their lifetime and undermines efforts to reach any MDG. An estimated 2.5 billion people are without access to decent sanitation facilities and 780 million people still lack access to clean and safe drinking water. 7 million people living with HIV/AIDS still do not have access to treatment. The world is still far from reaching the target of full and productive employment and decent work for all. Only 20% of the world's population has access to adequate social protection. Unsustainable use and management of the Earth's limited resources puts at risk the lives and well-being of future generations.

In addition, success is unevenly distributed not only between countries – in particular with a striking lack of progress towards the MDGs in fragile and conflict affected states – but also within countries - including those that already have the means to provide better lives and futures for their population.

Yet the overall picture, especially in view of technological advances and economic progress achieved by many emerging and developing countries since the MDGs were developed, shows that elimination not just reduction of poverty in a single generation is within reach.
3.2. Main Rio+20 outcomes and commitments

The Rio+20 Conference confirmed a common global vision for an economically, socially and environmentally sustainable future for the planet and for present and future generations and underlined that many challenges remain to be addressed. Rio+20 recognised the green economy in the context of sustainable development and poverty eradication as an important pathway for achieving sustainable development, set in motion a process to develop universal sustainable development goals (SDGs) and agreed to take action towards sustainable development. These actions will also help inform the process of developing SDGs and will, in the longer term, also contribute to their realisation. Rio+20 also agreed to reform the institutional framework for sustainable development, to set in place a structure that can deliver the follow-up to the Conference and to work further on means of implementation. It is important that the EU now implements promptly the commitments taken at Rio, actively engages in these processes and takes the necessary action both within the EU and internationally.

3.3. Implementation: Actions at EU and international level

The EU will continue to pursue the sustainable development, including by implementing Rio+20 commitments through a range of overarching policies, in particular through its overarching strategy for smart, inclusive and sustainable growth - Europe 2020. This covers, inter alia, resource efficiency, low carbon economy, research and innovation, employment, social inclusion and youth. The implementation and regular review of the Europe 2020 Strategy, which builds on the integrative approach initiated by the EU Strategy for Sustainable Development, should contribute to greater coherence, mainstreaming and integration of the three dimensions of sustainable development in EU policies at large. Sustainable development objectives will be made operational through a range of key policies under preparation, including the reform of the Common Agricultural and the Common Fisheries Policies, the forthcoming 7th Environmental Action Programme, the Innovation Union, Horizon 2020 and the Social Investment Package.

The EU has consistently provided development cooperation in order to contribute to the full implementation of the MDGs. Through its external action and notably the implementation of the Agenda for Change, the EU will continue facilitating progress towards the MDGs and sustainable development in developing countries, with a specific focus on the least developed and the ones most in need. At the same time, a number of actions need to be carried out in order to contribute to the implementation of Rio+20 commitments.

The main current EU activities to implement Rio+20 are brought together in Annex I.

3.4. Institutional framework for sustainable development and means of implementation

Rio+20 started a process to reinforce the institutional framework for sustainable development, including strengthening the role of the UN General Assembly (UNGA) and ECOSOC. A major decision was to establish a High-Level Political Forum (HLPF) on sustainable development, which will replace the UN Commission on Sustainable Development. The HLPF will follow up and review progress in the implementation of the outcomes of Rio+20 and is also mandated to strengthen the science-policy interface, which will be crucial for the implementation of SDGs. It should be directly linked to ECOSOC, currently under reform, and work at a higher political level (UNGA) at regular intervals. These linkages provide an opportunity to enhance coherence with the on-going work on the review of the MDGs and discussions on development post-2015.
Another important outcome of Rio+20 was the decision to strengthen and upgrade the UN Environment Programme (UNEP) and, in particular, the decision on universal membership for its Governing Council. This has now been confirmed by the decision on new institutional arrangements for UNEP at its recent Governing Council. The decision to establish a UN Environment Assembly is an important step forward, consistent with the EU's ambition to transform it in the longer term into a UN agency. The EU will take an active role in implementing this revised institutional framework. Ensuring the appropriate participation of the EU in both the HLPF and the reformed UNEP will be a priority.

Rio+20 also decided to promote clean and environmentally-sound technologies and to establish an intergovernmental expert committee to prepare options for a sustainable development financing strategy. The committee needs to ensure coherence and coordination and avoid duplication of efforts as regards the financing for development process. The EU will participate in this process in line with the overall approach to financing and other means of implementation, as indicated below.

3.5. Public Consultation

A number of public consultations and dialogues have been held by the Commission on future perspectives of poverty eradication and sustainable development. These consultations have helped guide a number of aspects of proposals contained in this Communication. An overview of these consultations is outlined in Annex II. The Commission will continue active dialogue on all these issues with all stakeholders and civil society.


At international level and at the UN, much of the work on poverty eradication and sustainable development has been carried out in separate strands within different communities – one stemming from the Millennium Declaration and the other from the series of UN summits on sustainable development. In reality, these two strands have always had common elements; for example, the MDGs address environmental issues through MDG7 and sustainable development has always placed poverty eradication as a priority objective.

In order to effectively address the challenges of poverty eradication and sustainable development, as a major and interlinked global challenge, the review of MDGs and the work on elaborating SDGs need to be brought together towards one overarching framework with common priority challenges and objectives, so as to ensure a decent life for all by 2030 and give the world a sustainable future beyond it.

In autumn 2013, a UN special event will take stock of the efforts made towards achieving the Millennium Development Goals (MDGs), discuss ways to accelerate progress before 2015 and exchange views on what could follow after the MDG target year of 2015. The first session, in September 2013, of the High Level Political Forum established by the Rio+20 Conference will in addition look at the follow-up to the commitments made at Rio+20 in June 2012. It will also be necessary to progress through the Open Working Group on Sustainable Development Goals (SDGs) that were established in Rio. All of these inputs will provide the framework for the agreement of a Post-2015 Overarching Framework.

In order to further elaborate thinking on goals, the EU will continue its open dialogue with all relevant stakeholders. This will contribute to the EU’s active input into the work of the Open Working Group on SDGs, which will make recommendations for action to the UN General Assembly.
This section describes the lessons learnt from the MDG review and the work on the elaboration of SDGs and the kinds of priority elements that emerge from both of these. Then it indicates briefly in practical terms how these can be brought together within relevant UN processes. Then, based on this, some of the key principles of an overarching framework are brought together in the final section.

4.1. **Priority elements for the overarching framework**

Drawing on MDG experience and the work stemming from Rio+20 on sustainable development and considering current trends, the EU considers that a number of challenges can be identified for the post-2015 overarching framework.

There is a fundamental link between global environmental sustainability and poverty eradication. It will not be possible to eliminate poverty and ensure a decent life for all without, at the same time, addressing global environmental sustainability, and the other way around. Climate change, natural disasters, biodiversity loss and the degradation of oceans, freshwater sources, land and soil have a particularly negative impact on the world’s poorest populations. To be able to act on these issues, the overarching framework needs to act as a catalyst for good governance, transparency, social cohesion and the empowerment of women, in all countries and internationally, all of which are essential for sustainable development and the eradication of poverty.

As agreed in the Rio+20 outcome document, goals for sustainable development (SDGs) should be universally applicable to all countries, while taking into account different national realities, capacities and levels of development and respecting national policies and priorities, should incorporate the three dimensions of sustainable development and should be action-oriented, concise and easy to communicate and limited in number. The EU proposals made in the run-up to Rio+20, indicated that they should also focus on resources which represent public goods and basic "pillars of life," such as energy, water, food security, oceans, sustainable consumption and production, as well as social inclusion and decent work. At the same time, goals should also be coherent with existing international agreements, such as goals and targets on climate change and biodiversity, as well as social protection floors.

They should address the three overarching objectives of sustainable development: poverty eradication, changing unsustainable consumption and production patterns and protecting and managing the natural resource base of economic and social development.

Post-2015 goals would need to span into the future and aim at laying the drivers to achieve a sustainable future: with a shared vision for 2050, goals and targets should aim at the timescale of 2030.

Given that the framework should have both poverty eradication and sustainable development as its overall objectives, the priority challenges need to address both perspectives drawing from the above. Based on this reasoning, the framework could be constructed around a number of main elements: ensuring basic living standards; promoting the drivers for inclusive and sustainable growth as well as ensuring sustainable management of natural resources; while promoting equality, equity and justice; and peace and security. In addition, whilst the challenge of addressing planetary environmental boundaries will require an integrated response that will impact on all these elements, and will have to be addressed in some of them, it will also require specific action in its own right. It can therefore also be seen as an additional cross-cutting ingredient of an integrated post-2015 overarching framework.

4.1.1. **Basic living standards**

The MDGs have provided a framework for human development, setting targets such as minimum income, freedom from hunger, full and productive employment and decent work for
all, access to primary education, basic health outcomes, access to water and sanitation, all of which form the very basis of a decent life.

We need to finish the unfinished business of the current MDGs, filling gaps and learning the lessons. For example, we need to address broader issues of education and health and include social protection. Aggregate averages have hidden national inequalities caused by extreme poverty, geographic location or marginalisation. We must move from purely quantitative goals to address quality, for example in education and health. There must be a floor under which no man, woman or child should fall by the very latest in 2030: standards by which every citizen should be able to hold her or his government to account. We should aim at empowering people to lift themselves out of poverty. Goals to stimulate action to deliver key standards in education, nutrition, clean water and air will help eradicate hunger and improve food security, health and well-being. Goals should also stimulate action to deliver productive employment and decent work for all, including youth, women and people with disabilities, depending on countries' levels of development. Unlike the existing MDGs, they should apply to every country and not only be a global target without individual country responsibilities. Each country has the responsibility to ensure progress towards internationally agreed goals.

4.1.2. Drivers for inclusive and sustainable growth

The Commission's public consultation, as well as experience by countries that have succeeded in pulling themselves out of poverty, demonstrate the vital role played by key drivers for inclusive and sustainable growth, in particular in providing essential human development services and creating growth and decent jobs. Structural transformation should be sought by all countries in all stages of development, to allow for market-friendly, open economies that promote inclusive and sustainable growth, improve productive capacities, promote private sector development, investment and wealth creation, promote the transition towards the inclusive green economy and ensure that the benefits are widely shared. Goals would help stimulate opportunities for more inclusive and sustainable growth, supported by indicators looking beyond GDP. Many countries would be able to use these to focus on social cohesion as well as more sustainable agriculture, fisheries and aquaculture, to deliver better nutrition, overcoming water scarcity and avoiding food waste. Others would deliver more resource efficient production, economising on water and reducing and recycling waste. A goal of moving towards sustainable, resilient cities would deliver improvements in air quality, water, energy, accessible infrastructure, housing and transport, leading to solutions that link with employment, health, economic development and also address climate change adaptation and disaster prevention and preparedness. Other important drivers include sustainable energy, science and technology, telecommunications services, financial services and infrastructure, for example facilitating access to markets, as well as migration and mobility. All these aspects require an enabling and stable environment for business, entrepreneurship, innovation and productive employment to thrive.

