

PRESS RELEASE

EU budget rise for poverty funds: who really stands to gain?

(Brussels, 7/12/2011) The proposed European Union budget increase to €96 billion for external action, would see additional funds going to poverty programmes from the year 2014-2020.¹

CONCORD, the European confederation of relief and development NGOs, broadly welcomes the new European Commission proposal, but an over focus on economic growth should not threaten aid to the world's poorest and support to social sectors such as health and education.²

The proposals presented today:

- €13.7 billion would be spent on external action per year.
- A 25 % increase for Official Development Assistance (ODA)
- €1 billion increase per year for the European Development Fund³

“Europeans care about world poverty. 84% of citizens support development aid despite the financial crisis, showed a recent survey. Funding for poverty eradication programmes is necessary even in difficult times giving that we live in an interdependent world facing global challenges,” says Olivier Consolo, Director of CONCORD.

19 ‘upper middle income countries’ are set to lose out on funding.⁴

“The European Commission must ensure that aid is focused on the poorest people and the sectors most in need in the world. An over-reliance on macro-economic data averaged at the national level hides the reality of poverty and inequality within countries. Aid should not be instrumentalised for EU strategic interests. We’re talking about public money aimed at poverty eradication,” says Sarah Kristine Johansen from CONCORD Denmark.

Increases in funding are set for civil society organisations.

“The proposals recognize that civil society organisations are independent actors in their own right. They are key to democratisation and fostering good governance in developing countries while playing a key role in enabling poor populations to defend their rights,” adds Olivier Consolo.

Climate funding could double or even triple from current levels, to between € 1 and 2 billion annually.

“This could be a major breakthrough. But the EU will have to clarify that this money will be additional to development expenditures and make sure that a better balance is struck between mitigation efforts and currently underfunded adaptation support to poor communities affected by climate change,” said CIDSE’s Denise Auclair.

Concretely, CONCORD calls on European member states and the European Parliament to support the Commission’s proposals on budget allocations for development.

Read the proposals in full here:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/878&format=HTML&aged=0&language=EN&guiLanguage=fr>

¹ The Multiannual Financial Framework negotiations of the EU will establish the future Union budget for the period 2014-2020.

² It comes just after the EU signed up to a new global aid partnership with emerging economies on 1 December, in Busan, South Korea

³ The European Development Fund (EDF) targets African, Caribbean and Pacific countries. Currently the budget is €22.3 billion for 2008-2013. The EDF is outside of the EU budget but is negotiated in parallel with the EU’s Multiannual Financial Framework.

⁴ Upper middle income countries are defined by the OECD, Development Assistance Committee (DAC):

<http://www.oecd.org/dataoecd/9/50/48858205.pdf>. The EC proposes to cut bilateral aid to governments of 20 developing countries and not to thematic programmes (which have a world coverage).

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CONCORD is the European confederation of Relief and Development NGOs. Its 26 national associations and 18 international networks represent over 1,600 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organisations. www.concordeurope.org