## A budget that delivers for people and planet

Joint position paper of 40+ organizations

In today's world, the interconnectedness of societies, ecosystems, and economies is undeniable. Crises like climate change, pandemics, and conflicts transcend borders, affecting everyone, including EU citizens.

To effectively address both current and future crises, as well as setbacks in human rights, sustainable development and gender equality, the EU urgently needs additional resources. Investing in these efforts benefits both EU citizens and people worldwide, reinforcing global security and stability for all.

A bold, forward-looking budget will allow Europe and its partners to be better prepared and more resilient to shocks. For ODA investments to be truly impactful, the EU's approach to international partnerships must be grounded in a rights-based framework that promotes human dignity, human security, and equity. The needs of people in partner countries, alongside the realization of the SDGs and the Paris Agreement, must guide collective efforts.

At the same time, the EU also stands to benefit from ODA investments. Strengthening the EU's credibility as a genuine international partner helps promote the Union's values and geopolitical interests. A more peaceful and equitable world is not only a moral goal but also a strategy for long-term prosperity.

This paper sets out why scaling **EU ODA to at least €200 billion over the next MFF**<sup>1</sup> is a smart investment:

- Europe as a credible, trusted partner: In a time of rising inequality, conflict, climate and health crises, and biodiversity loss, the EU's global commitments have never been more urgent. Historically, the EU has been a leader in tackling global challenges and advancing multilateralism. To remain credible and effective on the world stage, the EU must deliver on its international commitments and boost ODA<sup>2</sup> and climate financing. As other players become more assertive, these resources will afford the EU the ability to shape global action. Without a significant increase in ODA, the EU risks losing the trust of its partners at a time when strong alliances are essential for the future of Europe and of its partner countries.
- **Preparedness and prevention cost less than a crisis:** People in many of the EU's partner countries face enormous challenges from food insecurity, water scarcity and public health crises to the devastating impacts of conflict and climate change. Investing in prevention and preparedness saves lives and is cost-effective: the cost of inaction or delayed responses to climate-related disasters, early warning for conflict or pandemics far outweighs the cost of proactive measures. For instance, the OECD estimates that every \$1 invested in conflict prevention helps

<sup>&</sup>lt;sup>1</sup> Calculated on the basis of EU Member States reaching their international ODA commitments by 2030 and retaining this level of investment through 2034, and assuming they continue to channel 23.1% of their ODA via the EU budget. Methodology available here.

<sup>&</sup>lt;sup>2</sup> Council of the European Union, <u>2024 Annual Report to the European Council on EU Development Aid</u> <u>Targets</u>, 24 June 2024

save \$16 down the road.<sup>3</sup> In 2020, scientists calculated the cost of preventing further pandemics over the next decade would amount to just 2% of the estimated financial damage caused by COVID-19.<sup>4</sup> It is therefore in the EU's political and financial interest to confront the problems head-on by scaling investment in ODA to respond to - and get ahead of - crises.

- Greater resilience in an increasingly complex and polarized world: Investing in resilience including through climate adaptation, biodiversity protection, conflict prevention or pandemic preparedness is critical to the EU's stability and competitiveness, while protecting its partners from climate shocks and health crises. These efforts not only save lives but also bolster global stability by mitigating risks and addressing the root causes of forced displacement, food insecurity and supply chains disruptions. These investments also safeguard the EU's economic interests.
- The added-value of unity: A united EU leveraging its collective resources, and channeling a portion of them via the EU budget, can achieve an impact larger than the sum of its parts. Acting together helps drive economies of scale, exploit synergies, obtain wider geographic reach and gives the EU greater ability to shape global action than Member States acting alone.

The bottom line is that global challenges require global cooperation, sustained action in fragile and conflict affected settings as well as substantial resources. Failure to adequately address these challenges is already having devastating impacts on livelihoods around the world and increasing the risk of conflicts, food insecurity and pandemics. Together, these crises could push an additional 132 million people into extreme poverty by 2030<sup>5</sup> whilst prolonging devastating conflicts, persecution and human rights violations which have forced 122.6 million people to flee their homes.<sup>6</sup>

We therefore urge the EU to:

- Invest at least €200 billion in ODA in the next MFF. To put that into context, the European Commission and Member States spent €3.7 trillion responding to the COVID-19 pandemic.<sup>7</sup>
- This amount should be additional to funding for Ukraine. Resolute in its response to Ukraine, as it must be, the EU must also demonstrate its staunch commitment to other partners with whom we must work in partnership in order to tackle global challenges.
- Ensure that greater flexibility in external action is additional to predictable funding. Flexibility is essential for responding to emerging priorities and crises in partner countries. It allows for swift action in unforeseen crises and political shifts, as well as in aligning development efforts with the humanitarian-development-peace nexus. However, increased flexibility should complement, rather than replace, predictability. Predictability is crucial for sustainable development, as it enables long-term systemic reforms that address the root causes of poverty, violence, inequality, and lack of opportunity.

<sup>&</sup>lt;sup>3</sup> OECD, <u>States of Fragility 2020</u>, 17 September 2020

<sup>&</sup>lt;sup>4</sup> Andrew P. Dobson et al., <u>Ecology and economics for pandemic prevention</u>, 24 July 2020

<sup>&</sup>lt;sup>5</sup> World Bank, Poverty and Shared Prosperity 2022

<sup>&</sup>lt;sup>6</sup> United Nations High Commissioner for Refugees, <u>Mid-Year Trends</u>, 9 October 2024

<sup>&</sup>lt;sup>7</sup> ILO, <u>COVID-19 EU response</u>, 27 October 2021





















