The Freedom Association (TFA) is a non-partisan pressure group that believes in the freedom of the individual and national sovereignty. As such, we seek to challenge barriers to freedom and campaign against institutions that seek to restrict it.

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Introduction:

The role that the European Union plays and its effects on the role of the United Kingdom in providing development coordination and humanitarian aid is a complex one. For the purposes of this review the Foreign and Commonwealth Office (FCO) has defined a competence as “everything deriving from EU law that affects the UK”\(^1\) and, although this is not an exhaustive submission, it will look at some aspects of how EU law has affected the UK’s ability to achieve some of its current international development policy objectives\(^2\).

As stated in the DfID Call for Evidence document, this submission is not designed to be a performance review to mimic those that have already been concluded.\(^3\) Instead, this piece will attempt to show some of the effects of the EU on the UK’s ability to provide the necessary assistance to achieve its stated aims, specifically its objectives for value for money and open government as well as its desire to strengthen governance and security in fragile and conflict-affected countries to make UK humanitarian response more effective.\(^4\) In doing so we recognise that the Call for Evidence rightly defined the nature of and scope of the EU’s competence\(^5\). Nonetheless, it should be recognised that despite the Humanitarian Aid Instrument (HAI), which has a budget of around €1 billion per year being recognised as the main mechanism employed by the EU in the Review, is by no means the only funding mechanism available that effects assistance for development cooperation or humanitarian aid. Indeed, if using the definition of humanitarian aid outlined by Global Humanitarian Assistance\(^6\), the involvement of other areas can also be considered.

The Freedom Association (TFA) will therefore be using the above definition to frame our response and look into the consequences of EU involvement in this area. In applying the definition we recognise what was said by the report presented to the European Scrutiny Committee in December 2012\(^7\) that acknowledged, amongst other things, the complexity of conflict situations and the increasing disregard of international humanitarian and refugee law and the multiplicity of actors appearing on the humanitarian aid scene. TFA also recognises that under the EU’s Common Foreign & Security Policy (CFSP), the body established by the Lisbon Treaty, the European External Action Service (EEAS), the EU is now involved in a number of initiatives that do have an effect on a

\(^1\) Call for Evidence on the Government's Review of the Balance of Competences Between the United Kingdom and the European Union: Foreign Policy Report:

\(^2\) Honour international commitments, including the Millennium Development Goals; drive transparency, value for money and open government; boost wealth creation; strengthen governance and security in fragile and conflict-affected countries and make UK humanitarian response more effective; lead international action to improve the lives of girls and women; Combat climate change

\(^3\) These include reports conducted by the International Development Committee (Parliament) and the National Audit Office, as well as DFID’s Multilateral Aid Review (MAR). The Independent Commission for Aid Impact (ICAI) is due to publish a report on EU development aid in December 2012.

\(^4\) Review of the Balance of Competences: Development cooperation and humanitarian aid report:

\(^5\) “In the areas of development cooperation and humanitarian aid, the Union shall have competence to carry out activities and conduct common policy: however the exercise of that competence shall not result in Member States being prevented from exercising theirs.”, ibid. p19

\(^6\) ‘Humanitarian aid’ is aid and action designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies: http://www.globalhumanitarianassistance.org/data-guides/defining-humanitarian-aid

number of areas that concern this review.  

**Section one: Development Cooperation**

One of DfID’s policy objectives is to achieve value for money and open government by “making aid more effective by improving transparency, openness and value for money”. In doing so the department has a nominal budget of £99.07 million and a workforce of 535, out of DfID-wide total departmental expenditure limits of £10.765 billion assigned for 2013/2014. However, the EU also has its own workforce, budget and set of priorities.

The EU is now the largest donor of aid in the world and has finance which includes one-sixth of DfID’s budget. Indeed, as figures 1 and 2 show, DfID multilateral assistance has been growing and in 2011/12 DfID’s multilateral assistance was £3,258m and went primarily to the EC (£1,220m or 37% of total), World Bank Group (£1,039m or 32%) and the United Nations (£377m or 12%).