While economic transformation is necessary, it is also a huge challenge: billions in new investment will be needed. However, experience in countries that have made huge strides in providing these services to their citizens and recent global initiatives – such as Sustainable Energy for All and Scaling Up Nutrition – have demonstrated that such an approach can provide promising results, catalysing rapid growth and investment.

4 For example, the International Energy Agency estimates that to provide sustainable energy services to all by 2030, approximately an additional EUR 30 billion per year will need to be invested above the business-as-usual scenario. The FAO estimates that more than USD 50 billion per year of additional public expenditure on agriculture and safety nets would be needed to reach a world free of hunger in 2025.
4.1.3. **Sustainable management of natural resources**

Sustainable management and use of natural resources is essential to support economic growth and employment, in particular in primary production sectors like agriculture, fisheries and forestry or services sectors such as tourism. 70% of the world's poor live in rural areas and depend directly on biodiversity and eco-system services for their survival and well-being, making them more vulnerable to scarcity and climate risks. Good stewardship of natural resources, based on transparency, accountability and good governance, is essential for poverty eradication and developing sustainably towards an inclusive green economy. Action is needed to promote corporate sustainability reporting, which will encourage a broad range of businesses to engage in responsible practices. Goals to move towards a land degradation-neutral world would contribute to economic growth, biodiversity protection, sustainable forest management, climate change mitigation and adaptation and food security, while improving soil quality, reducing erosion, building resilience to natural hazards and halting land take. Given the global importance of oceans, protecting and restoring the health of oceans and marine ecosystems for sustainable livelihoods also should apply universally, helping deliver sustainable fish stocks also with a view to food security, as well as reducing significant hazards such as marine litter. To address these challenges, each country should steer a path to the sustainable management of their natural resources and establish open and transparent governance structures, to ensure that resources are used in a manner that benefits their citizens in an equitable and sustainable way.

This requires each country to ensure that resources are used in an environmentally responsible manner and, with respect to resources such as land, forests, rivers and oceans, so that they will also benefit future generations. Equally, exploitation of finite resources, such as minerals and groundwater, must be done in an inclusive and responsible manner that guarantees maximum societal benefit, in terms of the way that they are commercialised, the rate of their depletion and the use of the income generated. Phasing out subsidies for use of finite resources, such as fossil fuels, is a cost-efficient key contribution, promoting resource efficiency. States should also enhance their cooperation to manage shared resources, such as fish stocks and marine biodiversity, in areas beyond national jurisdiction.

It will also be necessary to adopt an integrated perspective, in order to ensure that solutions to resource constraints in one area do not place additional constraints on another. The future agenda should commit all countries to manage and use their natural resources sustainably over the coming decades, including such issues as transparency, maximisation of income, protection of tenure, resilience\(^5\), including to natural disasters, and environmental protection. The global community needs to stand together in these efforts. In particular, private and public companies must be accountable and adhere to high standards of transparency and good governance. A low carbon and resource efficient economy will also require actions and training for the specific skill sets that will be needed.

4.1.4. **Equality, equity and justice**

The objectives of human well-being and dignity for all are enshrined in the Universal Declaration of Human Rights and the Millennium Declaration, which also explicitly recognise the links between human rights, good governance and sustainable development. This, as well as the commitment to common fundamental values, was reaffirmed at the MDG Summit of 2010 and the Rio+20 Conference in 2012.

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The importance of justice and equity, human rights, democracy and other aspects of good governance goes far beyond their impact on progress towards development targets on income, education, health and other basic needs. They are also important in their own right, in all countries. The recent movements in North Africa and the Middle East showed the importance of inclusive political systems, justice and jobs, particularly for young people, and highlighted that progress on the MDGs is essential but not sufficient. Governance will remain a global challenge for the years ahead.

It is important that the new post-2015 overarching framework captures these issues. The role of women is particularly important in unlocking the drive for sustainable development and all forms of barriers to equal participation need to be removed. The framework should put particular emphasis on moving towards a rights-based approach to development, on reducing inequalities, as well as on the promotion and protection of women's and girls' rights and gender equality, transparency and the fight against corruption. It should also capture the fundamental issues related to equity. To meet this challenge, goals and targets should stimulate action needed to ensure increasing coverage by a basic set of social guarantees and improve their implementation.

4.1.5. Peace and security

Where there is physical insecurity, high levels of inequality, governance challenges and little or no institutional capacity, it is extremely difficult to make sustainable progress on the key MDG benchmarks such as poverty, health, education or sanitation. It is therefore essential to address the root causes of such conditions and take action to prevent them from arising.

This agenda goes beyond fragile states, however, since many other countries also struggle with issues relating to insecurity and violence. Trafficking, transnational terrorism, criminal networks and gang violence are undermining the security of citizens and reducing the prospects for a decent life, with women and children particularly affected.

Addressing peace and security issues in the context of the post-2015 overarching framework should use as a starting point the work already done between some fragile states and the OECD countries, the EU, the UN and Development Banks at Busan in November 2011. This should build on the New Deal for Engagement in Fragile States that laid out an agreed set of Peace-building and State building Goals (PSG).

5. Towards a post-2015 overarching framework

5.1. Bringing the strands together to respond to future challenges

Poverty eradication and ensuring that prosperity and well-being are sustainable remain the most pressing challenges for the future. To be tackled successfully, they must be tackled together, within a new overarching framework that is universal and directly relevant to all countries, while recognising that different countries are affected to varying degrees and that their responses and contribution to global goals will vary. Even though many will continue to rise above the level of extreme poverty, a strong poverty focus is needed to make this irreversible. Unsustainable patterns of current economic development, impacting the environment and the natural resource base, are still determined to a large extent by developed countries, and increasingly by emerging economies, while least developed countries also feel the impacts. Social exclusion and inequality, unemployment, precarious employment and lack of social protection also have a direct bearing on poverty and sustainable development.

The Millennium Declaration, which remains relevant, should guide work on developing the future framework. Building on the follow up to Rio+20, the MDG review and other relevant international processes, the future overarching framework should set out the path for
eradicating poverty and towards achieving prosperity and well-being for all, by focusing on the main drivers for inclusive and sustainable growth, within planetary boundaries. This framework should therefore bring together the three dimensions of sustainable development: economic, social, environmental. It should include responsibilities for all countries.

The underlying objective of this new overarching framework should aspire to provide for every person, by 2030, "A Decent Life for All." This should address simultaneously the need for poverty eradication and the universal vision of sustainable development needed to ensure prosperity for current and future generations.

The above sections outlined how the interrelated processes at the UN level should deliver ingredients for a common overarching framework that are needed if the objective of a Decent Life for All is to be met. The final outcome should be based on the results of constructive interactions with all stakeholders and among international partners. However, the EU believes there are a number of already-identifiable general principles that should be commonly acceptable.

5.2. Principles for a post-2015 overarching framework

The Commission proposes that the EU pursues the following principles in its discussions on the post-2015 framework:

5.2.1. Scope

The framework should be universal in aspiration and coverage, with goals for all countries, applying to all of humanity, focused on the eradication of poverty in all its dimensions, wherever it is found, and promoting prosperity and well-being for all people, within planetary boundaries.

- The framework should integrate the three dimensions of sustainable development - economic, social, environmental - taking into account the lessons learnt from the review of MDGs and building on the work for elaborating the SDGs, aiming at poverty eradication and sustainable development. Goals should constitute a floor to living standards under which no person should fall, by 2030 at the very latest, and guide progress towards prosperity and well-being, within planetary boundaries.
- It should recognise that poverty, prosperity and well-being cannot just be seen from a financial perspective, but are multidimensional and reflect the ability of people to grow and develop.
- The framework should cover, in an integrated fashion:
  - basic human development (based on updated existing MDGs and also reflecting issues such as social protection),
  - drivers for sustainable and inclusive growth and development that are necessary for structural transformation of the economy, needed to ensure the creation of productive capacities and employment and the transition to an inclusive green economy capable of addressing climate challenges, and
  - the sustainable management of natural resources.
- The framework should also address justice, equality and equity, capturing issues relating to human rights, democracy and the rule of law, as well as the empowerment of women and gender equality, which are vital for inclusive and sustainable development, as well as important values in their own right. It should also address peace and security, building on the existing work on Peace Building and State Building Goals.
5.2.2. **Nature and number of goals**

- Goals should be limited in number and apply universally to all countries, but should have targets respecting different contexts. In order to ensure ownership and relevance, the goals should be tailored and made operational at the national level. Special consideration should be given to the needs of fragile states.
- Goals should be elaborated in a way that takes into account the scientific and research evidence base and related targets and indicators should be measurable.

5.2.3. **Transparency, implementation and accountability**

- The responsibility for achieving the desired outcomes is first and foremost national. The mobilisation of all resources is needed, domestic and international, private and public. Financing and other means of implementation should be addressed in a comprehensive and integrated manner, given that the potential sources for implementing various global goals are the same.
- The framework should be developed and implemented in close partnership with civil society stakeholders, including the private sector.
- A time frame should be set to start acting at all levels in order to achieve the goals. This could have a vision towards 2050 with goals and targets for 2030.
- The framework should be based on the individual responsibility of countries to take action, coupled with partnership between all countries and stakeholders. Goals should provide incentives for cooperation and partnerships among governments, civil society, including the private sector, and the global community at large. All countries should contribute their fair share towards reaching the goals. Goals should also induce stronger accountability.
- The development of the framework should be accompanied by efforts to enhance coherence at the institutional level.
- To allow good monitoring of progress, the statistical base should be strengthened.

5.2.4. **Coherence**

- The framework should be coherent with existing internationally-agreed goals and targets, such as on climate change, biodiversity, disaster risk reduction, and social protection floors.

