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## OUTCOME OF THE COUNCIL MEETING

3391st Council meeting

**Foreign Affairs**

**Development**

Brussels, 26 May 2015

President **Federica Mogherini**  
High Representative for Foreign Affairs and Security  
Policy

# P R E S S

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<sup>1</sup> • Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.  
• Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).  
• Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

**ITEMS DEBATED**

**Post-2015/Financing for Development**

The Council adopted conclusions on a [New global partnership for poverty eradication and sustainable development after 2015](#).

**Gender in development**

The Council adopted [conclusions on gender in development](#). Ministers reaffirmed that women's and girls' rights, gender equality and the empowerment of women and girls remain a policy priority for the EU's external action and development cooperation. The Council stressed the need for an ambitious and transformative approach to address the root causes and risk factors of gender inequality, discrimination and violence against women and girls.

The discussion and the conclusions will feed into the preparation of the forthcoming new EU action plan on gender equality and women's empowerment in development for 2016-2020.

## **Migration and development**

The Council exchanged views on how development cooperation can most effectively address the migration challenges faced by Europe and its partner countries.

The EU's comprehensive approach includes working on root causes of irregular migration. The EU is committed to enhancing work on the links between migration and development. By addressing political, economic and social instability, development cooperation can contribute to ensure that migration is a choice rather than a necessity.

Ministers also recognised the positive impact of migration on the development of partner countries, notably the role of remittances and of diaspora engagement.

The Council encouraged the Commission and the European External Action Service to work on concrete measures to implement previously agreed Council conclusions on migration and development, in particular to strengthen the migration dialogues with partner countries and regions and to improve the operational approach in order to maximise the impact of EU humanitarian and development support for refugees and internally displaced persons.

The forthcoming Summit with the African union and key partners countries, to be held in Malta, will be an opportunity to further advance work in this area.

**OTHER ITEMS APPROVED**

**DEVELOPMENT COOPERATION**

**Annual report on EU development aid targets**

The Council approved its [annual Report 2015 to the European Council on EU Development Aid Targets](#). It analyses the trends with regard to the Official Development Assistance (ODA) commitments, both by the EU and its individual member states. The Council reaffirms its political leadership and commitment to EU development aid which is a key priority for the EU, especially in the context of the post-2015 agenda.

**EU food and nutrition security policy**

The Council adopted the following conclusions on the first biennial report on implementing EU food and nutrition security policy commitments:

- "1. The Council recalls its Conclusions of 28 May 2013 on “Food and Nutrition Security in external assistance”<sup>1</sup> which endorsed the Commission Staff Working Document on “Boosting Food and Nutrition Security through EU Action: Implementing our Commitments” (Implementation Plan)<sup>2</sup> and invited “the Commission to coordinate, in close collaboration with Member States, a consolidated EU biennial progress report and to publish the first such report in 2014”.
2. The Council also recalls its Conclusions of 10 May 2010 on “An EU policy framework to assist developing countries in addressing food security challenges”<sup>3</sup> and on “Humanitarian Food Assistance”<sup>4</sup>, its Conclusions of 28 May 2013 on “The EU Approach to Resilience”<sup>5</sup>, as well as its Conclusions of 12 December 2014 on “The Action Plan on Nutrition”<sup>6</sup>.
3. The Council welcomes the findings of the implementation report<sup>7</sup>, which also provides the baseline for subsequent reports. The Council welcomes the joint effort that the EU donors have made to produce a consolidated report on assessing performance in implementing EU Food and Nutrition Security policy commitments. The Council recognises the importance of this accountability tool for strengthening aid effectiveness, transparency and mutual accountability as well as for enhancing policy coherence, coordination and synergies, thereby contributing to EU visibility and leadership.

