HMG - Department for International Development
Review of the Balance of Competences: Development cooperation and Humanitarian Aid report

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There is a clear added value for the UK and other Member States to pool resources and ensure coherence and division of labour when it comes to the delivery of development aid. It is widely recognised that traditionally there has been too much aid fragmentation. Too many donors act in the same areas each with their own priorities and processes, work is often duplicated and resources wasted. By working together as one, the EU is able to limit this fragmentation and lead the way in establishing and implementing the principles of aid effectiveness. A coordinated approach at EU level is not only essential for improved development effectiveness, but could bring Member States efficiency gains of up to EUR 5 billion per year (http://ec.europa.eu/europeaid/how/ensure-aid-effectiveness/documents/aid-effectiveness-benefits_en.pdf).
Furthermore, by ensuring a coherent approach while working towards common EU principles of human rights, democracy and sustainable socio-economic development, the EU can work more effectively with, and influence, other significant donors such as the US and China. This influence is seen not only on the ground but in international forums on development and on related issues such as climate change and human rights.

The UK has significant influence within the EU when it comes to development aid. DfID is a respected institution on the ground and is recognised as an important player in discussions at EU level. As a strong proponent of global development principles (e.g. Paris Declaration on aid effectiveness and Accra Agenda for Action) and commitments (including the EU and its Member States' own commitment to increase ODA to 0.7% GNI by 2015), the UK has influenced the EU to implement important practices including division of labour and joint programming. Another positive example of UK influence is in the negotiations for the new financial instruments for external action which have, partly as a result of UK input, been made more flexible, efficient and focused on results and reform.

Within the design of the new DCI, currently under negotiation, the UK also played an important role in pushing through a policy of differentiation, ensuring that the new instrument will focus on lower income countries. The UK must now remain engaged to ensure the rapid implementation of this concept, making certain that EU development aid is going where it is most needed.

The UK, along with all other Member States, is formally engaged in the EU programming process through the European Commission's Committees (comitology) through which Member States have to approve EU aid programmes. This gives significant influence on the content of programmes, even though the formal adoption by Member States comes at the end of the process. For example, cooperation on the ground in many countries has improved thanks to Member States putting pressure on the Commission to take a key role in donor coordination and to involve the Member States in EU programming at a much earlier stage. UK funding through the EU therefore allows the UK a much stronger influence than it has channelling funds through other multilaterals.

The fact that development is a shared competence means that UK can choose where to focus its own limited resources knowing that EU will cover areas where it no longer operates but still has an interest. These include a number of Commonwealth countries, the Caribbean, North Africa and the Middle East. There are also areas of significance that EU aid can focus on which the UK cannot – e.g. large-scale regional projects in cooperation with the African Union and African sub-regional bodies, and rapid-response mechanisms such as the EUR 1 billion Food Facility.

As one of the world's biggest donors, the EU has a global network of delegation offices for the implementation of assistance. Increasingly, donor coordination, including with non-EU actors on the ground is led by the EU delegations. The EU has a good record of aligning with country priorities and systems to reinforce the country led approach. It has the capacity to engage in joint co-financing arrangements with other donors. In the next Multi-Annual Financial Framework, this capacity will be enhanced. Joint programming with Member States is also set to increase.

The Commission's proposals for the next MFF include measures to strengthen the link between development assistance and policy reform. Implemented correctly (e.g. introducing coherent conditionality on budget support, applying principle of "more for more"), EU development assistance can have a positive influence in global policy areas such as trade, climate change and migration, as well as human rights and economic reform within a given country.

In an independent transparency ranking (http://www.publishwhatyoufund.org/resources/index.aspx?DataSetCode=CRS1) the EU is ranked in the top ten most transparent donors worldwide. This is enhanced by the reporting requirements of the European Commission to the European Parliament.

Whilst there is clear added value in the UK's participation in EU development aid cooperation, there is nonetheless still room for improvement: the Policy Coherence for Development agenda, for example, which the European Commission and Parliament have been at the forefront of in recent years and which is enshrined in the Lisbon Treaty, should be taken further, ensuring that EU actions in other areas - such as trade, agriculture or fisheries - are in line with EU development policy goals; steps should be taken to enhance the democratic legitimacy and accountability of EU development aid, for example by involving the European Parliament on an equal footing with the Council in the context of strategic programming, or by bringing the EDF under the MFF and therefore Parliamentary scrutiny; civil society organisations could be further and more effectively involved in the design, implementation and monitoring of EU development policy; and finally, it is critical to ensure that in a time of financial strain, limited resources do not result in a failure of the EU and it Member States to live up to their promise of 0,7% GNI to development aid and to deliver this aid in the most inclusive and pro-poor manner possible.