

AidWatch 2022

Is the EU a payer, player... or just full of
hot air?

November, 2022



What is AidWatch?

- Yearly publication that monitors the quantity and quality of EU ODA, both at the EU institutions and MS level.
- Strong focus on and participation from national actors (CONCORD members).
- It provides a comprehensive analysis of ODA levels, and a distinction between 'genuine' and 'inflated' aid.



Enough ODA?

How much ODA? How far from the 0.7 target?

- In 2021, EU27 total ODA amounted to EUR 65.5bn, equating to 0.48% of their combined GNI

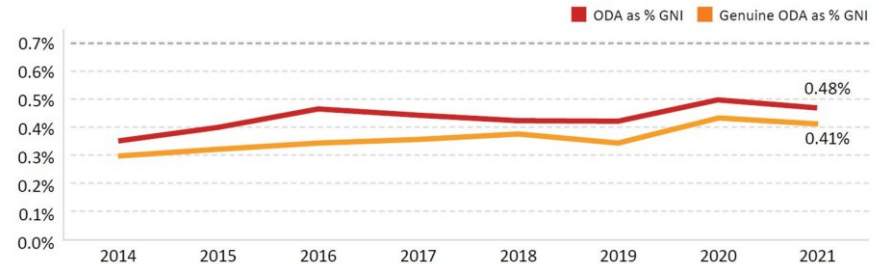
- The EU remained as the largest bloc of donors globally (43% of total), but far from the 0.7% target

- Only 4 MS (SW, LX, DK, GE) reached the target, an unchanged picture from last year.

- Six “EU-14” MS did not even reach the 0.33% threshold (IR, AT, IT, SP, PT, GR).

-The UK registered a sharp decline following its refrain from binding the 0.7% target by law.

Graph 1: ODA and genuine ODA as percentage GNI of EU Member States (EU27)



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- The UK registered a sharp decline following its refrain from binding the 0.7% target by law.

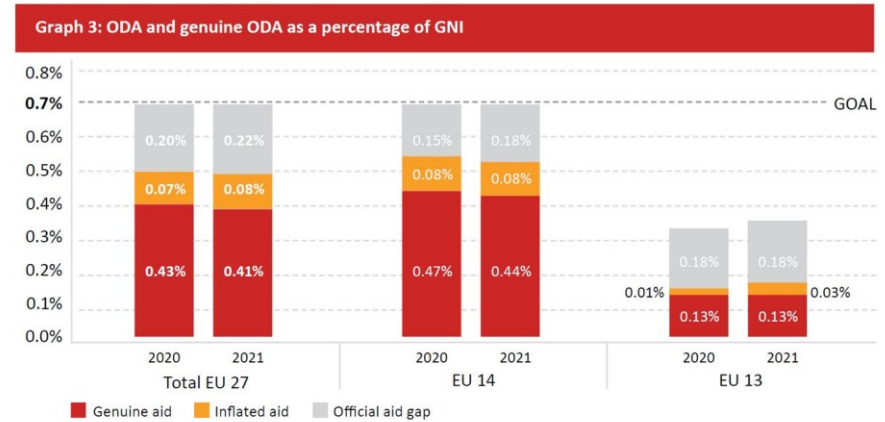
The EU must step up efforts to meet the longstanding commitment to spend at least 0.7% of its combined GNI on ODA before 2030.

EU Member States should refrain from making cuts to their ODA budgets and ensure steady progress towards the 0.7%

Furthermore, the 0.7% should be seen as a baseline, not as a ceiling for ODA expenditure.

Keeping to the 0.7% target...

- The target was first agreed in... 1970! With an initial deadline of 1980. Meaning that, even if reaching it by 2030, they would be 50 years late!
- In the current context, additional resources are needed to tackle multiple crises (war, climate emergency, pandemic), is the 0.7 still 'enough'?
- The target stays as an accountability tool towards governments, but it is not only about quantity, also about quality...



Employing ODA correctly?

