

KEY QUESTIONS

the big six

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What are the EU's priorities for global development?

Addressing migration-related issues and humanitarian assistance remain top focus areas

The EU's development strategy is outlined in the European Consensus on Development from 2017. Its overarching objectives are poverty reduction and alignment with the 2030 Agenda for Sustainable Development. The objectives have been translated into four frameworks for action:

- **'People** – human development and dignity', which includes education, nutrition, health, access to water, decent work, and human rights;
- **'Planet** – protecting the environment, managing natural resources, and tackling climate change';
- **'Prosperity** – inclusive and sustainable growth and jobs', which includes investment and trade, sustainable agriculture, illicit financial flows, and innovation;
- **'Peace** – peaceful and inclusive societies, democracy, effective and accountable institutions, rule of law, and human rights for all', which includes humanitarian assistance.

The Consensus highlights the EU's commitment to strengthen interlinkages between sectors, such as development, peace, and humanitarian assistance. It aims to improve the effectiveness of EU development policy through performance-based budget support, among other ways. With this, the Consensus aligns with the EU's 2012 Agenda for Change, which aims to improve aid effectiveness by concentrating the EU's country programs on a maximum of three sectors per country and by prioritizing general budget support with stricter conditions. Finally, the Consensus underlines the EU's intention to combine traditional development assistance with other resources, including private-sector investments and domestic resource mobilization.

Further strategic priorities are outlined in the Cotonou Agreement, which was signed in 2000 to govern relations between the EU and 79 African, Caribbean, and Pacific (ACP) countries, focusing on development cooperation, political dialogue, and trade. The Cotonou Agreement is set to expire in February 2020. Negotiations between the EU and ACP states to renew the terms for 2020-2040 officially began in September 2018 and aim to be finalized by end of 2019. EU and ACP countries agreed on the structure and strategic priorities of the future agreement: an

Implications of 'Brexit' on the EU's ODA

In June 2016, the British population voted in favor of the United Kingdom (UK) exiting the EU. While details on how this decision will affect EU development policy remain unclear, Brexit could impact the EU's development policy in the following ways:

- **Reduce financial resources for development programs:** The UK contributes around US\$1.8 billion per year (2014-2016 average) to EU development programs through the EU's general budget and the EDF; these may see cuts.
- **Create a leadership gap:** The UK has been a strong supporter of value for money, evidence-based policy, and a strong results agenda within EU development policy, placing emphasis on multilateral development assistance. It also provides significantly more development assistance for health than any other EU member state.
- **Reduce the focus on poorest countries:** The UK has advocated for a stronger focus on low-income countries and fragile states within the EU's development assistance programs.

umbrella agreement will define common values and interests, while three distinct agreements will focus on each region's specific needs (replacing the current single agreement with all ACP countries). The priorities proposed by the EU are:

- **Africa:** Peace and stability, migration, democracy and good governance, economic development, human development, and climate change.
- **Caribbean:** Vulnerability to climate change, good governance and human rights, and human development.
- **Pacific:** Vulnerability to natural disasters and climate change, and maritime security.

Following the increased inflow of asylum seekers in 2015, the EU significantly increased funding to migration-related issues. This includes the establishment of the 'Emergency Trust Fund for Africa' (€3.7 billion or US\$4.2

billion as of February 2019), and the 'EU Regional Trust Fund in Response to the Syrian Crisis' (€1.5 billion or US\$1.7 billion as of November 2018). Humanitarian assistance is one of the top sectors of EU ODA, accounting for 11% of the EU's bilateral spending. The EU's humanitarian assistance budget for 2019 reached record levels (US\$1.8 billion), primarily to address the crises in Syria and Yemen. The European Commission (Commission) proposes to double the budget for migration and border management from €13 billion (US\$14.7 billion) in the current multiannual financial framework (MFF) 2014-2020 to €34.9 billion (US\$39.3 billion) in the MFF 2021-2027.

The priorities for the next MFF 2021-2027 are currently being negotiated by the three EU institutions: the Commission, the European Parliament (Parliament), and the Council. The Commission put forward a proposal in June 2018, which suggested merging all external funding under a single instrument, the Neighborhood, Development and International Cooperation Instrument (NDICI). NDICI is to have a large geographic component; a thematic component comprising global challenges, human rights and democracy, civil society organizations, and stability and peace; a rapid response component; and an additional "cushion" for emerging challenges and priorities. Cross-cutting priorities are to be strengthened through spending targets, including 20% for human development, 25% for climate change, 10% for tackling root causes of migration, with 92% of funding set to be ODA-reportable.

Following approval of the proposal by Parliament in spring 2019, EU member states (Council) plan to agree by fall 2019 on what the spending limits and priorities for

development cooperation should be. A final agreement is to be achieved by the end of 2019. The EU external action budget is likely to be strongly affected by battles over other elements of the EU's general budget, notably the Common Agricultural Policy (CAP) and regional policy, and the proposed NDICI has yet to gain support from all member states.

Implications of 'Brexit' on the EU's ODA

As things stand, the UK is due to leave the EU by end of March 2019 ('Brexit'). While details on how this will affect EU development policy remain unclear, Brexit could impact the EU's development policy in the following ways:

- **Reduce financial resources:** If the EU institutions agree to the proposed NDICI, the UK will no longer be able to contribute to EU ODA via the extra-budgetary EDF. Nonetheless, the Commission's latest proposal does not foresee reductions in the EU's external action budget despite Brexit.
- **Create a leadership gap:** The UK has been a strong supporter of 'value-for-money', evidence-based policy, and a strong results agenda within EU development policy, placing emphasis on multilateral development assistance.
- **Reduce the focus on poorest countries:** The UK has advocated for a stronger focus on low-income countries and fragile states within the EU's development assistance programs. It also provides significantly more ODA for health than any other EU member state.