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Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2018/0243(COD)</p>	Procedure completed
<p>Neighbourhood, development and international cooperation instrument 2021-2027</p> <p>Repealing Regulation (EC, Euratom) No 480/2009 2008/0117(CNS) Repealing Decision No 466/2014/EU 2013/0152(COD) Repealing Regulation (EU) 2017/1601 2016/0281(COD)</p> <p>Subject 6.30 Development cooperation 6.40.15 European neighbourhood policy</p> <p>Legislative priorities Multiannual Financial Framework 2021-2027</p>	

Key players			
European Parliament	Joint Committee Responsible	Rapporteur	Appointed
	 Foreign Affairs		15/07/2019
	Development		15/07/2019
	Foreign Affairs	 GAHLER Michael	15/07/2019
	Development		15/07/2019
		 JUKNEVIČIENĖ Rasa	
			
		 ARENA Maria	
			
		 GOERENS Charles	
		Shadow rapporteur	
			
		 TARABELLA Marc	
			
	 AUŠTREVČIUS Petras		
			
	 MARQUARDT Erik		
			
	 URTASUN Ernest		
			
	 BILDE Dominique		
			
	 MARIANI Thierry		
			
	 TERTSCH Hermann		

<p>Council of the European Union European Commission</p> <p>European Economic and Social Committee</p>	<p>DEVE Foreign Affairs</p> <p>Development</p> <p>Foreign Affairs</p> <p>Development</p>		
	<p>Former committee for opinion</p> <p>BUDG Budgets (Associated committee)</p>	<p> GARDIAZABAL RUBIAL Eider</p>	11/07/2018
	<p>INTA International Trade</p>	<p> SCHAAKE Marietje</p>	09/07/2018
	<p>ENVI Environment, Public Health and Food Safety</p>	<p> VĂLEAN Adina-Ioana</p>	21/06/2018
	<p>CULT Culture and Education</p>	<p> GIMÉNEZ BARBAT María Teresa</p>	01/06/2018
	<p>LIBE Civil Liberties, Justice and Home Affairs</p>		
	<p>FEMM Women's Rights and Gender Equality</p>		
	<p>Commission DG International Cooperation and Development</p>	<p>Commissioner MIMICA Neven</p>	

Key events			
14/06/2018	Legislative proposal published	COM(2018)0460	Summary
02/07/2018	Committee referral announced in Parliament, 1st reading		
05/07/2018	Referral to associated committees announced in Parliament		
05/07/2018	Referral to joint committee announced in Parliament		
04/03/2019	Vote in committee, 1st reading		
11/03/2019	Committee report tabled for plenary, 1st reading	A8-0173/2019	Summary
26/03/2019	Debate in Parliament		
27/03/2019	Results of vote in Parliament		

27/03/2019	Decision by Parliament, 1st reading	T8-0298/2019	Summary
08/10/2019	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
09/10/2019	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
18/03/2021	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	PE689.709 PE689.843	
31/05/2021	Council position published	06879/1/2021	
07/06/2021	Committee referral announced in Parliament, 2nd reading		
07/06/2021	Vote in committee, 2nd reading		
07/06/2021	Committee recommendation tabled for plenary, 2nd reading	A9-0198/2021	
08/06/2021	Debate in Parliament		
09/06/2021	Decision by Parliament, 2nd reading	T9-0279/2021	Summary
09/06/2021	Final act signed		
14/06/2021	Final act published in Official Journal		

Technical information

Procedure reference	2018/0243(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Regulation (EC, Euratom) No 480/2009 2008/0117(CNS) Repealing Decision No 466/2014/EU 2013/0152(COD) Repealing Regulation (EU) 2017/1601 2016/0281(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 212; Treaty on the Functioning of the EU TFEU 322-p1; Rules of Procedure EP 58; Treaty on the Functioning of the EU TFEU 209-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	CJ19/9/01257

Documentation gateway

Legislative proposal		COM(2018)0460	14/06/2018	EC	Summary
Document attached to the procedure		SWD(2018)0337	14/06/2018	EC	
Committee draft report		PE627.790	19/11/2018	EP	
Committee opinion	ENVI	PE630.705	28/11/2018	EP	
Committee of the Regions: opinion		CDR4008/2018	06/12/2018	CofR	