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1 Doc. 9328/13

2 Doc. 8107/13

3 Doc. 9653/10

4 Doc. 9654/10

5 Doc. 9325/13

6 Doc. 16857/14

7 Doc. 16855/14

4. The Council recognises that global food and nutrition security challenges are inherently complex issues that require increased EU attention and need to be addressed in a sustainable way. The Council further stresses the importance of ensuring proper linkages between further work on food and nutrition security and key intergovernmental negotiations, notably on the Post-2015 Development Agenda and the 2015 UN Framework Convention on Climate Change (UNFCCC) process, as well as with other relevant fora such as the Committee on World Food Security, and with the Sendai Framework for Disaster Risk Reduction 2015-2030. The Milan Expo 2015 will also provide a good opportunity to sustain engagement on key food and nutrition security policy issues.
5. The Council welcomes the collective EU response to food insecurity and crises since 2010 as discussed in the implementation report. It encourages the EU and its Member States to continue improving effectiveness, through greater alignment, transparency, complementarity, coordination, and division of labour at country level and as far as possible under partner countries' leadership.
6. The Council stresses that the EU and its Member States, as appropriate, should strengthen Joint Programming in the area of food and nutrition security, building upon lessons learned from past experiences. In-country coordination, harmonisation, joint analysis, and division of labour should be strengthened and monitored, including in the field, in particular in relation to their impact on food and nutrition security. Progress with regard to these efforts should be reported in the next biennial report.
7. The Council reiterates the need to reinforce all levels of food and nutrition security governance and urges the EU and its Member States to further strengthen multi-stakeholder dialogue and the involvement of civil society, the private sector and farmer organisations, with a focus on small holders, in partner countries, in particular regarding national programme formulation and implementation.
8. The Council welcomes the findings of the report on the increasing leadership that the EU and its Member States are showing on critical topics such as the fight against malnutrition, research, resilience building, and land governance, including equitable access to land. The Council encourages the EU and its Member States to continue working on these issues and to build upon these successes in addressing emerging challenges such as sustainable and climate sensitive agriculture and resilient food systems, efficient management of water, nutrition sensitive agriculture and rural transformation, including youth employment. Particular focus should be put on gender-sensitive interventions and policies.

9. The Council also emphasises the need to focus collectively on improving food and nutrition security through a long-term perspective and a holistic approach, and to promote the multiplier role of the agricultural sector. In particular, the Council emphasises the need to i) develop and link local, regional and international value chains for agricultural products, ii) increase responsible public and private investments in sustainable agriculture and food systems, iii) create an enabling environment for socio-economic development of rural areas by ensuring coherence between urban and rural development policies, iv) improve nutrition integration in relevant programmes and strategies, v) strengthen education for food and nutrition security, as well as to vi) strengthen social safety nets and enhance coordination between humanitarian and development action.
10. The Council urges the EU and its Member States to step up their support for pro-poor, demand-led and high-quality agricultural research and effective and evidence-based extension and innovation, both in terms of increased investments and focus on emerging priorities, and to ensure the translation of results into action on the ground to maximise impact.
11. The Council recalls the importance of developing and harmonising measures to track progress on food and nutrition security commitments and of supporting national monitoring systems. The Council recognises the need to refine and simplify the reporting format and methodology in view of the next EU joint biennial report on implementing EU food and nutrition security policy commitments. In particular, the Council suggests focusing on selected policy priorities, and putting more emphasis on results and impact assessment, ensuring consistency with the overall approach of the EU Development and Cooperation Results Framework which is being developed, as noted in the Council Conclusions of 19 May 2014. The Council notes the need to improve the quality of data reported and stresses the importance of alignment with national plans of partner countries.
12. The Council urges the EU and its Member States to step up efforts to communicate the joint achievements, both at European level and in partner countries, and invites the Commission to coordinate, in close collaboration with all Member States, the next consolidated report with a view to its publication in the first semester of 2016."