5.3. **Implementing the framework: country ownership and accountability**

The responsibility for implementing the future framework lies within each country itself, involving all relevant stakeholders, including social partners. The main drivers for development are first and foremost domestic, notably including democratic governance, the rule of law, stable political institutions, sound policies, transparency of public finances and the fight against fraud and corruption. Domestic resource mobilisation, legal and fiscal regulations and institutions supporting the development of the private sector, investment, decent job creation and export competitiveness are essential to make the ambition achievable for all countries. In this context, domestic reforms are crucial to make economic growth sustainable and make it work effectively for poverty eradication, decreased inequalities and improved well-being for all. This is true for all countries, at all levels of development.

Nevertheless, the EU recognises that some countries will continue to need support, including development assistance. In this context, more efficient and effective methods of investing development aid are emerging, ensuring that aid acts as a catalyst for development, leveraging investment, including through innovative financial sources, instruments and mechanisms, such as blending. This updated approach was adopted in the EU's "Agenda for Change."
South-South cooperation can make substantial contributions to shaping global development outcomes. The principles of the Global Partnership for Effective Development Cooperation, agreed at the Busan High Level Forum on Aid Effectiveness in 2011, should be applied universally.

Beyond aid, Policy Coherence for Development plays a major role in eliminating poverty and achieving sustainable development. Strong consideration of the role of these policies should therefore be given due place in the future framework. For example, in many developing countries, the income available from trade has greatly increased and can be used to fight poverty. This trend is set to continue in many developing countries and is especially important in sub-Saharan Africa.

To be achievable, the overarching framework should be accompanied by an effort to ensure that all resources are mobilised and harnessed effectively, alongside a commitment by all countries to pursue a comprehensive approach to these resources and coherent and appropriate policies. Goals and targets will contribute to stimulating private sector investment. All countries should report on progress towards achieving future goals in an open and transparent manner.

The EU should promote a comprehensive and integrated approach to the means of implementation including financing issues at the global level. At present, financing discussions related to climate, biodiversity, development and sustainable development are taking place in different fora, even though the potential financing sources are the same. There is a strong need to ensure coherence and coordination and avoid a duplication of efforts with regard to the financing for development process. In mid-2013, the Commission plans to present a Communication proposing an integrated EU approach to financing and other means of implementation related to the various global processes.

6. NEXT STEPS

The EU needs to engage fully in the forthcoming international processes with coherent and coordinated inputs at the UN and in other relevant fora.

In this respect, the adoption of this Communication should be followed by a debate with Council and Parliament during the spring of 2013 for the development of a common EU approach for the next stages of the ongoing processes, which should:

- ensure a comprehensive follow up to Rio+20 and guide the EU position at the UN Open Working Group (OWG) on SDGs, which will report regularly to the UNGA; and
- contribute to the preparation of the UN General Assembly Special Event on the MDGs in autumn 2013, including the report of the Secretary-General and the UN High Level Panel on post-2015, as well as the first meeting of the HLPF.

The EU should support moving towards a post-2015 overarching framework. Discussion on the basis of the orientations set out above should make it possible for the EU to come to a common position on how the SDGs and the MDG review processes should best be converged and integrated into a single process to better deliver such a comprehensive framework. In this respect, the EU should also actively seek a constructive dialogue with all partners and stakeholders, in order to build common ground, including through political dialogues with third countries.
## ANNEX I

**Main current and forthcoming actions in the EU and internationally that contribute to the implementation of Rio+20**

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<thead>
<tr>
<th>Area</th>
<th>EU</th>
<th>International</th>
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<tbody>
<tr>
<td>Water and sanitation</td>
<td>Improve water efficiency and quality through EU Water Blueprint</td>
<td>In line with the Agenda for Change and international commitments, promote improved access to drinking water and sanitation facilities, improved water quality and reduced pollution; as well as facilitation of political dialogue for shared water resources and implementation of water activities for economic and sustainable growth</td>
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<tr>
<td>Energy, climate</td>
<td>Improve efficiency and share of renewables and reduce greenhouse gases through:</td>
<td>Promote international climate action through the Durban Platform and UNFCCC</td>
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<td></td>
<td>- climate and energy package and low carbon roadmap for 2050</td>
<td>International Partnership on Mitigation, and the International Cooperative Initiatives (ICIs)</td>
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<td></td>
<td>- 2030 climate and energy policy</td>
<td>IRENA: global deployment of renewable energy</td>
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<td>- energy efficiency directive</td>
<td>GEEREF: Global Energy Efficiency and Renewable Energy Fund</td>
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<td>- ongoing legislative proposals on emissions from cars and vans, as well as fluorinated GHG reduction</td>
<td>Global climate change alliance (GCCA)</td>
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<td>Sustainable Energy for All Initiative (SE4ALL)</td>
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<td>Biodiversity, forests,</td>
<td>EU Biodiversity Strategy to 2020, work on biodiversity valuation and ecosystem services</td>
<td>CBD Strategic Plan and the 20 Aichi Targets</td>
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<td>land</td>
<td>Forest Action Plan; review of Forestry Strategy</td>
<td>Support the Economics of Ecosystems and Biodiversity (TEEB) and Wealth Accounting and Valuation of Ecosystem Services (WAVES)</td>
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<td>Preparation Land as Resource Communication</td>
<td>Implement the Environment and Natural Resources Thematic Programme (ENRTP)</td>
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<td>Digital Observatory for Protected Areas as a component of the Global Earth Observation System of System of Systems (GEOSS)</td>
<td>Expand and implement Forest Law Enforcement, Governance and Trade initiative (FLEGT) and contribution to UN-REDD+</td>
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<td>Possibility of protocol under UNCCD, declaring the EU as an Affected Party</td>
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<td>Global Soil Partnership (with FAO)</td>
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<td>Compilation of a New World Atlas of Desertification with UNEP</td>
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Common Fisheries Policy: maximum sustainable yield, science-based management plans, discards.  
Observation and modelling of marine and coastal ecosystems  
Regional sea conventions  
UNCLOS Implementing agreement for the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction  
Illegal, unreported and unregulated fishing  
Follow up to Honolulu commitment on marine litter |
| **Waste, chemicals**      | Resource Efficiency roadmap and EU waste legislation, REACH implementation  
Diffusion of international waste policies (WEEE, RoHs)  
Implement Basel, Stockholm and Rotterdam Conventions, and SAICM (Strategic Approach to International Chemicals Management) |
| **Food, nutrition, agriculture** | Preparation of Communication on Sustainable Food  
Implement Markets in Financial Instruments (MIFID) and Market Abuse Directive (MAD)  
Proposals on the reform of the Common Agriculture Policy, including promoting sustainable agricultural production, addressing production capacity and climate change.  
The European Innovation Partnership "Agricultural Productivity and Sustainability"  
Organic food labelling  
Contribution to the Agricultural Market Information System (AMIS)  
Implementation of the Monitoring Agricultural Resources (MARS) and GEO-GLAM (Earth Observation)  
Implementation of Voluntary Guidelines on the Responsible Governance of Land, Fisheries and Forests  
EU Food Security Thematic Programme Instrument (FSTP);  
Implement forthcoming EU Implementation plan Boosting food and nutrition security through EU action: implementing our commitments  
Preparation of Communication on Nutrition  
Preparation of Action Plan on Resilience  
Scaling-up Nutrition (SUN) Movement; New Alliance for Food Security and Nutrition  
Implementation of the Food Assistance Convention |
| **Taxes, subsidies**      | Implement relevant actions from Resource Efficiency Roadmap  
Follow up on subsidy reform through G20 |
| **Clean industry and life cycle accounting** | Implement EU 2020 Industrial policy: clean technology, bio economy  
Preparation of Communication on Single Market for Green Products  
European Life Cycle Database  
International Life-Cycle Data (ILCD) Network |
| **Sustainable consumption and production and Green public procurement** | Revised Procurement Directive, including GPP  
Adopt the European Accessibility Act | Contribution to UNEP Sustainable Public Procurement Initiative  
Contribution to the implementation of the 10 Year Framework Programme on Sustainable Consumption and Production |
|---|---|---|
| **Resilience** | Implement the Communication the EU approach to resilience: Learning from Food Crises on Resilience, and forthcoming Action Plan.  
Implement the SHARE and AGIR initiatives.  
Promotion of resilience in international fora and as theme in partnerships with organisations such as FAO, IFAD and WFP, UNISDR, the World Bank, and civil society organisations |  |
| **Disaster risk management** | Implement EU disaster prevention framework  
Integration of disaster risk management (prevention preparedness, response) and disaster risk assessment in EU and MS planning  
European Flood Awareness System, European Drought Observatory  
Promote disaster proofing in EU funding instruments | Implementation of the Hyogo Framework for Action and elaboration of a follow-up framework for disaster risk reduction after 2015  
Focus on main priorities outlined in the EU's disaster risk reduction implementation plan  
Support international initiatives such as the World Bank-managed global facility for disaster risk reduction (GFDRR) |
| **Cities, tourism, transport** | Enhance sustainability of EU cities as part of the 7th EAP  
Implement actions to promote sustainable and accessible tourism  
EU Road Safety, Clean Fuels Directive, promotion of affordable, sustainable transport | Promote sustainable, resilient and accessible cities |
| **Full and productive employment and decent work** | Europe 2020: Employment Guidelines, Joint Employment Reports, National Reform Programmes, Youth Employment package, Employment and Social Developments in Europe Review | Promote international labour standards, through international organisations (in particular the ILO) in the EU's bilateral relations, as well as through development and trade policies  
Follow-up to the 2012 International Labour Conference Resolution and G20 youth employment strategy  
Implementation of the thematic programme Investing in People Synergies with relevant EU thematic programmes, such as Non State Actors |
| Social protection, social inclusion and eradicating poverty | Promote the reduction of poverty, social exclusion and more effective social policies through Europe 2020  
Assist Member States in structural reforms through the Social Investment Package  
The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion  
The European Disability Strategy 2010-2020 | Promote social protection including Social Protection Floors (SPFs) and implement recommendations adopted by the ILO in line with the plans and policies of partner countries;  
Continue to support social protection, including SPFs where relevant in bilateral relations with partner countries, at international fora (ILO, OECD, G20 and ASEM) and in development cooperation.  
Implement actions of the Communication on Social Protection in European Union Development Cooperation  
Mainstreaming of the rights of the child and indigenous peoples’ rights, social inclusion and the rights of persons with disabilities in EU development policies  
Implement the UN Convention on the Rights of Persons with Disabilities |
| Corporate Social Responsibility | Implement Actions on Corporate Social Responsibility | Contribute to international CSR guidance documents for business and SMEs (incl. ILO, OECD) and to UN guidelines |
| Health | EU Health Strategy  
European Health Indicators  
Communication on Combating HIV/AIDS in the European Union and neighbouring countries | Implement Communication on the EU Role in Global Health  
Strengthening of health systems, improved health security and policy coherence through geographic instruments and thematic programmes for better health outcomes and reduced health inequalities.  
Support to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the GAVI Alliance and the Global Programme to Enhance Reproductive Health Commodity Security  
European Observatory on Health Systems  
Develop wellbeing indicators as part of the Health2020 strategy |
| Education | Strategic framework for European cooperation in education and training  
Education and training in the implementation of the Europe 2020 strategy. | Promote quality education for all through the Commission's geographic and thematic programmes  
Implementation of the Commission's international co-operation programmes |
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<tr>
<th><strong>European cooperation on schools for the 21st century</strong></th>
<th><strong>in higher education and training</strong></th>
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<td>Support global initiatives, such as Global Partnership for Education and policy dialogues such as Association for the Development of Education in Africa</td>
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<th><strong>Gender equality and women’s empowerment</strong></th>
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<td>Mainstreaming of gender equality and women’s rights through the EU Gender Action Plan 2010-2015</td>
<td>Mainstream gender equality and the empowerment of women in EU development policies; implement the 2010-2015 EU Gender Action Plan in development cooperation; contribution to the UN programme increasing accountability on financing for gender equality</td>
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<td>Follow up to Beijing Platform for Action</td>
<td>Implement actions for women’s economic empowerment through the Investment in People programme</td>
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<td>Implement Actions in the Communication Social Protection in European Union Development Cooperation</td>
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<th><strong>Justice, Human Rights, fundamental freedoms, democracy, good governance and the rule of law</strong></th>
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<tr>
<td>EU Charter on Fundamental Rights</td>
<td>Implement actions set out in the Communications on: EU Support for Sustainable Change in Transition Societies; Increase the impact of EU Development Policy and the EU Strategic Framework and Action Plan on Human Rights and Democracy</td>
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<td>Implement the Aarhus Convention</td>
<td>Implement the EU DCI programme Non-state Actors and Local Authorities in Development</td>
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<td>Promote application of Aarhus in financial institutions, development cooperation, trade agreements</td>
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<th><strong>Science, technology, research and innovation</strong></th>
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<td>Implementation of Horizon 2020 providing <a href="#">research support</a> in areas such as water, energy, agriculture, transport, environment, social sciences. <strong>Sustainable development will be an overarching objective of Horizon 2020 with at least 60% of total budget relating to this theme.</strong></td>
<td>Enhance EU international cooperation in research and innovation.</td>
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<td>Implement EU 2020 Innovation Union and Eco-innovation Action Plan</td>
<td>Contribute to the Global Earth Observation System of System of Systems (GEOSS)</td>
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<td>Research under the Food Security Thematic Programme (2011-2013) and the Africa-EU Partnership</td>
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<th><strong>Statistics</strong></th>
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<tr>
<td>Further development of indicators on GDP and beyond, advice on statistics for overarching framework.</td>
<td>Cooperate with international organisations and third countries, under the lead of the UNSC, to improve measurement of progress and ensure comparability</td>
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| Trade                                      | Negotiate and implement provisions on trade and sustainable development in trade agreements; promote elimination of tariffs and non-tariff barriers on environmental goods and services at all levels  
  |                                            | Continue to support “Everything But Arms” initiative  
  |                                            | Provide continued support to Aid for Trade |
ANNEX II

