

International Development Select Committee report 2010-12

Committee recommendation	Government response	Implementation
<p>Recommendation 1: “We are concerned that two separate European Commission departments dealing with development aid and humanitarian aid pose problems for linking relief, rehabilitation and development. Furthermore, clarity is needed on roles and responsibilities between the European External Action Service (EEAS) and the Directorate General of EuropeAid, Development and Cooperation (DG DEVCO) in the programming process. The UK Government should seek reassurances that DG DEVCO, the Directorate-General for Humanitarian Aid and Civil Protection (ECHO) and the EEAS are working together in a coherent and coordinated manner and that anti-poverty objectives are not being marginalised within the EEAS.”</p>	<p>Agree. The European External Action Service (EEAS), launched in January 2011, under Baroness Ashton, has taken over responsibility for drafting country development programmes, with the newly merged DG DEVCO, under Commissioner Piebalgs, maintaining overall responsibility for development funding. This new structure has the potential to deliver a step-change in effectiveness and coherence across the EU’s external actions and a more joined-up EU approach to security, development and foreign policy. The UK is pressing the EEAS and DG DEVCO to ensure external actions stay focused on development and that the EU delivers a joined-up response on trade, climate change and conflict. We will continue to work with senior EEAS officials to improve the EEAS’ capacity to deliver our development priorities.</p>	<p>We continue to work with the EEAS and DEVCO to ensure external actions stay focused on development, and there is coherence across wider policies</p> <p>And DEVCO, ECHO and the EEAS have been working together increasingly well on linking relief, rehabilitation and development. They published a joint Communication on resilience, focused on food security in September 2012. Following Council conclusions in early 2013, the services have just published (June 2013) a joint Action Plan to operationalise resilience across the Commission’s activities which took on feedback from Member States including the UK on broadening the types of hazards addressed and the geographic scope. Initial indications are positive, especially in the Sahel with the AGIR initiative and the Horn of Africa with the SHARE initiative but we will continue to monitor progress on this key policy area closely.</p> <p>We will also engage with EEAS review this year and would support practical ways to encourage joint working between the EEAS and the</p>

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<p>Recommendation 2: “Although the European Commission has higher administration costs for development than DFID it is difficult to compare like for like. The Commission does far more direct work which requires a greater level of administration. We urge, however, the Government to continue to stress the need for value for money.”</p>	<p>Agree. One of the highest priorities for the UK is to actively press the EU to reduce its administrative costs and ensure that all UK aid is achieving value for money for the British taxpayer.</p>	<p>Commission. We ensured that core support costs for the European Development Fund did not increase as part of EDF11 negotiations. Current EDF support costs are 3.2% made up of 1.9% from EDF10 funds and a further 1.3% which was drawn from the EU budget. The final deal for EDF11 support expenditure represents a real-freeze at 3.2% plus an additional 0.25% ring-fenced specifically for reforms on results, monitoring and evaluation. All key priorities identified in DFID’s Multilateral Aid Review.</p>
<p>Recommendation 3: “The UK Government should push the European Commission to improve its policy capacity, given its status as the largest supplier of development aid in the world.”</p>	<p>Agree. The UK’s Multilateral Aid Review (MAR) identified capacity for development as a reform priority for the EU. The UK is engaged with the European Commission on this issue and we will continue to work with the Commission to improve its ability to recruit and maintain development expertise. In particular, we will press the Commission, and the European External Action Service (EEAS), to ensure that staff with the right level of technical and policy expertise are effectively deployed, both in Brussels and in EU delegations. DG DEVCO recently conducted a workload assessment, aimed at allocating resources and staff with the relevant skills and experience to appropriate positions. Subsequent DFID research conducted in country has</p>	<p>We are in the process of updating the MAR 2011 assessment of the European Commission, including looking at the Commission’s capacity for development. It is too early to give a definitive answer on progress. We continue to press the Commission to ensure that it increases its development capacity. Recent feedback from our country offices however suggests that staffing continues to be an issue, affecting project performance. Problems have been encountered in filling posts in fragile states and training opportunities</p>

