



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

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Subject : **Millennium Development Goals: EU Contribution to the Review of the MDGs at the UN 2005 High Level Event**
- Conclusions of the Council and the Representatives of the Governments of the Member States Meeting within the Council

At its meeting on 24 May 2005, the Council and the Representatives of the Governments of the Member States Meeting within the Council adopted the conclusions in Annex I.

The Statements in Annex II have been entered into the minutes of this Council's session.

CONCLUSIONS OF THE COUNCIL AND OF THE REPRESENTATIVES OF THE
GOVERNMENTS OF THE MEMBER STATES MEETING WITHIN THE COUNCIL

ON ACCELERATING PROGRESS TOWARDS

ATTAINING THE MILLENNIUM DEVELOPMENT GOALS:

EU contribution to the review of the MDGs at the UN 2005 High Level Event

THE COUNCIL AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE
MEMBER STATES MEETING WITHIN THE COUNCIL,

WELCOMING the report of the United Nations Secretary-General entitled "In larger freedom: towards development, security and human rights for all", which constitutes a prime contribution to the preparation of the United Nations Summit in September 2005 on the follow-up of the 2000 Millennium Declaration and major United Nations conferences and summits, and specifically the recommendations in the area of development based on a shared vision and on mutual responsibility;

RECALLING the European Council's conclusions of the 16th of December 2004, confirming the full commitment of the EU to the Millennium Development Goals and policy coherence;

RECALLING the European Council's conclusions of the 23rd March 2005 reaffirming that the Union is firmly resolved to play a major role within the United Nations in general and in preparations for the summit in particular and to reinforce the Union's support for the African continent;

RECALLING the important contribution of the European Union, as the world's biggest donor and major trading partner, to realizing the commitments contained in the Millennium Declaration and to the achievement of the Millennium Development Goals, and

RECALLING its strong commitment to work in partnership with all developing countries as exemplified in the Cotonou Agreement with the ACP States;

WELCOMING the Commission Communications on Speeding Up progress towards the Millennium Development Goals¹, Financing for Development and Aid Effectiveness², Policy Coherence for Development³, and the EU report on Millennium Development Goals 2000 - 2004; EU contribution to the review of the MDGs at the UN 2005 High Level Event;⁴

REAFFIRMING that the UN Summit in September 2005 should result in the agreement on common responses to the main development, security and human rights challenges as identified in the internationally agreed development targets, and in an reinvigorated political willingness of all parties to implement these common responses, the following positions and specific commitments in the field of development are taken:

1. The EU is strongly committed to the implementation of the Millennium Declaration and the MDGs. The EU underlines the link between achieving the MDGs and implementing the outcomes of the UN international conferences and summits in the economic, social, environmental and other related fields.⁵ We furthermore recognize that there has been progress towards meeting the MDGs, but that this progress varies greatly by goal and by region, so that considerable improvement in mutual performance will be needed to achieve them by 2015. In that context, the EU reaffirms the high relevance of each of the MDGs, and the high importance to achieve the MDGs in each country.

¹ 8138/05 DEVGEN 64 RELEX 172 ONU 46

² 8139/05 DEVGEN 65 RELEX 173 ONU 47 FIN 129

³ 8137/05 DEVGEN 63 RELEX 171 ONU 45

⁴ 8138/05 ADD 2

⁵ Including those set out in the Millennium Declaration and those from Beijing, Copenhagen, Cairo, Istanbul, Monterrey, Vienna, Johannesburg, Rome as well as the Brussels, UNGASS Children, UNGASS HIV/AIDS, Almaty and Mauritius Programmes in favour of LDCs, Landlocked developing countries and the Small Island Developing States.

2. The EU recalls the primary responsibility of developing countries for their development and the crucial importance of national ownership for development and supports comprehensive and coherent national poverty reduction strategies bold enough to meet the MDGs target by 2015.

3. The EU wants to see a number of issues of high importance and relevance for the attainment of the MDGs to be properly reflected in the outcome of the September Summit, such as endorsing employment, equitable and sustainable economic growth as well as sustainable consumption and production patterns as key routes out of poverty, the promotion of gender equality, human rights, democracy, the rule of law and broad-based participation in decision making, the importance of an intensified multisectoral response to HIV/AIDS as laid down in the European Programme for Action to confront HIV/AIDS, malaria and tuberculosis through external action, and the need to address links between environmental sustainability, security and poverty eradication. The EU further recognizes that the MDGs cannot be attained without progress in achieving the Cairo goal of universal sexual and reproductive health and rights. In accordance with the Council Conclusions from November 2004, the EU will therefore work to ensure that this linkage is properly reflected in the outcome of the September 2005 High-Level event. In this context, the EU strongly supports that a subsequent technical process examines how best to incorporate related targets and monitoring indicators under MDG 5.