**EU support after earthquake in Haiti - Council conclusions on Court of Auditors' report**

The Council adopted the following conclusions on the Court of Auditors' special report entitled "EU support for rehabilitation following the earthquake in Haiti " (6490/15):"

1. The Council welcomes the European Court of Auditors' Special Report No 13/2014 on the "EU Support for rehabilitation following the earthquake in Haiti."<sup>1</sup>
2. The Council notes that the Court, among its findings, recommends that, in post-disaster and fragile situations, the Commission and the EEAS should:
  - Improve risk management, notably by paying due attention to operational, political, fiduciary and other risks to the achievement of programmes' objectives and by establishing measures to prevent or mitigate such risks;
  - Ensure better and more effective linkages and synergies between relief, rehabilitation and development measures – in particular through the adoption of a common strategy between Commission services;
  - Continue to focus on key public financial management functions and reforms when using budget support modalities and to adopt, where necessary, short term measures to safeguard EU funds;
  - Develop business continuity procedures, notably by including provisions for emergency personnel redeployment in EU Delegations and by ensuring sufficient resources for monitoring purposes.
3. The Council recognises that Linking Relief, Rehabilitation and Development (LRRD), in all EU areas of intervention, requires a common strategy. The Council encourages the Commission, the EEAS and the EU Member States, where appropriate with other donors, to enhance coordination in the design and implementation of humanitarian and development projects and programmes, including through joint programming where appropriate, to ensure effective linkages and synergies.

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<sup>1</sup> OJ C 334, 25.9.2014, p. 7.



4. The Council reiterates that efforts to promote LRRD remain key to building resilience<sup>1</sup> and to achieving sustainable human development, including poverty reduction<sup>2</sup>. The Council welcomes the full and systematic integration of the LRRD approach in the 2014-2020 funding cycle, in particular in the National Indicative Programme for Haiti.
5. The Council underlines that assistance to post-disaster and fragile States, including through budget support, is a essential but challenging component of EU external relations policy, noting that the New Deal for Engagement in Fragile States is based on mutual trust and accountability and on country-led and country-owned transition processes, with associated risks that must be managed but cannot be completely eliminated. In this regard, coordination with other donors on risk adaptation and mitigation strategies for development cooperation with Haiti should be strengthened, with full respect for the *modus operandi* of humanitarian aid.
6. The Council reiterates that EU budget support must be designed and implemented to effectively support poverty reduction and sustainable development, and to reflect the specific goals, benefits and risks, as well as feasibility in the partner country. The Council welcomes the efforts of the Commission and notes in this respect the ongoing State Building Contract under the budget support aid modality designed for fragile states, as well as the inclusion in the 2014-2020 National Indicative Programme of the focal sector "State reform and modernization of public administration". The Council reiterates that providing budget support in the form of State Building Contracts with partner countries in fragile situations should be based on a case-by-case approach and an assessment of potential benefits and risks, an analysis of alternative aid modalities as well as of the cost of inaction. Such support, including expenditures, should be monitored closely.<sup>3</sup>
7. The Council calls on the Commission and the EEAS to underline the importance of public financial management (PFM) reforms in their dialogue with the Haitian government and to provide adequate capacity-building support and focus to key PFM functions.
8. The Council recalls the swift response to the 12 January 2010 Haiti earthquake by the EU and by Member States in rapidly providing humanitarian emergency assistance and deploying humanitarian and civil protection experts from the Commission and the Member States, as well as efforts by Member States in the area of consular cooperation. The Council welcomes the establishment of business continuity procedures, under the responsibility of the EEAS, and provisions for emergency personnel redeployment for all EU Delegations since the 2010 Haiti earthquake.

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<sup>1</sup> Doc. 9325/13: "Council Conclusions on EU approach to resilience". Also Commission Staff Working Document "Action Plan for Resilience in Crisis Prone Countries 2013-2020"

<sup>2</sup> Doc. 9369/12: "Council Conclusions on Increasing the Impact of EU Development Policy: an Agenda for Change".

<sup>3</sup> Doc. 9371/12: "Council Conclusions on The Future Approach to EU Budget Support to Third Countries".

9. The Council calls on the Commission and the EEAS together and in coordination with EU Member States, as well as with other donors, and in full respect of the humanitarian principles, while recognising the central role of the UN in providing leadership and coordination of international humanitarian engagement, to keep working towards a joint analysis of humanitarian and development issues, a joint identification of solutions and burden-sharing, including in the context of joint programming where appropriate, to help build the resilience of the most vulnerable populations in Haiti.
10. The Council finally underlines that supporting Haiti in its transition from rehabilitation to development requires both medium and long term engagement. The Council underlines that this support remains a priority of EU cooperation."

