



# DOES THE 'GLOBAL EU RESPONSE' TO COVID-19 MATCH THE GLOBAL EXPECTATIONS FOR THE BIGGEST BLOC PROVIDING ODA?

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## SCARCE DATA AND TRACKING DIFFICULTIES<sup>1</sup>

The European Union (EU) has deployed a rapid global response to COVID-19. In April, the 'EU Global Response to COVID-19'<sup>2</sup> was adopted to give a European coordinated answer to EU partner countries facing coronavirus surges and its consequences.<sup>3</sup>

Although the European Commission (EC) has fully backed the idea of having a COVID-19 marker to trace donors' responses in the OECD Development Assistance Committee (OECD DAC),<sup>4</sup> a comprehensive monitoring report on the implementation of the EU Global Response to COVID-19 is still not publicly available.

The EC, however, is already using an internal COVID-19 marker to identify any disbursements by the European Union Delegations (EUDs) related to the EU package. The data collected through this internal marker is providing the basis for the EC monitoring report, which is

regularly updated and accessible to the College of Commissioners. Such a report, including a breakdown of the EU Member States contributions to the package and specifying if these are additional resources, if made publicly available, would provide a much-needed resource. It would be an essential

tool for transparency and accountability vis-a-vis the public. This lack of transparency surrounding data availability puts into question the accountability of the EU's response and has prevented a comprehensive evaluation beyond the analysis which follows.

## REORIENTATION OF FUNDS AND FIRM COMMITMENT TOWARDS MULTILATERALISM

At the outset of the COVID-19 outbreak some European donors' operational capacities were considerably reduced due to lockdowns and the repatriation of expat employees. This fact demonstrates the importance of strengthening country systems when delivering ODA, not only through partner countries' public sector structures but also by increasing the number of local employees. Robust and consolidated local engagement is key to reinforcing resilience and the continuity of programs and projects, which represent a lifeline for many people in need.

EU donors have carried out efforts to restore those initially diminished capacities. However, new money earmarked for the response has not been available, except in a few cases and these have been small. **Resources to support the EU Global Response have usually been redirected from already budgeted items. A different approach is needed, one that recognizes COVID-19 as a new shock requiring additional funds.**

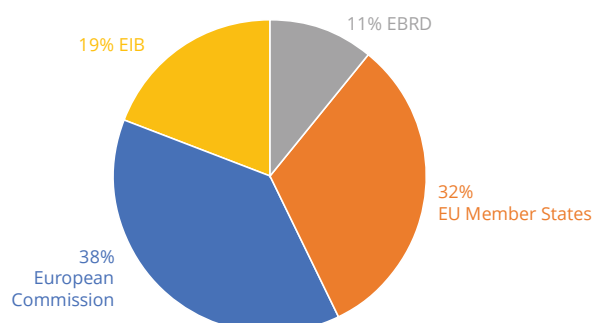
Mainly due to the unexpected character of the COVID-19 pandemic and its global dimension, **donors have prioritised multilateral options** in their responses. The newly created Team Europe, the UN system, the World Bank and its Pandemic Financing Facility have been the main structures employed by EU donors. Contributions have also been made to the World Health Organisation, to the Global Alliance for Vaccines and Immunisation and to different national pharmaceutical sectors to support the development of a COVID-19 vaccine. Information scarcity has raised concerns on **the lack of attention to "Leave**

**No One Behind" (LNOB) approaches, limited relevance given to the gender dimension, and uneven consultations with civil society organizations (CSOs) by governments.**

After the Foreign Affairs Council meeting and the adoption of the Council Conclusions on COVID-19 in June, the EU Member States scaled up their efforts to help contain the virus in partner countries. They agreed on mobilising up to almost €36 billion (\$31 billion) (compared to €20 billion (\$17 billion) previously granted) through the Team Europe initiative, making the Member States as a whole, key players in the EU response. Out of the total, Member States' contributions now account for about a third of the resources mobilised from the EC; the rest comes from the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD).

The chart below provides an overview of the different contributions.

