

PEOPLE-CENTRED POVERTY-REDUCTION POLICIES

5. NO DIVERSION FROM FOCUS ON POVERTY REDUCTION AND HUMAN DEVELOPMENT

Since 2015, the EU's initiatives to tackle "the root causes of migration" have mushroomed, justified by their supposed contribution to poverty eradication. In fact, these initiatives respond to short-term political objectives and allow for the deviation of ODA to security and border control in countries of transit and origin of migrants, often at the expense of programmes aimed at poverty eradication. Some of these tools explicitly provide for aid conditionality to force cooperation on migration as well as for aid priority-setting based on migration-related considerations. These trends conflict with both aid effectiveness principles and the EU's commitment to target aid in the areas most in need.

► **EU funding allocations should be based on the implementation of SDGs as well as the commitments reflected in the Lisbon Treaty on poverty eradication and policy coherence for development, rather than short-term political objectives.**

► **Aid effectiveness principles and policy coherence for development should be reflected in all EU instruments and applied to all actors with a view to strengthening**

health systems and supporting partner countries towards achieving UHC.

► **Human development, and policies that are conducive to UHC or to existing regional commitments in particular, should be prioritized in EU relations with third countries. This should be translated into all EU geographic and thematic development, for which programming should be steered by poverty-reduction.**

6. ENSURING THE PROVISION OF GLOBAL PUBLIC GOODS

There is serious underfunding in EU-funded biomedical research and development (R&D) of Global Public Goods, such as affordable and accessible life-saving commodities. As a result, serious threats such as Anti-Microbial Resistance have emerged.

► **The EU should step up efforts in the area of Global Health R&D, ensuring that priority-setting is needs-driven and ensures impact for the people-in-need beyond growth and competitiveness. This should imply upscaling funding for R&D, targeting diseases that are burdensome in low and middle income countries but for which there is no commercial incentive for the**

development of new products (e.g. poverty-related and neglected tropical diseases). The EU should also support research capacity in partner countries and promote exchange of practices and South-South cooperation through already-established mechanisms, such as the EDCTP.

7. INVOLVEMENT OF PARTNER COUNTRY COMMUNITIES AND CIVIL SOCIETY

Development actors have long learned that for a development project to be successful and sustainable, it must be designed with, implemented and monitored by the target-communities themselves.

► **CSOs should be recognised as both service providers and accountability actors, working hand-in-hand with the public health system, given their role in promoting top-down and bottom-up accountability with the aim of better responding to local needs as well as fostering citizens' democratic ownership**

► **The EU should revise mechanisms of coordination with CSOs such as national and bi-regional dialogue and reinforce the implementation of CSO roadmaps.**

This can further nourish the monitoring, accountability and review of the 2030 Agenda.

► **The EU should provide more and better funding in order to foster an enabling environment for CSOs in partner countries. So doing would not only allow them to operate, but also build their capacity to (1) ensure that their government is orienting public spending towards the benefits of communities and (2) hold their government to account.**

THE ROLE OF THE EU IN ACHIEVING SDG 3: CIVIL SOCIETY'S PERSPECTIVE ON GLOBAL HEALTH

Enjoying the highest standard of health is a fundamental human right and a recognized development enabler, key to achieving other fundamental rights (e.g. rights to education, to equality and to an adequate standard of living) as well as equitable and sustainable growth.

Health constitutes the Agenda 2030 Sustainable Development Goal (SDG) 3, which aims to ensure good health and well-being for all, at all ages. SDG 3 addresses major health priorities, Universal Health Coverage (UHC) and access for all to safe, effective, quality and affordable medicines and vaccines. It also calls for more research and development (R&D), the strengthening of all countries' capacity in health risk reduction and management as well as increased health financing. Health is also closely linked with other SDGs (e.g. SDG 2 on zero hunger, SDG 5 on gender equality).

Substantial investments in global health will be instrumental if the EU wants to achieve the primary objective of its development cooperation – eradicating poverty – and contribute to the realization of SDG 3 and ultimately the full Agenda 2030. The Lancet Commission on Investing in Health estimates that between US\$ 70 and US\$ 90 billion in additional annual health spending is needed to ensure the provision of a set of key health services, identified in the SDGs as important stepping stones towards UHC. However, given the scarcity of resources, it is equally important to ensure that the supported policies are also the most effective in achieving the desired goals.



MORE AND BETTER FINANCING

1. SCALING UP OFFICIAL DEVELOPMENT ASSISTANCE (ODA) FOR HEALTH

In 2016, 0.51% of EU Gross National Income (GNI) was allocated to overseas aid, far from the EU's 0.7% ODA/GNI target. Additionally, a portion of EU ODA actually reflects growing in-donor refugee costs. And, whilst the EU pledged in its Agenda for Change to spend 20% of its ODA on social inclusion and human development, levels of commitment barely reached 16% in 2014 and need to be stepped up. However, increasing ODA for health will not be sufficient to meet the ambitious targets set by the Agenda 2030: the EU will also need to perform better on aid quality, focusing on interventions which contribute best to SDG 3.

