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DRAFT REPORT

on improving development effectiveness and the efficiency of aid
(2019/2184(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on improving development effectiveness and the efficiency of aid (2019/2184(INI))

The European Parliament,

- having regard to the UN Sustainable Development Summit of 25-27 September 2015 and the outcome document adopted by the UN General Assembly on 25 September 2015, entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, and in particular to Goal 17 of the Sustainable Development Goals (SDGs) set out therein, which commits UN Member States to strengthening the means of implementation of the agenda and to revitalising the global partnership for sustainable development¹,
- having regard to the Paris Declaration on Aid Effectiveness, adopted at the Second High Level Forum on Aid Effectiveness in 2005, the Accra Agenda for Action adopted at the Third High Level Forum on Aid Effectiveness in 2008 in Accra (Ghana), and the outcome of the Fourth High Level Forum on Aid Effectiveness held in Busan (Republic of Korea) in December 2011, which launched the Global Partnership for Effective Development Cooperation (GPEDC),
- having regard to the Nairobi Outcome Document of the Second High-Level Meeting of the GPEDC, held in Nairobi in November and December 2016²,
- having regard to the GPEDC Senior-Level Meeting of 13-14 July 2019, held on the margins of the UN High-Level Political Forum on Sustainable Development in New York,
- having regard to the 2019 report of the Global Partnership for Effective Development Co-operation, entitled ‘Making Development Co-operation More Effective’³,
- having regard to the Addis Ababa Action Agenda, the outcome document adopted at the Third International Conference on Financing for Development, held in Addis Ababa, Ethiopia, from 13-16 July 2015, and endorsed by the UN General Assembly in resolution 69/313 of 27 July 2015,
- having regard to Article 208 of the Treaty on the Functioning of the European Union (TFEU), which defines the reduction and eradication of poverty as the primary objective of EU development policy and requires that the Union and its Member States comply with the commitments they have made in the context of the UN and other competent organisations and take account of development cooperation objectives in policies they

¹ UN Resolution adopted by the General Assembly on 25 September 2015:

https://www.unfpa.org/sites/default/files/resource-pdf/Resolution_A_RES_70_1_EN.pdf

² GPEDC High-Level Meeting 2016 Nairobi Outcome Document: <http://effectivecooperation.org/wp-content/uploads/2016/12/OutcomeDocumentEnglish.pdf>

³ Global Partnership Progress Report, 17 June 2019: <http://effectivecooperation.org/blogs-news-resources/resource-library/>

- implement which are likely to affect developing countries,
- having regard to the new European Consensus on Development of 30 June 2017⁴,
 - having regard to the Commission Staff Working Document of 26 March 2015 entitled ‘Launching the EU International Cooperation and Development Results Framework’ (SWD(2015)0080), and the Council conclusions of 26 May 2015 on the Results Framework,
 - having regard to the Council conclusions of 12 May 2016 on stepping up joint programming,
 - having regard to the Council conclusions of 16 May 2019 on the Annual Report 2019 to the European Council on EU development aid targets⁵,
 - having regard to the report by the High-Level Group of Wise Persons of October 2019 on the European financial architecture for development entitled ‘Europe in the World – the future of European financial architecture for development’⁶,
 - having regard to the 2019 report of the UN Inter-agency Task Force on Financing for Development on Financing for Sustainable Development⁷,
 - having regard to the global strategy for the EU’s foreign and security policy, presented by the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy in June 2016, entitled ‘Shared Vision, Common Action: A Stronger Europe’,
 - having regard to the Commission’s Strategic plan 2016-2020 on International Cooperation and Development,
 - having regard to the study of July 2019 on the application of the effectiveness principles, entitled ‘Effectiveness to Impact’⁸,
 - having regard to the OECD Development Co-operation Peer Reviews report of 10 December 2018 on the European Union,
 - having regard to the Joint Africa-EU Strategy, adopted at the second EU-Africa Summit in Lisbon in December 2007,
 - having regard to the fifth African Union-EU Summit of 29-30 November 2017, and to the summit declaration ‘Investing in Youth for Accelerated Inclusive Growth and

⁴ OJ C 210, 30.6.2017, p. 1.

