



**COUNCIL OF
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NOTE

From: General Secretariat
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Subject: Council Conclusions on Cross-country Division of Labour

Delegations will find in the Annex to this note the above Council Conclusions, which were adopted by the Council on 14 June 2010.

**Council Conclusions on
Cross-country Division of Labour**

The Council adopted an Operational Framework on Aid Effectiveness¹ in November 2009. The Council has decided to introduce the changes set out below to this Operational Framework.

- a) A second introductory paragraph shall be added to Chapter I:

I. DIVISION OF LABOUR

(...)

"Better EU complementarity and coordination is crucial to meaningfully reduce aid fragmentation across countries and to address the issue of aid orphans. This commitment also stems from the Code of Conduct. To be effective, such complementarity and coordination should be based on an exchange of information and a dialogue about future engagement and on geographic concentration and country priorities, while recognising that Member States decisions on this issue are sovereign national decisions. It will also improve in-country division of labour processes, where the EU should aim to function as a catalyst with non-EU actors under the leadership and ownership of partner countries. Lead donors arrangements, joint programming and arrangements for delegated cooperation play a key role in strengthening EU coordination and reducing fragmentation."

(...)

¹ Doc. 15912/09

- b) Chapter I. E ("Begin a Process on Cross-country Division of Labour") shall be replaced by the following text:

"E. Cross-country Division of Labour: Reducing aid fragmentation and donor proliferation

9. Through the annual Monterrey questionnaire and drawing on OECD-DAC data, share and exchange information on geographic concentration, country priorities and exits, including on-going processes, with a view to drawing up a map of opportunities to maximise impact of EU donors or to inform possible joint national decisions. The Commission will disseminate all answers to the Member States. The Commission will prepare together with Member States and with input by OECD/DAC experts where appropriate, relevant questions to feed into the annual questionnaire.
10. Meet each year at expert level to analyse and discuss the results of the exchange of information with a view to in particular reducing cross-country aid fragmentation and donor proliferation. The objective of this exchange of information is to ensure that national sovereign decisions are taken on an informed basis including by taking into account other Member States' intentions and opportunities for EU impact, among others. Those decisions will also aim at addressing together the orphans' gap and improving situations where partner countries are lagging behind in their ability to achieve the Millennium Development Goals.
11. This could be done, for example, by providing additional resources to respective partner countries or as a temporary solution delegating cooperation to another Member State, or to the Commission. Member States should strive for better geographic concentration and clear country priorities, while the Commission should play a more active role in orphan countries taking advantage of its global presence.

12. Keep the Council informed of the results of this annual exercise.

13. In line with the Paris Declaration and the Accra Agenda for Action, bear in mind the following principles during this process:
 - a. ensuring a neutral or beneficial impact on overall aid volumes.

 - b. giving special consideration to those Member States that have joined EU since 2004 who may approach the issue of cross country division of labour from an entry, rather than an exit perspective.

 - c. communicating immediately with relevant partners when the EU has a preliminary view of how to implement cross country Division of labour, in order to enrich donors' decision-making processes by integrating partner's views."
