

News hook: AidWatch annual report launch, 14 May 2009

European governments U-turn on the poor as economic crisis grips

As developing countries face the full impact of the economic crisis, European governments are falling short by nearly €40bn on their aid promises, a new report from CONCORD, the European confederation of Relief and Development NGOs, reveals.

As Development Ministers prepare to meet in Brussels next week, the report shows that European governments will not meet their 2010 aid target until 2012 unless serious action is taken now. Many governments are still inflating their aid levels by counting money that does not reach poor people. Missed targets and non-genuine aid will mean poor countries will have missed out on nearly €40bn by 2010 – enough to increase the income of 380 million Africans living in absolute poverty by one quarter.

Justin Kilcullen, President of Concord, said: *“History will judge Europe according to its actions now. If Europe fails to act we will be seen as having turned our back on the poorest in their time of need, and missed the opportunity to deliver a genuine EU development legacy.”*

Official figures show* that in 2008, Europe allocated 0.40% of its gross national income (GNI) to aid. However, CONCORD's 2009 AidWatch report: **Lighten the load: in a time of crisis, European aid has never been more important**, shows that most European donors have provided misleading aid figures. Out of almost €50bn provided as aid in 2008, close to €5bn went to debt cancellation, €2bn to hosting foreign students and close to €1bn to hosting and repatriating refugees. Real European aid amounted to only 0.34% of collective GNI.

Europe has proved capable of mobilising gargantuan amounts of money for its banks. Over \$150 billion was mobilised for Northern Rock and Dexia alone – more than double the amount of EU aid in 2008. Europe is failing to mobilize the same level of political will for aid - instead we have seen a raft of European government cuts to aid budgets in 2009. Italy, Ireland and Estonia have all announced cuts to their 2009 aid budgets, and Latvia has suspended 100% of its development activities. Most European countries still have a mountain to climb to meet their 0.56% percent aid commitments, with half of this going to Africa.

Noerine Kaleeba, Chair of ActionAid International, said: *“The European Union is doing a u-turn on its aid commitments just as poor countries are being severely hit by the crisis. When you look at the amount of money that has been found to bail out banks, versus that spent on aid, you get a very distorted picture. France, for example, spent 45 times more on bailing out its banks last year, than it did on providing aid for poor countries. Europe needs to refocus its efforts on bailing out the poor.”*

Elise Ford, head of Oxfam International's EU office, said: *“The economic crisis sees developing countries facing dramatic declines in trade, remittances and foreign investment - meaning that aid is needed now more than ever. The last global recession in the nineties saw aid levels fall by a quarter, and it took 10 years for them to return to existing levels. The lives of millions of poor people are on the line, as is Europe's reputation.”*

Representing over 1,600 European NGOs across Europe, CONCORD calls on EU governments meeting in Brussels next week to show genuine solidarity with poor countries by meeting their development promises, ending unfair inflation of their aid figures and ensuring they do not support policies which have a detrimental impact on developing countries.

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Notes for Editors (see www.concordeurope.org for more materials such as pictures or testimonies)

- ***** PHOTO OPPORTUNITY – “Eurovision Aid Contest” – 18 May at 11 am, rue de la Loi:** Members of CONCORD, [GCAP](http://www.gcap.org) and AidWatch campaigners will demonstrate outside the Council of the European Union in Brussels, to raise their voices against the continuing massive aid gap during the GAERC meeting. This will provide a photo opportunity as well as an **extra possibility to interview the author or take pictures or footage.**
- On May 18-19 2009, European Ministers will meet at the General Affairs and External Relations Council (GAERC) in Brussels to discuss aid and development.
- In 2002, the EU15 committed to give at least 0.33% of GNI as aid by 2006 (with an average of 0.39%) and 0.7% by 2015. In 2005, they committed to give at least 0.51% by 2010 (with an average for the whole EU of 0.56%) The 12 New member States committed to give 0.17% of GNI as aid by 2010 and 0.33% by 2015.
- The 2008 figures of the Aidwatch report show that genuine European aid figures have only risen from 0.33% in 2007 to 0.34% in 2008 – a long distance from next year’s collective target of 0.56%.
- Foreign Direct Investment into developing countries has collapsed by more than \$700 billion dollars since 2007, more than six times total aid levels. Remittances are also falling rapidly as unemployment rises in the rich world. Global trade has ground to a virtual halt.
- Italian aid was cut by US\$217 million in 2008. This may seem like a small loss compared to global aid, but it has a great human cost. This money could pay the salaries of 180 thousand teachers or over 50 thousand midwives. Italy will most likely give even less in aid in 2009.
- * 2008 OECD figures of ODA: www.oecd.org/document/25/0,3343,en_2649_33721_42202348_1_1_1_1,00.html
- **CONCORD** is the European confederation of relief and development NGOs: www.concordeurope.org. Its national associations and international networks represent over 1600 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. CONCORD is part of the 'Global Call to Action against Poverty' ([GCAP](http://www.gcap.org)).