Committee opinion	FEMM	PE628.565	10/12/2018	EP	
Committee opinion	BUDG	PE626.927	12/12/2018	EP	
Economic and Social Committee: opinion, report		CES4060/2018	12/12/2018	ESC	
Amendments tabled in committee		PE632.089	13/12/2018	EP	
Court of Auditors: opinion, report		N8-0022/2019 OJ C 045 04.02.2019, p. 0001	13/12/2018	CofA	Summary
Committee opinion	LIBE	PE625.583	17/12/2018	EP	
Amendments tabled in committee		PE632.090	17/12/2018	EP	
Amendments tabled in committee		PE632.091	17/12/2018	EP	
Amendments tabled in committee		PE632.092	17/12/2018	EP	
Amendments tabled in committee		PE632.093	17/12/2018	EP	
Committee opinion	CULT	PE629.439	23/01/2019	EP	
Committee opinion	INTA	PE629.557	11/02/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0173/2019	11/03/2019	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0298/2019	27/03/2019	EP	Summary
Commission response to text adopted in plenary		SP(2019)437	30/07/2019	EC	
Supplementary legislative basic document		COM(2020)0459	29/05/2020	EC	Summary
Text agreed during interinstitutional negotiations		PE689.709	15/03/2021	EP	
Committee letter confirming interinstitutional agreement		PE689.843	23/03/2021	EP	
Committee draft report		PE692.793	21/05/2021	EP	
Commission communication on Council's position		COM(2021)0267	27/05/2021	EC	
Council position		06879/1/2021	31/05/2021	CSL	
Committee recommendation tabled for plenary, 2nd reading		A9-0198/2021	07/06/2021	EP	
Text adopted by Parliament, 2nd reading		T9-0279/2021	09/06/2021	EP	Summary
Draft final act		00041/2021/LEX	09/06/2021	CSL	

Additional information

Research document

[Briefing](#)

Final act

[Regulation 2021/947](#)
[OJ L 209 14.06.2021, p. 0001](#)

[Corrigendum to final act 32021R0947R\(02\)](#)
[OJ L 430 02.12.2021, p. 0042](#)

Delegated acts	
2021/2813(DEA)	Examination of delegated act

Neighbourhood, development and international cooperation instrument 2021-2027

PURPOSE: to establish the neighbourhood, development and international cooperation instrument for the period 2021-2027.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the challenges that need to be tackled by external action have increased in recent years: regional conflicts, terrorism, economic inequalities and growing migratory pressures, demographic growth and environmental degradation. At the same time, while poverty levels have declined globally, the number of people living in poverty continues to be a major problem, including in emerging economies.

For the next long-term EU budget for the period 2021-2027, the European Commission proposes to increase investment in external actions, to restructure the Union's external action instruments and to integrate the European Development Fund (EDF) into the EU budget in order to ensure greater coherence, to benefit from effective cooperation, to simplify procedures and to achieve economies of scale.

The proposed neighbourhood, development and international cooperation instrument (NDICI) is designed to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of its external action. It shall be the EU's main instrument for assisting its partners in their political and economic change towards sustainable development, stability, consolidation of democracy, socio-economic development and poverty eradication.

The proposal provides a framework for the implementation of external action policies and international obligations that include the 2030 Agenda for Sustainable Development, the Paris Agreement on Climate Change, the Addis Ababa Action Agenda, the Sendai Framework for Disaster Risk Reduction (2015-2030) and UN Security Council Resolution 2282 (2016) on sustaining peace.

CONTENT: the proposal for a Regulation - presented for a Union of 27 Member States - seeks to establish the neighbourhood, development and international cooperation instrument programme for the period 2021-2027. It also establishes the European Fund for Sustainable Development Plus (the EFSD+) and an external action guarantee.

The neighbourhood and international cooperation instrument shall be based on three pillars:

- a geographical pillar to cover planned cooperation with neighbouring countries and all other third countries. This component shall bring together geographical programmes for the European Neighbourhood, for sub-Saharan Africa, for Asia and the Pacific, and for the Americas and the Caribbean to jointly address global challenges such as human development, including gender equality, climate change;
- a thematic pillar (achieving common goals), which addresses global issues and/or policy flagship initiatives through specific programmes focusing on human rights and democracy, civil society organisations, stability and peace. Aspects covered include health, education and training, women and children, decent work and social protection, culture, migration, environment and climate change, sustainable energy, sustainable and inclusive growth, the private sector and local authorities;
- a rapid response pillar which is dedicated to quick response capacity for crisis management and conflict prevention, as well as strengthening the resilience of states, societies, communities and individuals, the link between humanitarian aid and development actions, and early action to meet other foreign policy objectives.

Flexibility reserve: building on the successful experience of the European Development Fund (EDF), an amount should remain unallocated as an emerging challenges and priorities cushion. The cushion shall be used primarily to address migration pressures, but also stability and security needs, unforeseen events and new international initiatives and priorities.

New European Fund for Sustainable Development Plus (EFSD+): the EFSD+ shall be an integrated financial mechanism providing financing capacity worldwide in the form of grants, budget guarantees and financial instruments.

The EDFD+ shall support the external investment plan and combine blending and budget guarantee operations covered by the external action guarantee, including those covering sovereign risks associated with lending operations previously carried out under the external lending mandate to the European Investment Bank.

General principles: the following principles shall apply to the instrument as a whole: democracy, rule of law and respect for human rights and fundamental freedoms, rights-based approach, cooperation, dialogue, partnership, development effectiveness, consideration of climate change, environmental protection and gender equality.

The proposal also provides for an obligation to inform the European Parliament and to exchange information regularly with it.

