



**COUNCIL OF
THE EUROPEAN UNION**



**2755th GENERAL AFFAIRS Council meeting
Luxembourg, 17 October 2006**

**Council Conclusions on the annual report 2006 on the European
Community's Development Policy and the Implementation of
External Assistance in 2005**

The Council adopted the following conclusions:

"RECALLING the 2005 Joint Development Policy Statement: "The European Consensus on Development" (JDPS);

RECALLING its conclusions of 21 November 2005 on the Annual Report 2005 on the European Community's (EC) Development Policy and the implementation of external assistance in 2004;

THE COUNCIL:

1. WELCOMES the Commission's Annual Report 2006 on the EC's development policy and the implementation of external assistance in 2005 and NOTES with satisfaction the overall improvement of the Annual Report, and in particular, the strengthened partnership approach and results-orientation which show improved quality of EC interventions;
2. NOTES that the JDPS adopted in 2005 provides a basis to further develop the contents and the structure of the Annual Report as a management and communication tool, and REITERATES its invitation to the Commission to further improve the analytical part of the Annual Report by showing contributions of EC assistance to achievement of outcomes and impacts, including concrete examples;
3. INVITES the Commission in the 2007 Annual Report to
 - make a clear link from the description of activities to the achievement of development

P R E S S

- policy objectives as defined in the JDPS, including continued and enhanced MDG-related analysis,
- set out explicitly its annual objectives in the report and to provide an assessment on their achievement,
 - include highlights from the Donor Atlas which are relevant to the achievement of development policy objectives,
 - after analysing the positive achievements and assessing existing challenges, strengthen the forward-looking contents of the Annual Report, by outlining improvements of policies and programming, and
 - include a more explicit description of implementation and effects of the Paris Declaration as well as, based on the biennial EU PCD report , a summary of achievements as regards the policy coherence for development (PCD) commitments;
4. WELCOMES in particular the description of lessons learnt from evaluations and INVITES the Commission to integrate them into policy and programming processes;
 5. NOTES with concern the decrease in effectiveness and efficiency of EC contributions to Latin America, as reflected in the results-oriented monitoring system, and INVITES the Commission in the future to provide assessments on reasons behind major changes;
 6. COMMENDS the Commission for the quantitative improvements on its aid delivery in 2005 with respect to 2004 both in terms of commitments (8 billion €, i.e. a 16% increase) and payments (6,2 billion € last year, compared to 5,7 billion € in 2004) and ENCOURAGES the Commission to keep up with its efforts with a view to reducing the outstanding RAL;
 7. WELCOMES the increase in share of low income countries (LICs) in the overall resource allocation, NOTES that the share of least developed countries (LDCs) has remained stable after a decline in 2004, EMPHASISES the importance of the commitments made for a specific focus on Africa and REITERATES the request to report on measures to ensure greater impact on poverty and inequality in middle income countries (MICs);
 8. INVITES the Commission to further improve the accounting of its ODA reporting to DAC, and to present the financial statistics on the use of ODA in a way that provides information on how the share of the areas for EC action identified in the JDPS evolves over time, how EC contributions relate to the global aid allocations by region and how the geographical distribution responds to the needs and performance of the regions;
 9. WELCOMES the presentation of the Annual Report 2006 in June and ENCOURAGES the Commission to enhance its efforts to present the Annual Report at the earliest possible stage in the future;
 10. INVITES the Commission to draft the executive summary as a strategic document with analytical and forward-looking contents focusing on achievements, remaining challenges and opportunities, and which serves as a public communication tool."

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