

NDICI-Global Europe: Implementation

With a budget of almost €79.5 billion in 2021 prices, the Global Europe Instrument is the EU's main financing instrument for external action for 2021 to 2027. The European Commission adopted most of the programming documents under the instrument in December 2021, setting out the priorities and budget allocations for EU cooperation with its partner countries and regions. After two years of operations and before the instrument's mid-term evaluation, the Parliament is set to vote in December on a report on its implementation, in a pre-electoral context marked by budgetary constraints and unprecedented geopolitical challenges.

Background

On 16 November 2023, (after having received and largely taken account of the opinion of the Committee on Budgets (BUDG), the Committees on Foreign Affairs (AFET) and Development (DEVE) adopted an own-initiative joint [report](#) on the implementation of the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe. Hereinafter referred to as the Global Europe Instrument (GEI), the instrument was established by Parliament and Council [Regulation 2021/947](#) of 9 June 2021, and applied retroactively from 1 January 2021. The joint report aims to provide recommendations ahead of the GEI's mid-term evaluation, which the Commission is expected to conclude by the end of 2024. The joint report is set for a vote in plenary in December (Rapporteurs: Michael Gahler, EPP, Germany; Charles Goerens, Renew, Luxembourg; Pedro Marques, S&D, Portugal; and Tomas Tobé, EPP, Sweden).

In its [proposal](#) of 20 June 2023 for a [revision](#) of the 2021-2027 multiannual financial framework (MFF⁹, the Commission proposed to increase the expenditure ceiling for Heading 6 ('Neighbourhood and the World') with an additional €9 056 million for 2024-2027. It declared that addressing the unexpected and unprecedented challenges the EU has faced since the adoption of the MFF 'has pushed the resources of the EU budget to the point of exhaustion, hindering the budget's capacity to address even the most urgent challenges'. Concerns raised by experts include, among others, the [observation](#) that assistance to Ukraine has consumed all the MFF margins, including the GEI '[cushion](#)', raising 'concerns that EU support to Ukraine would ultimately come at the expense of other countries and regions' (ECDPM), and a lack of [transparency](#) in the use of the cushion itself. The AFET–DEVE report makes a range of observations.

Funding gap

The report welcomes the above-mentioned Commission proposal for a revision of the MFF with additional funding for Heading 6, since the current financial programming is under-funded for the GEI, and should better reflect the EU's geopolitical ambitions and its global commitments. The report states that the new challenges necessitate both the GEI mid-term evaluation of the and the mid-term review of the MFF.

The report underlines the need to review the EU's external and development policies in light of this funding gap, the increasing inequalities between and within countries, and global food insecurity. It recognises the impact of geopolitical changes, in particular Russia's war against Ukraine, and the highly important strategic partnerships with partner countries; it stresses that the mid-term evaluation should assess whether the instrument's objectives of poverty and inequality reduction, human rights promotion and sustainable development are being met.

Flexibility, accountability and transparency

The report welcomes the merging of most of the previous EU external financing instruments into the GEI, which brought simplification, more flexibility and greater efficiency. However, it points to insufficient accountability and transparency. The report recalls the findings of the European Court of Auditors' [Special Report 14/2023](#), which notes that, in more than one fifth of the sampled indicators, baseline indicators have been missing or unclear, and one quarter had either no targets or unclear targets. Furthermore, data sources in the [multiannual indicative programmes](#) (MIPs) were fragmented or missing.



The report then calls on the Commission to greatly increase the capacities of EU delegations. It should also publish and present to Parliament, at least every other year, an aid effectiveness progress report, and calls for the mid-term evaluation to assess if 'funding has delivered tangible results in Africa, in line with the instrument's objectives, the [EU-Africa strategy](#) and the [outcomes of and priorities](#) set at the 6th African Union-EU Summit in 2022'. The Commission should assess the need to review these priorities and objectives. The report calls on the Commission to provide detailed information on the progress made on the thematic spending [targets](#) (official development assistance, least-developed countries, human development, migration, climate and gender), and to present a detailed plan on how to 'meet the spending and gender targets by the end of the MFF'.

Ukraine, Moldova and Georgia

The report requests that the mid-term evaluation provide legal and political clarity on the listing of Ukraine, Moldova (both candidates for accession to the EU) and Georgia (a potential candidate), as beneficiaries under the GEI Neighbourhood chapter, while transferring the EU financial envelopes to the Instrument for Pre-Accession Assistance (IPA III, Regulation [2021/1259](#) of 15 September 2021). This would reduce the financial pressure on the GEI. The report welcomes the Commission [proposal](#) of 20 June 2023 to create a new instrument, the Ukraine Facility (with €50 billion for 2024-2027), under Heading 6, while insisting on using a long-term instrument.

Global Gateway and Team Europe

The [Global Gateway](#) is the €300 billion investment plan mobilised for projects in EU partner countries, as the EU [alternative](#) to China's '[Belt and Road Initiative](#)'. [Team Europe](#) consists of the EU, Member States, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development. Team Europe Initiatives (TEIs) [mobilise](#) the €300 billion of the Global Gateway, half of which is earmarked for the [Africa-Europe Investment Package](#).

The report notes that the EIB's new development branch, [EIB Global](#), active since 1 January 2022, has made extensive use of the investment window, investing over €10 billion in 2022, mostly to support Ukraine and the [Global Gateway](#). It insists that Global Gateway-funded projects 'should be financed through fresh appropriations and the related upward revision of the Heading 6 ceiling'. Recalling an observation of the Court of Auditors, the report also regrets that MIPs do not mention Member States' contributions to TEIs, making Member State financial support unclear and thereby blurring the future of TEIs as a collective initiative. [Experts](#) have also raised this concern. The report also calls on the Commission and the Member States to increase democratic scrutiny of TEIs. As part of Team Europe, the Parliament wishes to receive the list of EIB investments mobilising the instrument's funds.

Parliamentary scrutiny

The report recalls Parliament's powers of political and budgetary control. It insists that the twice-yearly [high-level geopolitical dialogue](#) between Parliament and the Commission and the European External Action Service should set general orientations to implement the GEI. It demands that Parliament receive detailed information on the budget executed, or to be executed, as well as full and timely access to documents, and to standardised baseline, target indicators, and data sources. This should allow Parliament to monitor projects' impact and progress. The report reiterates that Parliament's resolutions are part of the policy framework for the GEI's implementation; it urges the Commission to 'significantly improve' the timely delivery of documents to Parliament ahead of the high-level dialogue, and the way it takes account of Parliament's recommendations, 'notably by engaging in a written procedure after each dialogue'. It also calls on the Commission to present a legislative proposal allowing Parliament to propose pilot projects and preparatory actions that would otherwise be ineligible.

Pilot projects and preparatory actions are new initiatives adopted annually by Parliament, based on a draft report from its Committee on Budgets, and reflecting Parliament's priorities, which have the potential to become standing Union activities and programmes, if not already funded by existing EU financial tools and programmes.