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	<p>highlighted some positive changes including an improvement in the EU's technical and advisory capacity and an indication that they are recruiting staff with improved skills and experience in monitoring and evaluation. The UK will continue to support the Commission in its plans to improve the policy capacity of the EU in the field of aid and development. DFID currently secondments between 25 and 30 UK experts into the Commission, the EEAS and related institutions in areas of strategic performance in order to improve the performance and value for money of EU aid. The UK will ensure that DFID's secondment programme supports the necessary improvements in the EU's policy capacity and works to deliver the UK's development priorities.</p>	<p>are constrained by a limited budget. The EC needs to ensure that there are incentives for staff to build specialist expertise.</p> <p>Our focus on improving the EC's capacity for development has been the effective use of secondments and interchange in the Commission, the EEAS and other European institutions. We have continued to second experts to the EU. Six new secondment posts are expected to be filled in 2013, covering key strategic areas, including improving results reporting, energy, global health, humanitarian aid, international trade and managing budgetary support. With these extra posts we will have 30 SNEs working on policy priorities. DFID's SNE programme is one of the largest in government.</p> <p>We have also provided funding to the European Centre for Development Policy Management to strengthen the evidence base for our EU policy objectives.</p>
<p>Recommendation 4: "We welcome the government's commitment to improve the</p>	<p>Agree. The Coalition Government will continue to press the EU to open up its procurement policy as</p>	<p>We have worked on specific issues where we consider that value for money</p>

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<p>bureaucracy of procurement at the European Commission, but there still seems to be a long way to go. The Government must put more pressure on the Commission to make further improvements.”</p>	<p>the UK has done in order to ensure greater value for money. In reducing Commission bureaucracy, it will nevertheless be important to ensure that essential safeguards against fraud and corruption are not compromised.</p>	<p>has been impacted, notably Delegated Cooperation Agreements with the EU. The Commission recognises the concerns but has not yet been able to identify a workable solution. We continue to work with Procurement Department within DFID and the relevant units within the Commission to help address the issue.</p>
<p>Recommendation 5: “It is unacceptable that only 46% of aid disbursed through European institutions goes to low income countries. It devalues the concept of aid when so much of what is defined as Official Development Assistance (ODA) goes to relatively rich countries such as Turkey. We do not agree with the Government that it should not seek to change the definition of what qualifies as ODA-money given to higher Middle Income Countries should not be classified as ODA, nor do we believe it is right to keep the present definition as a way of fudging the figures to meet the 0.7% target. The UK must continue to press for funding to be diverted from those higher middle income countries, who have their own resources to provide for their people, to give greater help to the poorest people in the world, including in lower income countries.”</p>	<p>Partially Agree. The UK agrees with the IDC that the EU should refocus its aid on the poorest countries and we will continue to push the EU to do so. However, the UK disagrees that the definition of ODA should be changed. The ODA definition is longstanding, ensures consistency of measurement across donor countries and remains the basis for determining ODA-eligible resource flows. All UK ODA, including that channelled through the EU, complies with the OECD DAC definition of ODA. The UK is committed to the 0.7% target on the basis of the existing definition and has put in place spending plans for delivery of this commitment on that basis. We should work within the current definition to avoid the potential criticism of meeting a target based on methodological change. EU expenditure outside of the Union covers more than development aid. It plays an important role in supporting the reforms of the Arab Spring from its Neighbourhood financial instrument and its pre-accession</p>	<p>The Council has now agreed on differentiation in EU development assistance. See comments ref recommendation 11.</p>