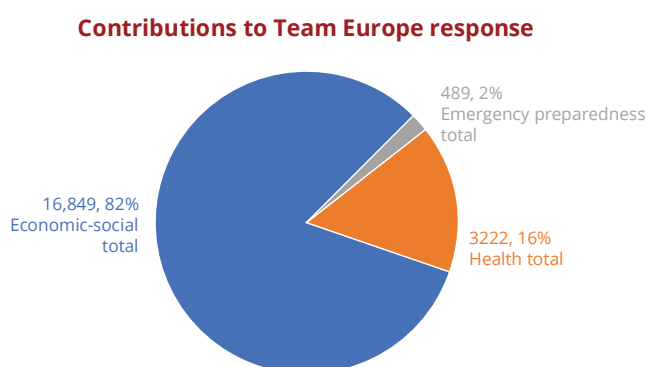
**Contributions to Team Europe response**



## SECTORS SPENDING: CHALLENGES FOR CSOS, CHALLENGES FOR SUSTAINABLE DEVELOPMENT

The EU response is targeting three main sectors: (1) emergency response; (2) support to healthcare systems; and (3) economic and social consequences of the pandemic. Based on information shared in an EC interview with CONCORD, the humanitarian-related budgets are nearly depleted. It has also been confirmed that spending related to health is being disbursed faster than the funding committed to address social and economic consequences.

The chart below provides an overview of the different sectors of the package.



The redirecting of funds in response to COVID-19 is an important concern as it has a major impact on already-planned actions. Some calls-for-proposals, which had been in the pipeline, have been cancelled. In other cases, deadlines to submit proposals have been postponed so they can respond to the COVID-19 context. In addition, EU donors are exercising considerable flexibility and have been redirecting funds from already planned activities to actions related to the COVID-19 package. Donors have also been dipping into contingency reserves to support COVID-19 response activities.

Examples of these measures include:

- In the Gambia, the EUD cancelled a call-for-proposals that was already at Full Proposal stage and the funds were redirected to different priorities.

- In Ethiopia, the EUD launched an EU Trust Fund call-for-proposals on economic development at the beginning of 2020 (prior to COVID-19). Due to the pandemic, the initial early May deadline was delayed until early August, but not cancelled. While the EUD first stated that it would go through with the call, it cancelled it in June. Instead the funds were directly awarded to a consortium that EUD was already working with under another component for the same program. The EUD in Ethiopia switched from an open transparent procedure to a direct award, causing a questionable reorientation of priorities and raising issues for those CSOs that had invested resources in applying for the open call.
- In Nicaragua, the EUD has not published any calls-for-proposals since the 2018 socio-political crisis. Instead it has adopted a practice of allocating grants that are directly negotiated. However, the EUD had negotiated funding of a project with a consortium of CSOs to support children and youth. This long-planned project was recently transformed into a COVID-19 response activity.
- In other countries, such as Yemen, already-planned ongoing direct procedures have been cancelled with no explanation.

All these factors have presented CSOs with big and unexpected challenges. The overwhelming and growing use of multilateral responses has already diminished the role of CSOs. Due to the nature of the COVID emergency, time is key for both preparedness measures and health as well as to address the economic and social consequences of the crisis. With CSOs' expertise in these key sectors, along with their deep knowledge of local realities and dynamics, development NGOs are well placed to complement governments' actions and to work in the interest of the well-being of citizens, local communities and marginalised people.

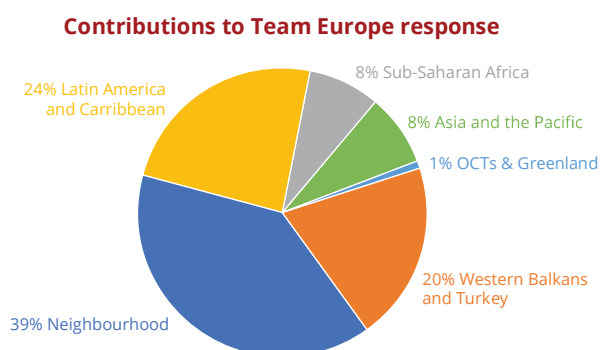
## THE GEOGRAPHIC DIMENSION OF THE EU GLOBAL RESPONSE: THE IMPORTANT ROLE OF THE EU DELEGATIONS

EU Delegations have been playing a key role in the response to the pandemic. In the early days, the Brussels headquarters asked them to identify any unspent budgets and to redirect these funds towards the EU response to COVID-19. Since HQ guidelines are not public, it is difficult to assess whether EUDs have carried out a review of country priorities taking account the COVID-19 outbreak and its consequences. From available data, it seems that this is occurring since allocations per country have changed slightly.<sup>5</sup> Because the funding per country/regions comes from the EU decentralised budget managed by EU Delegations, adjustments of allocations are not happening between, but within, countries and regions.

