



**HOUSE OF LORDS**  
European Union Committee

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Anne-Marie Trevelyan  
Secretary of State  
Department for International Development  
22 Whitehall  
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06 March 2020

Dear Anne-Marie

**House of Lords inquiry into post-Brexit international development cooperation**

I am writing to you on behalf of the EU External Affairs Sub-Committee of the House of Lords. May I first welcome you to your new position and invite you to a private, introductory session with the Committee later this month. Our officials will be in touch with your officials shortly to discuss this in more detail.

As you may be aware, since November 2018 we have been taking oral and written evidence on whether the UK should cooperate with the EU on international development after Brexit. Please find below a summary of our findings, along with our recommendations, which we would urge you to consider and to which we would welcome your response.

**I. Should the UK continue to cooperate with the EU on international development?**

The UK is committed to spending 0.7% of GNI on overseas development aid (ODA) and, consequently, there are no 'savings' to be realised from the UK's exit from the EU. The key question is how the money previously channelled via the EU should best be spent: should the c.10% of ODA (i.e. c.£1.5 bn) the UK currently spends via the EU be spent on formal or informal cooperation with the EU, or should it be spent bilaterally or through multilateral fora, such as the UN or the World Bank—or a combination of the two?

Our witnesses universally agreed that there is a strong case for continuing to cooperate with the EU on international development.

The first reason is a question of impact. While there are, of course, a variety of bilateral and multilateral fora through which the UK could channel funding, witnesses told us that these do not carry the same political weight and are unable to replicate the EU's resources and comprehensive approach, i.e. being able to deploy trade, security and political levers. Peacebuilding NGO International Alert, for example, told us that "when it comes to delivering peacebuilding and conflict prevention at scale, there are no comparable institutions with the political latitude that the EU possesses".<sup>1</sup>

Second, witnesses underlined the importance of co-ordination between major donors to avoid overlap and waste.<sup>2</sup> As one of them succinctly put it, "what developing countries do not want is two

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<sup>1</sup> INT0001 (International Alert); see also Q25 Gavas

<sup>2</sup> E.g. INT0014 (Dr Nadine Ansorg, Dr Toni Haastrup, Dr Katherine AM Wright, Prof Guerrina)

large elephants trampling around, treading on things and getting in each other's way. Developing countries need to be in control, with others falling behind and the donors collaborating."<sup>3</sup>

Third, not only do the EU and the UK share similar values, but they complement each other and the EU often acts as a multiplier for the UK. We heard that DFID's reach "has been fundamentally enhanced through the UK's membership within the EU development structures".<sup>4</sup> The EU has a wide network of development partners and a presence in over 100 countries. It can therefore add particular value in areas and regions where the UK only has a small footprint, such as the Balkans, the Caucasus, Central Asia and francophone Africa.

Fourth, the UK has exerted a positive influence on EU development policy to the benefit of developing countries—and this is an influence which should be preserved. One of the criticisms levelled at EU ODA has been that Middle Income Countries have benefitted from it more than Low Income Countries.<sup>5</sup> Many witnesses therefore positively commented on how the UK's influence has helped to shift the EU's focus towards poverty reduction, resulting in a positive impact on least developed countries and fragile states.<sup>6</sup>

**Overall, given the EU's added-value to UK development policy as outlined above, we consider that it would be in the UK's interest to cooperate with the EU on international development. It seems to us that this would, at a minimum, necessitate a formal framework for consultation and regular dialogue.**

We were therefore concerned that the Prime Minister's 3 February statement in the House of Commons about the future UK-EU relationship (HCWS86) and the Government's Command Paper (CP211) on the UK's approach to the negotiations did not specifically mention cooperation on international development matters. We hope this does not represent a scaling back of ambition.

The Political Declaration provided the option for participation in Union Programmes and, at the very least, envisaged a structured dialogue "to enable strategies in the programming and delivery of development that are mutually reinforcing" (§106). In its July 2018 White Paper, *The Future Relationship between the United Kingdom and the European Union*, the Government under Theresa May explained that "there is a strong case for close collaboration in the areas of peace and security, humanitarian aid and migration. The UK is open to collaboration in other areas, and working closely with the EU to contribute to the EU's development and external programmes and instruments, where the EU and UK agree". We note, however, that the Prime Minister has moved away from the idea of a co-operative accord with the EU that would enable this. We would therefore be grateful if you could set out in some detail the Government's position on future cooperation with the EU on international development.

## **2. What cooperation could look like**

We believe that the UK should cooperate with the EU in areas of mutual interest, provided the UK retains a say over how funds are spent. Witnesses suggested several options for future UK-EU cooperation. We acknowledge that the draft regulations relating to the new MFF make no reference to opening the development instruments to non-Member States, so participation through these looks increasingly unlikely. We note that the Commission's draft negotiating mandate is offering the UK the option to cooperate "through the Union's instruments and mechanisms", subject to "full respect of the autonomy of the Union in the programming of development priorities"<sup>7</sup>. This suggests that the

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<sup>3</sup> Q27 Maxwell

<sup>4</sup> INT0008 (Global Europe Centre, University of Kent)

<sup>5</sup> INT0006 (ONE Campaign); Q8 Maxwell

<sup>6</sup> E.g. INT0015 (Bond); Q12 Maxwell

<sup>7</sup> European Commission, 'Recommendation for a Council Decision authorising the opening of negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland' (3 February 2020), para 137

EU is ruling out the UK having any strategic influence should it choose to make contributions directly via the EU budget.

Formal cooperation may therefore have to be undertaken off-budget, e.g. through trust funds or new bespoke arrangements which, at their most ambitious, would include a partnership agreement.