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	<p>instrument also focuses on key reforms, which are necessary to enable the accession of the Western Balkans countries, Turkey and Iceland to the EU. The EU's main development aid instruments, the Development Cooperation Instrument, which covers Asia and Latin America, and the European Development Fund, covering African, Caribbean and Pacific countries have a more traditional development focus. As a result of successful UK influence, the EU is reviewing its entire approach to aid: cutting funding to countries that do not need it, refocusing its aid on results and ensuring much greater transparency, value for money and accountability. We will continue to press the EU to refocus its aid on the poorest countries.</p>	
<p>Recommendation 6: “The UK has a certain amount of choice whether it spends its aid bilaterally or through multilaterals. Although we have acknowledged that there are some problems with channelling aid through the European Commission for example the large amount of aid going to middle income countries and its slow bureaucracy, on balance, we are not convinced it is any worse than the other multilaterals DFID funds, for example the World Bank which we have previously reported our concerns. However, DFID should continue to press the Commission to improve its aid effectiveness and value for money.”</p>	<p>Agree. The UK's Multilateral Aid Review (MAR) clearly highlighted the need for the EU to take concrete steps to improve the overall effectiveness and value for money of its assistance. This has been strongly reinforced by the recent Development Assistance Committee (DAC) Peer Review on EU assistance which highlighted the need for further efforts to meet Busan and other development commitments. The EU is responding to this, for example through the Agenda for Change, but there is much more that can be done to improve speed of delivery, results focus and overall aid quality. An important element</p>	<p>We are in the process of updating the MAR 2011 assessment of the European Commission and it is too early to give a definitive answer on progress. The early suggestions are that progress has been mixed, with achievement in certain areas and less change elsewhere.</p> <p>Our top reform priority was for the Commission to put in place a results framework and we have secured a commitment from the Commission to do</p>

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of achieving greater value for money is ensuring that aid is targeted at the right countries and right sectors within those countries to best meet the needs of poor people. The UK supports the Commission's recent proposals for a further differentiation of their development cooperation programmes from 2014. In 2013 the UK will update its assessment of the value for money provided for UK taxpayers from aid channelled through multilateral organisations such as the EU, to assess the changes that have been implemented since the MAR was undertaken in 2010. We will be looking for clear evidence of progress in key reform areas such as accountability for results, efficiency of operations, value for money achieved, the strength of human resource management and implementation of new EU policies on gender and climate change.

this by 2014. We have also agreed a simplification in the programming process of the Development Cooperation Instrument and we have secured the right balance between flexibility to respond to unforeseen circumstances and the need for accountability. It is intended that the EDF regulation will closely follow that of the DCI, so we expect these reforms to be replicated for the EDF.

The Council has now agreed on differentiation in EU development assistance. See comments ref recommendation 11.

A recent Commission proposal on the allocation of EDF 11 resources is also consistent with focussing resources where they are needed most. Resources allocated to LDCs and LICs will increase from 80% under EDF 10 to 85% under EDF 11. UMICs and HICs will see their allocations fall, from 5% to 2% and from 0.3% to 0.1% respectively. We are in discussion with the Commission and other member states on this allocation and we will ensure that the principle of differentiation is reflected in the agreed

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		allocations.
<p>Recommendation 7: “We need to be careful that money spent is not directly or indirectly used for the wrong purposes by the heads of corrupt regimes. We agree with the UK Government that conditionality should not punish the poorest people for the sins of their governments.”</p>	<p>Agree. The Coalition Government agrees that aid conditionality in government to government aid needs to be used judiciously to ensure that the needs of poor people are met but that aid is not misused by governments. The UK’s approach in cases where we have serious concerns about the partner government’s commitment to poverty reduction and good governance is to identify alternative delivery channels for aid, such as non-governmental organisations, to ensure that the poorest people are not unnecessarily penalised for the sins of others. We would be equally concerned if a more rigid and inflexible approach to the use of conditionality, driven by political decisions in Brussels, resulted in frequent and disruptive interruptions in high priority, poverty focused aid programmes in partner countries. The UK’s strengthened approach to budget support was introduced in July 2011 and includes a more thorough assessment of each country’s commitment to upholding human rights and international obligations, as well as the country’s commitment to combat corruption, through more robust use of data, both at local and international level. However, we do not support the introduction of “minimum standards” which would risk excluding the very countries that need financial support and where enhanced dialogue and technical assistance would be likely to have greater</p>	<p>We monitor the implementation of the Commission’s commitments on budget support through the management committees, where proposals for new projects and alterations to existing projects are approved.</p> <p>There have been no proposals for new budget support projects in the past year. We expect that new proposals will begin to be submitted for approval in the near future, as preparations for EDF 11 continue.</p> <p>In addition to this scrutiny, our country offices which engage in budget support operations in cooperation with the Commission also monitor the Commission’s implementation of its commitments.</p>