Volume of ODA

4. Increased ODA is urgently needed to achieve the MDGs. In the context of reaching the existing commitment to attain the internationally agreed ODA target of 0,7 % ODA/GNI, the EU notes with satisfaction that its Member States are on track to achieve the 0.39% target in 2006 for ODA volumes contained in the Barcelona commitments. At present, four out of the five countries, which exceed the UN target for ODA of 0,7%, of GNI are member states of the European Union. Five others have committed to a timetable to reach this target. While reaffirming its determination to reach these targets, the EU agrees to a new collective EU target of 0,56 % ODA/GNI by 2010, that would result in additional annual € 20bn ODA by that time.
- i. 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;
 - ii. 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;
 - iii. 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%.

Innovative sources of financing

5. The Council will continue to consider the most promising options for innovative sources of financing for development, in order to increase the resources available in a sustainable and predictable way. It notes the intention of some Member States to introduce a solidarity levee on airline tickets.

Debt

6. The EU remains committed to finding solutions, in cooperation with International Financial Institutions, to unsustainable debt burdens, and is committed to full implementation of the enhanced HIPC initiative. It will be vital to agree on the scope and modalities for further multilateral debt relief in order to secure the long term debt sustainability on a case by case approach.
7. The EU will continue and enhance efforts to restore and maintain debt sustainability, based on a case by case approach, including (a) exploring possibilities for mechanisms for temporary suspension of debt servicing for developing countries affected by exogenous shocks, (b) specific measures for post conflict countries with external arrears which, therefore, have not yet met the criteria of the HIPC initiative.

Aid effectiveness

8. While making efforts on the quantitative side of financing for development, the EU stresses the need to improve in parallel the quality and effectiveness of ODA as well as better donor practices and the need to enhance the capacity and economic sustainability of increased ODA for our partner countries.

9. In preparation of the Paris High Level Forum the Council has adopted, on 22 of November 2004, a comprehensive EU response with the report on ‘Advancing coordination, harmonisation and alignment’. The EU will ensure implementation of the concrete recommendations contained therein, including a more effective framework for development assistance at the EU level and division of labour and complementarity at country level in the context of joint, multi-annual programming based on the partner country’s poverty reduction strategies.
10. The EU is fully committed to a timely implementation and monitoring of the Paris Declaration on Aid Effectiveness including setting monitorable targets for 2010 and of the EU specific commitments adopted at the Paris Forum.
11. In order to better respond to the need for stable resources and in view of the expected increases in ODA flows, the EU will develop new, more predictable and less volatile aid mechanisms. Such mechanisms could consist in the provision of a minimum level of budgetary aid secured in a medium term perspective and linked to policy performance in the partner countries in particular in relation to the commitment towards achieving the MDGs in national poverty reduction strategies.

Exogenous shocks

12. In order to mitigate the impact of exogenous shocks, including price vulnerability, on developing countries economies, the EU will support the operationalisation of market based insurance schemes and explore possibilities for temporary suspension of debt servicing on a case by case basis. Further, the EU will strengthen and improve access to existing financing mechanisms such as those provided for in the Cotonou Agreement (FLEX) to give short-term cover against the impact of such shocks on countries’ revenue.

Other commitments

13. In addition, the Council will continue to work in the other areas covered by the Barcelona commitments by:
- Addressing the challenge of untying of aid by adopting as soon as possible, on the basis of the Commission's proposal, a regulation on the access to EC external assistance; the EU will support ongoing debates at the international level on further untying of aid beyond existing OECD/DAC recommendations.
 - Examining, on the basis of the report of the Task Force on Global Public Goods, the possibilities to establish by 2006 an Action Plan at EU level on the provision of priority International Public Goods (IPGs) and agreeing to examine the financing modalities of the IPGs;
 - Promoting a joint European position on enhancing the voice of developing and transition countries and further improving the quality of existing EU coordination in the IFI's.