Public Consultation

The Commission held a public consultation\(^6\) in the summer of 2012. Around 120 organisations and individuals from public authorities and civil society, including the private sector and academia, contributed. The consultation revealed a consensus that the MDGs have rallied many and different actors behind the same development objectives and that the MDGs have been valuable in raising public awareness, increasing political will and mobilising resources to eradicate poverty, as well as being powerful monitoring tools.

Looking forward, some common views on future priorities emerged:

- Focus on poverty within a wider and more comprehensive and sustainable vision of development;
- Integrate the three dimensions of sustainable development (economic, social and environmental);
- Ensure that the process of developing the post-2015 framework is inclusive, with strong involvement from poor countries and civil society;
- Design a universal framework, relevant for all countries and with responsibilities for all;
- Foster the drivers for economic growth and job creation including by engaging with the private sector;
- Improve development financing and policy coherence for development.

Furthermore, the Commission launched a public consultation\(^7\) in October 2012 on Rio+20 follow up. The EESC supported feedback through a series of structured dialogues. Over 125 responses to the public consultation were received from individuals, public authorities, businesses and business associations, NGOs, trade unions and consumer protection groups. Based on this, a number of suggestions have been taken into account. A large number of replies highlighted issues related to the inclusive green economy, in particular pointing to the need for indicators beyond GDP, while others pointed out the need for a favourable trade environment, eliminating environmentally harmful subsidies and environmental taxes.

The areas for possible SDGs mentioned by respondents included resource and energy efficiency, waste and chemicals, biodiversity, sustainable consumption and production, water and sanitation, protection of oceans and fisheries, sustainable transport, sustainable agriculture, gender equality, poverty eradication, climate change and adaptation, health and food security. Respondents also underlined the importance of clear and long-term targets on making use of exiting targets and agreements. On the relationship between SDGs and MDGs, there was consensus that one post-2015 development framework should be created that would cover both.

An outreach exercise was also carried out through EU Delegations in third countries. More than 50 responses were received from countries. Most countries indicated the need for a coherent and coordinated way of bringing together the MDGs and SDGs.

Related consultations include those which took place on the Resource Efficiency roadmap and the consultation on the 7\(^{th}\) Environmental Action Programme. The Commission has widely engaged with civil society, including by undertaking a public consultation prior to Rio+20, and civil society also made important inputs during the conference itself.


\(^7\) [http://ec.europa.eu/environment/consultations/rio20_en.htm](http://ec.europa.eu/environment/consultations/rio20_en.htm)
THE EUROPEAN PARLIAMENT

COUNCIL

COMMISSION

Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'

(2006/C 46/01)

THE EUROPEAN CONSENSUS ON DEVELOPMENT

The development challenge

1. Never before have poverty eradication and sustainable development been more important. The context within which poverty eradication is pursued is an increasingly globalised and interdependent world; this situation has created new opportunities but also new challenges.

Combating global poverty is not only a moral obligation; it will also help to build a more stable, peaceful, prosperous and equitable world, reflecting the interdependency of its richer and poorer countries. In such a world, we would not allow 1.200 children to die of poverty every hour, or stand by while 1 billion people are struggling to survive on less than one dollar a day and HIV/AIDS, TB and malaria claim the lives of more than 6 million people every year. Development policy is at the heart of the EU’s relations with all developing countries.

2. Development cooperation is a shared competence between the European Community and the Member States. Community policy in the sphere of development cooperation shall be complementary to the policies pursued by the Member States. Developing countries have the prime responsibility for their own development. But developed countries have a responsibility too. The EU, both at its Member States and Community levels, is committed to meeting its responsibilities. Working together, the EU is an important force for positive change. The EU provides over half of the world’s aid and has committed to increase this assistance, together with its quality and effectiveness. The EU is also the most important economic and trade partner for developing countries, offering specific trading benefits to developing countries, mainly to the LDCs among them.

3. The Member States and the Community are equally committed to basic principles, fundamental values and the development objectives agreed at the multilateral level. Our efforts at coordination and harmonisation must contribute to increasing aid effectiveness. To this end, and building on the progress made in recent years, the ‘European Consensus on Development’ provides, for the first time, a common

(1) The EU includes both Member States and the European Community.

(2) Developing countries are all those in the list of Official Development Assistance (ODA) recipients, due to be decided by OECD/DAC in April 2006.

(3) Community development cooperation is based on Articles 177 to 181 of the Treaty of the European Community.
vision that guides the action of the EU, both at its Member States and Community levels, in development co-operation. This common vision is the subject of the first part of the Statement; the second part sets out the European Community Development Policy to guide implementation of this vision at the Community level and further specifies priorities for concrete action at the Community level.

4. The European Consensus on Development is jointly agreed by the Council and the representatives of the governments of the Member States meeting within the Council, the European Commission and the European Parliament.

PART I: THE EU VISION OF DEVELOPMENT

The first Part of the European consensus on development sets out common objectives and principles for development cooperation. It reaffirms EU commitment to poverty eradication, ownership, partnership, delivering more and better aid and promoting policy coherence for development. It will guide Community and Member State development co-operation activities in all developing countries (1), in a spirit of complementarity.

1. Common objectives

5. The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs).

6. The eight MDGs are to: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce the mortality rate of children; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability and develop a global partnership for development.

7. We reaffirm that development is a central goal by itself; and that sustainable development includes good governance, human rights and political, economic, social and environmental aspects.

8. The EU is determined to work to assist the achievement of these goals and the development objectives agreed at the major UN conferences and summits (2).

9. We reaffirm our commitment to promoting policy coherence for development, based upon ensuring that the EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries, and that these policies support development objectives.

10. Development aid will continue to support poor people in all developing countries, including both low-income and middle-income countries (MICs). The EU will continue to prioritise support to the least-developed and other low-income countries (LICs) to achieve more balanced global development, while recognising the value of concentrating the aid activities of each Member State in areas and regions where they have comparative advantages and can add most value to the fight against poverty.

(1) Development co-operation activities of Member States are defined as ODA, as agreed by the OECD/DAC.
2. Multi-dimensional aspects of Poverty Eradication

11. Poverty includes all the areas in which people of either gender are deprived and perceived as incapacitated in different societies and local contexts. The core dimensions of poverty include economic, human, political, socio-cultural and protective capabilities. Poverty relates to human capabilities such as consumption and food security, health, education, rights, the ability to be heard, human security especially for the poor, dignity and decent work. Therefore combating poverty will only be successful if equal importance is given to investing in people (first and foremost in health and education and HIV/AIDS, the protection of natural resources (like forests, water, marine resources and soil) to secure rural livelihoods, and investing in wealth creation (with emphasis on issues such as entrepreneurship, job creation, access to credits, property rights and infrastructure). The empowerment of women is the key to all development and gender equality should be a core part of all policy strategies.

12. The MDG agenda and the economic, social and environmental dimensions of poverty eradication in the context of sustainable development include many development activities from democratic governance to political, economic and social reforms, conflict prevention, social justice, promoting human rights and equitable access to public services, education, culture, health, including sexual and reproductive health and rights, as set out in the ICPD Cairo Agenda, the environment and sustainable management of natural resources, pro-poor economic growth, trade and development, migration and development, food security, children’s rights, gender equality and promoting social cohesion and decent work.