► **The EU's financial decisions must embody its collective commitment to spend at least 0.7% of its GNI on ODA, 20% of which should be earmarked for social inclusion and human development, applied to both thematic and geographic programmes. A clear definition of human development and social inclusion needs to be provided and clear indications should be given on how this benchmark is being implemented.**

► **The EU should urgently develop its own Global Health Strategy and Action Plan to reflect how it aims to achieve SDG 3 both within and outside Europe.**

► **The EU should support investments in global initiatives that have proven to be both efficient and result-oriented and use its influence in the governance of these initiatives to ensure better alignment with countries' plans to achieve UHC, whilst ensuring an optimal combination of aid modalities.**

► **Whilst the focus of EU assistance on Least Developed Countries and fragile states is important, specific financial and political support should also be allocated for sustainable transitions in Middle Income Countries. When countries transition from low- to middle-income status, development assistance should ensure that such a transition is gradual and preserves the sustainability of basic social services. This is achieved by using ODA as a catalyser of domestic resources for health and through political dialogue, to support partners in their endeavours to strengthen national policies for the sustainable provision of essential services.**

► **The EU should invest in global health science, technologies and innovation, which are key drivers of sustainable development. Investment on this front should be achieved through EU ODA in complementarity and in full coherence with other EU programmes (e.g. Horizon 2020, the EU Health Programme, the European & Developing Countries Clinical Trials Partnership (EDCTP)).**

2. SUPPORTING FUNDING FOR HEALTH AND HEALTH POLICIES AT DOMESTIC LEVEL

In the past years, against a backdrop of global economic downturn and political shifts at global and regional levels, the use and purpose of ODA has been fundamentally repackaged by donors (e.g. enhanced engagement with the private sector, focus on migration). In addition, the expanded development agenda outlined by the SDGs has increased competition for resources. Finally, the Addis Ababa Action Agenda (AAAA) has placed strong emphasis on national governments' primary responsibility for the social well-being of their people. In such a context, progress in domestic resource mobilisation is paramount and will require supporting fair taxation through the strengthening of domestic tax systems and enhancing of international cooperation on fighting tax evasion, corruption and illicit financial outflows.

Yet, raising resources will not be sufficient. In order to promote greater equity, social justice and human development, it is equally necessary to provide support to the development of fair, redistributive and progressive national fiscal policies as well as budget reprioritization towards basic social services. In addition, an important amount of technical and political support will be necessary to strengthen health systems, support health reforms, equip countries with the right human resources for health and reinforce primary healthcare.

► **The EU should bolster domestic resource mobilisation by supporting technical assistance programmes focused on strengthening tax administrations and building progressive tax systems which prioritise pro-poor taxation and are aligned with human rights obligations.**

► **The EU should provide specific financial and technical support for the progressive realisation of UHC, in particular for initiatives focused on eliminating impoverishing and obstructive out-of-pocket payments as well as on reaching and expanding coverage of the poorest and most vulnerable portions of the population.**

► **The EU should continue to support initiatives like UHC2030 and help civil society build their advocacy capacity on UHC and health systems strengthening, particularly around accountability for domestic resources mobilisation and budget tracking. It should also continue to support partner countries in fulfilling and scaling up commitments where these exist (such as the Abuja Declaration which aims to allocate at least 15 % of General Government Expenditure to the health sector), as well as gender- and youth-responsive budgeting.**

3. COOPERATION WITH THE PRIVATE SECTOR BASED ON EVIDENCE AND IMPACT

The promotion of the private sector involvement is one of the growing trends affecting development policies, usually in the form of ODA-to-private-sector flows.

In a context of limited aid resources, there is a risk that any increase in support to the private sector would result in depriving essential traditional sectors of their means. In the absence of an evidence-based approach to the private sector and a strong regulatory framework, there is also a risk that its involvement in development policies compromises public interests and weakens public service. Furthermore, still too often, the reference to private sector remains general, disregarding the fact that the private sector encompasses a variety of actors both in size (ranging from micro-enterprises to multinationals) and nature (e.g. foreign or domestic, formal or informal economy structures) and that these differences influence their development impact.

► **Defining the private sector is an essential step towards determining the role it should be given in development policies. Priority should be given to sectors and local companies capable of delivering the most favourable outcomes for the poor and provide the best development additionality, taking into account that private finance should not be a substitute to public investment in health and social protection.**

► **No programme whose original intention is to invest in human development should be diverted to other sectors. Decisions to use ODA to fund new financial instruments aimed at de-risking or leveraging private investments in development should be cost-effective, additional and evidence-based. They should be based on prior impact assessments including the evaluation of their contribution to poverty eradication and human development, and like any development programme, provide evidence of development effectiveness, be monitored and regularly reviewed against the backdrop of sound impact assessments.**

► **To avoid adverse impact, cooperation with the private sector in development should be built through a strong and binding regulatory framework based on the UN Guidelines on Business and Human Rights and labour, social and environmental standards, in line with international human rights law and social and environmental protection rules. It should be fully transparent and enable access to information and participation by affected populations and stakeholders, including citizens and members of parliament.**

► **The EU should support governments to undertake impact assessment before they enter into Public Private Partnerships (PPP). These impact assessments should demonstrate that (1) adequate public capacity is in place, (2) no other funding mechanisms are available, (3) benefits from PPP financing and potential private business service delivery outweigh extra costs and risks for the national health system, and (4) that there is an absence of conflict of interest.**

4. LEVERAGING ADDITIONAL RISK-FREE FUNDING OPPORTUNITIES

The EU should explore additional sources, which, unlike reliance on the private sector, are risk-free, and would provide supplementary financial resources without diverting development funding.

► **The EU should urgently proceed with the adoption of the Financial Transaction Tax, a share of which should be earmarked for human development.**

► **The EU should lead a process of rationalisation of tax exemptions at international level, thus preventing a harmful race to the bottom and endless competition between States. The EU should also lead initiatives to tackle large-scale tax avoidance by European multinationals, namely through the enforcement of country-by-country reporting and beneficial ownership trans-**

parency. Finally, it should implement mechanisms enabling developing countries to have an equal say in international decision-making, promoting accountability and transparency of tax systems.

► **De-committed appropriations resulting from the non-implementation of the actions for which they were earmarked should be systematically re-injected into the EU budget, and provide an additional source of funding for development assistance.**