TRADE AND DEVELOPMENT

14. Looking ahead to the 6th WTO Ministerial in Hong Kong in December 2005, the EU is strongly committed to ensuring a development friendly, sustainable and ambitious outcome of the Doha Development Agenda (DDA) that maximises development gains and thus contributes to the achievement of the MDGs. An ambitious outcome would provide new market access opportunities for goods and services from developing countries and new and improved trade rules which would contribute to a more efficient and equitable world trading system. The special needs of weak and vulnerable developing countries should be fully reflected in the outcome of the negotiations including through special and differential treatment provisions. Building on its experience with "Everything But Arms", the EU will invite developed Members, and developing country Members in a position to do so, to provide duty-free and quota-free market access for products originating from least-developed countries.

15. The EU is aware that not all developing countries may be able to take full advantage of the new opportunities which will be created by the DDA. Some may face adjustment costs when integrating into the multilateral trading system. In this spirit the EU commits to further improving and better co-ordinating trade-related assistance programmes and – in view of possible trade integration costs faced by developing countries - providing additional support for trade adjustment and integration into the global economy. It therefore agrees that the different options set out in the Communication⁶ for improved and increased aid, including that of an international mechanism for trade adjustment and capacity building, be pursued further within the EU and with the international community.
16. The EU will ensure that the GSP reform process secures high levels of preferential access for beneficiary countries in order to support development. In addition it will work towards simplification and relaxation of the rules of origin applied to the preferential regimes to better take account of the needs and constraints of developing countries.
17. The EU will continue to provide support to developing countries to enable them to seize trading opportunities, in particular by assisting them in integrating trade into their national development strategies and securing the necessary domestic reforms.

POLICY COHERENCE FOR DEVELOPMENT

18. The EU recognises the importance of non-development policies for assisting developing countries in achieving the MDGs. Building on the existing Treaty obligation for the Community, the EU shall take account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries. The EU will make a specific effort to promote and enhance Policy Coherence for Development in the context of the Global Partnership for Development under MDG 8 and in support of the partner countries' own policies and in compliance with international obligations.

⁶ Doc. 8139/05 DEVGEN 65 RELEX 173 ONU 47 FIN 129

19. The EU is committed to the implementation of the objectives contained in the Commission's Communication on Policy Coherence for Development dealing with the areas of Trade, Environment, Security, Agriculture, Fisheries, Social dimension of globalisation, employment and decent work, Migration, Research and innovation, Information society, Transport and Energy, as well as Climate Change as listed in the Annex to these Council Conclusions. The Council invites the Commission and the Member States to pursue its work on Policy Coherence for Development on the basis of the commitments contained in the Annex to these Conclusions. The EU confirms its engagement to effectively deliver on these commitments against the background of the given MDG framework between now and 2015.

20. The Council will assess existing internal procedures, mechanisms and instruments to strengthen the effective integration of development concerns in its decision making procedures on non-development policies. In accordance with the December 2004 Council Conclusion, the Council invites the Commission to further reinforce its existing instruments notably its Impact Assessment tool and consultations with developing countries during policy formulation, and consider new ones when necessary in support of a strengthened Policy Coherence for Development. The Council calls on EU Member States and the Commission to strengthen policy coherence for development procedures, instruments and mechanism and secure adequate resources in their respective administrations, looking at the best practices developed by some Member States.

FOCUS ON AFRICA

21. The EU considers the development of Africa a priority and will strengthen its efforts to support African countries to reach the MDGs. The EU will also strengthen its cooperation with the UN and other international partners to that end.

22. The EU will increase its financial assistance for Sub-Saharan Africa and will provide collectively at least 50% of the agreed increase of ODA resources to the continent while fully respecting individual Member States priorities' in development assistance. All measures taken as regards policy coherence and quality of aid will be applicable to Sub-Saharan Africa as a priority.

