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DRAFT REPORT

on the implementation of the Neighbourhood, Development and International
Cooperation Instrument – Global Europe
(2023/2029(INI))

Committee on Foreign Affairs
Committee on Development

(Joint committee procedure – Rule 58 of the Rules of Procedure)

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EXPLANATORY STATEMENT – SUMMARY OF FACTS AND FINDINGS

The Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe aims to support countries most in need to overcome long-term developmental challenges and to achieve the international commitments and objectives that the Union has agreed to, in particular the 2030 Agenda and its Sustainable Development Goals and the Paris Agreement. It is the EU's main financing tool to contribute to eradicating poverty and promoting sustainable development, prosperity, peace and stability. With an overall allocation of EUR 79.5 billion, the NDICI-Global Europe covers the EU cooperation with all third countries for 2021-2027 (except for the pre-accession beneficiaries and the overseas countries and territories).

Two years since the beginning of the Multiannual Financial Framework (MFF) 2021-2027 and the entry into force of the NDICI-Global Europe, in a challenging global context marked, among others, by the consequences of the Covid-19 pandemic and of Russia's war of aggression against Ukraine, this report aims to provide recommendations ahead of the mid-term evaluation (MTE) of the Global Europe instrument, which the Commission shall conclude by the end of 2024.

Table 1 provides an overview of commitment and payment appropriations of NDICI-Global Europe since its entry into force in 2021. Data is available for 2021 and 2022 (preliminary data). The information is provided per pillar, subdivided by geographical and thematic programmes. Detailed information on the cushion for emerging challenges and priorities for 2021-2027 is provided in a separate Table 2.

Table 1 - Implementation: state-of-play for 2021 and 2022

		Commitment appropriations 2021 (in M EUR)		Payment appropriations 2021 (in M EUR)		Commitment appropriations 2022 (in M EUR)		Payment appropriations 2022 (in M EUR)	
Geographic programmes		Committed	Carried-over	Paid	Carried-over	Committed	Carried-over	Paid	Carried-over
Neighbourhood	Southern Neighbourhood	1047,8	537,8	90	-	1,694	-	542	-
	Eastern Neighbourhood	296,1	394,5	101,2	-	1,121	-	910	-
	Territorial and cross-border cooperation	3,5	84	-	-	56	-	0.4	3.1
Sub-Saharan Africa	West Africa	1689,4	-	10	-	950	-	279	-
	East and Central Africa	1312,9	81,6	5	-	1,271	-	348	-
	Southern Africa and Indian Ocean	192,7	-	-	-	1,063	-	44	-
Asia and the Pacific	Middle East and Central Asia	375,9	-	-	-	366	-	79	-
	South and East Asia	388	-	-	-	551	-	37	-
	The Pacific	61,2	-	-	-	120	-	4	-
Americas and the Caribbean	The Americas	258,1	-	-	-	272	-	30	-
	The Caribbean	111,5	-	-	-	106	0.0	8	-
External Action Guarantee	EFSD+, ELM	1442,8	423,2	-	-	1,347	-	490	-
Thematic programmes									
Human Rights and Democracy	Election Observations	49,9	-	8,8	6,7	26	0.0	22	-
	Fundamental Rights	150,2	-	12,9	-	266	-	69	-
Civil Society Organisations		200	-	-	-	358	0.1	40	-
Peace, stability and conflict prevention		134,1	-	8,2	-	138	-	33	-
Global Challenges	People	1611,8	-	697,2	900	409	-	-	-
	Planet	66,9	-	-	-	134	-	28	-
	Prosperity	130	-	-	-	132	-	15	-
	Partnerships	14,8	-	-	-	58	-	10	-
Rapid response									
Crisis response		261	-	88	-	268	0.0	257	-
Resilience		530	-	-	-	634	0.3	192	-
Foreign policy needs and priorities		13	36,2	-	-	84	0.0	18	-
Emerging challenges and priorities cushion		-	-	-	-	-	-	-	-

