

RECOVERY IN EUROPE – NOT WITHOUT THE GLOBAL SOUTH

Urgent need for EU budget improvements

On 21 July 2020, the five-day special meeting of the European Council concluded with an agreement on the multiannual financial framework (MFF) of the European Union (EU) and the Next Generation EU (NGEU) recovery instrument. From a development policy perspective, the outcomes are deeply disappointing.

The EU Member States once again confirmed their commitment to the Sustainable Development Goals (SDGs) of the 2030 Agenda, a strengthened partnership with Africa, and a climate-neutral Europe by 2050. However, these goals are not reflected in the decisions taken by the European Council on future EU spending. The European Parliament has already formulated its own demands in this regard; now it should call for significant improvements in the areas of sustainable development and humanitarian aid in the upcoming budget discussions.

More funding for sustainable development and humanitarian aid

The EU budget is expected to total 1,824.3 billion euro during the 2021-2027 period (MFF: 1,074.3 billion euro; NGEU: 750 billion euro). Compared to the European Commission's draft of May 2020, there have been significant cuts under the "Neighbourhood and the world" heading.

Initially, 102 billion euro was proposed for international cooperation, but this budget item has now been reduced to 98.4 billion euro. Of the 750 billion euro allocated to the NGEU recovery instrument, no

funds are earmarked for international cooperation. Originally 15.5 billion was planned.

Under the European Commission's proposal, the separate Humanitarian Aid Instrument was to receive an additional five billion euro from the NGEU. This response to rapidly growing humanitarian needs around the world in the wake of the corona pandemic was based on the United Nations' Global Humanitarian Response Plan. Yet the European Council has cut the planned extra funding from the NGEU entirely.

In many countries of the Global South, the corona pandemic and associated isolation measures are already having fatal effects. Health care systems are reaching breaking point, commercial enterprises are ceasing production, unemployment and poverty are increasing. The United Nations expects the number of starving people in the world to double by the end of 2020. It is therefore vital to develop and expand local social security systems and functioning health care systems, and strengthen inclusive economic development.

Given the EU's obligations with regard to the SDGs and international climate change targets, it must increase its financial commitment and allocate sufficient funds for sustainable development and humanitarian aid. The EU and its members are called upon to step up their efforts and actually spend 0.7 percent of the Member States' gross national income (GNI) on Official Development Assistance (ODA), following their international commitments.

We are calling for substantial reallocations to be made in the EU budget, in line with Europe's international responsibilities. At least 95 percent of the funding in the most important EU budget for development policy – the Neighbourhood, Development and International Cooperation Instrument (NDICI) – should meet ODA criteria.

Strengthening democracy and the rule of law

Around the world, curfews have been imposed in many places or freedom of movement and assembly has been restricted in order to stem the spread of coronavirus. In some countries, fighting the pandemic has been used as an excuse to impose further restrictions on civil society activities. Yet a strong civil society is essential for democracy and the rule of law, as it can critically monitor the actions of the state.

NDICI budget funds for this purpose were cut by the European Commission from 79.2 billion euro to 70.9 billion euro prior to the special European Council meeting. In particular, funding was cut substantially for the thematic programmes to strengthen civil society actors involved in the protection of human rights, gender equality, the promotion of democracy, peace and security, and responses to global challenges. Now only 5.6 billion euro – or 7.9 percent of the NDICI funds – are earmarked for this work. This is clearly not enough.

We call for a significant increase in funding for the thematic programmes, because they help civil society organisations perform the important task of promoting and monitoring respect for human rights.

A fair partnership with Africa

The integration of the European Development Fund into the EU budget must not lead to a reduction in the resources available for EU cooperation with partner countries in Africa under the post-Cotonou agreement. This danger exists, however, in view of the overall reduction in development cooperation funds. These cuts could have a negative impact on Europe's partnership with the African continent.

We demand that in addition to parliamentary oversight on the part of the EU, parliaments in the partner countries should also be strengthened so that European Development Fund criteria and expenditure can be transparently monitored and controlled by both sides. Above all, we demand that planned measures should give greater consideration to gender equality and support civil society activities.

More responsibility in EU migration policy

In recent years, EU institutions have used some MFF funds allocated to migration policy for migration management, restrictive border controls, and readmission agreements. Such measures can easily lead to human rights violations. Migration due to humanitarian crises, armed conflicts, natural disasters, climate change or economic and social hardship requires adequate responses that are based on the specific situation and the needs of the people.

We demand that NDICI funding dedicated to migration and border management should be used not in Europe or at the EU's external borders for security measures, border controls or readmission agreements, but instead for development projects in the Global South.

Increased climate financing for climate justice in the Global South

The fight against the devastating consequences of climate change cannot be delayed any longer. The EU must show an even stronger commitment to climate protection and provide the necessary financial resources to achieve the ambitious climate goals by 2030 – not 2050 as proposed in the European Green Deal. These funds should benefit the countries particularly affected by climate change so that they can implement climate adaptation measures. Moreover, the 30 percent share of the EU's full budget package earmarked for climate objectives is too little to counter the effects of climate change.

We are calling for a 50 percent target for climate and environmental expenditure for the entire EU budget, and especially the NDICI. In addition, expenditure in the areas of agricultural policy, infrastructure, health and defence should follow a do-no-harm principle that promotes climate protection. For example, criteria such as energy efficiency in buildings and other similar approaches should be taken into account.

Responsible lending by the European Fund for Sustainable Development Plus (EFSD+)

The EFSD+ is designed as a blending instrument in such a way that public support for the private sector is provided partly through loans and partly through grants. The high national debt of some countries, which has climbed even higher with the coronavirus pandemic, may rise further as a result of such loans. In the medium and long term, this would mean that public funds are committed to debt servicing, and would no longer be available for sustainable development and social services. The UNCTAD principles for responsible lending should therefore serve as guidance for cooperation with EU partner countries. Where loans are granted to enterprises, it must be ensured that minimum human rights, social and environmental standards are upheld, as formulated for example in the UN Guiding Principles on Business and Human Rights.

We call for ODA funds to be used for small and medium-sized enterprises from and in the partner countries, not as subsidies for German and European companies.



The project "Towards an open, fair and sustainable Europe in the world – EU Presidency Project 2020-2022" is funded by the European Union and implemented by the Association of German Development and Humanitarian Aid NGOs (VENRO), the Portuguese Non-Governmental Development Organizations Platform (Plataforma Portuguesa das ONGD), the Slovenian NGO Platform for Development, Global Education and Humanitarian Aid (SLOGA), and the European NGO confederation for relief and development (CONCORD).

Disclaimer: This publication has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of VENRO and can under no circumstances be regarded as reflecting the position of the European Union.

PUBLISHING DETAILS

Publisher

Verband Entwicklungspolitik und Humanitäre Hilfe
deutscher Nichtregierungsorganisationen e. V. (VENRO)
Stresemannstraße 72, 10963 Berlin, Germany

Phone: +49 30 263 9299-10

Email: sekretariat@venro.org

Editorial team

Anke Kurat, Elisa de Siqueira

Final editing

Ian Mengel

Berlin, August 2020