



## CONCORD comments on the draft 2012 EU Budget

Following the presentation of the draft 2012 EU budget by Commissioner Lewandowski to the European Parliament on 20 April, CONCORD wishes to share some comments and concerns on this budget proposal.

### *EU as a global player*

We are extremely disappointed to see that Heading 4 “EU as a global player” is clearly not a priority for the EU as it is the smallest increase across ALL Headings. Heading 4 increases by only 0.8% from 2011 to 2012, while the average increase of the 2012 budget is 4.9%. Even Heading 5 “Administration” has further increased (by 1.4%) despite the fact that there is zero growth for EC administrative spending. This demonstrates an inconsistency between EU commitments and ambitions for Europe internationally and how much money is allocated to this. The **Lisbon Treaty** gives Europe the ambition to become a major player outside of Europe and has put the **fight against poverty and human rights abuses** at the core of its development objectives. Unfortunately, this is clearly not reflected in the 2012 budget.

We strongly encourage the Parliament to make full use of the 246 million € margin for Heading 4 to make sure that external assistance programmes of the EU in favor of developing countries are not the main victims of austerity.

### *Development Cooperation Instrument*

In Commissioner Lewandowski’s PowerPoint presentation on the 2012 EU budget, we are surprised to read that **70 million € will be cut from the DCI** as an austerity measure and following a performance assessment. Nevertheless, when going into more details and reading the [Commission’s political statement on the budget 2012](#), it specifies that “initially planned increases of some actions have to be to some extent scaled down, compared to the initial financial programming for 2012. (...) In total, EUR 88,5 million € are taken from the DCI, mainly from geographical programmes on the basis of the outcome of performance assessment and information on absorption capacity” (p. 37). We would therefore like to get some clarification around this and whether it is 70 million € (Lewandowski PowerPoint) or **88.5 million €** (Commission political statement) that has been shifted around. And while we acknowledge that 70 million € (or 88.5 million) is only a small percentage of the total DCI envelope, this amount represents a lot for developing countries. Absorption problems or effectiveness issues are real in some

countries. However, the needs are so high in many other countries that funds could easily be used effectively in these other countries or in thematic programmes.

In addition, the justification of this decrease of DCI funds is “*a result of its performance assessment*”. There is a lack of clarity on which basis this assessment (Mid Term Review of the DCI?) has been made and if the results are publicly available. We are also unclear as to which countries will receive less money?

While it is true that compared to the 2011 budget, the proposed amount for the DCI under the 2012 budget has been decreased by 70 million € (or 88.5 million?), this does not affect the total amount of the DCI for the whole period 2007-2013. The 17.3 billion € for the whole Financial Programming period remain untouched and CONCORD strongly supports this.

#### ***Which priorities within Heading 4?***

When analyzing more closely the details of the figures within Heading 4, we notice the following trends:

- Decrease of cooperation with Asia and Latin America
- Decrease of around 100 million € for Palestine
- Increase of around 100 million € for the Mediterranean region
- Increase of around 100 million € for Eastern Europe
- Small increase for Yemen and other Middle East countries

We observe a substantial increase of funds for the **Neighborhood countries** (for the Mediterranean region as well as for Eastern Europe), while funds for **Asia and Latin America** are decreasing. We are concerned by the criteria for aid allocation in the framework of the poverty reduction objectives and achievement of the MDGs.

#### ***Thematic programmes***

CONCORD supports the EC’s proposal to slightly increase by 5.6 million € (to a total of 38.2 million €) the health budget item (21 05 01 01) under **Investing in People**, whereas the big focus under this thematic programme will lie in 2012 – as expected from the multi-annual programming after the MTR of IIP – on “*Other aspects of human and social development*” (21 05 01 03) with a total of 71.4 million €. This will result in a large call for proposals in the areas of children rights, youth and culture in 2012.

One issue that is unclear however is the decrease from 65 million € to the **Global Fund** (in commitments) in 2011 to the proposed 50 million € in 2012, as we don’t know whether this was programmed or if this is a reaction to the recent Global Fund scandal.

Moreover, the EC proposes to increase the thematic programme on **environment and natural resources** by 50 million € for “*financing Fast Start Climate Action, as follow up to the Copenhagen Accord reached in December 2009 and in line with the decisions taken at the climate conference in Cancun in 2010.*” The justification for these funds is that they are new and additional. Nevertheless, knowing this thematic programme is within the DCI (which is cut by at least 70 million €), it doesn’t seem to us that these funds are additional in fact! Of course, CONCORD supports additional funds allocated to environment and climate change, but not at the expense of other poverty reduction programmes.

CONCORD is also satisfied with the fact that the budget for other thematic programmes under the DCI are more or less maintained at their 2011 level although the comparison between the number of contracts signed and the number of quality applications submitted to the calls for proposals show that the budget of these programmes could easily increase without encountering any absorption capacity problem.