



17.10.2018

OPINION

of the Committee on Development

for the Committee on Budgets

on the interim report on MFF 2021-2027 – Parliament's position with a view to
an agreement
(2018/0166R(APP))

Rapporteur for opinion: Željana Zovko

SUGGESTIONS

The Committee on Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its report:

1. Recalls Article 208 TFEU, under which Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the Union's external action, with its primary objective being the reduction and, in the long term, the eradication of poverty; stresses that the Union's development cooperation policy and that of the Member States complement and reinforce each other; recalls that Article 21(2) TEU states that development cooperation policy contributes to the objectives of the EU's external action; calls for full respect of the TFEU and TEU legal commitments and for a development-oriented external instrument in the coming MFF 2021-2027;
2. Recalls the need for an increase on the current levels of EU official development assistance (ODA) in the future external heading of the MFF, and welcomes the modest increase (in 2018 prices) proposed by the Commission;
3. Notes that the proposal for a Neighbourhood, Development and International Cooperation Instrument (NDICI) reflects a new approach to foreign and development policy, which is not in line with Article 208 TFEU; underlines that poverty eradication must be the ultimate purpose of the EU's development policies and that poverty eradication, as well as sustainable human, environmental and economic development, tackling inequality, injustice and exclusion, good governance and peace and security must be the primary objectives of the EU's external financial instruments in the next MFF, alongside its commitments in relation to the Sustainable Development Goals (SDGs) pursuant to TFEU Article 208(2);
4. Recalls that the EU's commitment to the implementation of the SDGs, the Addis Ababa Action Agenda on financing for development and the Paris climate agreement must guide its development policy; considers that the EU's support for such implementation in developing countries must retain the rights-based approach and a focus on long-term objectives such as poverty eradication, tackling inequality, injustice and exclusion, and promoting democratic governance, human rights and gender equality, including by promoting civil society space and enhancing sustainable and inclusive development, particularly in the least developed countries (LDCs);
5. Underlines that the next MFF must ensure that the external instruments are policy-driven, serving in the most effective way possible the pursuit of the objectives of the relevant policies, as laid down in the Treaties; recalls that the EU's domestic interests should not drive its neighbourhood, development, humanitarian and international cooperation agenda; underlines its opposition to the instrumentalisation of aid;
6. Notes that the new financing needs resulting from the deterioration of security conditions in the European Union's neighbourhood and the increase in migration flows to the Union require increased funding in the next MFF; notes that the new challenges must be tackled together with the SDGs; considers that creating the NDICI risks exacerbating the problems highlighted in the mid-term review of the external financial instruments, namely that increasing demands from other policy fields have moved EU

development policies away from poverty alleviation; points out that although budgetisation of the EDF is highly desirable, it cannot be interpreted as an increase in development funding;

7. Recalls that country aid allocations within the EUs international cooperation programmes should complement foreign policy, while ensuring that development funding is used only for development-related objectives and purposes and not to cover expenses related to the achievement of different objectives, such as border controls or anti-migration policies;
8. Notes that the design of the cooperation instrument should leave sufficient flexibility for tailoring programmes to the specific needs of third countries; reiterates that a substantial share of EU aid should be allocated to Least Developed Countries (LDCs), as the primary target of ODA; stresses that ensuring efficiency, effectiveness, visibility and policy coherence for development during implementation, ensuring the participation of civil society organisations (CSOs), and implementing the rights-based approach to development cooperation, as well as introducing a benchmark of 20 % of funds for basic social services, are key development aspects that must be maintained and improved in the next MFF cycle;
9. Stresses that gender equality and women's and girls' rights and empowerment must be a significant objective across all programmes, geographic and thematic; considers that the EU budget should be gender-sensitive and conflict-sensitive;
10. Notes that the proposed NDICI contains several flexibility mechanisms such as reserves, cushions and rapid response frameworks; stresses that the effects of increased flexibility on the predictability of ODA should be duly taken into account; calls for increased parliamentary scrutiny and a clearer elaboration regarding its governance and structures; notes with concern the lack of explicit reference in the objectives to poverty eradication, sustainable development, SDGs and combating inequality; underlines that these priorities must be reflected explicitly in the objectives of the proposed instrument in order to deliver on the Consensus for Development;
11. Draws attention to the EU's unfulfilled international commitments to increase its ODA to 0.7 % of gross national income (GNI), with 20 % of this for human development and social inclusion, and 0.2 % of GNI for LDCs by 2030, as well as to provide new and additional funding for climate action in developing countries; asserts that these commitments must be properly reflected in the 2021-2027 MFF;
12. Welcomes and calls for the maintenance of the proposed 92 % ODA eligibility for the instrument; calls for the ring-fencing of at least 20 % ODA, across all programmes, geographic and thematic, annually and over the duration of the NDICI for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health (including nutrition), education and social protection, particularly to the most marginalised including women and children; calls for at least 85 % of ODA to be dedicated to actions that have gender equality and women's and girls' rights and empowerment as a principal or significant objective, across all programmes, geographic and thematic, annually and over the duration of its actions; affirms that in addition 20 % of these actions should have gender equality and women's and girls' rights and empowerment as a principal objective; calls for 50 % of

the overall instrument to be devoted to contributing to climate- and environment-related objectives and actions;