In terms of commitments, it is important to highlight a mismatch between the political statements backed by the Council and the Commission and the actual allocations per countries and regions. The Joint Communication on the EU Global Response to COVID-19 in April as well as Council Conclusions on COVID-19 from the Foreign Affairs Council (development) meeting in early June put Africa, Least Developed Countries (LDCs) in particular, at the forefront of the EU response. But the

updated figures (June 2020) show that the allocated funding for Neighbouring countries, including the Western Balkans and Turkey, amounted to €11.8 billion (\$10 billion) and for Sub-Saharan Africa only €4.8 billion (\$4.1 billion) (see chart below).

It appears that out of the total funding managed by Directorate-General for International Cooperation and Development (DG DEVCO), 52.2% is going to the least developed countries (LDCs). It is important that resources in Sub-Saharan Africa, are scaled up, given the prediction that Sub-Saharan Africa will be one of the worst hit regions in terms of the economic and social consequences of this pandemic.



## AID MODALITIES

The EC reports<sup>6</sup> that the majority of funding disbursed under its response framework is in the form of grants. According to CONCORD's monitoring exercise,<sup>7</sup> it appears that the most common funding mechanisms are direct awards, negotiated procedures with CSOs or open calls-for-proposals.<sup>8</sup> In the near future the EC is likely to push for an increase in the use of budget support<sup>9</sup> to address the social and economic consequences of the crisis as well as private sector instruments and technical assistance, which, in the Commission's view, can be very effective.<sup>10</sup>

There are several worrying trends that are developing in these responses to the pandemic. The emphasis on the use of non-grant modalities is a cause for concern. In addition, the EU is aiming to leverage private sector investment as part of its response, mainly through bank guarantees. As part of the 'Team Europe' approach, private-public partnerships are being promoted as a way to reduce costs and to avail of free services in COVID-19 responses. The European Fund for Sustainable Development (EFSD) is giving public and private investors access to a number of EU blending

facilities, backed by the EFSD Guarantee and the EFSD Guarantee Fund. As well, the European Investment Bank, the EU's lending arm, has developed a special plan to respond to the coronavirus pandemic outside the EU<sup>11</sup>

with to €6.7 billion (\$5.7 billion) being allocated. This financing is also part of the Team Europe response and is supported by guarantees from the EU budget.<sup>12</sup>

## A GENDER-BLIND RESPONSE

Despite evidence of the disproportionate impact of the outbreak on women and girls and its medium- and long-term consequences for this population, little attention has been paid to gender equality or women/girls' empowerment in donor's responses to the COVID-19 pandemic.<sup>13</sup> As noted in CONCORD's reaction to the EU's global response<sup>14</sup> and recently by CONCORD Sweden,<sup>15</sup> the gender analysis on how the pandemic is affecting girls and boys,

and women and men, is flawed and limited. For instance, in the European Commission's communication published in early April, which will form the basis of the EU's global response to the coronavirus pandemic,<sup>16</sup> issues relating to gender equality is mentioned only once in a 17-page document. Women and girls' special concerns are identified just twice. The EU Commission's proposal contains no concrete measures linked to advancing gender equality.

## THE TEAM EUROPE: A SOLID STEP FORWARD ON HARMONISATION AND EFFECTIVENESS

The European Commission has attempted to provide a European face to the response to COVID-19 in partner countries. This is consistent with some previous efforts to avoid EU aid fragmentation and to improve coordination in partner countries. In March, the European Commission called on the forum of the EU and its Member States' Director Generals for Development Cooperation to start working on a joint EU plan to COVID-19. This forum has always existed, but it has been an informal venue.

This call stimulated the establishment of the Team Europe package, which aims to support the most vulnerable countries and people most at risk. These efforts will include those in the

EU's neighbourhood, with special emphasis on Africa, as well as attention to the needs and circumstances in the Pacific, Latin America and the Caribbean.<sup>17</sup> **It is a clear step forward in terms of effectiveness.** While effective harmonisation and coordination are always considerations, Team Europe's plan has the potential to also strengthen local ownership aspects. Team Europe is not only pivotal in the EU's response to the pandemic, it also could become a model and crucial feature of EU development cooperation to address medium and long-term social and economic consequences. Team Europe has already influenced the EU development cooperation programming process through its joint programming initiatives.

