



A GENERAL SURVEY OF DEVELOPMENT POLICY

Development policy lies at the heart of the European Union's external policies. It aims to reduce and ultimately eradicate poverty and it is central to the EU's response to the UN 2030 Agenda for Sustainable Development (the 2030 Agenda). Its objectives include fostering sustainable growth, defending human rights and democracy, achieving gender equality, promoting peace and inclusive societies and tackling environmental and climate challenges. The EU works on a global scale and is the world's largest donor of development assistance. Cooperation with EU Member States and alignment with the 2030 Agenda facilitate the efficient delivery of aid.

LEGAL BASIS

- Article 21(1) of the [Treaty on European Union](#) (TEU): Overall mandate and guiding principles in the field of EU development cooperation;
- Articles 4(4) and 208 to 211 of the [Treaty on the Functioning of the European Union](#) (TFEU);
- Articles 312 to 316 of the TFEU: Budgetary matters;
- The [Cotonou Agreement](#) (for the African, Caribbean and Pacific (ACP) group of states^[1]), which remains valid until the entry into force of its successor agreement – [the EU/Africa-Caribbean-Pacific Partnership Agreement](#), which is awaiting ratification.

POLICY FRAMEWORK

The European Union supports developing countries by promoting sustainable development and stability. The long-term objective is to eradicate poverty, a goal that has been central to the EU's external policies since the establishment of the European Development Fund (EDF) under the 1957 Treaty of Rome. The EDF was set up to support a special relationship with former colonies in the ACP regions. Since 1 January 2021, EU development assistance has been delivered through the broad Neighbourhood, Development and International Cooperation Instrument, [NDICI-Global Europe](#) (see details below). The instrument merged several former EU external financing instruments, including the EDF.

The EU and its Member States taken together are the [world's leading aid donor](#), providing EUR 70.2 billion in official development assistance in 2021. Development

[1]The group changed its name to the Organisation of African, Caribbean and Pacific States in April 2020.



cooperation is a shared competence of the EU: it is able to carry out a common development policy, provided it does not prevent Member States from exercising their own competences in the matter. The level of cooperation is such that Member States' development agencies often implement EU-funded programmes.

The EU committed to policy coherence for development (PCD) in 2005, meaning that it must mainstream development goals into all of its policies that affect developing countries. In 2009, this commitment was grouped into five areas: (1) trade and finance; (2) addressing climate change; (3) ensuring global food security; (4) making migration work for development; and (5) strengthening the links and synergies between security and development in the context of a global peacebuilding agenda. A previously biennial, now less frequent, European Commission (Commission) [report](#) tracks the EU's progress in the area of PCD; the most recent was published in January 2019. The European Parliament's Committee on Development has had a standing rapporteur for PCD since 2010. This role is currently carried out by Janina Ochojska (European People's Party, Poland). In March 2023, Parliament adopted a [resolution](#) on PCD that calls on the Commission, the European External Action Service and the Member States to increase their efforts on PCD. Stressing that PCD needs to remain a key part of the EU's external relations, Parliament asked the Commission to clarify the application of PCD in the context of the Sustainable Development Goals (SDGs).

Development aid is a limited resource. For this reason, the EU is committed to aid effectiveness, and promotes close relationships with partner countries in the programming and implementation of development actions. The EU's 2007 'Code of Conduct on the Division of Labour in Development Policy' and the 2011 'Operational Framework on Aid Effectiveness' were both adopted with this in mind. These efforts are consistent with international actions responding to the OECD's 2005 Paris Declaration, which promotes five key concepts for development aid: ownership of development strategies by developing countries, alignment of donor countries with locally defined strategies, harmonisation of international development aid, monitoring of results and mutual accountability of donors and partners for development results. The international framework for aid effectiveness has undergone revisions through the Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Cooperation (2011). After the adoption of the UN SDGs, further commitments were made in the Nairobi Outcome Document (2016).

A. The UN 2030 Agenda for Sustainable Development

The EU actively participated in drawing up the 2030 [Agenda](#), which establishes a new global paradigm to help eradicate poverty and achieve sustainable development, and includes the principles of 'leaving no one behind' and 'address[ing] the needs of those furthest behind first'. Approved in New York in September 2015, it follows on from the Millennium Development Goals with a new set of 17 SDGs, focused on economic, social, environmental and governance objectives to be achieved by 2030. The EU and its Member States presented a [joint synthesis report](#) to the UN High-Level Political Forum on Sustainable Development for the first time in 2019. The document focuses on the EU's actions to achieve the 2030 Agenda and will be issued every four years. In



July 2023, the EU presented its first [voluntary review](#) on the implementation of the 2030 Agenda at this year's UN High Level Political Forum on Sustainable Development.

B. New European Consensus on Development and the EU Agenda for Change

Following the approval of the 2030 Agenda, the EU agreed on a revised version of the 2005 [European Consensus on Development](#). The new consensus sets out the main principles of the SDGs and an approach that will guide the EU and its Member States' pursuit of them in relation to developing countries. While mainly focusing on development policy, the consensus also touches on action through other policies while applying the PCD principle. Eradicating poverty remains the primary objective of EU development policy. The consensus was signed on 7 June 2017 by the President of the European Parliament, the Prime Minister of Malta on behalf of the Council of the EU and the Member States, the President of the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy. Parliament has been critical of the EU's efforts to achieve the SDGs by 2030, particularly given that the COVID-19 pandemic, Russia's invasion of Ukraine and other crises have undone some of the progress made since 2015. Parliament has repeatedly called on the Commission to increase its efforts to achieve the SDGs, most recently in a 2023 [resolution](#).