**Figure 1: DfID Programme, 2007/08- 2011/12**

![Figure 1](image1.png)

**Figure 2: DfID Multilateral Assistance, 2007/8 – 2011/12**

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8 The EU’s Common Foreign & Security Policy (CFSP) takes a view on 14 sections of foreign policy making including: Development and Cooperation – EuropeAid; European Neighbourhood Policy; Global challenges; Non-Proliferation and Disarmament; Crisis Response; Human rights; Humanitarian Aid; Cooperation with Industrialised Countries; Instrument for Stability; International and regional organisations; EU Special Representative; Conflict Prevention, Peace building and Mediation; EU Cyber Security Strategy.


10 Ibid. p3

11 Ibid. 14

12 “How much is UK Expenditure on International Development?”: [http://goo.gl/NVtY1](http://goo.gl/NVtY1)
The result of this shift has meant that in 2011/12 over half of DfID’s total programme (55%) was bilateral assistance (£4,204m) and £3,258m (42%) was multilateral assistance. The result: the EU is now a focus for international development coordination.

Indeed, through the EU run European Neighbourhood Project (ENP), millions of UK taxpayers’ money has been spent on projects designed to increase open and good governance and development cooperation - a broad policy objective also shared by the UK. This has included €5.3 billion given in assistance through the Euro-Mediterranean Partnership MEDA and €3.1 billion given through its Technical Assistance to the Commonwealth of Independent States (TACIS), with approximately €2.5 billion in European Investment Bank lending split between the two areas between 2000 and 2006. Furthermore, the European Neighbourhood and Partnership Instrument (ENPI), which supports the ENP, has a financial envelope of €11.2 billion for the period 2007-2013, which represents an increase of 32%, in real terms, compared with the amount available over the period 2000-2006 for the MEDA and TACIS programmes.

This rapid above inflation increase in funds has been broadly addressed in the EU’s new proposed MFF framework, however, as highlighted in The Freedom Association's submission to the Foreign and Commonwealth Office, there is still concern at where funding to the European Union is going and its effectiveness. TFA's FCO submission focused on Syria and Belarus, however, the money spent by the ENP with assistance to 16 nations (including Russia) shows that EU mechanisms also represent recipients that DfID may not wish to – or find it appropriate to – fund.

Regardless of how many schemes the EU runs and how much it is given to run them, there should be some consideration of how the resources are spent. An investigation by the Sunday Telegraph discovered that some £1.4 billion was directed towards EU projects that included £800,000 for a

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13 Ibid
19 “Senior Tory accuses EU of “squandering” Britain’s aid budget”, by Robert Mendick and Andrew Gilligan, Sunday Telegraph, 29 September 2012
water park being built in Morocco; £20 million given to Iceland through an EU fund subsidised by the UK to help with EU membership (something the Icelandic people do not want); and a former Lancashire detective turned DfID consultant given £223,683 to fight corruption in Jamaica, with one of eight consultants being paid more than £100,000 for their work.

Funding arrangements through the EU schemes also meant that a grant of nearly €500 million went to Morocco, which included €112 million for the management of forests, and €350 million that was initially earmarked to support democracy in Egypt, Jordan, Morocco and Tunisia with other southern Mediterranean countries also being covered if the ‘conditions were right’. The EU did think the time was right, however, to give US$1.3 million to Payner Media, owner of three pop-folk music TV channels and “promoter of “Chalga” singers” in January 2013. Nevertheless, indicative budget for 2011-2013 has a proposed €449.29 million (an average of €149.76 million per annum) to be allocated to Egypt through the bilateral ENPI budget. This would represent a 5.4% increase in comparison to the previous programme period because of its “demonstrated capacity to effectively absorb” - i.e. use – ENPI funds.

There should be a recognition of where the money is being spent. DFID’s bilateral programme was £4,204m in 2011/12, a small decrease of £44m compared to 2010/11 (1%). Overall, DFID’s bilateral programme has increased over the last five years, with bilateral expenditure 42 per cent higher in 2011/12 than 2007/08. Given that, as highlighted in figure 3, the UK’s bilateral aid has a focus on Asia and specific areas of Africa, a question arises over whether it is in the UK's interests – or indeed its desire - to provide development money via the EU for projects that go towards other areas in the world.

