

EU INSTITUTIONS



“Team Europe has significantly increased its contribution of Official Development Assistance compared to last year. This is crucial at a time when so many people in our partner countries face significant health, economic and social challenges linked to the COVID-19 crisis. The latest figures show that 10 years ahead of the due date to deliver on our commitment to provide 0.7% of our collective GNI as ODA, we are more determined than ever to achieve this target.”

– European Commissioner for International Partnerships,
Jutta Urpilainen, April 2021

MAIN CHANGES IN 2020

In 2020, the EU institutions increased their total ODA by 29.8% in real terms, raising it to €17.7bn. This made them, collectively, the third-biggest global donor, and the second among EU actors, after Germany. The increase is mainly due to the mobilisation of (partly additional) funds for the EU Global Response to COVID-19. Both tied aid and interest repayments decreased in 2020, raising the EU institutions’ genuine ODA from 92% to 94%.

Throughout 2020, the overwhelming focus on the immediate response to COVID-19, through the new ‘Team Europe’ approach, dominated the EU’s development agenda.¹⁰⁷ The EU institutions, however, are still underperforming in terms of the quantity and quality of ODA they deliver. In 2021 and beyond, the Commission therefore needs to step up to ensure that no one is left behind: this requires a renewed commitment to the fundamental principles of sustainable development and a single-minded focus on the reduction of poverty and inequalities in partner countries.

TRENDS AND PROJECTIONS FOR 2021 AND BEYOND

Although the EU Member States politically endorsed the NDICI-Global Europe in December 2020, the European Parliament did not officially adopt the new instrument until June 2021.¹⁰⁸ The NDICI-Global Europe programming process is, however, still going to develop and approve the Multiannual Indicative Programmes (MIPs) for each EU partner country and region by the end of 2021.

In January 2021, the European Commission’s Directorate for Cooperation and Development (DG DEVCO) was officially renamed the ‘Directorate General for International Partnerships’ (DG INTPA), reflecting what Commissioner Urpilainen described as a “change in paradigm towards equal partnerships”. Heralded as a move away from traditionally unequal donor-recipient dynamics, it is yet to be seen whether this change proves to be anything more than cosmetic. There are worrying indications from the internal restructuring of DG INTPA that key areas, fundamental to creating equal partnerships, are now being given less importance. For example, none of the new directorates has been given a title that includes promoting human rights, democracy and the rule of law, while the units responsible for engaging with civil society and local authorities have been merged, potentially limiting their effectiveness. The first real test of DG INTPA’s approach will be the new EU-AU summit, which is due to take place in the first half of 2022, having been delayed since last year – a summit which will adopt a common declaration that should be taken forward by both sides. This represents an opportunity for the EU to ‘walk the walk’ on partnerships, but African leaders and civil society representatives have already expressed doubts that the strategy will demonstrate a genuine attempt to build a more equal relationship between the two continents.

¹⁰⁷ An assessment of this new approach is available on pages 16-19.

¹⁰⁸ An analysis of Global Europe can be found on pages 28-30 of this report.

CASE STUDY BOX

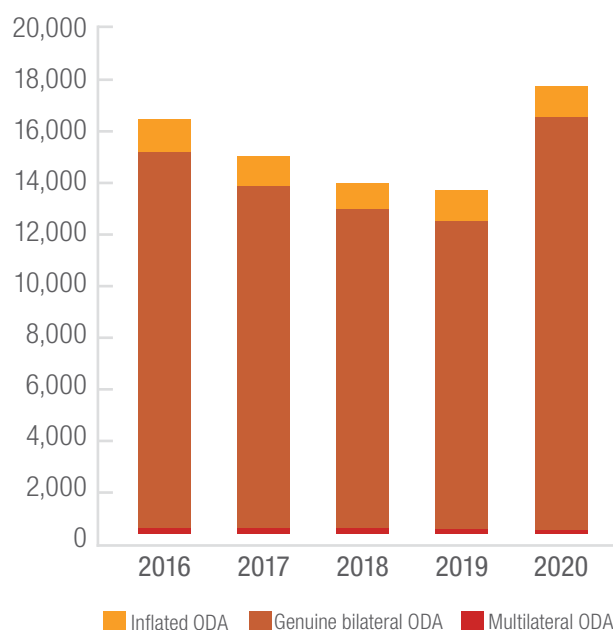
In February 2021 the EU institutions announced a doubling of their contribution to COVAX, the global initiative to increase access to COVID-19 vaccines. The European Commission gave a grant of €300m, along with €200m in guarantees by EFSD+, backing a loan by the European Investment Bank.¹⁰⁹

Beyond this impressive mobilisation of resources, other EU policy decisions relating to vaccine distribution have in fact hampered COVAX's ability to achieve its objectives. Even as the EU provided COVAX with funds to pay for vaccines, it was purchasing excessive quantities of vaccines for distribution within EU countries, thereby limiting how many were available for COVAX to buy.¹¹⁰ This incoherence raises some doubts about whether larger EU contributions to COVAX achieve a real impact, or if there are more effective, systemic policy options the EU could promote to increase its partner countries' access to vaccines – such as agreeing to a WTO TRIPS waiver, supporting manufacturing capacity in partner countries and supporting vaccine delivery in-country.¹¹¹ Also, the EU now overtly works to ensure that future vaccine distribution will also support wider EU geopolitical objectives¹¹² – creating the risk that vaccines may be channelled to strategically important countries rather than to where they are most needed, undermining an equality-focused distribution.

