



Executive Summary of the report:

“No time to waste: European governments behind schedule on quantity and quality of aid for developing countries”

European Union (EU) governments provide over half of the world's aid and have pledged to increase this further. In 2005, the EU explained: “combating global poverty is not only a moral obligation; it will also help to build a more stable, peaceful, prosperous and equitable world, reflecting the interdependency of its richer and poorer countries”. The EU has also committed to both improve the way aid is delivered, and other development finance policies, to ensure better outcomes for millions of impoverished people. It is crucial that these promises on aid are respected if the Millennium Development Goals are to be met.

European NGOs welcome the EU's commitments on aid and its intention to continue leading the world on aid. The latest aid figures show, however, that many countries are not yet pulling their weight and that the EU is not on track to meet its own targets. Effort is required from each and every government to improve the quantity of their aid, and to meet aid targets with genuine aid money rather than with non-aid items. All Member States must also guarantee that their aid is effective in reducing poverty and inequality, and that it reaches poor people on the ground. Furthermore, the aid must be delivered in ways that put recipient countries in the driving seat to control their own development; this ownership is essential to ensure aid is effective.

The latest aid figures released in April 2008 make grim reading for European aid optimists. There has been a slight decline in the amount of European Official Development Assistance (ODA) and in ODA as a proportion of Europe's economic output. 2007 should instead have been a year of significant increases to meet the official targets. The human cost of Europe not meeting its aid promises to developing countries is enormous. This missing aid could and should be saving lives. When quality aid is given, it works, as the 2 million people now on free treatment for HIV/AIDS will attest. It can pay for millions of desperately needed teachers, nurses and medicines. It can help provide fertiliser and seeds to help countries crippled by food price increases. It is a lifeline for millions worldwide.

Nine EU governments increased their ODA as a percentage of economic output between 2006 and 2007. These are Austria, Bulgaria, Denmark, Estonia, Germany, Lithuania, Luxembourg, Romania and Spain. But a clear majority of Member States – 18 out of 27 - failed to increase their ODA levels between 2006 and 2007. Of the old Member States (or EU 15) who have the longest history of aid provision, there were some spectacular falls – with Belgian, French and British ODA levels all dropping by over 10%. Greece, Italy and Portugal still languish below their 2006 targets. There is also a mixed picture amongst new EU Member States. Cyprus and Hungary reduced their ODA levels between 2006 and 2007 while Estonia and Lithuania made increases. Many old and new Member States are off track to meet their 2010 targets according to official projections. Only nine EU governments have respected the commitment they agreed last year in the European

Council that they should introduce public timetables for annual aid increases. This situation is clearly unacceptable for a region that claims to lead the world on aid.

The warnings from NGOs and others that figures provided in recent years were distorted and over-flattering have been borne out. The official figures still fail to provide citizens with a true picture of their government's contribution. Both governments with apparent increases and those with announced reductions are continuing to include in their ODA reports items which do not result in new transfers of resources to developing countries. In 2007 European countries spent almost €8 billion on these non-aid items, making up 17% of all European ODA. One year on, European governments are still missing their collective target of 0,39% GNP set for 2006. EU governments must stop inflating their ODA numbers, give citizens a true picture of their contributions, and concentrate on genuine, timetabled, transparent spending increases. On current trends, the EU will have given €75 billion less between 2005 and 2010 than was promised.

At the same time as boosting aid volumes, European governments must continue to improve how their aid is delivered, so that it makes the greatest possible difference to people living in poverty. At summits in 2002 and 2005 European governments agreed some important principles and targets for the reform of aid. These are helpful, though incomplete. The Paris Declaration on Aid Effectiveness set targets to streamline mechanisms, respect recipient country decision-making, and ensure that aid is predictable and poverty-focussed. This report shows that while some governments are gradually changing how their aid is allocated and spent, there is not enough urgency in reform efforts. European governments must all do far more to respect democratic ownership, enhance transparency, phase out economic policy conditionality, increase predictability, align technical assistance to national priorities, and evaluate aid independently. Other measures which need urgent attention include untying aid so that it does not have to be spent on European goods and services and ensuring that European aid supports progress towards gender equality and women's empowerment.

2008 will see a series of international meetings where the quantity and quality of development finance will be discussed. The Accra High-level Summit on Aid Effectiveness in September where the Paris Declaration will be reviewed, and the December Doha Financing for Development Summit for the review of the Monterrey Consensus in December are crucial opportunities for Europe to prove its commitment to increasing and improving aid. Civil society groups will scrutinise governments' positions and the final outcomes. European governments must renew and extend their commitments, and take the lead in international discussions on developing additional aid targets. There is still time for the EU to demonstrate that it is serious about implementing its pledges. But time to get back on track is running out fast, and a redoubling of effort is now required if the world is not to be disappointed.

This report provides the views of NGOs from all across the EU on their government's performance and on the region as a whole. Their verdict is clear – the Union is failing to deliver on its promises and time is running out to do so. If 2008 – a year of major aid and development finance summits – does not see a big upswing in genuine aid levels then it may be too late.

The 1,600 European NGOs represented by CONCORD demand that European governments:

1. Increase the delivery of genuine aid resources to meet their 2010 and 2015 targets.
2. Agree binding year on year timetables to achieve the agreed targets with real aid resources and ensure that steady increases in their aid budgets allow them to reach the targets by the agreed deadlines.
3. Stop counting refugee costs, student costs and debt relief as official development assistance. Resist the temptation of further inflating their figures in the coming years by counting other non-aid items, such as migration or security related expenditures.
4. Step up efforts to deliver more effective aid and set additional targets that go beyond the minimum international standards. To improve the effectiveness of aid, and respect real democratic ownership of developing countries:

- Ø Radically improve accountability, both to European citizens and to citizens in developing countries;
 - Ø Agree ambitious targets to reduce and eliminate economic policy conditionality attached to EU aid;
 - Ø Untie all EU aid to all countries, including food aid and technical assistance, and respect the recipients' right to maintain preferences for locally produced goods and services;
 - Ø Ensure that all technical assistance is demand-driven and aligned to national strategies; and respect the right of recipient countries to contract according to their needs;
 - Ø Make multi-year aid commitments based on clear and transparent criteria agreed with partner countries, and deliver those commitments on schedule.
5. Commit to openness and transparency of aid. This should include timely dissemination of information, particularly during aid negotiations; detailed and timely disclosure of information about disbursements; and the adoption of a policy of automatic disclosure of all documents, with a strictly limited regime of exceptions. EU governments must demonstrate how they will implement these improvements through monitorable targets. They must also improve the collection and reporting of ODA data, including gender disaggregated data.
 6. Make evaluation of aid truly independent, including supporting country-led independent
 7. bodies in partner countries and developing a complaints mechanism open to those affected by EU aid.
 8. Deliver on their international and regional commitments towards gender equality and women's empowerment, by putting gender equality and women's empowerment at the centre of the development agenda. Make available the necessary human and financial resources to implement these commitments and support the participation of gender advocates and women's rights organisations in the development process.

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