## RECOMMENDATIONS

- The European Commission and its Member States should align the EU Global Response implementation to the national priorities of partner countries. Development effectiveness and the 2030 Agenda must guide the EU response implementation through a just recovery toward an equitable and sustainable future.
- The European Commission should make its monitoring reports on the implementation of the EU Global Response to COVID19 public and include a table with the breakdown of the EU Member States' contributions to the package, specifying if those are additional resources.
- The European Commission should provide the EUDs with clearer guidelines on how to design call-for-proposals, which are part of the EU Global Response to COVID-19 and ensure that the EUDs consult CSOs in the design of these calls-for-proposals, in particular for those actions that aim to have a long-term impact in partner countries.
- The European Commission and EU Member States should keep prioritising grants-based finance over loans and ensure that there are no grant/loan conditionalities that would impose further cuts in public services of partner countries. The European Commission, as well as EU Member States, should ensure that its increasing support to private sector instruments in the EU Global Response does not come at the expense of grants-based modalities.
- Team Europe should speed up the disbursements of the package to address the economic and social consequences so that these are in line with the national strategies for development.
- Team Europe should increase the funding committed to Sub-Saharan Africa, since this will be the most significantly impacted region in terms of the economic and social consequences of the pandemic.



## ENDNOTES

1. Data on EU Institutions and Member States' development cooperation policy responses to the COVID-19 outbreak is based on three elements: (1) Information that CONCORD National Platforms delivered on a questionnaire designed by the consultants, on a grid analysis and on a set of focal discussion groups, with information acquired through interviews with government officials; (2) Desk research and analysis of official and publicly available governmental and EUDs documents on the matter; (3) Interviews held with European Commission officials in DG International Cooperation and Development (DEVCO) and with OECD DAC officials.
2. [https://ec.europa.eu/info/sites/info/files/joint\\_communication\\_global\\_eu\\_covid-19\\_response\\_en.pdf](https://ec.europa.eu/info/sites/info/files/joint_communication_global_eu_covid-19_response_en.pdf).
3. In terms of transparency, the European Commission published online a short report which gathers the breakdowns of the commitments:
  - from several EU institutions (notably DEVCO, NEAR, ECFIN, ECHO, EIB);
  - for the sectors the package is targeting;
  - for the regions and countries where the funding would be disbursed.
 The European Commission has kept this document constantly updated, as the figures have been slightly readjusted throughout recent months ([https://ec.europa.eu/international-partnerships/system/files/20200624-eu-institutions-response-to-covid\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/20200624-eu-institutions-response-to-covid_en.pdf)).
4. Chadwick, V.: *EU pushes COVID-19 marker to track donor spending*, DEVEX, 12 June 2020, <https://www.devex.com/news/eu-pushes-covid-19-marker-to-track-donor-spending-97423>.
5. For changes over time, we would like to thank our member CARE International aisbl who has actively monitored the changes in the allocations throughout the recent months.
6. CONCORD interview with Laurent Sarazin, DG DEVCO HoU A2, 10/07/2020.
7. Ivi page 17.
8. Information received from 42 EU Delegations and based on the monitoring of the EC webpage page.
9. Ibidem.
10. <https://twitter.com/SarazinLaurent2/status/1276252262806020097?s=20>, [https://ec.europa.eu/international-partnerships/topics/eu-global-response-covid-19\\_en](https://ec.europa.eu/international-partnerships/topics/eu-global-response-covid-19_en).
11. Coronavirus outbreak: EIB Group's response. <https://www.eib.org/en/about/initiatives/covid-19-response/index.htm> (visited on 14 July 2020).
12. Interview with Julia Kennedy from the EIB on the impact of the Covid-19 crisis on the public-private partnerships in general. <https://www.eib.org/en/stories/coronavirus-impact-public-private-partnerships> (visited on 14 July 2020).
13. CARE: The Absence of Women in COVID-19 Response: The Conspicuous Absence of Women in COVID-19 Response Teams and Plans, and Why We Need Them, June 2020, [https://www.care-international.org/files/files/CARE\\_COVID-19-womens-leadership-report\\_June-2020.pdf](https://www.care-international.org/files/files/CARE_COVID-19-womens-leadership-report_June-2020.pdf).
14. CONCORD Europe: *Analysis of Communication on the Global EU response to COVID-19*, 17 April 2020, <https://concordeurope.org/resource/analysis-of-the-communication-on-the-global-eu-response-to-covid-19/>.
15. Concord Sverige: Debatt: EU får integrömma bort jämställdhet i kampen mot pandemin, 5 June 2020 <https://www.altinget.se/artikel/debatt-eu-faar-inte-glomma-bort-jamstalldhet-i-kampen-mot-pandemin>.
16. JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Communication on the Global EU response to COVID-19. JOIN/2020/11.
17. Borrell, J.: *"Team Europe" - Global EU Response to Covid-19 supporting partner countries and fragile populations*, Blog by HR/VP Joseph Borrell, EEAS, 11/04/2020.