Figure 3: DfID Bilateral Expenditure by Country Programme or Policy / International Programme

But even if DFID and the UK Government were happy to fund projects in different areas of the world, whether funds are being used to further the UK's stated objective of boosting good governance and wealth creation is questionable. Again this concern is highlighted in TFA’s FCO

22 “How much is UK Expenditure on International Development?”: http://goo.gl/NVtYI
23 Ibid.
submission:

“The ENPI states that it does not currently include Belarus, for example, because “the policies pursued by President Alexander Lukashenka's regime prevent the EU from offering a full participation in the neighbourhood policy.” Nonetheless, this has not stopped the EU from giving extra support now and in the past through the Eastern Partnership and the European Neighbourhood and Partnership Instrument (ENPI). Through the former scheme, €38 million of EU taxpayers’ money was given to Belarus in 2012-13 and came on top of “envelopes” for bilateral cooperation of €43.07 million for 2007-2011 and €41.5 million for 2012-2013 from the ENPI scheme itself.

This is despite a statement made by the EU’s Permanent Council in February 2012 that said the “European Union is deeply concerned by reports of continued mistreatment of political prisoners in Belarus,” as well as a memo in May 2012 recognising that “since the violations of electoral standards in the 19 December 2010 Presidential elections, there has been a serious deterioration in the respect for human rights, the rule of law and democratic principles in Belarus.”

It indicates that, far from being used to promote “good governance”, the money that was given by the European Union could have been used elsewhere.

The other example that TFA's FCO Balance of Competences Review mentioned was Syria, something that this submission will come back later on. However, in illustrating how the UK might wish to achieve its goals unilaterally, rather than look for coordinating assistance from the EU, one can look at how it has not achieved its desired aid goals in countries like Afghanistan where it has had to suspend payments because reform conditions have not been met. However, it may be telling of the nature of EU aid when months later the European Commission gives a further €185 million to Afghanistan for farming, despite no evidence of progress in making the required reforms to its legal structure having been made.

Other failures include the EU not producing “sufficiently effective” results from in Kosovo where, despite the area being the largest “the largest per capita recipient” of EU financial aid in the world and “home to the largest civilian crisis management mission ever launched” by the EU, the European Court of Auditors found EULUX's 2,000 staff and the €1.2 billion Kosovo received between 2007 and 2011 weren't able to curb the “high levels of organised crime” and the “continued political interference”.

Nevertheless, it is worth highlighting a project where EU involvement may have produced some benefit with regards to wealth creation. Underneath is a passage from the 2012 publication, “Common-trade, Common-growth, Common-wealth” by Tim Hewish and James Styles which

26 EuropeAid-Belarus: http://ec.europa.eu/europeaid/where/neighbourhood/country-cooperation/belarus/belarus_en.htm
27 Ibid.
shows an EU scheme that has seen a degree of success 34.

“[T]here is one programme that sees a trade partnership between the EU, the Commonwealth and the Francophonie in the form of the Hubs & Spokes (H&S) Project. It was established in 2004 and ran until 2010. It was funded by the EU Commission’s TradeCom Facility and gave 17m Euros. The EU ceded control of the project to ComSec as one source close to the project said that this was because the ACP did not trust the EU to manage it. The EU was therefore banker and no more.

ComSec initially stumped up 3.09m Euros of its own funds; while in 2008 it increased its commitment to 4.3m Euros when H&S was extended. This was paid out of the Commonwealth Fund for Technical Cooperation.

The aim of the project was to assist poor African, Caribbean and Pacific nations in the sphere of trading relations by creating trade negotiation networks and to target the gaps in these nations’ capacity to trade. The project ran workshops and trade seminars as well as providing assistance when specific problems arose. H&S was a resource that gave advice as opposed to directing trade arrangements. This paper discovered that both the Hubs and Spokes were predominately drawn from ACP nations, with only three coming from the EU, of which all three were British. In total, 60 field staff were deployed over the six year period, with a peak of 32 advisors in 2007.

