

# EXECUTIVE SUMMARY



## ENOUGH?

The EU collectively continued to fall far short of its internationally agreed Official Development Assistance (ODA) spending commitments in 2021.

- The EU spent EUR 65.5 billion in 2021, accounting for 43% of all ODA contributions reported to the OECD.
- Whilst the EU continued to hold its position as the largest global ODA donor bloc, ahead of the United States, Japan, the UK and Canada, its total reported ODA expenditure equates to only 0.48% of GNI.



## EMPLOYED CORRECTLY?

In 2021, levels of inflated aid reached 16% of all EU ODA, breaking a trend of four years of progressive decrease. The EU continues not to employ all ODA correctly.

- The assessment of 'genuine' ODA is at the heart of the AidWatch approach. This is because there are a range of activities that, despite being reported as ODA, do not contribute to the sustainable development agenda in partner countries or do not represent a real effort on the side of donors.
- Counting in-excess vaccines during the COVID-19 pandemic has worsened the scale of this problem very significantly. Inflated aid has now ballooned to one euro in every six reported as ODA by the EU and its Member States.



## EFFECTIVE?

The EU has developed three key policy initiatives aimed at improving coherence, coordination and visibility in its approach to international partnerships in the past two years. The results are not yet clear, so effective scrutiny remains essential.

- The Global Europe Instrument totalling EUR 79.5 billion has not progressed beyond the programming phase, and its lack of transparency is raising concerns among civil society stakeholders.
- The Team Europe approach has taken some tentative steps forward, but lacks visibility in partner countries and civil society organisations (CSOs) are not sufficiently involved.
- Global Gateway, a highly ambitious EU investment programme relying on significant development assistance resources, was announced in September 2021 and officially launched last December. Its results are still awaited.

There have been a proliferation of announcements, pledges and commitments linked to these EU initiatives. Tracing their funding arrangements across EU budget lines is challenging, and significantly more clarity is needed in this area.



## EQUALITY-FOCUSED?

The EU's failure to support Least Developed Countries (LDCs) continues. It also continues to fall short on supporting climate financing, gender equality and CSOs.

- In 2020, EU ODA to LDCs stood at 0.12% of GNI. Despite this being an increase from 2019 figures, it shows that the EU still lags far behind the target of 0.15%-0.2% of GNI for ODA to LDCs. There is a disproportionate focus on the EU's neighbourhood.
- The EU must step up efforts on climate financing in order to reach the annual USD 100 billion commitment. Genuine additionality to ODA is needed to avoid dilution of efforts in the key priority areas of development assistance. Metrics on EU gender equality projects need to be tighter and include a funding dimension, with a target of 85% of new projects having gender equality as a principal or significant objective.
- The EU should support CSOs effectively by significantly boosting their core financing.



## "Paying over playing?"

### The EU's response to COVID-19 global vaccination

EU support to international partners during the COVID-19 pandemic was the first key test for its declared objective of going 'from payer to player'<sup>1</sup>, and the EU failed. It still has a very long way to go to demonstrate a genuine partnership approach when facing a crisis like COVID-19.

- The EU was a key funder of the global vaccination effort and delivered vaccines to international partners, notably 250 million doses to Africa by the end of 2021. However, the EU hoarded 3.5 times the number of vaccines necessary to meet EU Member State needs. In-excess donated doses were then reported as ODA contributions.
- The COVID-19 experience demonstrated that the EU still prioritises its own interests, further weakening progress towards building genuine international partnerships.

<sup>1</sup> For reference, see: [https://ec.europa.eu/info/system/files/annual-activity-report-2021-international-partnerships\\_en.pdf](https://ec.europa.eu/info/system/files/annual-activity-report-2021-international-partnerships_en.pdf) (p.7).