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	<p>impact and result in greater benefit for poor people. We welcome the proposals in the 2011 Communication on 'The Future Approach of EU Budget Support to Third Countries' concerning their approach to careful assessment of each country's performance on human rights, democracy and rule of law. We also support their proposals to raise political governance issues through their dialogue on budget support with partner governments, with a clear focus on commitment to fundamental values of human rights, democracy and the rule of law. We will ensure that this is done within the framework of agreed country-level dialogue and review processes, involving all of the main development partners.</p>	
<p>Recommendation 8: "We support both the UK Government and the European Commission's focus on wealth creation through the private sector. DFID needs to get clarification from the European Commission on what this means in practice, how it is to be achieved and in particular, how the Commission intends to support local business and ensure access to finance for small to medium sized businesses or entrepreneurs in developing countries."</p>	<p>Agree. As the UK has done, we are pressing the EU to work more closely with the private sector and to improve the business environment in developing countries. We have pressed the Commission to focus on building local institutional and business capacity; encouraging the development of Small and Medium Enterprises and Cooperatives; and creating a business environment conducive to growth through regulatory and legislative framework reforms. The 'Agenda for Change' Communication offers an opportunity to increase the EU's support for developing competitive local private sectors and increasing its focus on drivers for growth and job creation. Furthermore, the next</p>	<p>The Agenda for Change set out a broad and ambitious policy direction, including on wealth creation through the private sector. However the Commission haven't yet been able to fully translate this into practice through their programming. We know that this is something the Commission intend to keep working on over the next year, and we will continue to engage on this agenda.</p> <p>We have also continued to engage with the EU Expert Group on private sector</p>

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	<p>long-term EU budget negotiations offer a significant opportunity to take advantage of the EU's capacity to make large scale investments at a regional level and press for better-focused support for regional economic integration, which is a high priority for the UK's wealth creation work in Africa. We will work with the Commission on this Agenda at official level in regular working groups. DG DEVCO has recently restarted the EU's expert group on private sector development, which will meet twice a year and will report to Member States on its implementation of the Agenda for Change commitments and its wider private sector development programmes. This will provide clarification on the Commission's activities in practice and will give the UK a chance to influence its future direction. In addition, the Commission's recent work on 'blended finance', where grants are combined with loans from financial institutions, is an encouraging development. Such initiatives have the potential to stimulate the private sector by leveraging more investment into developing countries and by supporting the infrastructure needed for economic growth and development. The UK will continue to follow the progress of these initiatives with active interest.</p>	<p>development and the DG DEVCO Private Sector Unit charged with taking forward work on private sector development.</p> <p>The consultants undertaking the research on blended instruments has only just started work and would be presenting initial findings at the next meeting in the Autumn. We will continue to monitor and help steer EU work on private sector development in Brussels and at country level.</p>
<p>Recommendation 9: "Greater Policy Coherence in Europe on development is a worthy aim. There has been a slight improvement in the trade agenda and the Minister is optimistic on the potential for coherence between Climate Change and</p>	<p>Partially agree. The UK Government agrees that radical reform of the Common Agricultural Policy (CAP) is required as this could deliver strong benefits to both the EU and developing countries. Some reform of the CAP has already occurred;</p>	<p>The CAP agreement reached on 26 June 2013 with the European Parliament did not go as far on reform as we had hoped, but the UK was instrumental in ensuring that market</p>

