

The logo for CONCORD, with the word in a bold, sans-serif font. The letters are colored in a gradient from red to yellow.

European Confederation of NGOs working on
sustainable development and international cooperation

A vibrant, stylized illustration of a landscape. It features a winding blue river, a yellow house with a white roof, a person in a wheelchair holding a document, a person in a blue coat holding a yellow object, and a person in a green shirt and pink shorts. The background is a mix of red, orange, and yellow tones with abstract shapes and lines.

Shaping International Partnerships: Budgeting our Common Future

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Position Paper

Shaping International Partnerships: Budgeting our Common Future

The world stands at a crossroads, facing a confluence of crises - rising inequalities, democratic backsliding, escalating conflicts, and the intensifying impacts of the climate emergency. Shrinking civic space, persistent gender inequality, and the compounded vulnerabilities of fragile and conflict-affected states (FCAS) further undermine human dignity and security.

As the world's largest provider of Official Development Assistance (ODA) the European Union (EU) bears significant responsibility in addressing these interconnected issues. The post- 2027 Multiannual Financial Framework (MFF) and the future EU external financing instruments (EFIs), should offer the legal framework and strategic tools to advance sustainable development, human rights, and climate action. These instruments should also ensure alignment with the EU's commitments to transparency, accountability, and inclusive partnerships.

This position paper presents the recommendations of CONCORD, the European Confederation of NGOs representing more than 2600 NGOs, for the next MFF and EFIs. The first chapter outlines a clear rationale for why the EU must uphold its role as a global leader in international cooperation. The second chapter provides key recommendations for the design of the post-2027 MFF and EFIs. Finally, the third chapter proposes strategies to ensure the EU remains a credible and reliable partner, committed to poverty reduction, reducing inequalities, advancing sustainable human development and promoting a rights-based approach to support the welfare of people in partner countries.

WHY the EU must continue as a global leader?

Collectively with its Member States (MS), the EU is the world's largest provider of ODA, accounting for 40-50% of global contributions¹. Despite being a leading provider of ODA, EU MS members of the Organisation for Economic Co-operation and Development Assistance Committee (OECD DAC) have made historic cuts to their ODA allocations. Only four EU MS are meeting the 0.7% target². There are several reasons why the EU should reverse this recent trend and aim to continue to be a leading global actor in international and development cooperation:

- **To assert the EU's credibility in the world:** the EU's international credibility depends on its ability to deliver on its commitments and agreements to finance international cooperation, including the Sustainable Development Goals (SDGs) and the Paris Agreement. Additionally, its credibility depends on the ability to respect ODA integrity, and align its external policies with core human rights values to the principles of international law as well as to ensure policy coherence for sustainable development.
- **To respect the EU Treaties:** the Treaty on Functioning of the EU³ states that the EU shall promote multilateral solutions to common problems, in particular to foster the sustainable economic, social and environmental development of partner countries, with the primary aim of reducing poverty and inequalities. The treaty also states that the EU's global action shall be guided by the principles which have inspired its own creation, including democracy, the rule of law, the

¹ Council of the EU, press release (24 June 2024)

<https://www.consilium.europa.eu/en/press/press-releases/2024/06/24/official-development-assistance-the-eu-and-its-member-states-remain-the-biggest-global-provider/>

² Data from the OECD official data explorer

[https://data-explorer.oecd.org/vis?fs\[0\]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=19&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_DAC1%40DF_DAC1&df\[ag\]=OECD.DCD.FSD&dq=4EU001%2BROU%2BMLT%2BLVA%2BHRV%2BCYP%2BBGR%2BDACEU.11010..1160.USD.Q.&lom=LASTNPERIODS&lo=15&to\[TIME_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=19&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_DAC1%40DF_DAC1&df[ag]=OECD.DCD.FSD&dq=4EU001%2BROU%2BMLT%2BLVA%2BHRV%2BCYP%2BBGR%2BDACEU.11010..1160.USD.Q.&lom=LASTNPERIODS&lo=15&to[TIME_PERIOD]=false&vw=tb)

³ EU, Treaty of Lisbon (2007)

https://publications.europa.eu/resource/cellar/688a7a98-3110-4ffe-a6b3-8972d8445325.0007.01/DOC_19

universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, and the principles of equality and solidarity.

- **To reduce fragmentation and pool resources for more impact:** by working together as Team Europe, the EU and MS can achieve more than working independently and pool resources and efforts together to deliver in a more effective and impactful way. Working in silos can bring about only marginal change when addressing major global challenges such as forced displacement, conflict and human rights violations, climate change, soaring inequalities, and the spread of epidemics.
- **To keep building on strategic alliances and partnerships:** EU MS can build on the strategic alliances and long-standing partnerships that the EU – as a supranational organisation – has developed with partner countries, regional and international organisations, and other development actors. The EU’s development cooperation and external action are backed by strong political as well as economic ties with partner countries, and they give EU MS a global reach. By investing in international cooperation, the EU will be able to build stronger genuine partnerships and contribute to peace, democracy and resilient communities.
- **To enhance political influence and policy dialogue in multilateral spaces:** the EU should continue to play a significant role in global governance and leverage its collective resources and multilateral influence to address systemic challenges. The EU’s economic security and broader foreign policy objectives will benefit from the EU upholding its credibility and legitimacy on the global stage.
- **To respect EU’s citizens’ opinions:** a recent Eurobarometer⁴ shows that support for the EU to work with partner countries around the world remains strong, with 75% of EU citizens saying it is important for the EU to invest in partner countries outside the EU.