EU trust funds, such as the Emergency Trust Fund for Africa, allow non-Member states to participate. Governance structures are more flexible, with donors generally allowed to sit on an Operational Committee and the Board. However, there are limits to the strategic influence that non-EU countries can exert as the Commission retains a veto over strategic decisions at Board level. It is also important to note that the use of trust funds is not without its detractors and some EU Member States would like to minimise the use of trust funds or abolish them altogether.<sup>8</sup>

A partnership agreement on foreign policy that would encompass development cooperation was also suggested<sup>9</sup>, as well as a UK-EU partnership on conflict prevention and peacebuilding<sup>10</sup> and a UK-EU facility akin to the Facility for Refugees in Turkey<sup>11</sup>—which would all offer the possibility for joint governance structures, providing the UK with strategic oversight over its contributions.

Short of formal arrangements, many witnesses raised joint programming as a tool for ensuring development coherence and avoiding duplication at country-level.<sup>12</sup> The UK could also attempt to create informal coalitions with other EU Member States or set up ‘minilateral’ groupings of like-minded countries working on development.<sup>13</sup>

There are therefore various options for formal and informal off-budget cooperation, which the UK Government should be exploring and articulating. At this stage it is not clear to us what options for future cooperation the Government is considering and we would be grateful for an update on this.

### **3. Impact of Brexit on UK International NGOs**

UK NGOs are recognised and valued internationally for their competence and expertise. Consequently, they have historically been one of the largest recipients of EU development funds and grants<sup>14</sup>.

Due to EU aid being tied to certain conditions, such as being an NGO based in an EU Member State, we are concerned that many UK NGOs will no longer qualify for EU funding after the transition period. For many, EU funding makes up a significant proportion of their income<sup>15</sup>, so there is a real risk of UK NGOs experiencing a serious funding gap. Larger NGOs have been able to adapt, opening offices in EU Member States to ensure that they can continue to have access to the relevant funds. However, smaller and medium-sized NGOs are more exposed and could see job losses, which in turn could lead to a loss of expertise across the UK development sector.<sup>16</sup>

We would welcome an update on what steps the UK Government has already taken and intends to take in future to help UK international development NGOs deal with the Brexit-related funding shortfall.

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<sup>8</sup> INT0005 (ECDPM); Q27 Maxwell

<sup>9</sup> INT0005 (ECDPM); INT0007 (ODI)

<sup>10</sup> INT0001 (International Alert)

<sup>11</sup> INT0010 (Gavas)

<sup>12</sup> E.g. Q46 Mackie, Draper

<sup>13</sup> INT0005 (ECDPM); Q27 Gavas

<sup>14</sup> INT0008 (Global Europe Centre, University of Kent); Q38 Draper

<sup>15</sup> INT0015 (Bond)

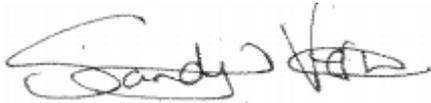
<sup>16</sup> INT0015 (Bond)

#### 4. The UK's voice during the transition period

As you are aware, during the transition period our influence over the EU's spending priorities is significantly reduced. Under the Withdrawal Agreement, we continue to pay into the 11<sup>th</sup> European Development Fund, which runs until the end of 2020, and are subject to any obligations imposed under previous, unclosed EDFs. Yet we now only have observer status on the relevant management committees without any voting rights. What is the Government's assessment of how this arrangement is working in practice and what actions is the Government taking to ensure that the UK's voice, where necessary, is being heard? For example, is the UK being represented at all the meetings it is entitled to be present at?

Last but not least, we are extremely grateful to everyone who contributed to our inquiry and provided their expert insight. Due to the volume of evidence received, we have been unable to quote or reference all our witnesses, but the full list of those we heard from can be found in the annex to this letter. We trust that you will give careful consideration to the issues they raised with us and which we have summarised in this letter. We look forward to your response in due course and would welcome an opportunity to discuss the matters raised in person.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sandip Verma', with a stylized flourish at the end.

**Baroness Sandip Verma**  
Chair of the EU External Affairs Sub-Committee  
House of Lords

## Annex – List of witnesses

All our evidence is published on the Parliament website at <https://tinyurl.com/up882bq>.

Evidence received by the Committee is listed below:

### Oral evidence

- Stephanie Draper (Chief Executive, Bond)
- Claire Godfrey (Head of Policy and Campaigns, Bond)
- Mikaela Gavas (Co-Director of the Center for Global Development)
- Dr James Mackie (Head of Learning, European Centre for Development Policy Management)
- Simon Maxwell (Emeritus Fellow, Institute of Development Studies)
- His Excellency Mr Omar Al Nahar (Ambassador of The Hashemite Kingdom of Jordan)
- His Excellency Mr Said Tayeb Jawad (Ambassador of the Islamic Republic of Afghanistan)
- Rachel Turner (Director, Economic Development and Europe, DFID)
- Juliette Prodhan (Head of EU Policy, DFID)

### Written evidence

- International Alert (INT0001)
- Mr James Flint (INT0003)
- Dr Sojin Lim (INT0004)
- European Centre for Development Policy Management (ECDPM) (INT0005)
- ONE Campaign (INT0006)
- Overseas Development Institute (INT0007)
- Global Europe Centre, University of Kent (INT0008)
- Mikaela Gavas / Center for Global Development (INT0009 and INT0010)
- Dr Nadine Ansorg, Dr Toni Haastrop, Dr Katherine AM Wright and Professor Roberta Guerrina (INT0014)
- Bond (INT0015)
- International Rescue Committee (INT0016)