### **Financial cooperation with third countries**

The Council adopted the following conclusions on the European Court of Auditors' Special Report on "The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies":

- "1. The Council welcomes the European Court of Auditors' Special Report No 16/2014 on "The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies.
- 2 The Council reiterates its support for the principles outlined in the Council Conclusions on an Agenda for Change<sup>1</sup> with regard to the promotion of new financial tools, including the blending of grants and loans, to leverage additional resources and increase the EU's impact on poverty eradication and sustainable development. The Council also recalls its Conclusions of December 2013 on Financing poverty eradication and sustainable development beyond 2015<sup>2</sup> underlining the need for blended finance to fully take into account debt sustainability and accountability and to avoid market disturbances and budgetary risks.
3. The Council stresses the importance of innovative mechanisms to mobilise additional resources for sustainable development, poverty eradication and climate action. It is also expected that these issues will form an important component of the third International Conference on Financing for Development in Addis Ababa in July 2015. The Council further recognises the potential of blending to finance projects that would not otherwise attract funding and private investors due to their high risk profile and/or their low profitability. In this context, the Council calls for emphasis to be placed on diversifying finance unlocked by blending, from both the public and the private sector.

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<sup>1</sup> Doc. 9369/12

<sup>2</sup> Doc. 17553/13

4. The Council recalls its Conclusions of December 2014<sup>1</sup> outlining the principles and criteria for successful partnerships with the private sector, recognising that blending is an important tool to boost economic growth, innovation and job creation, and looking forward to the efforts of the Commission, Member States and European Financing Institutions in the EU Platform for Blending in External Cooperation (EUBEC) to improve effectiveness by increasing donor coordination and participation, promoting division of labour and reducing transaction costs for partners, and to enhance the developmental impact of blending operations, including on the basis of the lessons learnt.
5. The Council notes that the Court, in its Special Report, concludes that the regional investment facilities were well set up and that the blending of regional investment facility grants with loans from financial institutions to support EU external policies has been generally effective. The Report also indicates that significant additional resources have been leveraged, mainly by European Financial institutions.
6. The Council welcomes the conclusions of the Court regarding the demonstrated relevance of all audited projects to the development needs of the regions or countries concerned, the enhanced coordination between development partners, the reduction of transaction costs for beneficiaries as well as the funding of projects otherwise too large to be financed by a single institution. At the same time, the Council acknowledges the conclusion of the Court that potential benefits of blending were not fully realised due to management shortcomings and that, for half of the examined projects, there was no convincing analysis to show that a grant was necessary for the financial institution to contract the loans.
7. The Council welcomes the recommendations of the Court that, in the context of blending regional investment facility grants with loans from financial institutions, the Commission should:
  - ensure that the allocation of EU grants is based on a documented assessment of the added value resulting from the grants in terms of achieving EU development, neighbourhood and enlargement objectives, notably by adopting and implementing guidelines to steer the Commission’s involvement at all stages of the approval and follow-up process, and by taking a more proactive role in the identification and selection of projects, in particular at EU Delegation level;
  - disburse funding only when the funds are actually needed by the beneficiary;

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<sup>1</sup> Doc. 16856/14

- improve its monitoring of the EU grant implementation, notably through a results measurement framework that includes indicators for following up the impact of EU grants, clear instructions to EU Delegations regarding their monitoring role and an adapted Results Oriented Monitoring methodology;
  - increase its efforts to ensure appropriate visibility of EU funding.
8. The Council underlines the need to preserve the role of financial institutions and the bottom-up approach which are crucial for the success of blending operations. The Council stresses the importance for the Commission to limit funding disbursement to what is necessary to catalyse the investment while also taking into account the operational needs of the project subject to a blending operation. The Council further calls upon the Commission to fully capitalise on the potential of blending operations for a wider impact on sector policy.
  9. The Council takes note and encourages the work initiated by EUBEC and completed so far by the Commission in reforming regional investment facilities and improving the effectiveness of blending operations. Measures initiated take into account major recommendations of the Court. They notably concern the assessment of the added value of the grant and of the actual disbursement needs, improved monitoring, instructions and guidelines for EU staff, including a greater involvement of EU Delegations, as well as communication and EU visibility, both at the level of blending facilities and of individual projects.
  10. The Council welcomes the recent Report of the Commission on the activities of the EU Platform for Blending in External Cooperation (EUBEC) since its establishment until end July 2014<sup>4</sup> and acknowledges the measures taken to enhance the functioning of the EU's blending facilities. The Council, furthermore, welcomes the roll out of the new governance structure to enable an enhanced involvement of all Member States in blending facilities.
  11. The Council stresses that ownership and alignment with national and/or regional development strategies should be ensured in all blending operations. In that sense strategic discussions with relevant national and/or regional authorities should be fostered. The Council recalls the EU commitment to integrate the fight against climate change in development cooperation and underlines the important role that blending can play in supporting EU climate action. The Council also recalls the EU commitment to mainstream gender equality and women's empowerment in all EU development policies and programmes, including blending operations.