23. In this framework, the Council welcomes the focus on specific actions beyond existing programmes presented by the Commission in areas representing key multipliers for development in view of reaching the MDGs (governance, interconnectivity and access to services).
24. The Council is greatly encouraged by institutional developments within Africa and is firmly committed to strengthening the EU-Africa dialogue and the strategic partnership with Africa to which the EU committed itself, in the Cairo Summit of 2000.
25. The EU will increase its support to the capacity building of the African Union. It will support the implementation of reforms that the Africa Peer Review Mechanism will trigger, and invites the Commission to provide concrete proposals in this respect in order to ensure optimal EU coordination. The EU will increase its support to the African Union and other Sub-Regional Organisations in the field of peace and security, within the framework of the European action plan for peace and security in Africa and through the Peace Facility, bearing in mind the Council Conclusions of 17 November 2003.
26. The EU, in partnership with other donors, proposes to establish a Europe-Africa partnership on infrastructure, based on the AU/NEPAD strategies, including to support the establishment of sustainable trans-African networks essential for the interconnectivity of the continent.
27. Focussing on trade and regional integration as instruments for development, the Council remains committed to ensure that the EPA process is firmly focuses on accelerating development including the strengthening of the supply side capacity and competitiveness, in particular by focussing on the following areas:
- Economic governance;
 - Trade related assistance and capacity building, including the development of home markets;
 - Targeted support measures in key areas such as cotton, sugar and textiles;
 - Identification of resources to support adjustment measures;
 - An ambitious trade facilitation agenda;
 - Addressing agriculture as a key element in the negotiations and supporting the development of regional agricultural markets based on adequate market regulation;
 - Supporting African partners to become more active players in the framework of multilateral trade, and enhance South-South trade.

In view of future discussion at the GAERC, the Council invites the Commission to present a report before 15 September on the state of play of the EPA negotiations outlining both trade and development aspects and identifying areas where development cooperation can further support the EPA process.

28. In order to address issues of inequality and marginalisation, and to promote social cohesion, the EU will strengthen its support to access to basic services (water and sanitation, health, education, sustainable energy ...) and its support to combat environmental degradation. The progress in poverty reduction, governance, equity and sustainable development will be duly taken into account in the allocation criteria based on needs and performance. At the same time the EU will improve its assistance to post-conflict countries and fragile States.
29. The EU, together with other donors, will contribute to ensure adequate and predictable funding to fight HIV/AIDS, Malaria and TB.
30. The Council invites the Commission, in consultation with the SG/HR, to put forward proposals, each within their respective spheres of competence, by autumn, for a comprehensive and long-term EU Strategy for Africa, to be adopted by the European Council in December 2005.

STRENGTHENING THE UN

31. The EU welcomes the Secretary-General's intention to further improve the coordination of the United Nations system including the grouping of the various agencies, funds and programs into more tightly managed entities. The EU also recognizes the need for more predictable financing of the UN's development efforts based on adequate burden sharing. The role of ECOSOC to integrate, coordinate and review the implementation of and the progress towards the commitments taken at major UN conferences should also be further elaborated and pursued.
32. The EU supports a more effective governance of the global environment through a more integrated structure in order to reinforce environmental standard setting, scientific discussion and monitoring of treaty compliance.

MONITORING AND FOLLOW UP

33. The Council invites the Commission to monitor and regularly report on the implementation of these EU commitments on MDGs, including annual reports on the follow up of the EU commitments on financing and on the effectiveness of aid, and a biennial report on Policy Coherence for Development.
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ANNEX TO THE CONCLUSIONS

THE EU COMMITMENTS ON POLICY COHERENCE FOR DEVELOPMENT

- i. *Trade*: The EU is strongly committed to ensuring a development-friendly and sustainable outcome of the Doha Development Agenda and EU-ACP Economic Partnership Agreements (EPAs). The EU will further improve its Generalised System of Preferences, with a view to effectively enhancing developing countries' exports to the EU. The EU will continue to work towards integrating trade into development strategies and will assist developing countries in carrying out domestic reforms where necessary.
- ii. *Environment*: The EU will lead global efforts to curb unsustainable consumption and production patterns. The EU will assist developing countries in implementing the Multilateral Environmental Agreements (MEAs), and will work to ensure that the capacities of developing countries are taken into account during MEA negotiations. The EU will continue to promote pro-poor environment-related initiatives and policies, and will strengthen the integration of environmental and climate change concerns into its own policies.
- iii. *Climate Change*: The EU recognizes that one of the greatest environmental and development challenges in the twenty-first century is that of mitigation and adapting to climate change, and that lasting progress in achieving the MDG's will be enhanced by the success of the international community in implementing the Kyoto Protocol and reinvigorating the international negotiations to ensure a post 2012 arrangement in the context of the UN climate change process. In this context the EU reconfirms its commitment to the Kyoto Protocol and its determination to develop a medium and long-term EU-strategy to combat climate change, consistent with meeting the 2 degree objective as outlined in the European Council's conclusions of the 23rd of March 2005.