⁵ Annual Report 2019 on EU development aid targets: <https://www.consilium.europa.eu/media/39336/annual-report-2019-on-development-aid-targets.pdf>

⁶ 2019 Council report on the European financial architecture for development: https://www.consilium.europa.eu/media/40967/efad-report_final.pdf

⁷ Financing for Sustainable Development Report 2019: <https://developmentfinance.un.org/sites/developmentfinance.un.org/files/FSDR2019.pdf>

⁸ Benfield and Como for AECOM International Development Europe (2019), study on the application of the effectiveness principles, commissioned by the European Commission (Project No. 2018/403300/1): https://knowledge.effectivecooperation.org/system/files/2019-07/2019_07_Impact_study_final.pdf

Sustainable Development⁹,

- having regard to the Commission communication on a new Africa-Europe Alliance for Sustainable Investment and Jobs (COM(2018)0643),
- having regard to the final report of the Commission’s Task Force for Rural Africa of March 2019 entitled ‘An Africa-Europe Agenda for Rural Transformation’¹⁰,
- having regard to its resolution of 22 May 2008 on the follow-up to the Paris Declaration of 2005 on Aid Effectiveness¹¹,
- having regard to its resolution of 5 July 2011 on the future of EU budget support to developing countries¹²,
- having regard to its resolution of 25 October 2011 on the 4th High Level Forum on Aid Effectiveness¹³,
- having regard to its resolution of 19 May 2015 on Financing for Development¹⁴,
- having regard to its resolution of 14 April 2016 on the private sector and development¹⁵,
- having regard to its resolution of 7 June 2016 on the 2015 EU Report on Policy Coherence for Development¹⁶,
- having regard to its resolution of 13 September 2016 on the EU Trust Fund for Africa: the implications for development and humanitarian aid¹⁷,
- having regard to its resolution of 22 November 2016 on increasing the effectiveness of development cooperation¹⁸,
- having regard to its resolution of 14 February 2017 on the revision of the European Consensus on Development¹⁹,
- having regard to its resolution of 16 November 2017 on the EU-Africa Strategy – a boost for development²⁰,
- having regard to its resolution of 17 April 2018 on the implementation of the Development Cooperation Instrument, the Humanitarian Aid Instrument and the

⁹ https://www.africa-eu-partnership.org/sites/default/files/33454-pr-final_declaration_au_eu_summit1.pdf

¹⁰ https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/report-tfra_mar2019_en.pdf

¹¹ OJ C 279E, 19.11.2009, p. 100.

¹² OJ C 33E, 5.2.2013, p. 38.

¹³ OJ C 131E, 8.5.2013, p. 80.

¹⁴ OJ C 353, 27.9.2016, p. 2.

¹⁵ OJ C 58, 15.2.2018, p. 209.

¹⁶ OJ C 86, 6.3.2018, p. 2.

¹⁷ OJ C 204, 13.6.2018, p. 68.

¹⁸ OJ C 224, 27.6.2018, p. 36.

¹⁹ OJ C 252, 18.7.2018, p.62.

²⁰ OJ C 356, 4.10.2018, p. 66.

European Development Fund²¹,

- having regard to its resolution of 14 June 2018 on the upcoming negotiations for a new Partnership Agreement between the European Union and the African, Caribbean and Pacific Group of States²²,
 - having regard to its resolution of 14 March 2019 on the annual strategic report on the implementation and delivery of the Sustainable Development Goals²³,
 - having regard to its legislative resolution of 27 March 2019 on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument²⁴,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Development (A9-0000/2020),
- A. whereas the global environment is becoming more complex and uncertain, with a rise in conflict and geopolitical rivalry and more frequent and severe natural disasters, notably in developing countries, which affect the most vulnerable; whereas this highlights the need for strengthened multilateralism and continuous efforts to increase the effectiveness and impact of European aid;
- B. whereas the world’s population is growing faster than gross national income (GNI), in particular in sub-Saharan Africa, where the population is expected to double over the next 30 years; whereas in spite of strong economic growth, this will increase the number of people living in poverty and unemployment, emphasising the urgent need to support developing countries effectively in their efforts to reach the Sustainable Development Goals (SDGs);
- C. whereas the EU, as the world’s biggest donor of official development assistance (ODA), amounting to EUR 74.4 billion in 2018 and representing almost 57 % of all ODA worldwide, is committed to promoting effective development cooperation geared towards ending all forms of poverty and inequality, and to supporting its development partners in realising the 2030 Agenda for Sustainable Development;
- D. whereas the principles of ownership and alignment, focusing on results, inclusive partnerships, transparency and accountability, should underpin all forms of development cooperation;
- E. whereas although the EU institutions and Member States have a large stock of data and expertise in the field of development, it remains insufficiently shared; whereas it should be made more accessible and should be used in policy-making;
- F. whereas accessible and reliable aid data reinforces the transparency of aid flows and helps all development partners in their planning and coordination processes; whereas

²¹ OJ C 390, 18.11.2019, p. 33.