For everyone to whom we had the chance to speak, H&S was seen as a success. It was said to provide the right type of assistance at the right time and that the advisors quickly became highly trusted and integral parts of the negotiating teams. It had a projected target of helping and training 2,000 stakeholders; however, by 2010 the actual figure was a very respectable 11,500 people.

It was estimated that 28 Commonwealth nations benefited directly from the ComSec’s management of the H&S project. The project itself was an extremely flexible resource that provided each region with autonomy on how the respective funds were allocated.

This paper had the opportunity to speak with the manager of the project, Nimrod Waniala. He explained that ACP nations in the Commonwealth feel overstretched on the many fronts in which they have to trade. As well as bilaterally they must send trade delegations to regional, supranational and international summits, such as the African Union and the World Trade Organisation. He went on to say: It was they, the ACP, who approached ComSec to seek out support. They feel overwhelmed by the World Bank and the IMF who often ignore smaller nations, as these two institutions do not focus on small state trade.

Mr. Waniala also stated that there is nothing to say that H&S has to be EU funded, but the EU did so because of its obligations under the Lomé Conventions. He believes that it is possible for other Commonwealth nations to fund Phase II of the project independently from the EU. Almost all the High Commissions we encountered echoed this opinion. However, some expressed scepticism on future funding, stating that there was no willingness to pay for things in the Commonwealth and that it suffers from resource problems.

H&S will have a Phase II and it was due to be rolled out in 2012; however, this is now looking more likely in 2013. It is designed to be a five-year project with no more extensions. This paper strongly recommends that the Commonwealth should not look to the EU for future funding and instead branch out independently. The H&S project is one clear example of how trade should be the pre-eminent focus of the Commonwealth, while the project itself should be continuous as opposed to five year instalments as this would create stability for the advisors as well as allowing the recipient

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states to understand the Commonwealth’s intent and legacy.

This example shows the ability of the EU to provide “trade-aid” through H&S and that this “should be the pre-eminent focus” of development projects when trying to boost wealth. Nonetheless, as quoted by Hewish and Styles, there is no reason why this should be EU organised. Furthermore, there are DfID policies and programmes such as the Africa Enterprise Challenge Fund, Business Innovation Facility (BIF), Private infrastructure development group (PIDG) and Advanced Market Commitments (AMC) already in place to achieve similar goals.

This show that, along with other schemes like the Trade Advocacy Fund (TAF), the UK doesn't need to be as focused on multilateral trade arrangements to assist in fulfilling DfID's goals in terms of governance, wealth creation and poverty reduction that are attempted by the EU. Indeed, it has its own and can direct the resources needed towards them, rather than allowing them to be coordinated at a level where it has diminished influence.
Section two: Humanitarian Aid

Another priority is to strengthen governance and security in fragile and conflict-affected countries and make UK humanitarian response more effective. In doing so DfID has a specified an official budget of £794.76m and a workforce of 452. However, the EU also has its own workforce, budget and set of priorities. This again is significantly less than the EU's budget for development, which has already been covered. However, the emphasis should not be on how much money the EU has: it should be on how its resources are used.

In doing so the EU has a lot of good intentions regarding its aid programme. As highlighted in the previous section, money goes on trying to achieve good governance, making countries more transparent and wealthier. However, with long-term products that fail to make their objectives, funds straying away from their intended recipients and suspensions of EU aid contradicted by further aid from other EU budgets, the institution undermines its own work on a regular basis.

Nonetheless, it currently plays an important function with regards to providing humanitarian aid. The DG Humanitarian Aid funded operations stand at €1.15 billion; however, the UK and other countries also provide resources in the area.

