

PRESS RELEASE



EU aid statistics at risk of distortion

Brussels, 25 June 2007: The European Commission will be approving its country programmes with Africa for 2007 – 2013 in the coming months. Aid watchers will ask the question, how will these programmes help the African countries to achieve the Millennium Development Goals?

It now appears that this might be a difficult question to answer. The European Commission is preparing proposals to change how and what it registers as 'contributions' to health and education. This is one of the main findings of a new Alliance2015 report launched in Brussels this week.

The report, *The EU's contribution to the Millennium Development Goals – Halfway to 2015: Mid-term Review*, finds that the Commission aims to register some of the aid it provides as general budget support as contributions to the health and education sectors in partner countries. According to the report's authors, this is alarming. They point out that general budget support is, by definition, "general" and as such cannot be counted as a financial allocation to a specific sector.

Speaking on the eve of the launch of the new report, Vagn Berthelsen, President of the Alliance2015 said: "The OECD/DAC defines how donors should account for their aid. The Commission should not deviate from that clear definition. European taxpayers are entitled to a truthful picture of how EC aid money is actually being used".

The European Commission has set itself the target of channelling 50% of its aid as general budget support in coming years.

Paddy Maguinness, Deputy CEO of the Irish aid organisation Concern Worldwide, expressed unease about the Commission's proposals to change the way it accounts for its general budget support: "It is disturbing to see the Commission focusing on how it can improve the presentation of its figures on aid to social sectors rather than ensuring that its aid genuinely improves the situation of the millions of people living in poverty who have no access to education nor health care".

He added: "The Commission argues its general budget support supports the MDGs. While there may be some truth in this claim, the results of our analysis suggest that the Commission is actually trying to use clever accounting to give the impression that it is doing better on the MDGs than it really is. We strongly recommend the Commission gives up this statistical deception and concentrates on ensuring that it meets its own aid targets by genuine increases in its spending on social sectors".

2015-Watch:

The EU's contribution to the Millennium Development Goals – Halfway to 2015: Mid-term Review

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Mirjam van Reisen

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There will be a **press conference** to mark the launch of the new 2015-Watch report at **12.00 on Tuesday 26 June 2007**

Venue:
Montreux 1,2 and 3
Renaissance Hotel
Rue du Parnasse 19
1050 Brussels

Alliance2015 Representatives:
Vagn Berthelsen
(President of Alliance2015,
Ibis)
Olive Towey
(Concern Worldwide)

For more information about the press conference or to arrange **interviews** please contact:

Ben Moore (EEPA)
Tel: +32 (0)2 230 07 32
Fax: +32 (0)2 230 37 80
Mobile: +32 (0)479 644 263
E-mail: bmoore@eepa.be
Web: www.eepa.be

From 12.00 CET on Tuesday 26 June 2007, it will be possible to **download** the new 2015-Watch report at:
www.alliance2015.org
and
www.eepa.be



Background notes

Alliance2015

Alliance2015 is a strategic partnership of six major European non-governmental organisations working in the field of development co-operation. The Alliance members are CESVI from Italy, Concern Worldwide from Ireland, Deutsche Welthungerhilfe from Germany, HIVOS from the Netherlands, Ibis from Denmark and People in Need from the Czech Republic.

Alliance2015 seeks the complete achievement of the Millennium Development Goals.

Website: <http://www.alliance2015.org>

2015-Watch

This is the fourth in Alliance2015's series of 2015-Watch reports which measure donors' contributions to the achievement of the Millennium Development Goals (MDGs). It assesses the European Commission's performance in orienting its development policy to these goals.

The other 2015-Watch reports can be downloaded from the Alliance2015 website (see above) or from the EEPA website: <http://www.eepa.be>

Expert Meeting 'Measuring the contribution of General Budget Support to Social Sectors'

This edition of 2015-Watch also includes the outcomes of Alliance2015's expert meeting on the contribution of general budget support to social sectors which was held in February 2007 in Brussels.

The report of the expert meeting can be downloaded from both the Alliance2015 and EEPA websites (see above).

Budget Aid / General Budget Support

This refers to aid which is channeled directly to partner governments and which is not earmarked for specific activities or sectors. It is mixed with the government's own revenues and disbursed through the government's own financial management system.