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## PRESS RELEASE

### **Redefining, scaling up and tailoring development aid**

*Directorate-General for Communication*  
EUROPEAN PARLIAMENT

# AID EFFECTIVENESS

Debate: 25.11.2008

Vote: 28.11.2008

## **Report on aid effectiveness and the definition of official development aid**

**Rapporteurs: Waven William (Seychelles) and Anne Van Lancker (PES, BE)**

**Official Development Assistance (ODA) needs to be more tightly defined, so that it cannot be made to include non-aid items such as military spending, said the Economic Development, Finance and Trade Committee on 24 November. Spending on debt relief should also be separated from other ODA accounting, and aid generally needs to be scaled up and better aligned with national systems, it says.**

OECD figures show that overall EU aid decreased significantly in 2007 and aid figures are often inflated by including debt relief and accounting funds that do not reach the populations of partner countries.

One-third of the EU's €47.5 billion ODA total for 2006 was actually non-aid, including, for example, the amount spent on housing refugees, educating students in Europe and debt cancellation.

### **Scale up aid, tailor to national needs**

The report urges the EU to ensure more development policy consistency among European policies (e.g. on agriculture, fisheries, trade, energy, environment, climate change, security and migration), so as to avoid undermining the impact of poverty eradication measures and help achieve the Millennium Development Goals.

MEPs want EU Member States to achieve aid targets of 0.56% of GDP in 2010 and 0.7% in 2015, targets which Member States themselves confirmed in June 2008. In 2007, for the first time since 2000, public development aid fell from 0.42% of GDP to 0.39%.

In addition to multi-annual development aid tables, members hope that the 2008 donor atlas will hope to inform more ambitious donor coordination, so as to solve the problem of the so-called "darling" and "orphan" countries and remedy neglect of crucial sectors such as health, education, social cohesion, gender equality and agriculture.

### **Budgetary aid and ownership**

The major defect of the definition of aid ownership is that it does not recognise the importance of democratic ownership, says the report, which calls on donors and partner governments to recognise the role parliamentarians have to play in ensuring the effectiveness of aid, by providing checks and balances, notably by scrutinising budgets.

### **Aligning aid with national priorities**

The committee urges donor countries to speed up the alignment of their aid to country systems to the maximum extent possible, to strengthen government systems and increase the amount of their aid channelled as general and sector-specific budget support. It notes that budget support is not always adequate in cases of crisis or widespread corruption.

## Plenary debate

Presenting the report, Mr Waven William stressed that it was intended as an input for the Doha meeting on development funding (29 November to 2 December 2008). The key aims, he said, were to ensure that aid pledges are honoured, to facilitate investment mechanisms, and to ensure that the financial crisis does not affect aid commitments or effectiveness. "We want to see the report's conclusions applied", he said.

Mrs Van Lancker welcomed the Accra Agenda on aid effectiveness as "a step forward in political commitment", but stressed that the need now was for "a concrete delivery timetable", adding that improving aid quality should not become an excuse for reducing its volume. She reiterated that aid is effective "only if there is real democratic ownership" of its planning and implementation, and "never effective when undermined by other policies".

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