The provision of humanitarian aid concerns the ability to distribute amongst the people that most need it. In the current crisis in Syria, the European Commission is even trying to address the situation by supporting Syrian refugees in Lebanon and Jordan with €21 million and providing €100 million in total for humanitarian aid. Nonetheless, this aid is currently being hampered by lack of access and, after successive failures to reach a settlement, an agreement to resolve the crisis currently seems distant. It means that much of the money previously given to Syria through programmes covered by the Barcelona Process, ENP and European Investment Bank loans (to name just three), to provide infrastructure and prompt governmental reforms, has either been wasted or – at worst – used illegally by the authorities. Moreover, the continuing nature of the crisis has also cost the UK at least £50 million in humanitarian aid focused on delivering food, medical supplies and medical care to people across Syria and the region.

Recent reports suggest that the Prime Minister is looking to divert aid to other departmental areas so that a more comprehensive support system can be provided. This does not mean that national governments should pool national military resources in order to produce this – far from it. The ineffectiveness and inefficiencies highlighted in this submission show that the level of European Union waste with regards to development coordination and humanitarian aid is so vast that allowing it to call on the military resources in a NATO style relationship could be disastrous for a variety of reasons. On the contrary, broad cooperation between DfID and the Ministry of Defence (MoD) could prove effective in providing direct access in emergency situations and increase the effectiveness of the humanitarian aid provided.

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36 Ibid. p3
37 DG Humanitarian Aid funded operations: http://ec.europa.eu/echo/funding/key_figures/echo_en.htm
38 Although, as highlighted in figure 2, the UK's humanitarian assistance was £354m in 2011/2012: http://goo.gl/NVtY1
41 UK doubles funding for Syria crisis, Number 10: http://goo.gl/ZrGrP
42 This point is also made in TFA's submission to the FCO Balance of Competences Review, 2013.
This is already provided for in countries like the United States, where the military works with civil and international development groups and government departments. A prime example of this has been in domestic USA affairs at times of flooding, when hurricane Sandy hit the east coast in 2012. TFA understands that some groups, such as Caritas, would say that this would contravene Article 15 of the European Consensus on Humanitarian Aid in that it says “EU humanitarian aid is not a crisis management tool”; however, we don't believe that the UK could contravene this Consensus if it acted bilaterally.

Through doing so DfID and the UK can provide more efficient and effective responses to crisis than the European Union can currently provide.

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Conclusion:

As this paper shows, through quoting DfID’s own figures, the UK spends a large proportion (42%) on multilateral aid with the largest recipient of funds being the European Commission. We believe that the way much of the aid that has been used by the European Commission has proved counter-productive. Working through the European Union, aid spending has been wasteful, ineffective and has harmed DfID in trying to meet its stated objectives. This submission shows that bilateral or even multilateral aid with other member states, independent of the EU, could prove more effective in achieving DfID’s goals. TFA feels that if the UK were to act more independently it would be able to achieve some of its own goals more effectively.

When looking at how the EU has spent the aid money given to it, DfID’s objectives of ensuring value for money and transparency in British aid spending are not being met to a great extent. Through the mechanisms employed by the European Commission (whether it be MEDA, the ENP or EuropeAid, etc), funding ear-marked for aid has been directed towards rock groups, countries that ignore international standards on human rights and aid projects that fail to meet their own objectives (such as Kosovo).

It means that multilateral aid has been wasted. Furthermore, it has been directed to geographic areas where the UK has chosen not to prioritise its funding. In making aid spending through bilateral schemes more of a focus, and by coordinating departmental resources, the UK could meet its targets easier and possibly even faster. By making aid spending more accountable the UK would also spend money on geographic areas that it feels most appropriate. Furthermore, doing so could make projects more efficient and effective.

This submission sees the success that examples of trade can have but also notes that there is no exclusivity in producing schemes like these at the EU level. We reaffirm our belief that there is no need for many of the operations conducted through the EU to be conducted at this level.

The Government could even learn from how military and civil groups coordinate at times of (mostly environmental) disaster domestically in the United Kingdom. Although this coordination may not be completely prefect, nor translate directly in terms of international humanitarian aid, it can provide some vital lessons in regards to efficiency and effectiveness.

For another approach, the UK could fund projects through the UN or with the G20. There are consequences of transferring finance to these bodies, however, it could prove useful in allowing the UK to have more influence over the direction or purpose of the funding it provides.

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