



8 June 2020

Dear EU Heads of State and Government,

Re. EU Multiannual Financial Framework 2021-2027 and Next Generation EU 2021-2024

We are writing to you in advance of the European Council on 19 June in order to present our **recommendations on Heading VI (Neighbourhood and the World) of the next EU Multiannual Financial Framework (MFF) and the external aspects of the Next Generation EU 2021-2024.**

We, civil society networks active in the fields of sustainable development, development finance, human rights, democracy, peacebuilding, gender equality, environmental and climate justice, and humanitarian aid, are made up of hundreds of member organisations in your countries and supported by hundreds of thousands of people in Europe and elsewhere.

We welcome the European Commission's proposal for the MFF 2021-2027 and the Next Generation EU. An **increase in financial resources is much needed to respond to humanitarian needs, to reach the Sustainable Development Goals (SDGs) by 2030 and achieve the objectives of the Paris Climate Agreement** - especially given the devastating consequences of the COVID-19 crisis. We therefore appreciate the external dimension of the Next Generation EU fund which offers a step in the right direction in increasing resources for developing countries.

However, as this increase to Heading VI is mostly through Next Generation EU guarantees, we urge you to ensure that **climate and environmental action, development co-operation, human development, gender equality, human rights and democracy, humanitarian assistance and peacebuilding are strengthened under Heading VI.** In 2013, the European Council pledged to ensure that at least 90% of the EU's external assistance could be classified as official development assistance (ODA). In light of this positive commitment, we recommend a **95% ODA target for Heading VI in the next MFF.** This should be backed by restating the EU's long-standing commitment to **contribute 0.7% of GNI to ODA.** To deliver on the European Green Deal the Neighbourhood, Development and International Cooperation Instrument (NDICI) should be governed by a **50% climate and environment** spending target.

The allocation of the additional €10.5bn to External Action Guarantees from the Next Generation EU fund, dedicated to loans to the public and private sectors, and the doubling of the EFSD+ investment target in the NDICI, significantly reduce the weight of grant-based finance to public authorities and Civil Society Organisations (CSOs) in the overall EU budget for external action. We therefore strongly encourage you to **redirect some of the money intended for leveraging private finance towards grant-based support.**

The focus should be on countries and communities most in need. We also call upon you to **reallocate funding from the Emerging Challenges and Priorities cushion to the thematic pillar.**

We hope that you will take our recommendations into account during your discussions on the next MFF and Next Generation EU and we look forward to continued engagement with you in 2020.

Yours sincerely,



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Director
CAN Europe



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Director
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Kerstin Reemtsma
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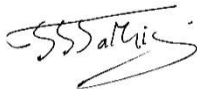
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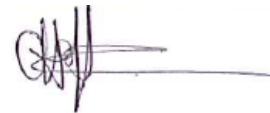
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Mr Charles Michel, President of the European Council

Ms Ursula von der Leyen, President of the European Commission

Mr Josep Borrell Fontelles, High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the European Commission

Mr Johannes Hahn, Commissioner for Budget and Administration

Ms Jutta Urpilainen, Commissioner for International Partnerships

Mr Janez Lenarčič, Commissioner for Crisis Management

Mr Olivér Várhelyi, Commissioner for Neighbourhood and Enlargement