RECOMMENDATIONS TO THE EU INSTITUTIONS

- In its annual work plan the European Commission should outline clear schemes to increase ODA in the 2021-27 period to meet the 0.7% ODA/GNI target and allocate 0.15-0.2% ODA/GNI to LDCs, while promoting more inclusive and resilient societies to ensure that no one is left behind after the COVID-19 crisis.
- The EU institutions should not dilute the effectiveness of their ODA by using NDICI-Global Europe funding to pursue non-sustainable development policy interests, and should instead ensure that ODA contributes to the reduction of poverty and inequalities in partner countries.
- The European Commission should work to establish a genuinely equal partnership with Africa, one that guarantees partner countries both the policy space in which to achieve the SDGs and an equal voice in shaping development financing.

EU INSTITUTIONS – GENUINE AND INFLATED ODA (€ million, constant 2019)



¹⁰⁹ EU Commission, *EU doubles contribution to COVAX to €1 billion to ensure safe and effective vaccines for low- and middle-income countries*, 19 February 2021, https://ec.europa.eu/international-partnerships/news/eu-doubles-contribution-covax-eu1-billion-ensure-safe-and-effective-vaccines-low-and-middle_es.

¹¹⁰ Guarascio, F, and Chalmers, J, *How a WHO push for global vaccines needed Europe*, 21 April 2021, <https://www.reuters.com/world/china/how-who-push-global-vaccines-needed-europe-2021-04-21/>.

¹¹¹ *Civil society, #Vaccines4All: Open letter to EU Leaders, EU & UK Heads of State and Government from Civil Society*, July 2021, <https://drive.google.com/file/d/1jK4xbxM9d80Qxu-cmiiTPhn4JkkU07SA/view>.

¹¹² Josep Borrell (2021), *(Post)-pandemic geopolitics: together in a world apart*, <https://www.friendsofeurope.org/insights/post-pandemic-geopolitics-together-in-a-world-apart/>, Friend of Europe, 19 July 2021.

ODA TO LDCS (€ million, constant 2019)*

LDC	Other	LDCs	Total Bilateral	ODA to LDCS, % of bilateral
2016	11,917	4,136	16,053	25.8
2017	10,425	4,156	14,611	28.5
2018	9,896	3,798	13,694	27.7
2019	9,708	3,615	13,322	27.1

ODA TO DRM (€ million, constant 2019)

DRM	ODA for DRM	DRM (% bilateral)	DRM (% total ODA)
18.54	0.12	0.11	0.001
12.92	0.09	0.09	0.000
14.99	0.11	0.11	0.026
12.00	0.09	0.09	0.009

AID MODALITY (€ million, constant 2019)

Year	Bilateral gross	Grants	Loans	Loans (% of gross bilateral)
2016	17,765.07	12,842.14	4,922.93	27.71
2017	16,988.77	12,461.93	4,526.85	26.65
2018	16,068.70	12,151.57	3,917.13	24.38
2019	15,828.88	12,820.95	3,007.93	19.00

ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2019)

Gender focus	Bi allocable	Total Screened	Not Screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2016	16,464.07	16,464.07	0.00	11,998.50	4,170.75	294.82	25.33	1.79
2017	15,703.22	15,703.22	0.00	10,608.70	4,715.30	379.22	30.03	2.41
2018	14,929.99	11,012.86	3,917.13	5,533.77	4,995.13	483.96	45.36	4.39
2019	14,605.33	11,597.41	3,007.93	6,178.68	4,929.50	489.23	42.51	4.22

ODA TO SUPPORT CSOs (€ million, constant 2019)

CSO support	Non-CSO	Donor.CSO-Earmarked	International.CSO-Earmarked	Recipient.CSO-Earmarked	Donor.CSO-Core	International.CSO-Core	Recipient.CSO-Core	Total bilateral CSO support, % bilateral	Total bilateral CSO support, % total ODA	Core bilateral CSO support, % bilateral	Core bilateral CSO support, % total ODA
2016	1,4112.12	1,138.74	419.46	373.09	5.76	0.15	3.72	12.09	11.90	0.06	0.06
2017	12,870.02	1,007.86	352.04	340.57	6.51	0.88	2.72	11.71	11.46	0.07	0.07
2018	12,016.94	1,002.07	303.89	354.02	13.63	0.00	3.24	12.25	11.99	0.12	0.12
2019	11,540.75	1,047.01	384.87	337.97	11.00	0.00	0.71	13.37	13.06	0.09	0.09

* For EU institutions, ODA is percentage of bilateral aid and does not include a multilateral share