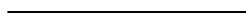
- iv. *Security*: The EU will treat security and development as complementary agendas, with the common aim of creating a secure environment and of breaking the vicious circle of poverty, war, environmental degradation and failing economic, social and political structures. The EU will enhance its policies in support of good and effective governance and the prevention of state fragility and conflict, including by strengthening its response to difficult partnerships/failing states. The EU will strengthen the control of its arms exports, inter alia, with the aim of avoiding that EU-manufactured weaponry be used against civilian populations or aggravate existing tensions or conflicts in developing countries. The EU will promote cooperation in fighting corruption, organised crime and terrorism.
- v. *Agriculture*: The EU will continue its efforts to minimise the level of trade distortion related to its support measures to the agricultural sector, and to facilitate developing countries' agricultural development.
- vi. *Fisheries*: The EU will continue to pay particular attention to the development objectives of the countries with which the Community will engage into bilateral fisheries agreements. Within the context of the new EU policy on fisheries partnership agreements with third countries which is being implemented since 2003, the EU will continue to encourage the conclusion of fisheries agreements in order to contribute towards rational and sustainable exploitation of the surplus of coastal States' marine resources to the mutual benefit of both parties.
- vii. *Social dimension of globalisation, employment and decent work*: The EU will contribute to strengthening the Social Dimension of Globalisation with a view to ensure maximum benefits for all, both men and women. The EU will promote employment and decent work for all as a global goal.
- viii. *Migration*: The EU will promote the synergies between migration and development, to make migration a positive factor for development.

- ix. *Research and innovation*: The EU will promote the integration of development objectives, where appropriate, into its RTD and innovation policies, and will continue to assist developing countries in enhancing their domestic capacities in this area. The EU supports global, regional and national efforts in research for development to address the special needs of the poor in the areas of health, including prevention and treatment of HIV/AIDS, agriculture, natural resource and environmental management, energy, in particular renewable energy and energy efficiency, and climate.

- x. *Information society*: The EU will address the digital divide by exploiting the potential of Information and Communication Technologies as a development tool and as a significant resource for attaining the MDGs.

- xi. *Transport*: The EU will address the special needs of both land-locked and coastal developing countries by promoting the intermodality issues for achieving network interconnectivity as well as security and safety issues.

- xii. *Energy*: The EU is strongly committed to contribute to the special needs of developing countries by promoting access to sustainable energy sources and by supporting establishing interconnection of energy infrastructures and networks.



STATEMENTS TO BE ENTERED INTO THE MINUTES OF THE COUNCIL

STATEMENT BY MALTA RE PARAGRAPH 3

Malta reiterates its position that any recommendation made by the European Union related to development assistance should not in any way create an obligation on any party to consider abortion as a legitimate form of reproductive health or rights or commodities.

STATEMENTS RE PARAGRAPH 4

STATEMENT BY PORTUGAL

Portugal recalls that the budgetary process takes into account all its commitments, including those resulting from the Growth and Stability Pact.

STATEMENT BY ITALY

While confirming its determination to do its utmost to achieve the interim target of 0,51% of the ODA/GNI by 2010, Italy emphasises the requirement to take account of the limits imposed by the budget situation and to comply with the obligations under the Stability and Growth Pact.

STATEMENT BY GERMANY

As a result of an extremely difficult budgetary and financial situation in Germany and of obligations under the Stability and Growth Pact, the decision on the EU step-by-step approach is not easy for Germany. It is important that we in the EU have agreed on a common approach with a view to the major event in September of this year. If we are to achieve our goals, innovative sources of financing will have to play an essential role. However, we will need to make joint efforts in this connection; openness will be necessary on all sides for the sake of effective proposals and pragmatic solutions.

STATEMENT BY THE COUNCIL RE PARAGRAPH 22

In relation to the collective commitment of allocating 50% of ODA increases to Africa, the Council acknowledges that individual Member States that have assumed the commitment to very substantially increase their volumes of ODA, both in absolute terms and in % to their GNI, may not be in a position to fulfil individually that commitment to Africa in % terms, especially when taking into account commitments already assumed in national development cooperation legislation to direct aid to developing countries in other regions.