Table 2 - Cushion for emerging challenges and priorities for 2021-2027

NDICI-Global Europe's cushion - multiannual planning (EUR million)									
	2021	2022	2023	2024	2025	2026	2027	Year tbd	Total
Amounts available	1.408	1.538	1.395	1.324	1.249	1.170	1.226		9.310
Top-up Global challenges thematic programme	168	163	269						600
Top-up Human Rights and Democracy thematic programme		100	100						200
Top-up Civil Society Organisations thematic programme		150	50						200
COVAX	400								400
Support to vaccination and global health (SOTEU announcement)	450								450
Support roll-out of vaccines (from budget 2022 conciliation)		75							75
Initiative on vaccines production in Africa (SOTEU announcement)			134	266					400
GFATM seventh replenishment								65	65
Global Partnership for Education			225						225
Syrian refugees package - Turkey	370	469	82						921
Syrian refugees package - Syria, Jordan, Lebanon, Iraq		50	130	130					310
Migration - North Africa	20	30							50
Ukraine pledge 5/5/22		200							200
Ukraine pledge 8/4/22		301							301
Ukraine pledge - Fast recovery - 2/3/23			305						305
Ukraine - Interest rate subsidy MFA1+MFA2 6 billion MFA loan ^{2/3}			100	195	174	174	174		819
Ukraine - Provisioning EIB repurposed loans 1,59 billion ^{2/3}					322	322	322		967
Global Gateway					250	250	250		750
Union secure connectivity programme ¹					50	50	50		150
Total	1.408	1.538	1.395	591	797	797	797	65	7.388
	100%	100%	100%	45%	64%	68%	65%		79%
Remaining	0	0	0	732	452	373	430	-65	1.922

¹ Communicated through the legislative financial statement of the proposal COM/2022/57 final - 15.2.2022

² Communicated through the legislative financial statement of the proposal COM/2022/557 final - 7.9.2022

³ Estimated contribution from the cushion

Team Europe Initiatives

Table 3 provides information on the Team Europe Initiatives (TEIs) around the world. TEIs bring together the Union and Member States in a collective and coordinated action. All Member States are participating in one or several TEIs. TEIs are the sum of a number of coordinated, but mostly independent, actions/projects implemented by the individual TEIs members/contributors.

TEIs can bring together a diverse mix of instruments such as grants, concessional loans and guarantees to de-risk private sector investments, as well as operational tools such as technical assistance, policy and economic dialogue, trade and investment agreements and standardization, etc.

Table 3 - Team Europe Initiatives (TEIs)

Team Europe Initiatives	Country	Regional	Total
Sub-Saharan Africa	70	17	87
Americas and the Caribbean	24	6	30
Asia and the Pacific	17	7	24
DG INTPA	111	30	141
Neighbourhood	16	3	19
DG NEAR	16	3	19
Sub-total	127	33	160
Global-Thematic			5
Total			165

Official Development Assistance (ODA) in 2022 (preliminary data)

According to OECD's 2022 data, Team Europe's collective ODA efforts reached EUR 92.8 billion in 2022, up from EUR 71.6 billion in 2021. This is an increase of nearly 30% in nominal terms (+ EUR 21.2 billion) and of almost 24% in real terms. As such, Team Europe remains the world's leading donor, providing 43% of global ODA in 2022. As a share of GNI, Team Europe's collective ODA amounted to 0.59% in 2022, up from the 0.49% of 2021, and more than the average of non-EU Development Assistance Committee (DAC) donors (0.28% in 2022).

EU Assistance to Ukraine

In 2022, the bilateral assistance for Ukraine under NDICI-Global Europe amounted to EUR 1.018 billion. This included the following cushion mobilisations:

- EUR 200 million to support the Ukrainian government in providing basic services to internally displaced people.
- EUR 301 million to increase the EU's support to the growing number of internally displaced people in Ukraine, as part of Commission President von der Leyen's announcement at the Pledging Event Stand up for Ukraine.

For bilateral assistance to Ukraine under NDICI-Global Europe in 2023, work is ongoing. Corresponding cushion funds have been mobilised:

- EUR 305 million (2023), to contribute to the EUR 1 billion of EU support to Ukraine's fast recovery, as announced by Commission President von der Leyen during the EU-Ukraine Summit in Kyiv on 2 February 2023.

