

EU aid own goals pushing MDGs out of reach

EU Member States are missing their official development aid targets and jeopardising global efforts to reach the Millennium Development Goals, reveals a new report published today by CONCORD, the European confederation of development NGOs.

The report, ['Penalty against Poverty: More and Better EU aid can score Millennium Development Goals'](#), is being released as EU leaders are set to meet in Brussels next week to agree their common position for the United Nations' MDG Summit in New York this September.

'Penalty against Poverty' finds that EU development aid in 2009 amounted to €49bn or 0.42% of national income – €1 billion less than 2008 levels. Official estimates for 2010 put total EU aid at 0.46% of national income, far short of the 0.56% target for 2010 agreed by member states back in 2005.

In real terms, this represents a shortfall of €11bn in funding with some of the EU's biggest economies – Italy (€4.5bn), Germany (€2.6bn) and France (€800m) – amongst the worst offenders.

"EU aid efforts are being crippled by a crisis of commitment. In 2005 EU leaders committed to allocating 0.7% of their national income to fight global poverty but 5 years later they are well off-track on aid and abandoning their international commitments² on aid effectiveness", said Hussaini Abdu, Country Director of ActionAid Nigeria. *"We are not asking them to get more ambitious about fighting poverty, just keep their existing promises on aid quality and quantity",* he said

The annual AidWatch report notes that although inflated aid figures continued to decline compared to 2008 levels, a staggering €3.8bn of inflated aid – or 8% of the total EU amount – was reported in 2009³.

This includes €1.4bn for debt cancellation, €1.5bn in student costs and €0.9bn spent on refugees in donor countries – making real EU development aid only 0.38% of European GNI.

"EU aid is €19bn short of what was promised to developing countries by 2010 to help them meet the MDGs – more than half the estimated extra €32bn required per year globally to meet the hunger goal alone⁴", said Justin Kilcullen, President of CONCORD. *"This is very disappointing from a bloc that calls itself a leader on global development",* added Eduardo Sánchez, President of the Spanish NGO platform.

"Europe's credibility as a global leader on development is at stake. If EU leaders are serious about regaining the trust of poor countries, they must come up with an ambitious MDG action plan next week", said Elise Ford, head of Oxfam International's EU office.

Representing over 1,600 European NGOs, CONCORD calls on EU governments to keep their promises to deliver more and better EU development aid. EU leaders must commit to legally-binding yearly timetables stating how aid targets will be met and find new ways to raise money for development such as a financial transaction tax which would bring estimated yearly revenue of €215bn - €1tr⁶ at no extra cost to the tax payer. Europe must put an end to the inflation of aid figures and place developing countries and their citizens at the centre of efforts to meet the MDGs.

Despite notable successes in getting children into primary education and reducing under-5 mortality from 12.6 million in 2000 to 9 million in 2007⁵, world hunger is over one billion and rising, and the goal of halving extreme poverty will not be met until well after the 2015 MDGs deadline, leaving almost 30% of the world's population in extreme poverty.

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Notes to editor:

- ¹ Source: [European Commission staff working document on Financing for Development](#) (Spring Package 2010)
- ² The [Paris Declaration](#), endorsed on 2 March 2005, is an international agreement signed by over 100 Governments and aid agencies in which they committed to increasing aid effectiveness through a set of monitored actions and indicators. The Accra Agenda for Action, agreed in 2008, built on the Paris Declaration and set out the areas where donors intended to focus their aid effectiveness efforts between 2008 and 2010.
- ³ AidWatch definition of inflated aid: Official aid figures include debt cancellation and student and refugee costs in donor countries. These are ODA reportable items which do not amount to a real transfer of resources to developing countries and are difficult to link to clear development results. Some countries, such as Luxembourg, the UK and Denmark do not report student and/or refugee costs as ODA.
- ⁴ The UN estimates that at a minimum, an additional €32.7bn per year is required globally to halve hunger
- ⁵ Schulmeister, S. (2009) [A General Financial Transaction Tax: A Short Cut of the Pros, the Cons and a Proposal](#). WIFO, Wien
- ⁶ [UN Millennium Development Goals Report 2009](#)

CONCORD is the European confederation of relief and development NGOs. Its national associations and international networks represent over 1600 NGOs which are supported by millions of citizens across Europe.

The AidWatch network is an active group of civil society aid experts from CONCORD members across the 27 EU member states, working collectively to hold EU member states to account on their aid quality and quantity commitments.