EU donor coordination on development aid

2013/2057(INL) - 11/12/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution with recommendations to the Commission on EU donor coordination on development aid.

Parliament called on the EU and its Member States to honour their commitments under the Paris Declaration, the Accra Agenda for Action and the Busan Global Partnership for Effective Development Cooperation, the main obstacles to which are lack of political will, bureaucracy and high transaction costs.

Parliament recalled in this context that one basic condition to fulfil the "aid effectiveness agenda" is to embrace fully the principle of "democratic ownership", implying that development strategies are country-driven. It called on the EU and its Member States to fully exploit the legal provisions of the TFEU on development that call for complementarity between the EU and its Member States in development cooperation.

It demanded in particular:

- more effective coordination by the EU and its Member States of cross-country division of labour in order to address the problem of "aid darlings" and "aid orphans";
- that horizontal issues such as human rights, gender equality and climate change are fully addressed;
- a re-evaluation of the comparative advantages of the EU and its Member States in the division of tasks in the development field;
- the participation between all development actors.

Pooling resources: Parliament stressed that, by pooling the resources provided by donor countries, multilateral development organisations have the potential to increase aid effectiveness and maximise efficiency.

It stressed the importance of supporting:

- the development of those countries capacity so that they can build up the skills, know-how and institutions required to manage their own development;
- free trade, a market economy and entrepreneurship in order for developing countries themselves to be able to fight poverty;
- combatting corruption and building up their fiscal infrastructure.

Parliament emphasised the growing role of non-traditional donors, as well as private-sector investments, and philanthropic financial flows to developing countries that pose additional coordination challenges.

Differentiated approach to aid effectiveness: Parliament underlined the importance of a differentiated approach to aid effectiveness, taking into account the level of development of the partner countries (least developed, fragile or middle-income) and their specific needs. It considered that this differentiated approach should be based on multidimensional development indicators going beyond GDP that take into account in-country poverty, inequality and vulnerability.

It called also on the EU to ensure that the commitments on aid and development effectiveness are fully reflected in all the financial mechanisms relevant to development cooperation.

Improved donor and EU coordination: noting that improved donor and European Union coordination is imperative, Parliament requested the Commission to submit, no later than the first semester of 2016, on the basis of Articles 209 and 210 of the TFEU, a proposal for an act concerning regulatory aspects on EU donor coordination on development aid, following the adoption and implementation of a road map of preparatory actions to facilitate the entry into force of these regulatory aspects. This would be evaluated by the Commission and the EEAS on the basis of a set of indicators previously agreed. This evaluation process would involve EU delegations together with Member States' diplomatic representations in partner countries as well as the European Parliament

Lastly, Parliament proposed a series of technical recommendations to define the contours of the requested proposal.

A proposal for an act concerning regulatory aspects on EU donor coordination on development aid.

Scope: the proposal should provide an appropriate solution to the question of improving the effectiveness of EU development aid.

Principles: the future Regulation should codify the following principles:

- the ownership of aid by its beneficiaries;
- harmonisation: the EU and its Member States should implement common arrangements at country level for programming (joint programming) and work together to reduce the number of missions to the field;
- alignment: the EU and its Members States should avoid creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.
- the predictability of funds;
- transparency and mutual accountability;
- differentiated approach;
- review, evaluation and discussion of results.

Other technical provisions: provisions should be provided in matters:

- joint programming so as to avoid unnecessary parallel processes;
- division of labour at the country level (for example, by limiting the number of EU donors active in sector policy dialogue and cooperation activities) or between countries (by establishing better geographic concentration taking into account "darling" and "orphan" countries);
- monitoring progress at headquarters and country level;
- the involvement of national parliaments in the monitoring of donor coordination; v) reporting to the European Parliament and the Council;
- a review after a report evaluating the implementation of the Regulation in the first three years; and
- the establishment of a Coordinating Committee.