²² OJ C 28, 27.1.2020, p. 101.

²³ Texts adopted, P8_TA(2019)0220.

²⁴ Texts adopted P8_TA(2019)0298.

international standards as promoted by the International Aid Transparency Initiative (IATI) make this data comparable;

- G. whereas there is a real risk that the benefits of development assistance and foreign direct investment may be captured by political and economic elites in partner countries; whereas this highlights the need for development cooperation that aims at bringing about transformational changes in political economies, notably related to governance, the distribution of power, social exclusion and access to resources, as well as interaction with the global economy;
1. Stresses that effectiveness means delivering more and better impact, achieving the SDGs and leaving no-one behind; believes that when EU support is aligned with partner countries' own efforts and delivered through their institutions and systems in support of priorities that have been agreed through inclusive and equitable policy processes, the impact is bigger, faster and more sustainable;
 2. Underlines its view that the EU, as the world's biggest donor, should use its powerful toolbox of instruments and aid modalities in a coordinated manner and take the lead in using the principles of aid effectiveness and aid efficiency, in order to achieve real impact and reach the SDGs in its partner countries; further highlights the need to implement the policy objectives in the new European Consensus on Development in a more strategic and targeted manner in each partner country, reinforcing and complementing the EU's foreign policy goals and values;
 3. Underlines that the principles of the Global Partnership for Effective Development Cooperation (GPEDC) are built on important and enduring lessons from past development strategies and practices, including both successes and failures, and that these principles remain important expressions of multilateral cooperation and coordination which the EU is committed to upholding;
 4. Calls on the Commission to publish, at least biannually, a report on the progress of the EU institutions and Member States on improving effectiveness in the planning and implementation of European development cooperation and assistance measured against a set of commonly agreed targets and policy objectives, notably the SDGs, and including progress towards the alignment of policy objectives and the harmonisation of procedures, in particular with regard to joint programming, joint implementation and joint results frameworks; calls on the Commission to present this progress report to Parliament;
 5. Calls on the Commission and the Council to scale up joint programming between the EU and its Member States, with the aim of securing a European voice with which to move forward towards commonly defined policy objectives, which should take into account innovative financing methods such as blending and guarantees; calls for clear, actionable commitments towards joint implementation and evaluation and for shared accountability mechanisms towards citizens;
 6. Stresses that in view of the future implementation of the Neighbourhood, Development and International Cooperation Instrument (NDICI), joint programming by the EU, its Members States and EU development financing partners should build upon the aid effectiveness principles; believes that the EU should collectively set strategic priorities

and identify investment needs/gaps in the pre-programming phase and subsequently look at ways to optimise the range of modalities in the EU institutions' toolbox, including grants, budget support and EIB loans, as well as financing from the Member States; calls on the EU institutions and Member States, accordingly, to share evidence and experience about the kinds of development interventions that tend to be successful and those that have failed, proved difficult to implement or not produced the intended impact;

7. Stresses that accountability for all public expenditure, including Official Development Assistance (ODA), is vital both in Europe and in partner countries; believes that accountability requires strong institutions and that having clear and agreed targets for European ODA is essential for ensuring continued public support for the EU's development cooperation endeavours; emphasises, furthermore, that accountability requires transparent and robust procedures as well as concern for efficiency and the attainment of demonstrable results, thorough ex-ante and ex-post evaluation, and critical analysis of failures as well as learning about how to deliver effective and sustainable results;
8. Believes that the use of results-based approaches is critical for the EU's partner countries and is a fundamental element of their capacity to deliver the SDGs for their citizens; calls on the EU and its Member States to support and use partner countries' own national results-measuring frameworks and their monitoring and statistical systems, and to involve all relevant actors: local authorities; national parliaments; civil society; and the private sector;
9. Calls for the EU and its Member States to enhance their commitment to transparent data flows through continuous investment in data visualisation, statistical reporting and the publication of open data, the application of international standards such as IATI (the International Aid Transparency Initiative Standard), and by regularly updating the EU Aid Explorer;
10. Supports a catalytic approach, building on decentralised and bottom-up needs assessments and programming, which is informed by a thorough analysis of the situation in each partner country; encourages South-South and triangular cooperation;
11. Calls on the Commission and the Member States to enhance cooperation with and through local governments and, to the extent possible, to strive to ensure that budget support as an aid modality can also be used at sub-national level, and that redistribution mechanisms between different levels of government and across regions are developed with the aim of reducing in-country disparities and inequalities, and ensuring that no-one is left behind;
12. Recognises that the role of the private sector – at local, national, bilateral and international levels – is crucial for achieving the SDGs, for mobilising additional development finance and for the transition towards economic development, growth and prosperity; stresses in this regard that additional efforts must be undertaken to align the private sector's involvement in development cooperation with the effectiveness principles and to improve the transparency and accountability of foreign direct investment and global value chains;

