

Brussels, 11 September 2018

For the attention of:  
*Federica Mogherini*  
*High Representative*  
*Vice-President of the European Commission*

*CONCORD a.i.s.b.l.*  
*Rue de l'industrie 10*  
*1000 Brussels*

**Subject: Informal Foreign Affairs Council Meeting on 14 September 2018**

Dear High Representative and Vice-President of the European Commission,

Ahead of the Informal Foreign Affairs Council on 14 September 2018, CONCORD, whilst welcoming the increase in funds, would like to raise crucial issues and suggest recommendations regarding the Heading VI: Neighbourhood and the World within the new Multiannual Financial Framework 2021-2027 (MFF); in particular with regard to the proposed Regulation establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI).

**Objectives and priorities of EU development cooperation**

The current proposal of the NDICI will not effectively deliver on the EU's policy priorities on development cooperation, nor does it contain all the necessary elements to implement EU development policies vis-a-vis its partners. In fact, key policy frameworks such as the 2030 Agenda for Sustainable Development, the European Consensus on Development and the development and aid effectiveness principles are referred to in a descriptive rather than prescriptive manner in the Regulation and are not used as a guidance for programming and implementation. While referenced in the introduction, binding and separate benchmarks on human development, gender and a higher benchmark on climate change and the environment are missing in the articles of the Regulation. In addition, there is a need to strengthen development, environmental and human rights safeguards in EFSD+ in order to ensure it truly serves sustainability and development objectives.

**Financial allocations**

We find that the recommended allocation of funds in the proposed Regulation do not adequately reflect the EU's external priorities related to development cooperation and its main objective: the eradication of poverty.

First, there is an unequal geographical distribution, with the Neighbourhood and Africa clearly coming out as winners in the geographic pillar compared with other regions such as the Asia-Pacific, the Caribbean and Latin America who stand to lose from the budgetisation of the European Development Fund. However, even the increase in allocations for the Neighbourhood and Africa is relatively limited. It is also unclear how far low income countries of these regions will be given priority, in particular given the growing importance of investment facilities such as the EFSD+.

Second, while the allocations under the thematic pillar have considerably decreased, leaving little resources for actions on Global Challenges that address the key areas of people, planet, prosperity and partnerships. The only envelope with a significant increase is the envelope on Stability and Peace. There should be an increase in funding allocated to the thematic pillar.

Dedicating 10.2 billion euros for emerging challenges and priorities cushion clearly demonstrates a priority given to flexibility at the expense of predictability and long-term development. In addition, the system of oversight and governance over the cushion and the criteria for its release remains unclear. There are no safeguards to ensure that the cushion will not be used to serve other purposes and objectives than those established in the regulation.

### **Private sector cooperation in development**

The NDICI proposes to significantly increase the financial allocation for budgetary guarantees and blending, which will enable a much stronger role for the private sector to become active in development interventions. However, the amount of EU aid funding that will be allocated through this kind of investment is not clearly stipulated in the draft Regulation. This is problematic, and a clear upper limit should be set. While the private sector might open new opportunities, there should be an acknowledgement that increased private sector engagement in development involves risks and that other tested and effective channels and modalities of EU aid are equally, if not more, important to reach the objectives of the NDICI.

The EFSD has not yet been evaluated, and there is no guarantee of its ability to deliver development impact. Therefore, before increasing the volume of the EU's development aid allocated to the EFSD+, an evaluation of the existing EFSD, should be carried out. The scheme should only be expanded in the next MFF if the assessments demonstrate that it can contribute to the core objective of the Agenda 2030 for Sustainable Development especially its key principle of leaving no-one behind; fulfil human rights obligations; adhere to aid and development effectiveness principles; enhance climate action; and reduce gender inequalities. Support to the private sector should be focused on equitable and environmentally sound business models, structured to serve local workers and entrepreneurs. Development impacts must be prioritised over financial returns. It will be important to ensure that EU aid funding, which should be used for advancing the wellbeing of local populations in partner countries, is not being used as a subsidy for European companies.