3. Common values

13. EU partnership and dialogue with third countries will promote common values of: respect for human rights, fundamental freedoms, peace, democracy, good governance, gender equality, the rule of law, solidarity and justice. The EU is strongly committed to effective multilateralism whereby all the world’s nations share responsibility for development.

4. Common principles

4.1 Ownership, Partnership

14. The EU is committed to the principle of ownership of development strategies and programmes by partner countries. Developing countries have the primary responsibility for creating an enabling domestic environment for mobilising their own resources, including conducting coherent and effective policies. These principles will allow an adapted assistance, responding to the specific needs of the beneficiary country.

15. The EU and developing countries share responsibility and accountability for their joint efforts in partnership. The EU will support partner countries’ poverty reduction, development and reform strategies, which focus on the MDGs, and will align with partner countries’ systems and procedures. Progress indicators and regular evaluation of assistance are of key importance to better focus EU assistance.

16. The EU acknowledges the essential oversight role of democratically elected citizens’ representatives. Therefore it encourages an increased involvement of national assemblies, parliaments and local authorities.
4.2 An in-depth political dialogue

17. Political dialogue is an important way in which to further development objectives. In the framework of the political dialogue conducted by the Member States and by the European Union institutions—Council, Commission and Parliament, within their respective competencies, the respect for good governance, human rights, democratic principles and the rule of law will be regularly assessed with a view to forming a shared understanding and identifying supporting measures. This dialogue has an important preventive dimension and aims to ensure these principles are upheld. It will also address the fight against corruption, the fight against illegal migration and the trafficking of human beings.

4.3 Participation of civil society

18. The EU supports the broad participation of all stakeholders in countries’ development and encourages all parts of society to take part. Civil society, including economic and social partners such as trade unions, employers’ organisations and the private sector, NGOs and other non-state actors of partner countries in particular play a vital role as promoters of democracy, social justice and human rights. The EU will enhance its support for building capacity of non-state actors in order to strengthen their voice in the development process and to advance political, social and economic dialogue. The important role of European civil society will be recognised as well; to that end, the EU will pay particular attention to development education and raising awareness among EU citizens.

4.4 Gender equality

19. The promotion of gender equality and women’s rights is not only crucial in itself but is a fundamental human right and a question of social justice, as well as being instrumental in achieving all the MDGs and in implementing the Beijing platform for Action, the Cairo Programme of Action and Convention on the Elimination of All Forms of Discrimination Against Women. Therefore the EU will include a strong gender component in all its policies and practices in its relations with developing countries.

4.5 Addressing state fragility

20. The EU will improve its response to difficult partnerships and fragile states, where a third of the world’s poor live. The EU will strengthen its efforts in conflict prevention work (1) and will support the prevention of state fragility through governance reforms, rule of law, anti-corruption measures and the building of viable state institutions in order to help them fulfil a range of basic functions and meet the needs of their citizens. The EU will work through state systems and strategies, where possible, to increase capacity in fragile states. The EU advocates remaining engaged, even in the most difficult situations, to prevent the emergence of failed states.

21. In transition situations, the EU will promote linkages between emergency aid, rehabilitation and long-term development. In a post-crisis situation development will be guided by integrated transition strategies, aiming at rebuilding institutional capacities, essential infrastructure and social services, increasing food security and providing sustainable solutions for refugees, displaced persons and the general security of citizens. EU action will take place in the framework of multilateral efforts including the UN Peace Building Commission, and will aim to re-establish the principles of ownership and partnership.

22. Some developing countries are particularly vulnerable to natural disasters, climatic change, environmental degradation and external economic shocks. The Member States and the Community will support disaster prevention and preparedness in these countries, with a view to increasing their resilience in the face of these challenges.

5. Delivering more and better aid

5.1 Increasing financial resources

23. Development remains a long-term commitment. The EU has adopted a timetable for Member States to achieve 0.7% of GNI by 2015, with an intermediate collective target of 0.56% by 2010 (1), and calls on partners to follow this lead. These commitments should see annual EU aid double to over EUR 66 billion in 2010. Further debt relief will be considered, as well as innovative sources of finance in order to increase the resources available in a sustainable and predictable way. At least half of this increase in aid will be allocated to Africa, while fully respecting individual Member States priorities in development assistance. Resources will be allocated in an objective and transparent way, based on the needs and performance of the beneficiary countries, taking into account specific situations.

24. In order to meet the MDGs, priority will continue to be given to least developed and other LICs, as reflected in the high proportion of EU aid flowing to these countries (2). The EU also remains committed to supporting the pro-poor development of middle-income countries (MICs), especially the lower MICs, and our development assistance to all developing countries will be focused on poverty reduction, in its multidimensional aspects, in the context of sustainable development. Particular attention will be given to fragile states and donor orphans.

5.2 More effective aid

25. As well as more aid, the EU will provide better aid. Transaction costs of aid will be reduced and its global impact will improve. The EU is dedicated to working with all development partners to improve the quality and impact of its aid as well as to improve donor practices, and to help our partner countries use increased aid flows more effectively. The EU will implement and monitor its commitments on Aid Effectiveness (3) in all developing countries, including setting concrete targets for 2010. National ownership, donor coordination and harmonisation, starting at field level, alignment to recipient country systems and results orientation are core principles in this respect.

26. Development assistance can be provided through different modalities that can be complementary (project aid, sector programme support, sector and general budget support, humanitarian aid and assistance in crisis prevention, support to and via the civil society, approximation of norms, standards and legislation, etc.), according to what will work best in each country. Where circumstances permit, the use of general or sectoral budget support should increase as a means to strengthen ownership, support partner's national accountability and procedures, to finance national poverty reduction strategies (PRS) (including operating costs of health and education budgets) and to promote sound and transparent management of public finances.

27. Partner countries need stable aid for effective planning. The EU is therefore committed to more predictable and less volatile aid mechanisms.

(1) May 2005 Council conclusions set out that: Member States which have not yet reached a level of 0.51% ODA/GNI, undertake to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts. Member States, which have joined the EU after 2002, and that have not reached a level of 0.17% ODA/GNI, will strive to increase their ODA to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts. Member States undertake to achieve the 0.7% ODA/GNI target by 2015 whilst those which have achieved that target commit themselves to remain above that target; Member States which joined the EU after 2002 will strive to increase by 2015 their ODA/GNI to 0.33%.

(2) In 2003 the EU allocated average 67% of aid to LICs, excluding Member States joining in 2004 (OECD DAC figures).

28. Debt reduction also provides predictable financing. The EU is committed to finding solutions to unsustainable debt burdens, in particular the remaining multilateral debts of HIPCs, and where necessary and appropriate, for countries affected by exogenous shocks and for post-conflict countries.

29. The EU will promote further untying of aid going beyond existing OECD recommendations, especially for food aid.

5.3 Coordination and complementarity

30. In the spirit of the Treaty, the Community and the Member States will improve coordination and complementarity. The best way to ensure complementarity is to respond to partner countries' priorities, at the country and regional level. The EU will advance coordination, harmonisation and alignment (1). The EU encourages partner countries to lead their own development process and support a broad donor-wide engagement in national harmonisation agendas. Where appropriate, the EU will establish flexible roadmaps setting out how its Member States can contribute to countries' harmonisation plans and efforts.

31. The EU is committed to promote better donor coordination and complementarity by working towards joint multiannual programming, based on partner countries' poverty reduction or equivalent strategies and country's own budget processes, common implementation mechanisms including shared analysis, joint donor wide missions, and the use of co-financing arrangements.

32. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and has in this context made four additional commitments: to provide all capacity building assistance through coordinated programmes with an increasing use of multi-donors arrangements; to channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or sector-wide approaches; to avoid the establishment of any new project implementation units; to reduce the number of un-coordinated missions by 50%.

33. The EU will capitalise on new Member States' experience (such as transition management) and help strengthen the role of these countries as new donors.

34. The EU will undertake to carry out this agenda in close cooperation with partner countries, other bilateral development partners and multilateral players such as the United Nations and International Financial Institutions, to prevent duplication of efforts and to maximise the impact and effectiveness of global aid. The EU will also promote the enhancement of the voice of developing countries in international institutions.

6. Policy coherence for development (PCD)

35. The EU is fully committed to taking action to advance Policy Coherence for Development in a number of areas (2). It is important that non-development policies assist developing countries' efforts in achieving the MDGs. The EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries. To make this commitment a reality, the EU will strengthen policy coherence for development procedures, instruments and mechanisms at all levels, and secure adequate resources and share best practice to further these aims. This constitutes a substantial additional EU contribution to the achievement of the MDGs.

(1) This includes the Council Conclusions of November 2004 on: 'Advancing Coordination, Harmonisation and Alignment: the contribution of the EU'.

(2) May 2005 Council Conclusions confirm the EU is committed to the implementation of the objectives contained in the Commission's Communication on PCD dealing with the areas of Trade, Environment, Climate change, Security, Agriculture, Fisheries, Social dimension of globalisation, employment and decent work, Migration, Research and innovation, Information society, Transport and Energy.
36. The EU strongly supports a rapid, ambitious and pro-poor completion of the Doha Development Round and EU-ACP Economic Partnership Agreements (EPAs). Developing countries should decide and reform trade policy in line with their broader national development plans. We will provide additional assistance to help poor countries build the capacity to trade. Particular attention will be paid to the least advanced and most vulnerable countries. The EU will maintain its work for properly sequenced market opening, especially on products of export interest for developing countries, underpinned by an open, fair, equitable, rules-based multilateral trading system that takes into account the interests and concerns of the weaker nations. The EU will address the issues of special and differentiated treatment and preference erosion with a view to promote trade between developed countries and developing countries, as well as among developing countries. The EU will continue to promote the adoption by all developed countries of quota free and tariff free access for LDCs before the end of the Doha round, or more generally. Within the framework of the reformed Common Agriculture Policy (CAP), the EU will substantially reduce the level of trade distortion related to its support measures to the agricultural sector, and facilitate developing countries’ agricultural development. In line with development needs, the EU supports the objectives of asymmetry and flexibility for the implementation of the EPAs. The EU will continue to pay particular attention to the development objectives of the countries with which the Community has or will agree fisheries agreements.