13. Welcomes the EU's increased role in leveraging private investment through the facilitation of a predictable regulatory environment in partner countries, as well as the blending of grants and loans, the provision of budget support, guarantees and technical assistance, and policy dialogues and smaller scale project grants for NGOs;
14. Reiterates its request that the Council and the Member States set out a clear timeline for reaching the target of raising the ODA budget to 0.7 % of GNI and that the Commission present a concrete action plan defining how additional resources will be leveraged towards achieving the SDGs;
15. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the OECD Member States, the European External Action Service, the European Investment Bank, the European Bank for Reconstruction and Development, the World Bank Group, the African Union, the Co-Chairs of the GPEDC, the UNDP and UN DESA, the OECD, and the Interparliamentary Union.

EXPLANATORY STATEMENT

As agreed in the European Consensus on Development, the EU is committed to support the implementation of the Sustainable Development Goals in our development partner countries by 2030. With this report, your rapporteur would like to stress the urgency that all EU development actors strategically use the existing tools on aid effectiveness and efficiency.

Business is not as usual. The world is becoming more complex. Geopolitical rivalry for influence and resources as well as internal conflicts are escalating. The impact of climate change affects the most vulnerable. The world's population is growing faster than gross national income, which increases the number of people living in poverty and unemployment. As of 2030, 30 million young Africans are expected to enter the job market per year. These challenges point at the urgency for development cooperation to have a real impact and contribute to peaceful sustainable development with livelihood security and opportunities.

Despite good intentions, EU institutions and Member States are still mainly guided by their institutional or national goals and interests. By coordinating our efforts in a comprehensive manner and by using the aid effectiveness and efficiency tools we have at our disposal our financial commitment can have a strong impact and enable our partner countries to reach the Sustainable Development Goals.

The EU, as the world's biggest donor, as well as the strongest international actor promoting democracy and human rights, should take the lead. We need to implement the policy objectives in the EU Consensus on Development in a more strategic and targeted manner in each partner country, reinforcing and complementing the EU foreign policy goals and values. The commitments and principles on aid effectiveness and efficiency as well as international commitments towards financing needs are in place. The Union has a powerful toolbox of instruments and aid modalities.

There are plenty of opportunities for the EU to move forward in a more comprehensive and coordinated manner:

First, by using the ongoing programming exercise linked to NDICI as an opportunity to reinforce coordination. Joint programming needs to go hand in hand with joint implementation: the EU should collectively set strategic priorities and identify investment needs/gaps in the pre-programming phase and subsequently look at ways to optimise the range of modalities in the EU institutions' toolbox, including grants, budget support and EIB loans, as well as financing from EU Member States.

Second, continue to support sectors where projects have been successful and there is a high potential for future sustainability. Use a catalyst approach: choose sectors where a partner country has incentives to continue a project in the absence of funding.

Third, using lessons learned from a common EU knowledge base in a strategic and results-oriented manner when defining prioritised sectors in a country.

Fourth, review assessments of successful and failed projects where the possibilities for

sustainability are high. For example, choose sectors that to date have been received budget support and where investment needs can be addressed through a combination of EIB loans/Member State financial institutions and expertise.

Fifth, using EU and Member State headquarters/delegations' extensive knowledge of successful and unsuccessful aid modalities in certain sectors on the ground. Continue to tailor EU aid modalities to the local context reflecting the needs and capacity in the country.

Sixth, use the aid effectiveness and efficiency tools with the aim of improving transparency with our partner countries.

We do not need to reinvent the wheel. Given the magnitude of the funding gap and limited progress towards achieving the SDGs, it is time to be strategic and take full advantage of the combined financial weight and knowledge of all EU institutions and EU Member States - and to use the unique aid effectiveness and efficiency tools at our disposal - to achieve real impact and progress.