13. Considers that the EU budget should be gender-sensitive and conflict-sensitive, and calls on the Commission to implement gender budgeting;
14. Recalls that country aid allocations should not be dependent on migration deals with the EU, and that there should be no diversion of finance from poor countries and regions to migrants' countries of origin or of transit to Europe on the sole basis that these lie on the migration route;
15. Reiterates its support for the integration of the European Development Fund (EDF) into the EU budget, with provision also being made for the total additionality of the funds thus transferred;
16. Welcomes the establishment of an instrument devoted to cooperation with the overseas countries and territories (OCTs) with the aim of achieving their sustainable development and promoting the values and standards of the Union around the world; stresses, however, the need to endow this instrument with adequate financial resources, with a breakdown which is better adapted to needs and more balanced among the various OCTs;
17. Acknowledges the significant efforts made by the Commission to increase the allocation to the humanitarian aid budget line in the next MFF; notes, however, that this increase does not respond yet to the level of needs, which have more than doubled since 2011;
18. Stresses that it is vital that the next MFF in its entirety complies with the principle of policy coherence for development, as affirmed in Article 208 TFEU, and contributes to the achievement of the SDGs;
19. Recalls that gender equality is enshrined in the EU Treaties and should be incorporated in all EU activities so as to deliver equality in practice; stresses that gender budgeting must become an integral part of the MFF, through the inclusion of a clear commitment in the MFF Regulation;
20. Welcomes the extended scope and increased allocation for the Emergency Aid Reserve, with a view to responding also to internal crises; recalls the need to guarantee priority for sudden-onset humanitarian crises outside the EU;
21. Stresses the need to seize the opportunity of the next MFF to financially support operations under the concept of Linking Relief, Rehabilitation and Development (LRRD); underlines that implementing the humanitarian-development nexus requires ensuring complementarity of development and humanitarian activities, and a culture shift away from stress on the EU as a donor and towards more operational flexibility and risk-taking, with a view to supporting LRRD, resilience of individuals and communities and early recovery and reconstruction; calls for more multi-year planning and funding in EU humanitarian activities, and for the systematic introduction of crisis modifiers in EU development activities in order to enable the EU's partners to effectively contribute to the nexus implementation;

22. Underlines that the MFF 2021-2027 must preserve and improve Parliament's oversight over and scrutiny of the use of funds, with a clear mechanism and decision-making process for the disbursement of unallocated funds, ensuring Parliament's impact on the programming and implementation phase of the external financial instruments; reiterates that any proposal for increased flexibility must be balanced by an improvement in transparency and accountability.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Interim report on the Multiannual Financial Framework 2021-2027 – Parliament’s position with a view to an agreement
References	2018/0166R(APP)
Committee responsible	BUDG
Opinion by Date announced in plenary	DEVE 13.9.2018
Rapporteur Date appointed	Željana Zovko 11.7.2018
Previous rapporteur	Frank Engel
Discussed in committee	30.8.2018
Date adopted	9.10.2018
Result of final vote	+: 21 –: 1 0: 3
Members present for the final vote	Beatriz Becerra Basterrechea, Ignazio Corrao, Mireille D’Ornano, Nirj Deva, Enrique Guerrero Salom, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Stelios Kouloglou, Linda McAvan, Norbert Neuser, Vincent Peillon, Lola Sánchez Caldentey, Eleni Theoharous, Mirja Vehkaperä, Bogdan Brunon Wenta, Joachim Zeller, Željana Zovko, Anna Záborská
Substitutes present for the final vote	Thierry Cornillet, Cécile Kshetu Kyenge, Ádám Kósa, Florent Marcellési, Paul Rübig, Kathleen Van Brempt
Substitutes under Rule 200(2) present for the final vote	Kati Piri

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

21	+
ALDE	Beatriz Becerra Basterrechea, Thierry Cornillet, Mirja Vehkaperä
ECR	Nirj Deva, Eleni Theocharous
EFDD	Ignazio Corrao
GUE/NGL	Stelios Kouloglou, Lola Sánchez Caldentey
PPE	Teresa Jiménez-Becerril Barrio, Ádám Kósa, Bogdan Brunon Wenta, Anna Záborská, Joachim Zeller, Željana Zovko
S&D	Enrique Guerrero Salom, Cécile Kashetu Kyenge, Linda McAvan, Norbert Neuser, Vincent Peillon, Kati Piri, Kathleen Van Brempt

1	-
EFDD	Mireille D'Ornano

3	0
PPE	Paul Rübig
VERTS/ALE	Maria Heubuch, Florent Marcellesi

Key to symbols:

+ : in favour

- : against

0 : abstention