Press release:

The world’s poorest should not pay for the security and defence of Europe

- Governments are considering diverting limited aid funds to security and defence, and may also increase the amount they use to cover refugee costs in rich countries
- A large coalition of NGOs is calling for European leaders to protect refugees while ensuring aid budgets are only used for poverty eradication and sustainable development

Brussels, Tuesday February 16 2016

Governments across Europe are planning to divert scarce development aid budgets to cover security and defence costs, anti-poverty campaigners understand.

Proposals that aid money can be used for ‘preventing violent extremism’, police training and financing security costs are being mooted behind closed doors, and will be formally discussed at the OECD’s Development Assistance Committee (DAC) in Paris on February 18th and 19th. At the same time, European leaders will be meeting in Brussels to discuss their migration response.

During the OECD DAC meeting, Ministers will also discuss increasing the amount of aid money that they can spend on receiving refugees in their own countries, a move criticised by development charities across Europe.

A coalition of organisations including Oxfam, Eurodad, ONE, Dochas, Global Citizen, Save the Children and Bond are calling on leaders to make sure the choices they make on aid in the coming months do not mean the poorest people lose out on vital public services like education or healthcare.

The coalition strongly urges European leaders to:

- Ensure that the definition of what can be counted as Official Development Assistance (ODA), does not include any defence and security costs or in-country refugee costs.
- Include developing countries and non-governmental organisations in the process of modernising ODA.
- Ensure that refugees are afforded the protection they need.

Sara Tesorieri, Deputy Head of Oxfam’s EU office said: "Development aid is meant to empower poor people – rich countries shouldn't be diverting it to fill their budget gaps or advance their security agenda. Europe must support building institutions that ensure democracy and respect for human rights so more people can overcome conflict and live in peace and security. But if donor countries divert more resources away from development, hundreds of millions of poor people will lose out.”

Jeroen Kwakkenbos, Policy and Advocacy Manager at the European Network on Debt and Development (Eurodad), said: “The aid budget is clearly a completely inappropriate source of funding for defence and security measures. Under flawed rules that exist at the OECD, aid can
already be used for sizeable expenses in rich countries, such as refugee costs and overseas student costs. It has also been used to subsidise multinational corporations based in many donor countries.

“These new proposals could divert even more money away from the world’s poorest in order to serve the domestic and foreign policies of rich countries.”

Tamira Gunzburg, Director of ONE Brussels, said: “European Leaders have the responsibility to meet the needs of refugees escaping insecurity, but it is important that this does not come at the cost of the world’s poorest.

“Last year, development aid hit a record high. However, support to the poorest countries fell by 4.6%, leaving them with less than 30% of overall aid.

“We can and must keep up support both to refugees and live-saving aid programmes. Pitting the plights of the world’s most vulnerable people against each other is not a just or sustainable solution.”

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Notes to editors:

Petition:

Global Citizen, ONE and Oxfam have launched a joint petition to ask European leaders to meet the needs of refugees arriving at our borders without doing so at the expense of the world’s poorest. The organisations are calling on governments to make sure aid is focused on fighting extreme poverty and prioritises the countries and people that have the least. So far 50,000 people have signed the petition.

Aid in figures:

- In 2014, Italy and the Netherlands more than doubled the amount of Official Development Assistance (ODA) allocated to in-country refugee costs. Several other countries also reported a substantial amount of ODA. Source: http://www.oecd.org/dac/stats/final2014oda.htm The OECD is estimating that the proportion of ODA reported under in-donor refugee costs is likely to be much higher in 2015 and 2016.
- Useful background quote: In 2015, OECD Secretary General Angel Gurría said: “Our challenge as we finalise post-2015 development goals this year will be to find ways to get more of this aid to the countries that need it most and to ensure we are getting as much as
What is the high-level meeting about?

The forthcoming OECD-DAC high-level meeting follows four years of review on adapting ODA, as well as development finance more broadly, to the current geopolitical and financial landscape. Discussions will be critical for shaping the future of development cooperation, and for ensuring that ODA will help achieve the 2030 Agenda of the United Nations.

The meeting offers an opportunity for DAC member states to firmly recommit to targeting aid to those most in need, to ensure that the DAC’s statistical system is credible and the way they measure development finance, and in particular ODA, is improved.

What will be on the table?

Ministers meeting in Paris are expected to:

- agree on revised ODA reporting directives in the field of defence and security,
- discuss and provide strategic directions on how far the cost of helping refugees in Europe can be counted as development aid.

In addition, the meeting will cover a series of other issues, including:

- the endorsement of new ODA reporting directives for private sector instruments,
- discussions on the role of the DAC in fulfilling the 2030 Agenda (including how the DAC should adapt its tools, products and partnerships),
- taking steps to allow better tracking and management of development finance in a broader sense.

What are possible risks of the changes discussed?

While the issues at stake seem to be mostly technical, the decisions will have a significant impact on the future content and character of finance for development cooperation.

Anti-poverty organisations fear that changes in reporting rules will mean that an important portion of funds destined for development aid will be spent in the donor countries. Also, these funds may not always focus on developmental purposes. This could undermine the credibility of ODA as a whole.

Planned changes to rules in the field of defence and security aim to include within the ODA definition measures such as preventing violent extremism, military training for “non-combat” peace-building operations, engagement with the police beyond training in routine civil policing functions. This risks blurring the line between development cooperation and military or policing missions for security.

If more expenses for security and defence as well as for refugee reception in donor countries can be counted as aid, this could entail less money for aid programmes in developing countries and for poverty reduction.
**The OECD and Official Development Assistance:**

The Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) defines development aid and monitors its flows to developing countries. The committee has measured resource aid flows since 1961.

Special attention has been given to the official and concessional part of these flows, defined as “official development assistance” (ODA). The DAC first defined ODA in 1969, and tightened the definition in 1972. ODA is the key measure used in practically all aid targets and assessments of aid performance. The definition is of great importance for the global goal that donor countries commit 0.7% of their GNI to development assistance.

The DAC defines ODA as “those flows to countries and territories on the DAC List of ODA Recipients and to multilateral institutions which are:

i. provided by official agencies, including state and local governments, or by their executive agencies; and

ii. each transaction of which:

a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and

b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).”