⁴ EU DG INTPA (2023)

https://international-partnerships.ec.europa.eu/news-and-events/news/international-partnerships-eurobarometer-peace-and-security-top-list-perceived-challenges-2023-09-21_en?utm_source=chatgpt.com

- **To enhance its own security and prosperity:** effectively addressing global challenges is not only a moral imperative but also a shared responsibility that benefits everyone. Challenges such as climate change and pandemics threaten the stability and prosperity of all nations, regardless of borders. By fostering international cooperation and collective action, the EU can mitigate risks, prevent crises from escalating, and contribute to a more stable and predictable world, ultimately improving the well-being of all people, including Europeans.

WHAT do we expect from the post-2027 MFF?

While we acknowledge the need for the EU to adapt its financial framework to better address global and domestic challenges, the following recommendations should be taken into account when designing the post-2027 MFF:

- **It should have a stand-alone and well-resourced heading for EU external action.** The EU's economic foreign policy and security ambitions combined with the EU's development cooperation commitments and responsibility towards partner countries, Least Developed Countries (LDCs) and Fragile and Conflict Affected States (FCAS) in particular, call for a significant increase in the EU's external action budget. It was calculated⁵ that in order for the EU and its MS to meet their 0,7% of GNI target for ODA by 2030, the EU's ODA budget should amount to at least 200 billion euros for a seven-year budget, or around 28,57 billion euros per year. Achieving this amount is the minimum that EU MS could do given their decades-long trend of ODA under-delivery since the original 1970 deadline was set⁶. This has caused partner countries to

⁵ 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](#).

⁶ UN General Assembly, Resolution 2626, International Development Strategy for the Second United Nations Development Decade

lose 1.2 trillion of ODA. In other words, EU MS owed a 1.2 trillion debt to partner countries, which is over 19 times the total ODA provided by EU Member States in 2023⁷.

- **Funding support for Ukraine should be additional and kept separate from the EU external action heading.** Continued support to Ukraine is needed, but it should not substitute support to other partners, with whom the EU must work in partnership in order to tackle global challenges and build resilience and peace in other situations of fragility and conflict.
- **The EU must not merge external action instruments further as this risks diluting specific mandates and approaches.** The EU should promote coordinated humanitarian-development-peace programming to address urgent needs and the root causes of conflict and instability. However, distinct instruments, such as an ODA-eligible development instrument, a humanitarian aid instrument (HUMA), and an Instrument for Pre-Accession countries (IPA), must be preserved.
- **A clear distinction should be maintained between EU development cooperation and migration and border management,** as they have different purposes and legal bases. The EU must reject the use of ODA for restrictive migration policies and border management, in line with OECD DAC rules. Migration-related activities included in ODA must adhere to objectives and principles rooted in development, humanitarian, and human rights frameworks. The EU should equally refrain from attaching migration management conditionalities to its international cooperation agreements and abide by the International Asylum and Human Rights conventions.
- **Any initiatives related to defence and military spending must remain strictly separated from development finance.** As per the EU Treaty⁸, separate funding channels should be established for military interventions, ensuring transparency and accountability in military-related expenditures. Under no circumstances should ODA be used to fund security-sector actors in activities that do not align with OECD DAC guidelines.

⁷ Data from AidWatch 2024 report. The estimate was calculated using OECD DAC data on historic GNI and ODA levels. For more details on the methodology check CONCORD's 2024 AidWatch report [here](#).

⁸ Article 41(2) of the Treaty on European Union

- **The principle of Policy Coherence for Sustainable Development (PCSD) should be used to ensure consistency within and between MFF headings and programmes.** By applying PCSD, synergies between and within programmes can be sought while the potentially negative impacts of other policy areas on human rights and sustainable development can be avoided.

Furthermore, a well-designed EU budget **must provide both predictability and increased flexibility** for the EU to be able to respond to unforeseen crises and needs without affecting long-term cooperation budgets and programmes. Predictability is crucial for sustainable development, as it enables partners to plan and implement long-term systemic initiatives, while flexibility is essential for addressing unforeseen needs. The balance between these two should guide the EU's approach. The following rules should be applied to maintain a balance between flexibility and predictability:

- Exceptional unforeseen needs should be covered by a **more substantial flexibility instrument** and by **global margins** – on both commitments and payments – that apply to the whole budget, rather than by relying primarily on the possibility of reallocating funds between and within budget headings.
- In accordance with the aid/development effectiveness principles, **flexibility on ODA spending** must be **justified** by changes in the context and needs of partner countries, and not by changing political priorities in the EU.
- **Uncommitted or de-committed funds** in one year should be used to support and complement the original objectives of instruments in the following year.