Moreover, the following cushion funds are mobilised in favour of Ukraine over several years:

- EUR 819 million (2023-2027), to contribute to the payment of the interest rate subsidy of the EUR 6 bn Macro-financial assistance to Ukraine;
- EUR 967 million (2025-2027), to contribute to the provisioning for the EUR 1.59 bn disbursements of EIB loans under the Extended Lending Mandate loans to Ukraine.

Since July 2023, the proposal for a Ukraine Facility seeks to combine all support to Ukraine in one single instrument, providing a coordinated, strong policy and financial framework, aligning sustainable reconstruction and accession path. This Facility will be subject to a co-decision procedure, with a view to adoption by the end of 2023.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the Neighbourhood, Development and International Cooperation Instrument – Global Europe (2023/2029(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union (TFEU), and in particular to Articles 209 and 212 and Article 322(1) thereof,
- having regard to Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009¹,
- having regard to the Commission report of 8 November 2022 entitled ‘2022 Annual Report on the implementation of the European Union’s External Action Instruments in 2021’ (COM(2022)0578),
- having regard to various reports of the European Court of Auditors on EU external financing, in particular to Special Report 14/2023, ‘Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe: comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring’,
- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 1 December 2021 entitled ‘The Global Gateway’ (JOIN(2021)0030),
- having regard to the Council conclusions of 14 June 2021 on enhancing the European financial architecture for development,
- having regard to the Commission report of 24 March 2022 entitled ‘Commission’s roadmap for an improved European financial architecture for development and 2021 progress report’ (COM(2022)0139),
- having regard to the Council conclusions of 14 June 2021 on strengthening Team Europe’s commitment to Human Development,
- having regard to the Council conclusions of 20 May 2022 on the EU’s renewed partnership with Least Developed Countries,
- having regard to its resolution of 18 April 2018 on the implementation of the EU external financing instruments: mid-term review 2017 and the future post-2020

¹ OJ L 209, 14.6.2021, p. 1.

architecture²,

- having regard to its resolution of 17 April 2018 on the implementation of the Development Cooperation Instrument, the Humanitarian Aid Instrument and the European Development Fund³,
 - having regard to its position adopted at first reading of 27 March 2019 on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument⁴,
 - having regard to its resolution of 24 November 2022 on the future European Financial Architecture for Development⁵,
 - having regard to its resolution of 23 June 2022 on the implementation and delivery of the Sustainable Development Goals (SDGs)⁶,
 - having regard to its resolution of 15 June 2023 on the implementation and delivery of the Sustainable Development Goals⁷,
 - having regard to its recommendation of 15 March 2023 to the Council and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy taking stock of the functioning of the EEAS and for a stronger EU in the world⁸,
 - having regard to its resolution of 25 November 2020 on improving development effectiveness and efficiency of aid⁹,
 - having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
 - having regard to the joint deliberations of the Committee on Foreign Affairs and the Committee on Development under Rule 58 of the Rules of Procedure,
 - having regard to the opinion of the Committee on Budgets,
 - having regard to the report of the Committee on Foreign Affairs and the Committee on Development (A9-0000/2023),
- A. whereas the Neighbourhood, Development and International Cooperation Instrument – Global Europe (‘the Instrument’) entered into force on 14 June 2021 and consolidated a multitude of previous instruments under a single instrument;
- B. whereas the Instrument’s external investment framework brings together blended

² OJ C 390, 18.11.2019, p. 76.

³ OJ C 390, 18.11.2019, p. 33.

⁴ OJ C 108, 26.3.2021, p. 312.

⁵ OJ C 167, 11.5.2023, p. 57.

⁶ OJ C 32, 27.1.2023, p. 28.

⁷ Texts adopted, P9_TA(2023)0250.

⁸ Texts adopted, P9_TA(2023)0077.