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<sup>4</sup> Doc. 17001/14.

12. The Council calls upon the Commission to ensure appropriate follow-up and implementation as well as effective monitoring of the recommendations of the Special Report, and to continue improving the management of blending facilities and demonstrating the added value of the grant element, including in financial terms, and avoiding market distortions in blending operations. The Council underlines the importance of comprehensive and evidence based reporting on all blending operations in EU external cooperation in the context of the Commission's annual reporting obligations.
  
13. The Council looks forward to the evaluation, recently launched by the Commission, of blending as an aid modality and underlines the need to pay particular attention to assessing the development impact of blending operations. As this is expected to complement the Court's report, the evaluation should provide an important additional element in assessing the overall value of blending. Timely implementation of the results framework and reporting on the results of blending operations will be crucial in order to ensure impact and effectiveness of blending as a development instrument."

### **EuropeAid's evaluation and monitoring systems**

The Council adopted conclusions on the Special Report by the European Court of Auditors on EuropeAid's evaluation and results-oriented monitoring systems.

### **Report on EuropeAid's evaluation and results oriented monitoring systems**

The Council approved the conclusions on the European Court of Auditors' Special Report No 18/2014 on EuropeAid's evaluation and results-oriented monitoring systems. For the EU, sound monitoring and evaluation systems are vital to ensure impact and effectiveness of development assistance. The Council took note of the recommendations included in the report and call for their implementation.

**FOREIGN AFFAIRS**

**Restrictive measures in view of the situation in Libya**

The Council implemented the United Nations Security Council Resolution 2213 (2015), by amending certain criteria for listing in relation to the travel restrictions and asset freeze measures. It also implemented certain updates of the list of persons and entities subject to travel restrictions and asset freeze measures as decided by the Security Council Committee established pursuant to UNSCR 1970 (2011).

Furthermore, the Council also amended the criteria for listing person and entities under EU autonomous travel restrictions and asset freezes.

**Security of information agreement between EU-Moldova**

The Council authorised the opening of negotiations with the Republic of Moldova in order to conclude a security of information agreement between the European Union and the Republic of Moldova.

**ECONOMIC AND FINANCIAL AFFAIRS**

**EU-Switzerland tax agreement - Automatic exchange of information**

The Council adopted a decision authorising the signing of an agreement with Switzerland on the automatic exchange of financial account information, aimed at improving international tax compliance.

The draft agreement is part of ongoing efforts to clamp down on tax fraud and tax evasion. It upgrades a 2004 agreement that ensured that Switzerland applied measures equivalent to those in an EU directive on the taxation of savings income.

The aim is to address situations where a taxpayer seeks to hide capital representing income or assets for which tax has been evaded.

Two specific objectives are pursued. Firstly, the agreement will ensure that Switzerland applies strengthened measures that are equivalent to the EU directive as upgraded in March 2014. Secondly, it includes changes in relation to the automatic exchange of financial account information promoted by a 2014 OECD global standard.

Signature of the agreement is scheduled for 27 May 2015 in Brussels. The text must be concluded by the EU and Switzerland before entering into force. The parties expect that the necessary requirements will be fulfilled in time to enable entry into force on 1 January 2017.

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