During the EU 2014-2020 budget negotiations, CONCORD representing over 1800 European NGOs working in development wants to remind decision-makers that EU development aid is a powerful tool for poverty eradication and the fight against inequality and must be reinforced further in this process. Here are our reasons why:

1. It is of paramount importance to secure development aid levels that have a true impact on poverty eradication in the Multi-annual Financial Framework (MFF) for 2014-2020: the shares of development aid in Heading 4 (30%) and in the total EU budget (2%), as well as the absolute figures of €23.295bn for the Development Cooperation Instrument (DCI) (current prices) and €34.276bn for the European Development Fund (EDF) (current prices) as proposed by the Commission must be secured and maintained. Development based on a Human Rights Based Approach (HRBA) with poverty eradication, human rights, fighting inequalities and environmental sustainability at its heart is an investment for the future; it creates peace, prosperity and well-being for all.
   a. New and additional commitments made in 2009 to mobilise €100bn annually in climate finance by 2020, should not divert funding away from the joint EU ODA pledge to deliver 0.7% of GNI to aid by 2015. At a minimum, the Commission should apply its own proposed definition of additionality, to ensure that existing development finance is not appropriated by growing climate finance volumes. To that effect, the Commission should report transparently through separate reporting of ‘net ODA’ (ODA minus climate finance) and climate finance for both the MFF and EDF.
   b. The integration of the EDF in the budget does make sense, but the interests of the ACP countries must be guaranteed. Therefore budgetisation should only be considered if conditions are realised that will safeguard the development policy objectives and the central principles and essential elements contained in the Cotonou Agreement and the EDF. It is important that sufficient funding is being guaranteed for ACP countries to address the challenges they face.

2. Political commitments enshrined in the European consensus on development as well as key communications and action plans affecting the quality and impact of aid must trickle down to projects. To avoid a vacuum between commitments and practice, while respecting the ownership principle, we want to see some provisions included in the DCI itself:
   a. At least 95% DCI spending should be ODA eligible.
   b. Benchmarks defined in the EU gender action plan must be included in the DCI instrument, specifically: at least 80% of the funds include gender-sensitive indicators; at least 75% of all projects/programmes across the DCI score G-2 (gender as a principle objective) or G-1 (gender as a significant objective); and at least 50% of Multiannual Indicative Programmes identify gender equality-related actions.

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c. Earmark at least 20% of the DCI (geographic and thematic programmes) to health and basic education, rather than to broader social inclusion and human development.

d. Unallocated funding under the DCI for Linking Relief Rehabilitation and Development (LRRD) in order to ensure flexible and uninterrupted, high-impact interventions from relief to development. Effective LRRD actions call for simplified financial rules and development of early warning systems from partner country to Brussels. Disaster Risk Reduction (DRR) should be an integral part of LRRD in the efforts to build resilience in countries that are vulnerable to disasters and emergencies.

e. Civil society must be fully involved as an actor in its own rights in both political and policy processes and implementation of aid.

f. The principle of Policy Coherence for Development (PCD), which is enshrined in the Lisbon Treaty in article 208, should be at the core of policy making and implementation in all the regulations of the external actions instruments and should therefore be explicitly referenced to in the DCI regulation.

g. The structured dialogue concluding paper acknowledged that “Sustainable development needs Development Education and Awareness Raising (DEAR): tackling global challenges requires public engagement and active citizens [and] the EC has added value in facilitating it.” We urge the European Union to include a strong and ambitious DEAR programme in the future DCI, which goes significantly beyond the currently provided funding amounts.

3. A holistic approach to differentiation, where the eligibility criteria are based on the multidimensional causes of poverty and not only on GNI level should apply. Such an approach with middle income countries should be based on a careful in-depth analysis of the present and future situation of each country resulting from a multi-stakeholders dialogue facilitated by the EU Delegations. This analysis should take into account poverty, inequality and vulnerability levels, access to social protection and services and other deprivations indexes, as well as national trends and policies implemented by national government to address them. It should also assess the present and potential impact of EU aid on poverty eradication through all instruments. The outcome of the exercise should be a tailored made cooperation strategy outlining the policy, instrument and programmes mix for 2014-2020 bilateral cooperation with a clear focus on fighting poverty and inequalities and promoting social protection.

All recommendations contained in this document are equally applicable to the EDF.