⁹ OJ C 425, 20.10.2021, p. 73.

finance and guarantees under the European Fund for Sustainable Development Plus (EFSD+) External Action Guarantee (EAG), which is to be implemented by eligible partners in an open and collaborative approach, with a specific role for the European Investment Bank (EIB);

- C. whereas due to limited resources, the external financing instruments have often been stretched to their limits; whereas, since the adoption of the Regulation establishing the Instrument, events such as the Russian war of aggression against Ukraine (which triggered a food, energy and cost of living crisis) and the impact of the COVID-19 pandemic have exacerbated the situation to such a degree that an early mid-term evaluation (MTE) of the Instrument and a mid-term revision (MTR) of the multiannual financial framework (MFF) are necessary;
- D. whereas project implementation under the Instrument cannot yet be evaluated fully, as it is still in its early stages;

General considerations

- 1. Welcomes the Commission communication on the mid-term revision of the MFF 2021-2027;
- 2. Underlines the need to review the EU's external and development policies in the light of geopolitical changes; recognises the enhanced importance of strategic partnerships with partner countries and the specific role of EU investments, which have to reflect both the interests of the EU and the interests of our partners;
- 3. Reaffirms its unwavering support for Ukraine; stresses, however, that this support should not come at the expense of other partners and third countries, whose EU funding should not be cut; calls, therefore, for a thorough evaluation of the Instrument's resources, which should also assess whether they are sufficient to meet the Instrument's objectives;
- 4. Welcomes the consolidation of most of the EU's external action in a single Instrument, gradually streamlining and harmonising the numerous previous instruments; is of the opinion, however, that although this simplification has enhanced flexibility and efficiency, it has not been accompanied by sufficient levels of effective accountability;
- 5. Calls for the MTE to evaluate in depth the Instrument's capacity to achieve the EU's overall external policy goals, and particularly the objective of contributing to the promotion of multilateralism and of protecting, promoting and advancing democracy, the rule of law and human rights and fundamental freedoms;
- 6. Calls, in particular, for an honest assessment of the use of Article 42(4) and recital 40 of the Regulation establishing the Instrument, the latter of which states that assistance could be suspended in the event of degradation in democracy, human rights or the rule of law in third countries;
- 7. Requests that the MTE provide legal and political clarity with regard to the listing of Ukraine, Moldova and Georgia as beneficiaries under the neighbourhood chapter of the Instrument; notes that these countries have become candidates for accession to the EU and should therefore be listed as beneficiaries with the adequate budgetary transfer of

bilateral financial envelopes to the Instrument for Pre-accession Assistance (IPA III) Regulation¹⁰; welcomes the Commission's proposal for a Ukraine facility to meet immediate needs, but stresses the importance of using a long-term instrument;

8. Calls for the MTE to assess, in particular, the extent to which funding has delivered tangible results in Africa;
9. Stresses the importance of meeting all the Instrument's spending targets and calls for detailed information on the progress made in this regard; regrets, in particular, the substantial deficit in reaching the Instrument's climate target and calls for a detailed plan outlining how the Commission intends to meet the climate target by the end of the MFF;
10. Reaffirms the commitment set out in the Instrument to eradicating poverty, fighting inequalities and discrimination and promoting human development;
11. Reaffirms the commitment outlined in the Instrument to addressing the root causes of irregular migration and forced displacement; is of the opinion that, without prejudice to unforeseen circumstances, the commitment within the Instrument to dedicate an indicative 10 % of the Instrument's financial envelope to actions supporting the management and governance of migration and forced displacement within the objectives of the Instrument should be respected and that this clause should not be reopened;

Securing the necessary resources and mobilising investments

12. Stresses that under no circumstances should the 2024 MTR of the MFF result in the Instrument's funds being cut or reallocated between programmes; underlines the key role of the Instrument, the EFSD+ and the EAG in providing a strategic framework for blended finance, de-risking investments and guarantees and in mobilising resources from the private sector with the support of the EU budget, particularly in the light of increasing geopolitical and economic competition;
13. Recognises the specific role of EU investments, which must reflect the strategic interests of both the EU and our partner countries, and underlines the important part played by the budgetary guarantees in delivering them under the 'policy first' principle; highlights the importance of ensuring that the guarantees counterbalance the risk involved in the highest-risk countries for investment so that relevant investment is also directed to them;
14. Notes the specific role played by the EIB in the European financial architecture for development, as set out in Article 209 of the TFEU and in Article 36 of the Regulation establishing the Instrument, and acknowledges the EIB's potential to mobilise additional funding that contributes to the Instrument's objectives; welcomes the creation of EIB Global, which has been operational since 1 January 2022 and sets out to increase the bank's presence and expertise in developing countries;
15. Welcomes the 'open architecture' of the EFSD+, which was established to support

