PFD Information session on the next Multi-Annual Financial Framework

10 April 2025

Executive Summary

The Policy Forum on Development hosted a consultation organised by the Directorate-General for International Partnerships of the European Commission (DG INTPA), together with the DG for the Middle East, North Africa and the Gulf (DG MENA) and the Service for Foreign Policy Instruments (FPI), and the European External Action Service (EEAS) to update PFD members on the next multiannual financial framework (MFF), which is under preparation. The meeting was held online on April 10, 2025, and attended by 60 CSO and LA participants from 46 organisations. The information update and clarification questions were followed by input from PFD members on the future MFF. This report summarizes the information shared and the key messages put forward in reaction.

The European Commission and EEAS presented an overview of the process, importance and challenges of the next MFF. PFD members asked clarification about: the process and timelines; the links with the Global Gateway strategy; how past evaluations have been taken into account (Mid-Term Evaluation of NDICI-Global Europe; European Court of Auditors' reports, OECD peer review, etc.); attention to fragile states; focus on investments and the continued use of grants.

EU colleagues shared the intention to share the past evaluation¹; work toward an important result at the next Financing for Development conference (in Sevilla in July); follow a differentiated approach depending on the country and context; and work to allow for both predictability and flexibility. The EU stressed the importance of sharing input through the ongoing Open Public Consultation (until 6 May).

The main comments/suggestions from participants regarding the next MFF included:

Maintain and increase funding for external action

- . International solidarity must be maintained and reinforced.
- . Call not to further streamline different external action instruments and for a well-funded external action heading. This includes ensuring an adequate level of development funding and not only humanitarian aid.
- . It is in the EU's strategic interest to direct funding to difficult settings and to populations and civil society.
- . Predictability for long term development with flexibility to address crises
- . ODA must remain focused on reduction of poverty and inequalities

Maintain grant funding and funding to/engagement with CSOs and LAs

- . The current situation is not the time to decrease grant support
- . Do not increase co-funding requirements, notably for civil society and feminist organisations that rely on volunteers and maintain low overheads
- . Continue support for Financial Framework Partnership Agreements (FFPAs) at global and regional level in addition to country level support
- . Provide additional safeguards on how to involve CSOs in new strategies/frameworks, such as subgrants under GG initiatives
- . Review how CS can be included in indirect management through pillar-assessed entities

¹ Documents shared:

[•] Report on the Mid-Term Evaluation of NDICI-Global Europe: <u>Register of Commission Documents - COM(2024)208</u>

Staff Working Document accompanying the Report: <u>Register of Commission Documents - SWD(2024)133</u>

- . Reinforce local partnerships between civil society, private sector and local governments.
- . Support local government and civil society to access funds to provide rapid impact
- . Reinstate the LA budget line, as LAs are necessary to support bankable projects and have been of especially strong value in fragile contexts as they are entry points for EUDs. Budget line can be liked to GG implementation.

Maintain thematic programmes

- . Thematic programmes (human rights and democracy, civil society organisations and global challenges) have an important role and should remain even if budget structure changes; amount in this programme is very small compared to the rest of the budget
- . Link work to GAP III targets

Maintain focus on fragile and conflict affected settings (FCAS)

- . Work in fragile settings must remain a priority
- . Ensure that adequate levels of development funding continue to go to conflict-affected LDCs
- . Maintain commitment to the triple nexus
- . Rapid response pillar has been useful and should focus on the first 2 components: crisis response and resilience

Maintain targets and make them even more ambitious

- . Target on Human Development should be a minimum level; the EU should be even more ambitious, with some CSOs suggesting a 50% target to Human Development
- . Gender equality target of 85% should not be based on the number of actions but on ODA (85% ODA dedicated to gender equality; 20% to gender specific actions)
- . Climate and biodiversity targets should be more ambitious, especially in external action

Support democracy

- . Supporting democracy allows for partners' capacity and effectiveness
- . Create budget line for democratic openings abroad EU should become first partner organisations can work with to build a stable and democratic world