Attached you will find an Annex with a more detailed analysis of the NDICI Regulation and an analysis of the NDICI thematic programmes. We remain at your disposal for any further discussion you might require.

Yours sincerely,



Johannes Trimmel  
President of CONCORD

Cc:

Mr Neven Mimica, Commissioner for International Cooperation and Development

Mr Christos Stylianides, Commissioner for Humanitarian Aid and Crisis Management

Mr Johannes Hahn, Commissioner for European Neighbourhood Policy and Enlargement Negotiations

<b>NATIONAL PLATFORMS</b>	Global Responsibility	BELGISCH PLATFORM PLATE-FORME BELGE <b>CONCORD</b> CNCD-11.11.11 11.11.11 ACODEV ngo-federatie	<b>BPID</b> Bulgarian Platform for International Development	Platforma za međunarodnu građansku solidarnost Hrvatske — Croatian Platform for International Citizen Solidarity <b>CROSOL</b>	<b>CVINDEP</b> Cypriot Island wide NGO Development Platform	<b>FORS</b>
<b>GLOBAL FOCUS</b> Dedicated CSOs for Development Cooperation	<b>AKÜ</b>	<b>KEHYS*RY</b>	<b>Coordination SUD</b> Solidarité Urgence Développement	<b>VENRO</b> ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOs	Hellenic Platform for Development	<b>HAND</b>
<b>Dochas</b> The Irish Association of Non-Governmental Development Organisations	Network delle ONG in Europa per lo sviluppo e l'emergenza <b>CONCORD ITALIA</b>	<b>LAPAS</b> WWW.LAPAS.LV	Lithuanian National Non-Governmental Development Cooperation Organisations' Platform <b>LITDEA</b>	<b>Cercle de coopération</b> des ONGS DU LUXEMBOURG	<b>SKOP</b> Solidarjetà u Koperazzjoni	<b>PAR TOS</b>
<b>ZAGRANICA</b>	<b>ONGD</b> PLATAFORMA PORTUGUESA	<b>FOND</b> Federatívni Organizáci na Nepravidelné pomoc Dvostrana do Randu	<b>MVRO</b> Platforma mimovládnych rozvojových organizácií Slováck NGDO Platform	<b>SLOGA</b> SLOVENIAN GLOBAL ACTION	<b>COORDINADORA</b> COOPERACIONES CONCORD EN ESPAÑA	<b>CONCORD SWEDEN</b>
<b>bond</b>	<b>NETWORKS</b>	<b>actalliance eu</b> Formerly APRODEV	<b>actionaid</b>	<b>ADRA</b>	<b>care</b>	<b>caritas europa</b>
<b>cbm</b> together we can do more	<b>ChildFund</b> Alliance	<b>CIDSE</b> together for global justice	<b>euCORD</b> European Civil Society Organisation for Relief and Development	<b>GNDR</b> Global Network of Civil Society Organisations for Disaster Reduction	<b>Habitat for Humanity</b> Europe, Middle East and Africa	<b>HelpAge</b> global network
<b>Hi</b> humanity & inclusion	<b>IPPF</b> International Planned Parenthood Federation European Network	<b>ISLAMIC RELIEF</b>	<b>LIGHT FOR THE WORLD</b>	<b>OXFAM International</b>	<b>PLAN INTERNATIONAL</b>	<b>Save the Children</b>
<b>solidar</b>	<b>SOS CHILDREN'S VILLAGES INTERNATIONAL</b>	<b>Terre des Hommes</b> International Federation	<b>World Vision</b>	<b>ASSOCIATE MEMBERS</b>	<b>ALDA</b> European Association for Local Democracy	<b>ea ea</b> EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS
<b>EUROPEAN PARTNERSHIP FOR DEMOCRACY</b>	<b>WWF</b>					