37. Insecurity and violent conflict are amongst the biggest obstacles to achieving the MDGs. Security and development are important and complementary aspects of EU relations with third countries. Within their respective actions, they contribute to creating a secure environment and breaking the vicious cycle of poverty, war, environmental degradation and failing economic, social and political structures. The EU, within the respective competences of the Community and the Member States, will strengthen the control of its arms exports, with the aim of avoiding that EU-manufactured weaponry be used against civilian populations or aggravate existing tensions or conflicts in developing countries, and take concrete steps to limit the uncontrolled proliferation of small arms and light weapons, in line with the European strategy against the illicit traffic of small arms and light weapons and their ammunitions. The EU also strongly supports the responsibility to protect. We cannot stand by, as genocide, war crimes, ethnic cleansing or other gross violations of international humanitarian law and human rights are committed. The EU will support a strengthened role for the regional and sub-regional organisations in the process of enhancing international peace and security, including their capacity to coordinate donor support in the area of conflict prevention.

38. The EU will contribute to strengthening the social dimension of globalisation, promoting employment and decent work for all. We will strive to make migration a positive factor for development, through the promotion of concrete measures aimed at reinforcing their contribution to poverty reduction, including facilitating remittances and limiting the ‘brain drain’ of qualified people. The EU will lead global efforts to curb unsustainable consumption and production patterns. We will assist developing countries in implementing the Multilateral Environmental Agreements and promote pro-poor environment-related initiatives. The EU reconfirms its determination to combat climate change.

7. Development, a contribution to addressing global challenges

39. EU action for development, centred on the eradication of poverty in the context of sustainable development, makes an important contribution to optimising the benefits and sharing the costs of the globalisation process more equitably for developing countries, which is in the interests of wider peace and stability, and the reduction of the inequalities that underlie many of the principal challenges facing our world. A major challenge the international community must face today is to ensure that globalisation is a positive force for all of mankind.

40. Reducing poverty and promoting sustainable development are objectives in their own right. Achieving the MDGs is also in the interest of collective and individual long-term peace and security. Without peace and security development and poverty eradication are not possible, and without development and poverty eradication no sustainable peace will occur. Development is also the most effective long-term response to forced and illegal migration and trafficking of human beings. Development plays a key role in encouraging sustainable production and consumption patterns that limit the harmful consequences of growth for the environment.
PART II: THE EUROPEAN COMMUNITY DEVELOPMENT POLICY

This second part of the European Consensus on Development sets out the renewed European Community Development Policy, which implements the European vision on development set out in the first part for the resources entrusted to the Community, in accordance with the Treaty. It clarifies the Community's role and added value and how the objectives, principles, values, policy coherence for development and commitments defined in this common vision will be made operational at Community level. It identifies priorities which will be reflected in effective and coherent development cooperation programmes at the level of countries and regions. It will guide the planning and implementation of the development assistance component of all Community instruments and cooperation strategies with third countries. It shall be taken into account in other Community policies that affect developing countries, to ensure policy coherence for development.

41. Community policy in the sphere of development cooperation shall be complementary to the policies pursued by the Member States.

42. The Community development policy will have as its primary objective the eradication of poverty in the context of sustainable development, including pursuit of the MDGs, as well as the promotion of democracy, good governance and respect for human rights, as defined in part I. At the Community level, these objectives will be pursued in all developing countries and applied to the development assistance component of all Community cooperation strategies with third countries.

43. The Community will apply all the principles defined in Part I, including principles on aid effectiveness: national ownership, partnership, coordination, harmonisation, alignment to the recipient country systems and results orientation.

44. The Community will also promote policy coherence for development, based upon ensuring that the Community shall take account of development cooperation objectives in the policies that it implements which are likely to affect developing countries.

45. In all activities the Community will apply a strengthened approach to mainstreaming the cross cutting issues as set out in section 3.3 'A strengthened approach to mainstreaming'.

1. The particular role and comparative advantages of the Community

46. Within its competences as conferred by the Treaty, the Commission has a wide role in development. Its global presence, its promotion of policy coherence for development, its specific competence and expertise, its right of initiative at community level, its facilitation of coordination and harmonisation as well as its supranational character are of special significance. The Community can be distinguished by its comparative advantage and added value, which enable complementarity with bilateral policies of Member States and other international donors.

47. On behalf of the Community, the Commission will aim to provide added value through the following roles:

48. First, a global presence. The Commission is present as a development partner in more countries than even the largest of the Member States, and in some cases is the only EU partner substantially present. It has a common trade policy, cooperation programmes covering practically every developing country and region and a political dialogue conducted together with the Member States. It receives backup from an extensive network of delegations. This enables it to respond to a wide variety of situations, including fragile states where Member States have withdrawn.

(1) The development assistance component is defined as all official development aid (ODA) as agreed by the OECD Development Assistance Committee.

(2) Community development cooperation is based on Articles 177 to 181 of the Treaty of the European Community.
49. Second, with the support of Member States, ensuring policy coherence for development in Community actions (1), in particular where Community policies have significant impacts on developing countries, such as trade, agriculture, fisheries and migration policies, and promoting this principle more widely. Drawing on its own experiences, and exclusive competence in trade, the Community has a comparative advantage in providing support to partner countries to integrate trade into national development strategies and to support regional cooperation whenever possible.

50. Third, promoting development best practice. The Commission, together with the Member States, will stimulate the European debate on development and promote development best practice, such as direct budget support and sectoral aid where appropriate, untying of aid, an approach based on results and deconcentration of the implementation of assistance. By enhancing its analytical capacities, it has the potential to serve as an intellectual centre in certain development issues.

51. Fourth, in facilitating coordination and harmonisation. The Commission will play an active role in implementation of the Paris Declaration on aid effectiveness and will be one of the driving forces to promote EU delivery of its commitments made in Paris on ownership, alignment, harmonisation results and mutual accountability. The Commission will continue to promote the 3Cs — coordination, complementarity and coherence as the EU contribution to the wider international agenda for aid effectiveness. The Community will also support enhanced coordination of disaster relief and preparedness, in the context of the existing international systems and mechanisms and the UN’s lead role in ensuring international coordination.

52. Fifth, a delivery agent in areas where size and critical mass are of special importance.

53. Sixth, the Community will promote democracy, human rights, good governance and respect for international law, with special attention given to transparency and anti-corruption. The Commission’s experience on democracy promotion, human rights and nation-building is positive and will be further developed.

54. Seventh, in putting into effect the principle of participation of civil society, the Commission will be supported by the European Economic and Social Committee which has a role in facilitating the dialogue with local economic and social interest partners.

55. In addition, the Community strives to promote understanding of interdependence and encourage North-South solidarity. To that end, the Commission will pay particular attention to raising awareness and educating EU citizens about development.

2. A differentiated approach depending on contexts and needs

2.1 Differentiation in the implementation of development cooperation

56. Development objectives, principles, and application of aid effectiveness commitments (2), must be applied to all development cooperation components. In all developing countries the Community will use the instruments and approaches that will be most effective in reducing poverty and ensuring sustainable development.

57. Implementation of Community development cooperation is necessarily country or region-specific, ‘tailor-made’ to each partner country or region, based on the country’s own needs, strategies, priorities and assets. Differentiation is a necessity, given the diversity of partners and challenges.

(1) In all 12 areas set out in the May 2005 Council Conclusions and attached Communication on PCD.
(2) Made in the context of the Paris Declaration of March 2005.
58. Development objectives are goals in their own right. Development cooperation is one major element of a wider set of external actions, all of which are important and should be coherent, mutually supportive and not subordinate to each other. Country, Regional and Thematic Strategy papers are the Commission programming tools which both define this range of policies and ensure coherence between them.

59. Development assistance can be provided through different modalities that can be complementary (project aid, sector programme support, sector and general budget support, humanitarian aid and assistance in crisis prevention, support to and via the civil society, approximation of norms, standards and legislation, etc.), according to what will work best in each country.

60. Poverty eradication is important in both middle-income and low-income partner countries. LICs and LDCs face enormous challenges on their path towards the MDGs. Support to LICs will be based on PRS, paying due attention to the availability of and access to basic services, economic diversification, food security and improved democratic governance and institutions.

61. Support to middle-income countries also remains important to attaining the MDGs. Many lower MICs are facing the same kind of difficulties as LICs. A large number of the world’s poor live in these countries and many are confronted with striking inequalities and weak governance, which threaten the sustainability of their own development process. The Community therefore continues to provide development assistance based on countries’ poverty reduction or equivalent strategies. Many MICs have an important role in political, security and trade issues, producing and protecting global public goods and acting as regional anchors. But they are also vulnerable to internal and external shocks, or are recovering, or suffering, from conflicts.

62. The Pre-Accession Policy, insofar as it concerns developing countries, aims to support the membership perspective of candidate and pre-candidate countries, and the European Neighbourhood Policy aims to build a privileged partnership with neighbouring countries, bringing them closer to the Union and offering them a stake in the Community's internal market together with support for dialogue, reform and social and economic development. Whilst these policies have a clear integration focus, they usually include significant development aspects. Poverty reduction and social development objectives will help to build more prosperous, equitable and thus stable societies in what are predominately developing countries. The instruments that may provide technical and financial assistance to support these policies will include, where appropriate, development best practice to promote effective management and implementation. Policies guiding these instruments will be realised within a broader framework, set out in the European Neighbourhood and Pre-Accession Policies, and will form an integral part of wider Community external actions.

63. The proposed new architecture of policy-driven and horizontal instruments (1) for Community assistance may provide the appropriate framework to respond to the different contexts and conditions. In this framework, the thematic programmes are subsidiary, complementary and defined on the basis of their distinctive value added vis-à-vis the geographical programmes.

2.2 Objective and transparent criteria for resource allocation

64. Within global geographic and thematic allocations, the use of standard, objective and transparent resource allocation criteria based on needs and performance will guide the allocation of resources and a review of their subsequent use. The particular difficulties faced by countries in crisis, in conflict or disaster-prone will be borne in mind, alongside the specificity of the different programmes.

65. The needs criteria include population, income per capita and the extent of poverty, income distribution and the level of social development, while the performance criteria include political, economic and social progress, progress in good governance and the effective use of aid, and in particular the way a country uses scarce resources for development, beginning with its own resources.