The Commission [communication](#) of 2016 entitled 'Next steps for a sustainable European future: European action for sustainability' integrates the SDGs into the EU's policy framework and current EU priorities. Looking beyond its borders, the EU has recommitted to the target of spending 0.7% of its gross national income (GNI) on development aid, now by 2030 and with a component for least-developed countries of 0.15-0.20 % of GNI. This reflects the commitments made in the Addis Ababa Action Agenda on financing for development (which was agreed at a UN conference in 2015), and is an integral part of the 2030 Agenda. In 2021, collective EU official development assistance (from the EU and from EU Member States) stood at 0.49% of the EU's GNI.

C. Legislative and financial framework

The EU's financing approach to external action (see the table below) has changed as a result of the creation of NDICI-Global Europe. Following the Commission's proposal for a regulation establishing this instrument of 14 June 2018 and three years of subsequent negotiations with the Council and Parliament, the [regulation](#) entered into force on 14 June 2021. It applies retroactively from 1 January 2021.

A major innovation, NDICI-Global Europe is currently the main financial instrument for the EU's external action, with an overall allocation of EUR 79.5 billion for 2021-2027. The instrument simplifies the EU's external funding architecture (merging predecessor programmes including the Development Cooperation Instrument, the European Neighbourhood Instrument, the Partnership Instrument, the European Instrument for Democracy and Human Rights, the European Fund for Sustainable Development and the Instrument contributing to Stability and Peace). It covers cooperation with all non-EU countries, with the exception of countries linked to EU pre-accession, overseas territories, and territories falling under geographic programmes.

NDICI-Global Europe is organised around three key pillars:



- a. Geographic, consisting of programmes for countries in the (eastern and southern) European neighbourhood, sub-Saharan Africa, Asia and the Pacific, the Americas and the Caribbean. These programmes focus on areas of cooperation such as good governance, poverty eradication, migration, environment and climate change, growth and employment or security and peace, among other cross-cutting issues. Most of the NDICI-Global Europe funds go to this pillar;
- b. Thematic, consisting of programmes with worldwide coverage on human rights and democracy, civil society organisations, stability and peace, and global challenges;
- c. Rapid response, allowing the financing of quick capacity for crisis management, conflict prevention and peacebuilding. Such actions aim, for instance, to link humanitarian and development efforts, increase the resilience of crisis-affected countries or address foreign policy priorities.

Also designed as a flexible instrument, NDICI-Global Europe includes an additional ‘cushion’ for funding emerging challenges and priorities (for example responses to unforeseen circumstances, migratory pressures, crisis/post-crisis situations or new EU/international initiatives).

D. Breakdown of NDICI-Global Europe expenditure

NDICI-Global Europe channels the biggest share of the EU’s external action funds, with an overall budget of EUR 79.5 billion (for the period 2021-2027). Geographic programmes get roughly 75% of the funds and thematic programmes 8%. In addition, 12% is reserved for the emerging challenges and priorities ‘cushion’ and 4% for ‘rapid response actions’. The remainder, about 2%, is for support expenditure.

More details can be found in the [draft budget](#) for 2023.

The financial allocations for NDICI-Global Europe’s three-pillar structure are the following. Figures are given in millions.

Geographic programmes	9 343.6
Thematic programmes	1 019.4
Rapid response actions	484.4
Emerging challenges and priorities cushion	1 538.3

NDICI-Global Europe also supports large-scale projects financed under Team Europe initiatives, which pull together financial contributions from the EU, its Member States and financial institutions such as the European Investment Bank and the European Bank for Reconstruction and Development. Launched on 8 April 2020, Team Europe assistance has helped EU partner countries to deal with the COVID-19 pandemic.

NDICI-Global Europe is also a central element of the EU’s new [Global Gateway](#) strategy, a key project that seeks to mobilise up to EUR 300 billion in investment for sustainable digital, energy and transport infrastructure around the world. Global Gateway is intended as both the EU’s contribution to narrowing the global investment gap and the EU’s answer to the geopolitical challenge posed by China’s global



investment strategy. Investments made through Global Gateway are used to fund sustainable infrastructure to fight climate change, protect the environment and foster sustainable development around the world. A key example is the [EU-Africa Global Gateway investment package](#), which promises to mobilise EUR 150 billion in investments in Africa by 2030. These investments aim to accelerate the green and digital transitions, create sustainable growth, strengthen national health systems and improve education and training in African countries. NDICI-Global Europe will contribute to the strategy through its funds and guarantee capacities.

ROLE OF THE EUROPEAN PARLIAMENT

- Legal framework: Article 209 TFEU states that Parliament and the Council, ‘acting in accordance with the ordinary legislative procedure, shall adopt the measures necessary for the implementation of development cooperation policy’.
- Parliamentary scrutiny over policy implementation: Parliament has the right to question the Commission and to object to implementing decisions whenever it finds that the Commission is exceeding its powers. Parliament also seeks to have an influence by regularly discussing policies with the Commission, in both formal and informal settings. Under NDICI-Global Europe, Parliament engages twice per year in a geopolitical dialogue with the Commission.
- Budgetary authority: Parliament and the Council are the joint budgetary authority of the EU. For the EU’s seven-year multiannual financial framework, the Council retains the primary power of decision, but Parliament’s consent is required for its adoption (Article 312 TFEU). For the annual budget, Article 314 TFEU lays down a procedure that includes one reading each by Parliament and the Council. Once these readings are concluded, Parliament can approve or reject the budget. In the field of international cooperation, [Parliament’s Committee on Development](#) follows budgetary deliberations and makes concrete suggestions concerning the budget lines falling within its remit.

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