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<p>Development Policies. However, as African academics have highlighted, the reform of the Common Agricultural Policy (CAP) could do more good than anything else. DFID needs to take a greater role in UK Government discussions highlighting the damage done by both tariff and non-tariff barriers to the developing world. In particular DFID should press Commissioner Piebalgs to engage widely in Europe on development, challenging those with vested interests in the CAP and who oppose its reform. There needs to be a much tougher approach to joined up government on development.”</p>	<p>direct payments to farmers have largely been de-linked from production, and export subsidies have reduced from €15 billion in 1989 to €166 million in 2010. The least developed countries, and countries from the African, Caribbean and Pacific who have signed Economic Partnership Agreements, have duty free and quota free access to the EU market. DFID is already strongly linked in with cross-government discussions with DEFRA on the CAP. Development objectives are fully captured in the UK approach and DFID argues these development objectives robustly and consistently. We agree however that the EU could provide greater policy coherence between their agricultural policy and development policy. The UK government will continue to look for opportunities to press the EU and other Member States to make further progress in this area. As the Committee noted, DFID already engages with the Commission to ensure there is a strong focus on developing countries in EU trade negotiations including Free Trade Agreements. Recent successes include negotiations on the revised Generalised System of Preferences regulation, where the UK successfully argued for an increase in the products covered by the scheme and to limit the impact of safeguards measures which would have restricted imports to the EU of products important to many developing countries. DFID has also been actively engaged throughout the development of the Trade and</p>	<p>distortions (which have such a damaging effect on developing countries) were minimised. In particular, we helped ensure that Member States’ use of subsidies for particular agricultural commodities (“coupled payments”) remain restricted, and that sugar quotas would not be ended until 2017, to give richer ACP countries more time to adjust and find alternative markets for their exports (poorer developing countries already have unrestricted access to the European market).</p> <p>Additionally we successfully argued for the EU resorting to export refunds to dispose of surplus production only in exceptional circumstances. We also secured a 13% cut in the overall CAP budget, as part of the deal struck by the Prime Minister at the February European Council.</p>
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	<p>Development Communication. In addition to our response to the Public Consultation, the UK Government coordinated a joint Ministerial letter with like-minded member states to the Commission to maximise our influence and ensure key objectives were realised. The strategy set out in the Communication has taken many of these points as a result.</p>	
<p>Recommendation 10: “We have concerns that although joint programming has the potential to prevent the overlap of Member State bilateral programmes and reduce transaction cost for recipient countries, the European Commission does not necessarily have the capacity or the expertise to lead the coordination. The lead donor who coordinates policy for bilateral donors should be the one with the most experience in the area and a proven track record.”</p>	<p>Agree. Wherever possible joint programming should be led by the partner country government and the UK will continue to encourage and support partner governments to take a lead in donor coordination. We agree that joint programming should be used where it will add value to existing partnerships, and should involve the most experienced donor in the area taking a lead role. Coordination must be pragmatic and sensitive to local circumstances in the partner country, and we must avoid any inflexible top-down initiatives which would increase transaction costs in Brussels, capitals and at the country level. Joint Programming should only be used to help deliver maximum aid impact at country level, by simplifying and building on existing mechanisms, rather than duplicating. This approach is in line with the Conclusions of the Busan High Level Forum on Aid Effectiveness, which agreed principles for EU joint programming, including that it is: “led by the partner country wherever possible, is based on a partner country’s national development strategy and is aligned to the partner country’s strategy and</p>	<p>Joint programming has been piloted in six countries of which DFID has participated in three countries (Ethiopia, Rwanda and Ghana). The initiative is now being rolled out across a total of about 40 countries.</p> <p>We have continued to emphasize the key principles of being flexible and pragmatic, country led and adding value over existing donor coordination mechanisms.</p> <p>The pilots have experienced mixed results. In some cases joint working with the EU has yielded some positive results, such as a joint strategy in Ethiopia, but in others the transaction costs have outweighed the benefits. We are pressing to ensure that lessons are learnt from the pilot phase as part of the broader roll-out.</p>