(1) The Commission proposal to the Council and the Parliament is based on three policy-driven regulations: the European Neighbourhood and Partnership, Development Cooperation and Economic Cooperation, and Pre-accession to the EU and three horizontal instruments: for Humanitarian assistance, Stability and Macro-financial assistance.
66. Development policy must reflect a distribution of resources which takes account of the effect of such resources on poverty reduction. Consequently, particular attention must be paid to the situation of the LDCs and other LICs, as part of an approach which also encompasses the efforts by the government of the partner countries to reduce poverty as well as their performance and absorption capacity. The LDCs and LICs will be given priority in terms of overall resource allocations. The Community should find ways to increase the focus on the poorest countries with a specific focus on Africa. Appropriate attention will be given to MICs, particularly to lower-middle-income countries many of which face similar problems to LICs.

3. Responding to the needs of partner countries

3.1 The principle of concentration while maintaining flexibility

67. The principle of concentration will guide the Community in its country and regional programming. This is crucial to ensure aid effectiveness. The Community will apply this principle in all its country and regional programmes. It means selecting a strictly limited number of areas for action when Community aid is being programmed, instead of spreading efforts too thinly over too many sectors. This selection process will be done at country and regional level in order to honour commitments made in regard of partnership, ownership and alignment.

68. These priorities will be identified through a transparent and in-depth dialogue with partner countries on the basis of a joint analysis and in such a way as to ensure complementarity with other donors, in particular with Member States. Programming should allow for sufficient flexibility to also enable a rapid response to unforeseen needs.

69. The harmonisation agenda means that donors must work together to support partner countries’ general and sectoral policies. The Community will support partner countries in being the leading force in the preparation and coordination of multi-annual programming of all donor support to the country. MDG-oriented poverty-reduction strategies or equivalent national strategies will be the starting point for this kind of work.

3.2 Areas for Community Action

70. The particular role and comparative advantages of the Community point to focusing the Community’s contribution in certain areas, where it has comparative advantages. Therefore the Commission will further develop its expertise and capacity in these areas. Particular attention will be paid to building the necessary capacity and expertise at the country level, in line with the deconcentration process and ownership of partner countries.

71. Responding to the needs expressed by partner countries, the Community will be active primarily in the following areas, a number of which will be considered its comparative advantage.

Trade and regional integration

72. The Community will assist developing countries on trade and regional integration through fostering equitable and environmentally sustainable growth, smooth and gradual integration into the world economy, and linking trade and poverty reduction or equivalent strategies. The priorities in this area are institutional and capacity building to design and effectively implement sound trade and integration policies, as well as support for the private sector to take advantage of new trading opportunities.
The specific operations will depend heavily on the characteristics of the partner countries. The poorest countries, especially LDCs and small, landlocked and insular countries require special emphasis on the supply side and increasing the competitiveness of the private sector.

Barriers are often highest between developing countries themselves. Regional integration can lower these barriers. In the case of the ACP, this also helps to prepare Economic Partnership Agreements. For many countries, but especially those for which the EU is the largest trading and investment partner, approximation of the EU single market regulations is beneficial.

The environment and the sustainable management of natural resources

The Community will support the efforts undertaken by its partner countries to incorporate environmental considerations into development, and help increase their capacity to implement multilateral environmental agreements. The Community will give particular attention to initiatives ensuring the sustainable management and preservation of natural resources, including as a source of income, and as a means to safeguard and develop jobs, rural livelihoods and environmental goods and services. To this end it will encourage and support national and regional strategies; it will also take part in and contribute to European or global initiatives and organisations. A stronger support to the implementation of the United Nations Convention on Biological Diversity will help to halt biodiversity loss and promote biosafety and sustainable management of biodiversity. As far as desertification control and sustainable land management are concerned, the Community will focus on the implementation of the United Nations Convention to Combat Desertification through effective mainstreaming of sustainable land management issues in developing countries’ strategies. As regards sustainable forest management, the Community will support efforts on combating illegal logging and will give particular attention to implementation of Forest Law Enforcement, Governance and Trade (FLEGT).

With regard to climate change, the Community will focus its efforts on the implementation of the EU Action Plan on Climate Change in the context of development cooperation, in close collaboration with the Member States. Adaptation to the negative effects of climate change will be central in the Community’s support to LDCs and small island development states. It will also seek to promote the sustainable management of chemicals and waste, particularly by taking into account their links with health issues.

Infrastructure, Communications and transport

The Community will promote a sustainable transport sectoral approach. This approach will be based on the principles of partner country ownership and prioritisation through poverty reduction or equivalent strategies, meeting partner countries’ needs, ensuring transport safety, affordability, efficiency and minimising negative effects on the environment. It applies a strategy for delivering transport that is economically, financially, environmentally and institutionally sustainable.

The Community will respond within the budgets available to the growing demand, particularly from African countries, for the increase of donor funding to infrastructure, including economic infrastructure in support of efforts to eradicate poverty. The Community will provide support at various levels. The point of departure will be the national level with the major bulk of the assistance being channelled through partner countries’ strategies, securing an optimal balance between investment and maintenance. At regional and continental level the Community will launch a Partnership for Infrastructure, which will work together with regional economic communities, and other major partners, including the private sector. Partnership with the private sector will be supported.

The Community will also support an increased use of information and communication technologies to bridge the digital divide. It will also increase its support to development-related research.
Water and energy

80. The Community ‘integrated water resources management’ policy framework aims at ensuring a supply of sufficient, good quality drinking water, adequate sanitation and hygiene to every human being, in line with the MDGs and the targets from Johannesburg. Further, it aims at establishing a framework for long term protection of all water resources, preventing further deterioration and promoting sustainable water use.

81. The EU Water Initiative contributes to these policy objectives. Its key elements are to: reinforce political commitment to action; raise the profile of water and sanitation issues in the context of poverty reduction efforts and sustainable development; promote better water governance arrangements; encourage regional and sub-regional cooperation on water management issues; and catalyse additional funding.

82. Large sectors of the population in developing countries have no access to modern energy services and rely on inefficient and costly household energy systems. Community policy therefore is focused on supporting a sound institutional and financial environment, awareness raising, capacity building, and fund-raising in order to improve access to modern, affordable, sustainable, efficient, clean (including renewable) energy services through the EU Energy Initiative, and other international and national initiatives. Efforts will also be made to support technology leapfrogging in areas like energy and transport.

Rural development, territorial planning, agriculture and food security

83. Agriculture and rural development are crucial for poverty reduction and growth. To re-launch investment in these areas, the Community will support country-led, participatory, decentralised and environmentally sustainable territorial development, aimed at involving beneficiaries in the identification of investments and the management of resources in order to support the emergence of local development clusters, while respecting the capacity of eco-systems. For results to be sustainable it is essential to promote a coherent and conducive policy environment on all levels.

84. The Community will continue to work to improve food security at international, regional and national level. It will support strategic approaches in countries affected by chronic vulnerability. Focus will be on prevention, safety nets, improving access to resources, the quality of nutrition and capacity development. Particular attention will be paid to transition situations and to the effectiveness of emergency aid.

85. In relation to agriculture, the Community will focus on access to resources (land, water, finance), the sustainable intensification of production (where appropriate and in particular in LDCs), competitiveness on regional and international markets and risk management (in countries dependent on commodities). To ensure that developing countries benefit from technological development, the Community will support global agricultural research.

Governance, democracy, human rights and support for economic and institutional reforms

86. Progress in the protection of human rights, good governance and democratisation is fundamental for poverty reduction and sustainable development (1). All people should enjoy all human rights in line with international agreements. The Community will on this basis promote the respect for human rights of all people in cooperation with both states and non-state actors in partner countries. The Community will actively seek to promote human rights as an integral part of participatory in-country dialogue on governance. Fostering good governance requires a pragmatic approach based on the specific context of each country. The Community will actively promote a participatory in-country dialogue on governance, in areas such as anti-corruption, public sector reform, access to justice and reform of the judicial system. This is essential to building country-driven reform programmes in a context of accountability and an institutional environment that upholds human rights, democratic principles and the rule of law.

(1) 2003 Communication on Governance and Development set out the EC’s definition and approach to governance.
87. With a view to improved legitimacy and accountability of country-driven reforms, the Community will promote a high level of political commitment to these reforms. It will, as part of this, also support decentralisation and local authorities, the strengthening of the role of Parliaments, promote human security of the poor, and the strengthening of national processes to ensure free, fair and transparent elections. The Community will promote democratic governance principles in relation to financial, tax and judicial matters.

88. The Community will continue to be a key player, in co-ordination with the Bretton Woods Institutions, in supporting economic and institutional reforms, including PRS, by engaging in dialogue and providing financial assistance to governments engaged in these programmes. The Community will continue to pay close attention to the impact of reforms, in terms of growth, improved business climate, macroeconomic stability and the effects on poverty reduction. By putting results at the centre of its dialogue, the Community will promote real country ownership of reforms. Particular emphasis will also be placed on improvements in public finance management, as fundamental to combating corruption and promoting efficient public spending.

**Conflict prevention and fragile states**

89. The Community, within the respective competences of its institutions, will develop a comprehensive prevention approach to state fragility, conflict, natural disasters and other types of crises. In this, the Community will assist partner countries’ and regional organizations’ efforts to strengthen early warning systems and democratic governance and institutional capacity building. The Community will also, in close cooperation and coordination with existing structures of the Council, improve its own ability to recognize early signs of state fragility through improved joint analysis, and joint monitoring and assessments of difficult, fragile and failing states with other donors. It will actively implement the OECD principles for good international engagement in fragile states in all programming.

90. In difficult partnerships, fragile or failing states the Community’s immediate priorities will be to deliver basic services and address needs, through collaboration with civil society and UN organisations. The long-term vision for Community engagement is to increase ownership and continue to build legitimate, effective and resilient state institutions and an active and organised civil society, in partnership with the country concerned.

91. The Community will continue to develop comprehensive plans for countries where there is a significant danger of conflict, which should cover policies that may exacerbate or reduce the risk of conflict.

92. It will maintain its support to conflict prevention and resolution and to peace building by addressing the root-causes of violent conflict, including poverty, degradation, exploitation and unequal distribution and access to land and natural resources, weak governance, human rights abuses and gender inequality. It will also promote dialogue, participation and reconciliation with a view to promoting peace and preventing outbreaks of violence.

**Human development**

93. The Community human development policy framework for health, education, culture and gender equality aims at improving peoples’ lives in line with the MDGs through action at global and country level. It will be driven by the principle of investing in and valuing people, promoting gender equality and equity.
94. The MDGs cannot be attained without progress in achieving the goal of universal sexual and reproductive health and rights as set out in the ICPD Cairo Agenda. To confront the devastating impact of HIV/AIDS, TB and malaria in developing countries, a roadmap for joint EU actions on the European Programme for Action will be developed. The Community will support the full implementation of strategies to promote sexual and reproductive health and rights and will link the fight against HIV/AIDS with support for reproductive and sexual health and rights. The Community will also address the exceptional human resource crisis of health providers, fair financing for health and strengthening health systems in order to promote better health outcomes, making medicines more affordable for the poor.