Inflated aid reached 1 euro in every 6 of EU's ODA

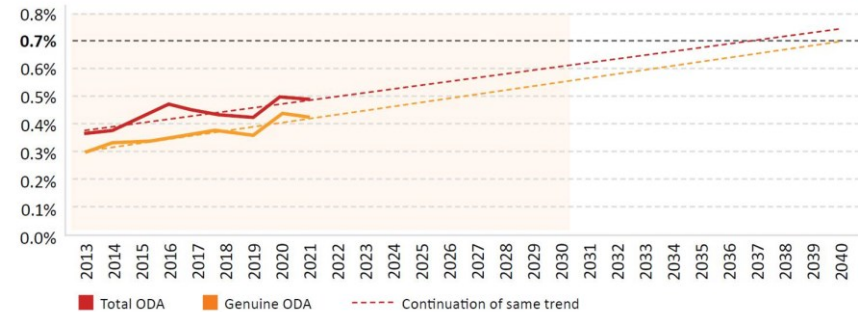
- 2021 marked the end of a 4-year trend of decline in the levels of aid inflation by the EU and MS.

-The main contributor for this increase was the inclusion of in-excess vaccine donations as part of the ODA budgets by many MS.

- The other main component of aid inflation was, as usual, in-donor refugee costs: EUR 4.5bn

- Inflated aid only pushes further the deadline for the EU to meet its ODA commitments: if only genuine aid were counted, the EU will not meet the 0.7% target until 2039

Graph 2: Estimated timescale for meeting the 0.7% commitment (inflated vs genuine EU ODA)



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 - Inflated aid only pushes further the deadline for the EU to meet its ODA commitments: if only genuine aid were counted, the EU will not meet the 0.7% target until 2039
- In-donor refugee costs, tied aid, student costs, debt relief and interest payments on loans should be excluded from their total reporting of ODA
 - In-excess vaccine donations should NOT be reported as ODA, as they were not purchased with that purpose and it rewards donor for their misbehavior amid the pandemic

Effective ODA?

An assessment against the Development Effectiveness Principles

- The section analyses the three main policy initiatives shaping the institutional framework for development assistance: Team Europe (and TEIs), NDICI-Global Europe and, more recently, Global Gateway.
- Findings show a concerning path of progress, with little involvement of CSOs, poor accountability mechanisms and without ensuring ownership from partner countries.
- The European Parliament could -and should- take a more prominent watchdog role on this.

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-The European Parliament could -and should- take a more prominent watchdog role on this.

-All Team Europe partners should ensure that CSOs are fully consulted and involved in all phases of the planning and implementation of Team Europe Initiatives.

-Projects developed under Global Gateway need to respond to the developmental objectives of partner countries

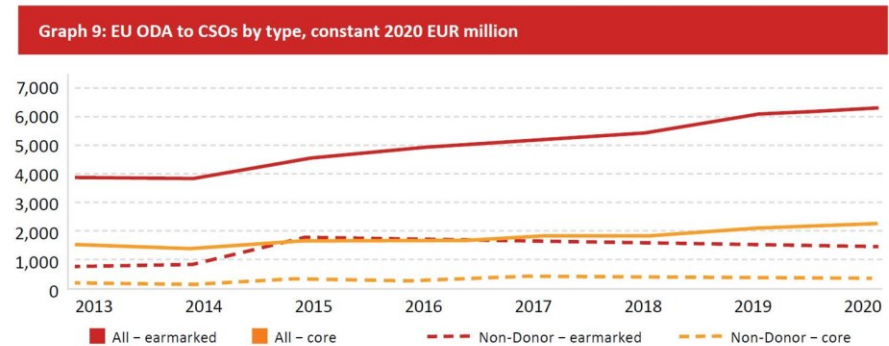
-Given the key involvement of the private sector in Global Gateway, it needs to be ensured that this is fully aligned with the sustainable development agenda

Equality-focused ODA?

EU ODA aimed at reducing inequalities

-Latest evidence of the EU's performance in 2020-2021 shows that:

- EU ODA to LDCs is still far too low (not reaching the 0.15-0.20% GNI/ODA target).
- More ambitious targets for gender equality, specifically focused on funding, are needed.
- Climate finance is not additional to previous ODA commitments, and balance between mitigation and adaptation has not been achieved
- More resources going through, but specially to, CSOs are needed.



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-ODA to LDCs needs to reach 0.15% GNI in the short-term, and rapidly scale-up to 0.20% before 2030

-A target of 85% of EU ODA spending to gender equality should be adopted, instead of the current 'projects' target.

-Climate finance needs to be new and additional to previous ODA commitments.

-Core funding to CSOs in both donor and partner countries must be importantly increased

Our members

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		<p>NETWORKS</p>											
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