

| European Think-Tanks Group



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Attention, MEPs: Do not lose sight of the bigger picture, the future of EU external action is up for grabs

Dear Members of the European Parliament! Alert! On 7 December, your pigeon holes will fill up with not one, not two, but ten different regulations, or set of rules, governing the future spending of EU external action. There will be no room for Christmas cards!

Beware, that you do not lose sight of the big picture and the main prize. Before you plunge into the detail, there are six things you should set out to achieve:

First, Europe is in crisis and looking inwards, but you have a vital role to play in making the case to think globally and preserve the commitment to international development. When all the talk is of sovereign debt and fiscal crisis, it would be all too easy to turn our backs on the developing world and abandon aid pledges. That would be the wrong answer. Aid has helped transform the lives of millions of poor people: reduce the number of children who die before their fifth birthday by 4 million since 1990; put 33 million more children in the classroom; increased tenfold the number of people receiving HIV medication. Furthermore, development benefits all your voters. Does anyone really think that migration pressures will fall if we cut aid? Or that we will be able to tackle global threats like climate change or drug trafficking or terrorism?

Second, it will be up to you to remind leaders in Member States that the EU has a special role to play, a comparative advantage in international development. No other agent in the multilateral sphere has the range of resources and variety of instruments available to the EU. The European Commission is the largest channel of ODA within the EU and the second largest among DAC donors (following the USA). It is important that you focus not just on the share of the development budget in the total EU budget, but also on the share of European

institutions' aid in total EU aid. At present, about 20% of all EU aid is spent through Brussels. Some Member States have committed to big increases in aid overall. If you don't want the European institutions' market share to fall, a big increase in aid through Brussels will also be needed. If this happens, the importance of the European Parliament for global development will grow significantly.

Third, make sure to recognise the strategic framework which links the vision to the detailed regulations. In this context the 'Agenda for Change' is relevant, which was presented by the Development Commissioner, Andris Piebalgs, in October, and is currently plodding its way through Council procedures for approval next spring. This is a more important document than its glacial progress would suggest. It signals a tough new line on who will receive aid and how it will be disbursed: less for middle-income countries, for example, more for poor countries which are well-governed. It also focuses aid on two broad priorities (governance and inclusive and sustainable growth) and no more than three sectors at country level. The Parliament should welcome this concentration agenda, with the proviso that it is implemented in consultation with partner countries and Member States.

Fourth, please resist the temptation to add new priorities which make the aid programme even more difficult to manage. Beware too of setting spending benchmarks which reduce flexibility in responding to country needs and impose arbitrary goals.

Fifth, on middle-income countries specifically, support the Commission's intention to reassess aid to countries that seem wealthy enough to fund their own development. The EU currently provides aid to 143 countries, many of which have made impressive progress. In an age of scarcity and public expenditure cuts, it is absolutely right that the Commission focus its efforts on countries that need aid the most – including the countries in the neighbourhood which are going through unprecedented change following the Arab Spring. However, do not allow the type and volume of assistance to be determined solely by the average income status of a country. Aggregates say little about the capacity of a country to address poverty and inequality. Furthermore, it would be wrong to simply cut aid to some partners without assessing the consequences on the ground. In some cases a phasing out approach will be needed.

Finally, don't forget that the future of development is about putting in place global partnerships, including with emerging powers to address global challenges such as climate change, resource scarcity, disease, drugs, crime etc. Ensure that the Commission develops a

strategy for finding new ways to work with emerging economies on addressing global challenges. And pay greater attention to the need for greater coherence and coordination as the lines between traditional development objectives and other strategic objectives continue to blur.

To receive one regulation may seem like Christmas present enough. To receive ten may seem like generosity taken to extremes. Our advice? Don't even begin to unwrap your parcels until you have had a little chat over Christmas lunch about what Christmas is for.

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