

Press release

CONCORD reaction to EU Commission 'Agenda for Change'

Brussels, 13/10/2011

EU development policy should focus on poverty eradication – not self-interests

The EU's development policy was given a new 'Agenda for Change' today by the EU Commission with 75% of the world's poorest potentially set for aid cutbacks in a new shift in development spending. The EU as the world's biggest aid donor giving €53 billion a year, should take a leading role in the fight against poverty say NGOs.

CONCORD, Europe's Development NGO Confederation, welcomes that at a time when people-led movements across North Africa and the Middle East are bringing about positive change, the EU Commission in this new Communication is recognizing the need for support to good governance and human rights. The recognition of civil society organisations and coordinated EU action at country level are also positive.

Yet Europe's development NGO's remain skeptical of self-interest policies and a lack of concrete commitments for poverty eradication.

"Unfortunately the most important change in Piebalgs' new agenda is that aid to the world's poorest is being cut, diverting funds towards energy and private sector investments which are in the interest of the EU only, not the developing world," says CONCORD Director Olivier Consolo.

The EU sets out a new shift to heavily focus the allocation of development assistance based on a country's economic growth, called country differentiation.

"This over focus on economic growth is wide of the mark. 75% of the world's poorest live in middle income countries which have seen economic growth progress, yet great poverty still remains. They should not face aid reductions from the EU just because they are termed advanced developing countries," continues Consolo.

CONCORD highlights that poverty has not disappeared from many African, Asian and Latin American countries now classed as middle income countries, especially in terms of the widening gap between rich and poor. In Africa, Zambia is classed as a middle income by the World Bank, but 64% of the population still live below the poverty line. 19.7 million people live on less than \$1.25 a day in the Philippines. In Guatemala over 12% of the population live below the extreme poverty line and inequalities are higher than in many Least Developed countries of Africa.

In our reaction to the Agenda for Change, we outline that private sector support can be beneficial for development but Official Development Assistance should not be used to guarantee private sector risk or to substitute public services. The Green economy proposals are not enough, the EU must not encourage countries' to follow a resource-intensive consumption model – it should let them pursue more local, equitable, and sustainable models of their own.

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Notes to Editors:

1. CONCORD is the European NGO confederation for relief and development. CONCORDs 26 national associations and 18 international networks represent over 1,600 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organisations. www.concordeurope.org