¹⁰ Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III) (OJ L 330, 20.9.2021, p. 1).

private-sector investments, and calls on the Commission, the EIB, the Member States and development finance institutions (DFIs) to fully utilise the options provided by the EAG and the relevant investment windows to promote sustainable private-sector investments;

Strategic approach

16. Welcomes the Team Europe approach and its aim of increasing the coherence, impact and visibility of EU development projects, and calls for more joint actions with the Member States, in particular Team Europe Initiatives (TEIs); calls on the Commission to review the effectiveness of the approach and to inform Parliament of its findings;
17. Welcomes the Global Gateway strategy as a concerted EU response to global challenges; regrets, however, the lack of transparency and of a regulatory framework for the strategy's governance and implementation within the Instrument's objectives and priorities;
18. Underlines the importance of more efficiently utilising synergies and better harmonising the financing initiatives that are undertaken by the EIB, the EBRD and other DFIs and target European neighbourhood countries, with particular importance being given to EU candidate countries;

Parliamentary scrutiny

19. Recalls Parliament's functions of political control and consultation and stresses the role of the high-level geopolitical dialogue in providing general orientations for the implementation of the Instrument;
20. Stresses the importance of the programming process, underlining the crucial role of the EEAS and EU delegations in this regard, as well as in ensuring the proper inclusion of partner countries throughout the process, including by fostering close consultation of and association with local authorities, in order to identify common priorities and enhance partner countries' sense of ownership; stresses, furthermore, the important role of civil society organisations in the programming process;
21. Regrets the rushed programming process that took place in the second half of 2021, preventing adequate scrutiny by Parliament; calls on the Commission to ensure a more predictable and transparent programming exercise, to develop a standardised, comparable and transparent methodology for allocating funds to neighbourhood countries, to ensure rigorous application for non-neighbourhood countries and to clarify the methodology for assessing the impact of EU's support;
22. Regrets the Commission's failure to always notify Parliament before the cushion is mobilised and deplores the practice of sending letters that arrive after mobilisation; calls on the Commission to always inform Parliament in detail before the cushion funds are mobilised and to take its observations into account;
23. Expects Parliament to be fully involved in the programming exercise for the second half of the MFF and for the multiannual indicative plans (MIPs) for 2025-2027;
24. Considers that the current arrangements for reporting on what the EU is doing in any

given country, region or thematic area are insufficient and excessively legalistic; calls for pragmatic improvements with regard to updating useful data and for examples of best practices in implementation to be provided to Parliament flexibly and in good time, applying appropriate confidentiality rules where needed;

Way forward

25. Requests that the MTE be used to the fullest extent possible in order to update either the Instrument or its delegated acts on priority areas and to reassess the validity of the geographic and thematic MIPs, including more prominent conditions relating to compliance with international law, alignment with the EU's foreign policy and the application of the associated suspension mechanism, as a last resort, where the foreign policy of an Instrument beneficiary country diverges completely from EU foreign policy;
26. Stresses that the MTE should be accompanied by the necessary legislative changes to the Instrument and the IPA III so that the relevant regulations reflect Ukraine and Moldova's new status as EU candidate countries, and by a new delegated act setting out the specific objectives and priority areas of cooperation for each region;
27. Considers that the geopolitical challenges that emerged with the Russian war of aggression against Ukraine require the Instrument's budget to be increased considerably; highlights that the challenges are spread all over the world, meaning the EU must increase its geopolitical influence; stresses that it will only be possible to respond to these challenges in a balanced way if the proportion of allocations for each area of the Instrument is kept the same;
28. Insists that Parliament is part of Team Europe and should be treated as such, and therefore expects more frequent, detailed and meaningful information about the implementation of the Instrument;
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29. Instructs its President to forward this resolution to the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the Council, the European Investment Bank and other relevant European financial development institutions.