

## **EU ‘self interest’ inflates aid by over €5bn in 2010, say NGOs**

Launched in Brussels on 19th May, this year’s flagship AidWatch report – Challenging self-interest: Getting EU aid fit for the fight against poverty says that:

- ⤴ Aid is becoming increasingly dictated by domestic political agendas and tied to security, immigration and commercial objectives.
- ⤴ In 2010 EU member states inflated official aid spending by more than €5bn. This is equivalent to almost 10% of the total aid provided by the EU to partner countries last year. €2.5 billion of this amount was debt cancellation, roughly €1.6 billion was student costs and about €1.1 billion was spent on refugees in donor countries.
- ⤴ The EU is the world’s biggest aid donor but in 2010, only nine countries<sup>1</sup> met their EU aid targets.

This latest analysis is based on figures released by the Organisation for Economic Co-operation and Development (OECD) in April, which showed that the EU spent €54.82bn on aid (0.43% of GNI) falling short of its commitment by nearly €15 billion.

### **Aid allocations increasingly linked to self interest**

Beyond the headline numbers, EU member states are becoming increasingly inward-looking and eager to promote aid policies which prioritise foreign or domestic policy objectives. In addition to weakening their ambitions on aid levels, aid effectiveness and budget support, they are linking their aid more closely to EU security, migration and commercial interests.

For example, while the OECD labels no fewer than 48 countries as fragile, more than 30% of all global development aid channelled to fragile states since 2002 has gone to just three countries: Iraq, Afghanistan and Pakistan. Afghanistan figures as a priority country for 11 EU countries, including Finland, Germany, Italy, Poland and the UK.

High levels of poverty and significant development challenges in Afghanistan cannot fully explain the EU’s interest in engaging in the country. As this year’s AidWatch member survey shows, allocations to Afghanistan have been justified domestically mostly on grounds of security and migration concerns.

Jean Kamau from ActionAid Kenya said: “Aid is under assault and EU self-interest seems to be driving it. It’s bad enough that the majority of member states are cutting aid but using it to mask domestic or foreign policy priorities is totally unacceptable”.

### **Aid effectiveness: partner countries marginalised**

The report also highlights how this self-interested approach is being replicated at all stages of the aid process, including the way in which EU member states choose to judge its effectiveness.

EU member states will take part in a summit in Busan, South Korea this November to review the contribution international commitments<sup>2</sup> have made to efforts to improving aid effectiveness and agree a framework to guide future efforts.

However, in their preparatory discussions EU member states have been calling for a framework that reduces the input of partner countries, and focuses instead on the need to service their own domestic political contexts.

Stephen Doughty from Oxfam International said: “European governments will be making a serious mistake if some efforts to prove aid is effective to their domestic political audiences end up, in fact, meaning less effective aid. Ending poverty must remain in the driving seat of EU aid policies. Anything else will seriously put Europe’s credibility on the line in Busan”.

### **Democratic ownership must be at centre of EU development policy**

Recent events across the Arab world have shown the importance of people being able to claim their rights and hold their governments to account, as well as the importance of government institutions being willing – and able – to respond to these demands.

In light of these events, AidWatch reiterates its calls for the EU to place democratic ownership at the heart of development policy. An important first step would be increasing funds directly available for civil society and CONCORD has suggested that 15% of the European Commission’s country allocations be earmarked for civil society in the next EU budget.

Furthermore, girls and women must be at the centre of any serious effort to tackle injustice and global poverty. Women represent more than 70% of the world’s poor, yet their voices frequently go unheard whilst their rights and needs are overlooked. Women contribute to the production of about two-thirds of all food in developing countries, but they own less than 1% of the land.

Nick Roseveare from Bond said: “Democratic ownership and gender equality are the building blocks of effective development policy. The EU has the opportunity to restore its credibility as an aid partner by placing these values at the core of its future aid efforts”.

### **Notes to Editors**

1 Belgium, Cyprus, Denmark, Finland, Ireland, Luxembourg, Netherlands, Sweden and the UK

2 At a High Level Forum in Paris (2005) donor and governments agreed on concrete action to reform aid in 5 crucial areas: strengthening ownership of partner governments over development strategies, harmonising donor practices, aligning donor to partner government procedures, managing development for results and mutual accountability. These commitments were deepened and expanded at a follow-up forum in Accra (2008).

For more information and interviews contact Chris Coxon on +32 488 878 381 or [Chris.Coxon@actionaid.org](mailto:Chris.Coxon@actionaid.org)

Who is CONCORD?

CONCORD is the European confederation of Relief and Development NGOs. Its 24 national associations and 18 international networks represent over 1,600 NGOs which are supported by millions of citizens across Europe: [www.concordeurope.org](http://www.concordeurope.org)

Download the full report here <http://www.actionaid.org/sites/files/actionaid/aw-report-2011-final.pdf>

Check out our new microsite dedicated to explaining the trends underpinning EU and member states’ aid decisions from 12h (Brussels) on 19th May. <http://aidwatch.concordeurope.org>