The current MFF does not allow the EU to mobilise resources at sufficient scale or speed to respond to global challenges in a timely manner. To build a future-proof budget that provides the necessary financial capacity to deliver the EU's ambition and interests, the EU will need **strengthened and modernised revenues for the EU budget.**

- EU MS' GNI-based contribution to the EU budget should increase - beyond the current payment ceiling at 1.23% of EU GNI - to get closer to the 1.4% maximum ceiling. The additional 0.6 percentage points increase to face Next Generation EU repayment costs⁹ must be maintained.
- New own resources¹⁰ will be needed to ensure sufficient and sustainable financing and to reduce the EU's budget's dependency on Member States' contributions.

HOW can the EU deliver greater impact?

According to the 2024 independent, mid-term evaluation of the EU's external instruments, the NDICI-GE is fit for purpose and effectively delivers on its objectives¹¹. According to the evaluation, it enables the EU to promote its priorities and principles in a coherent manner externally, while offering significant added value through a more integrated, sizable, and coordinated approach to the EU's external actions compared to the previous instruments.

However, we believe that the following recommendations must underpin the negotiations of the next EU external financing instruments, if the EU wants to be a credible and reliable partner in the world and deliver on its commitments:

- **The EU should apply a principled and inclusive approach to the EU's programming** that prioritises global solidarity over geopolitical interests and embeds a long-term, human-centered vision into its external action, as this builds the trust of global partners and enables systemic change. Additionally, the EU's external action must adopt a do-no-harm and human security approach that prioritises the dignity, rights, and resilience of individuals and communities. A

⁹ EU (2024)

https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/revenue/revenue-ceilings_en | <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D2053>

¹⁰ See the CS paper setting out a series of new options for Own Resources that, if agreed, could raise at least €688 billion in revenues, while promoting a fair green transition without burdening ordinary EU citizens.

<https://drive.google.com/file/d/1GGRwl7Qm6UKnNAwja8njR4Gu1QymkUkg/view>

¹¹ EU (2024) <https://data.consilium.europa.eu/doc/document/ST-11343-2024-INIT/en/pdf>

human rights-based approach (HRBA), combined with a strong gender equality perspective, is essential to ensure that EU-funded initiatives effectively address poverty and inequality, leaving no one behind.

- **Use of EU ODA must remain focused on the reduction of poverty and inequalities, and promoting the development and welfare of people in partner countries.** While recognising the significant financing gaps for achieving the SDGs, the EU must ensure that EU ODA is not instrumentalised for purposes that divert it from its primary objective as defined by the OECD DAC¹². EU ODA must prioritise sustainable development in partner countries and those most in need: LICs, LDCs and countries affected by fragility, conflict and crisis¹³.
- **The EU should leverage different policies to increase the impact of its external action.** While we recognise that ODA is an essential pillar of EU external action, it is not the only one. Trade, foreign direct investment (FDI), development finance institutions (DFIs), the European Peace Facility, and EU diplomacy complement ODA, and they can and should be used to build synergies, ensure coherence, and strengthen the impact of the EU's external action, in line with the principle of PCSD.
- **The EU should focus on developing funding strategies and modalities that are specifically designed to provide support where it is most needed.** One of the newest strategies in the EU's toolbox, Global Gateway, could pave the way by being used in contexts and areas where it provides a clear added value in terms of development impact and financial additionality. The modalities used by Global Gateway are not appropriate to support fragile and conflict-affected countries (FCAS), LICs and LDCs. In these contexts, the provision of basic services to fulfil vital needs are often the most urgent priority, together with supporting the social and economic development of local populations, and in these cases, grants should be prioritised.
- The EU must ensure that its **support for connectivity and infrastructure development is integrated with measures to promote inclusive governance, sustainable development, and**

¹² OECD, Official development assistance – [definition and coverage website](#)

¹³ AidWatch report 2024, CONCORD, <https://aidwatch.concordeurope.org/2024-report/>

active participation in civic space. This includes safeguarding human rights, addressing intersectional inequalities, and fostering accountability from both governments and the private sector. A people-centred approach should guide these efforts, prioritising the needs and rights of marginalised groups.

- **The EU should ensure partnerships with a diversity of actors, especially CSOs.** As important as the use of diverse, context-specific aid modalities, is the delivery of commitments by the most appropriate actors. CSOs are part of the fabric of all partner countries and contribute to empowering communities and addressing sensitive issues like governance, gender inequality, and social exclusion. Not only do they know the context, needs and priorities of communities and other local actors, they have the credibility to support the delivery of the EU's commitments vis-à-vis partners. Therefore, their inclusion in the planning and definition of programmes and initiatives must be further strengthened in the next MFF.
- **The EU needs people on the ground at country and regional levels.** To build trust and long-term relations with partners and effectively deliver on EU commitments, the presence of EU staff in partner countries is key. This enables the EU to build a local understanding, directly interact with governments, private sector, civil society and other local actors and work with them in the implementation of priorities that are aligned with partner countries' needs, all important factors for effective development cooperation.



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