95. MDG-related performance indicators will be strengthened to better link sector and budget support to MDG progress and to ensure adequate funding for health and education.

96. The Community aims to contribute to 'Education for All'. Priorities in education are quality primary education and vocational training and addressing inequalities. Particular attention will be devoted to promoting girls' education and safety at school. Support will be provided to the development and implementation of nationally anchored sector plans as well as the participation in regional and global thematic initiatives on education.

Social cohesion and employment

97. In the context of poverty eradication, the Community aims to prevent social exclusion and to combat discrimination against all groups. It will promote social dialogue and protection, in particular to address gender inequality, the rights of indigenous peoples and to protect children from human trafficking, armed conflict, the worst forms of child labour and discrimination and the condition of disabled people.

98. Social and fiscal policies to promote equity will be supported. Priority actions will include support for social security and fiscal reforms, corporate social responsibility, pro-poor growth and employment.

99. Employment is a crucial factor to achieve a high level of social cohesion. The Community will promote investments that generate employment and that support human resources development. In this respect the Community will promote decent work for all in line with the International Labour Organisation (ILO) agenda.

3.3 A strengthened approach to mainstreaming

100. Some issues require more than just specific measures and policies; they also require a mainstreaming approach because they touch on general principles applicable to all initiatives and demand a multisectoral response.

101. In all activities, the Community will apply a strengthened approach to mainstreaming the following cross-cutting issues: the promotion of human rights, gender equality, democracy, good governance, children's rights and indigenous peoples, environmental sustainability and combating HIV/AIDS. These cross-cutting issues are at once objectives in themselves and vital factors in strengthening the impact and sustainability of cooperation.

102. The Commission will relaunch this approach, making systematic and strategic use of all resources at its disposal (1). Foremost it will ensure that its services develop capacity to implement this policy. It will intensify the dialogue with its partner countries to promote the mainstreaming of these issues in national policies and PRS. It will also facilitate setting up networks of expertise and technical support.

(1) Strategic environmental assessments and gender-equality impact assessments will be carried out on a systematic basis, including in relation to budget (‘greening the budget’) and sectoral aid.
Democracy, Good Governance, Human rights, the rights of children and indigenous peoples

103. Democracy, Good Governance, Human rights and the rights of children will be promoted in partnership with all countries receiving Community development assistance. These issues should be systematically incorporated into the Community’s development instruments through all Country and Regional Strategy Papers. The key principle for safeguarding indigenous peoples rights in development cooperation is to ensure their full participation and the free and prior informed consent of the communities concerned.

Gender equality

104. Equality between men and women and the active involvement of both genders in all aspects of social progress are key prerequisites for poverty reduction. The gender aspect must be addressed in close conjunction with poverty reduction, social and political development and economic growth, and mainstreamed in all aspects of development cooperation. Gender equality will be promoted through support to equal rights, access and control over resources and political and economic voice.

Environmental sustainability

105. The Community will support the efforts by partner countries (governments and civil society) to incorporate environmental considerations into development, including implementation of multilateral environmental agreements (1). It will also help increase their capacity for doing so. Protection of the environment must be included in the definition and implementation of all Community policies, particularly in order to promote sustainable development.

HIV/AIDS

106. In all countries, the fight against HIV/AIDS is defined as an effort cutting across sectors and institutions. There remains a need to mainstream HIV/AIDS into many activities that are not directly concerned with the issue and into the work programmes of specific sector support.

3.4. Support for global initiatives and funds

107. The Commission will continue to contribute to global initiatives that are clearly linked to the MDGs and to global public goods. Global initiatives and funds are powerful instruments for launching new political measures or reinforcing existing ones where their scope is insufficient. They are capable of generating public awareness and support more effectively than traditional aid institutions. This kind of aid should be aligned with national strategies, contribute to the dialogue with countries and aim at the integration of funds into their budget cycles.

108. The added value of global initiatives and funds will have to be assessed on a case-by-case basis after Commission consultation with Member States and, where appropriate, with the European Parliament as regards budget provision. The Commission will draw up criteria for Community participation in global funds and contributions to them. It will give priority to initiatives that will help achieve the MDGs and increase the availability of global public goods.

3.5 Policy coherence for development (PCD)

109. The Commission and Member States will prepare a rolling Work Programme on the implementation of the May 2005 Council conclusions on PCD. This Work Programme will propose priorities for action; define roles and responsibilities of Council, Member States and Commission and set out sequencing and timetables, with the aim of ensuring that non-aid policies can assist developing countries in achieving the MDGs. The Commission will reinforce its existing instruments, notably its impact assessment tool and consultations with developing countries during policy formulation and implementation, and considering new ones where necessary in support of a strengthened PCD.

(1) Climate, biodiversity, desertification, waste and chemicals.
110. Notwithstanding making progress on other PCD commitments, urgent attention will be given to commitments and actions on migration. In this respect, the Commission will aim to include migration and refugee issues in country and regional strategies and partnerships with interested countries and to promote the synergies between migration and development, to make migration a positive force for development. It will support developing countries in their policies of management of migratory flows, as well as in their efforts to combat human trafficking, in order to make sure that the human rights of the migrants are respected.

4. A range of modalities based on needs and performance

111. The Community has a wide range of modalities for implementing development aid which enable it to respond to different needs in different contexts. These are available to all geographical and thematic programmes and reflect a genuine Community added value.

112. Community assistance, whether it is project, sector programme, sector or general budget support, should support partner countries’ poverty reduction or equivalent strategies. Decisions on what modalities of Community aid are the most appropriate for each country will be made at the programming stage, which must be increasingly coordinated with the process of formulating sectoral policies and implementing national budgets.

113. Where conditions allow, the preferred modality for support to economic and fiscal reforms and implementation of PRS will be budget support, for specific sectors or for the general public spending programme. It will enable recipient countries to cope with growing operating budgets, promote harmonisation and alignment on national policies, contribute to lower transaction costs and encourage results-based approaches. Such programmes will normally require the support of the International Financial Institutions, with which the Community’s support will be co-ordinated. The value added of the complementary Community contribution, and any additional conditionality should be clearly defined. The financial management capacities of the beneficiary countries will be strengthened and closely monitored.

114. The provision of direct budget support will respect the recommendations made in the OECD/DAC Good Practice Guidelines on budget support, in particular in terms of alignment, coordination and conditions. Guidelines for the provision of budget support will apply to all the partner countries and will be reinforced with the setting of clear benchmarks and the monitoring of indicators set up to check the effectiveness of this aid modality.

115. The Community will consistently use an approach based on results and performance indicators. Increasingly, conditionality is evolving towards the concept of a ‘contract’ based on negotiated mutual commitments formulated in terms of results.

116. The micro-finance approach has been a major innovation in the last few years. It will continue to be developed with an emphasis on capacity building and organisations with relevant expertise.

117. Debt reduction, which is comparable to indirect budget support, with low transaction costs and a tendency to promote coordination and harmonisation between donors, could where necessary and appropriate help countries to reduce their vulnerability to external shocks.

118. The majority of Community aid will continue to be provided in the form of grants, which is particularly suitable for the poorest countries and for those with a limited ability to repay.

119. In order to guarantee a maximum impact for the beneficiary countries, there should be a strengthening of the synergies between the programmes supported by the European Investment Bank (EIB) and other financial institutions and those financed by the Community. The EIB is playing an increasingly important role in the implementation of Community aid, through investments in private and public enterprises in developing countries.
120. In order to enhance the effectiveness of multilateral aid, the Community will also enhance its cooperation with the UN system, International Financing Institutions and other relevant international organisations and agencies where such cooperation provides added value.

121. The Community will make progress in defining a set of guidelines for intervention in countries in crisis or as they emerge from a crisis, by ensuring that it adjusts both its procedures for allocation of resources and its modalities of intervention, with the concern to be able to respond rapidly and flexibly, with a varied range of interventions.

5. Progress in management reforms

122. In 2000, the Commission launched a reform programme which aimed to speed up implementation of Community's external assistance and to improve the quality of aid delivery. It brought about: (i) improved programming within a coherent project cycle with a focus on poverty eradication; (ii) the creation of one single entity — EuropeAid — responsible for the implementation of assistance; (iii) a completed devolution process with 80 delegations now responsible for aid management; (iv) the strengthening of human resources to speed up implementation; (v) improved working methods through harmonised and simplified procedures, better information systems and better trained staff; (vi) improved quality through a process of quality support and monitoring of the different stages of project management; and finally (vii) speedier implementation of assistance.

123. Improvements are still needed and continue to be made. Externally, the coordination and harmonisation agenda with other donors will have a major positive impact on aid delivery. Internally, the Commission will continue to streamline procedures, push for more devolution to delegations, clarify interaction between delegations and headquarters and improve information systems. Within this framework, quality of projects and programmes at entry will receive more attention through a reinforced quality support process. This will also require a clearer focus on a limited number of areas (and a limited number of activities within the targeted areas) per partner country. During implementation better use should be made of monitoring tools and at closure of programmes, evaluations should result in a clearer input into the programming and identification process.

6. Monitoring and evaluation

Lessons from evaluation of 2000 DPS

124. The assessment of the 2000 European Community Development Policy and its impact on Community aid highlighted a number of important lessons. These included the need to reflect recent international development commitments, such as those made at UN conferences, and advances made in development best practice, such as budget support and the Paris Declaration. The DPS also needed to have higher levels of ownership by all parts of the Commission and be widely accepted in the European Parliament. It should be applied consistently in Community development programmes in all developing countries. These lessons have been drawn upon in agreeing the new Statement and will be taken fully into account in future implementation of EC aid in all developing countries.

Monitoring future implementation

125. The Commission should develop a set of measurable objectives and targets for implementing this Policy and assess progress against this on a regular basis, in the Annual Report for implementation of the European Community Development Policy.

126. The Commission will ensure that all its services and delegations managing programming and implementation of Community development assistance use this European Community Development Policy as the key reference for the Community's objectives and principles for implementation of all development cooperation.
Declaration by the Council and the Representatives of the Governments of the Member States meeting within the Council

In the event that any Member State wishes to review the country applicability of this Statement subsequent to the OECD/DAC decision of April 2006, the Council will consider this.