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	<p>programming cycles”; “kept simple and pragmatic and conducted at partner country level in order to respond to specific needs and the situation on the ground”; “should build on the comparative advantages of all EU donors”; and “flexible and avoid parallel processes”.</p>	
<p>Recommendation 11 “We support the Commission’s proposals for differentiated partnerships and in particular, that there should be a reduction in the number of countries in which the Commission has a programme. However, the Commission should go further. So far the proposals have been focused on the Development Cooperation Instrument. We believe that this should also cover countries who receive funding under the European Neighbourhood Partnership Instrument and those who are members of the African, Caribbean and Pacific group covered by the European Development Fund”.</p>	<p>Partially agree. We strongly support the Commission’s intention to refocus its development aid on the poorest countries and cut bilateral aid to Emerging Economies and other Upper Middle Income Countries (UMICs), as they “graduate” from traditional aid relationships. We expect the Commission to propose similar arrangements for the EDF. The new Partnership Instrument (PI) will provide mostly non-ODA funding, at a significantly reduced level, for strategic cooperation between the better off partner countries and the EU in areas of mutual interest such as trade and economic cooperation. We will continue to press the EC to ensure that all EU funding channels target the poorest people, whether they operate in Low or Middle Income Countries.</p> <p>We do not agree that European Neighbourhood Partnership Instrument (ENPI) should be subject to similar differentiation. EU activities under the ENPI address both development and important political priorities. For instance, the EU is playing an important role in supporting the reforms of the Arab Spring.</p>	<p>The Council has now agreed that from 2014, EU development assistance should be focused on the poorest countries. Only countries that are not upper middle-income or do not have a GDP greater than one per cent of global GDP (and a limited number of other countries in exceptional cases, if approved by Member States) will be eligible for bilateral assistance. Graduating upper middle income countries will still be eligible for thematic and regional funding under the DCI and for funding under the new Partnership Instrument. The European Parliament must now approve this.</p>

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<p>Recommendation 12 “Whilst we approve of the concept of budget support we also recognise that it has its limitations when countries are emerging from conflict and are fragile. It is only suitable in countries with sound administrative capacity and a reasonable record of pluralism and human rights.”</p>	<p>Partially agree. We have considered and indicated our agreement in principle to the EU’s proposals to potentially provide budget support to fragile states, e.g. Haiti or Sierra Leone, to assist with critical state-building needs in the form of the new "State Building Contracts". We will want to review early experiences of this instrument carefully to ensure that it is well targeted, managed effectively, is not prone to corruption and achieves positive developmental results on the ground. The UK’s own approach to fragile states or those emerging from conflict is that we will only consider the provision of budget support (or other types of financial aid) if partnership commitments are met and we assess that budget support can achieve better results and value for money than other instruments. This requires a careful assessment of all of the relevant risks and will often involve the implementation of supporting measures to mitigate risk such as providing direct UK support to public agencies in these countries to manage funds effectively and transparently. These decisions can only be taken on a case-by-case basis with Ministerial oversight and approval at all of the key stages of the decision-making and implementation process. We do not support the introduction of “minimum standards” of eligibility for either general or sector budget support, but instead focus on careful and continuous assessment of the credibility of reform plans and commitment of the partner government</p>	<p>Two state building contracts have been approved in the last year. Most recently, a State-Building Contract for Mali was presented for approval. We judged that the operation was in line with the Agenda for Change and the objectives of State Building Contracts, as agreed by member states in 2012. However, in cooperation with other member states, we requested changes from the Commission, to ensure that the operation will be effective. We expect that the Commission will soon propose a similar operation for South Sudan, which we will scrutinise carefully.</p> <p>These operations are disbursed on completion of specific milestones, are closely monitored by the Commission on the basis of key indicators and are subject to audits and an evaluation once they have been completed.</p> <p>Not enough time has elapsed to be in a position to review one of these operations but we will monitor their progress closely.</p>
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	to strengthen standards of public administration and good governance.	
<p>Recommendation 13: “We do not support the European Development Fund (EDF) becoming part of the main European Commission budget in 2014, six years before the expiry of the Cotonou Agreement. EDF budgetisation should only be considered if: there is a shift in European Commission budget funding away from MICs to the poorest people and the poorest countries; it can be used as a way to get other member states to contribute more; and there is thorough consultation with the ACP. The future of the EDF should be discussed in parallel to the future of EU- ACP relations.”</p>	<p>Disagree. The EDF currently represents half of all off-budget expenditure and the future of the EDF will be negotiated as part of the Multiannual Financial Framework. The Coalition Government is concerned by the lack of transparency in the proposals to move some contingency budget lines, worth €28 billion, outside of the budget in the next Multiannual Financial Framework (MFF). The overriding Coalition Government objective for the MFF negotiations is budgetary restraint and for this reason, we would wish to see all off-budget lines placed inside the budget, but without increasing the overall value of the budget. The UK wants to see all items included in the budget to ensure proper clarity and sound financial management. The UK will not accept changes to the EDF which might prejudice its current effectiveness, focus, allocation criteria and unique partnership model. The fundamental principles of the Cotonou Agreement must be upheld.</p>	<p>No update required</p>
<p>Recommendation 14: “In light of the results of DFID’s Multilateral Aid Review we are not convinced that the Development Cooperation Instrument (DCI) should get a larger percentage increase in its funding than the European Development Fund. We recommend the UK Government negotiates for a</p>	<p>Partially Agree. The UK opposes increases beyond real growth in any budget headings and believes that the Commission’s proposed funding level for the Development Cooperation Instrument (DCI) in the next Multi-Annual Financial Framework (MFF), covering the period 2014-2020,</p>	<p>The European Council agreed at its meeting in February 2012 that the overall budget framework for 2014-2020 should be lower than for the current period, 2007-2013. Nevertheless, the level of spending on</p>

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<p>smaller increase to the DCI unless efficiency and effectiveness is significantly improved.”</p>	<p>is too high. However, we also think that maintaining or increasing the proportion of Official Development Assistance (ODA) within a smaller overall budget is a priority for the MFF. The Government agrees with the assertion that DCI needs to be more effective and the Commission’s proposals for DCI address many of our concerns about EU effectiveness: these include the better differentiation between poor and better off countries, the stated intention to focus on EU value added and to concentrate on results and increased efficiency. We will continue to work with the Commission to ensure these improvements are captured in the new DCI regulation currently being negotiated by the Council and in the Commission’s guidelines for implementing EU development programmes.</p>	<p>the EU’s external actions was protected. Member States have also agreed that EU development aid should focus much more on the poorest countries. The European Parliament must now agree this.</p>
<p>Recommendation 15: “We agree with the Minister that the UK should continue to lead by example in making progress towards the 0.7% target. It is only by meeting the target ourselves can we continue to put pressure on other EU Member States to do the same, particularly, Germany, France and Italy.”</p>	<p>Agree. The UK is on track to reach 0.7% ODA:GNI from 2013, as set out in the Coalition Programme for Government. Every EU Member State needs to set out their clear and precise plans to meet this internationally agreed aid target, as the UK has done. We will continue to urge others to keep their promises to the world’s poorest and most vulnerable, even in times of austerity. We will do this through leading by example, through bilateral exchanges and through opportunities at the EU level and other international fora.</p>	<p>The UK remains on course to reach 0.7% ODA/GNI from 2013 onwards. We continue to push other EU Member States to meet their aid commitments. In support of this, we were instrumental in securing a robust and transparent annual aid accountability mechanism in the EU, which explicitly measures progress against aid targets. The 2013 G8 Accountability Report also clearly sets out and assesses progress towards the 0.7% target. We are also a key driving force behind the annual Council Conclusions, which re-affirm individual and collective EU</p>

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		ODA commitments, and are endorsed by EU leaders; most recently at the June 2013 EU Council.
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