Proposed budget: the financial envelope for the implementation of the instrument for the period 2021-2027 shall amount to EUR 89.2 billion in current prices. This amount shall be broken down as follows:

- EUR 68 billion for geographical programmes: (i) at least EUR 22 billion for the European neighbourhood; (ii) at least EUR 32 billion for sub-Saharan Africa; (iii) EUR 10 billion for Asia and the Pacific; (iv) EUR 4 billion for the Americas and the Caribbean;
- EUR 7 billion for thematic programmes: (i) EUR 1.5 billion for human rights and democracy; (ii) EUR 1.5 billion for civil society organisations; (iii) EUR 1 billion for stability and peace; (iv) EUR 3 billion for global challenges;
- EUR 4 billion for rapid reaction operations.

The cushion for emerging challenges and priorities amounting to EUR 10.2 billion may also be used.

OPINION No 10/2018 concerning the proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument.

The Court of Auditors notes that the creation of the NDICI is an ambitious proposal, which provides for: (i) the merging of several programmes and instruments (budgetary and off-budget) into a single instrument; (ii) geographical programmes, thematic programmes and rapid response actions; (iii) different forms of funding.

The Court of Auditors considers that, overall, the proposal will simplify the legislative framework in the field of external aid. It will increase the flexibility of budgetary instruments and preserve the flexibility of the elements previously included in the European Development Fund (EDF).

The Court invites the Commission and legislators to clarify the proposal, suggesting that some provisions should be partially reorganised and others clarified.

General provisions

The Court observes that the recitals stress the importance of gender equality and women's empowerment, climate change, migration and civil society organisations. However, gender equality and climate change are not explicitly mentioned in the specific objectives in the proposal.

Programming

The Court suggests:

- applying the principle that programming documents for geographic programmes should be results-based to thematic programmes as well;
- including in the proposal the missing reference to the dialogue between the Union, Member States and partner countries. The proposal may include a reference to the main stakeholders consulted during the programming procedure.

Specific provisions for the Neighbourhood

The Court of Auditors recommends:

- applying a similar mechanism for the performance based-approach to the whole proposal. This modification would ensure that the performance based-approach is not limited to Neighbourhood countries as is the case in the Commission proposal;
- deleting Chapter II, Specific provisions for the Neighbourhood, and including the articles under Chapter I, 'Programming', keeping the specific provisions for the Neighbourhood to a strict minimum. This modification would make the proposal easier to read.

Action plans, measures and implementing methods

Compared to the existing framework, the proposal includes a significantly simpler list of the types of measures that can be adopted (individual, special, support and exceptional assistance measures). In the Courts opinion, a description of (some of) the situations in which individual measures are to be adopted would make the proposal clearer. Exceptional assistance measures should be treated in a separate article, by virtue of their being exceptional.

The Commission proposes ceilings (EUR 10 million and EUR 20 million, respectively), below which action plans and measures do not need to be adopted by means of implementing acts adopted in accordance with the examination procedure. These ceilings are double those of the 11th EDF. In the case of programmes already financed under the budget, the ceilings have also doubled. Increasing the thresholds for those exceptions where an implementing act is not required weakens oversight arrangements.

The proposal provide more flexibility in the implementation of the NDICIs budget. However, the impact of greater flexibility on the management of the funds needs to be assessed given the potential loss of accountability, i.e. less responsibility for the proper management of appropriations.

EFSD+, budgetary guarantees and financial assistance to third countries

The Court of Auditors noted that the budgetary guarantee can be managed more efficiently with a common provisioning fund. Although the EIB was the only bank in charge of the External Lending Mandate (ELM) and the main partner in the EFSD, it is not clear what its future role will be.

Moreover, the proposal lists three conditions with which the External Action Guarantee needs to comply. Necessary achievement of a leverage and a multiplier effect based on a target range of values specified in an ex-ante evaluation for the budgetary guarantee is not stated as one of the criteria.

The proposal states that the provisioning rate shall range between 9 % and 50 %. Although it is specified when a provisioning rate of 9 % is applied, no information is provided when a higher rate (up to a maximum of 50 %) is applied.

The Court notes that the instruments listed in Article 27(3) entail various risks. Loans in local currency and equity participation have a very high inherent risk. For example, the ACP Investment Facility had rules that limited equity participation to non- controlling minority holdings. The Court estimates that operational agreements should contain similar provisions.

Monitoring, reporting and evaluation

In particular, the Court recommends that:

- to make a clear distinction between the evaluation of actions and the NDICI Regulation. This modification would make the proposal clearer by specifying which articles apply to actions as opposed to those which apply to the NDICI Regulation itself;
- better link key performance indicators to specific objectives;
- to ensure that the requirements for the final evaluation of the Regulation are extended to the interim evaluation, where appropriate.

Neighbourhood, development and international cooperation instrument 2021-2027

The Committee on Foreign Affairs adopted the report by Pier Antonio PANZERI (S&D, IT), Cristian Dan PREDA (EPP, RO), Frank ENGEL (EPP, LU) and Charles GOERENS (ALDE, LU) on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI).

The Committee on Budgets, exercising its prerogative as an associated committee in accordance with [Rule 54 of the Rules of Procedure](#), also gave its opinion on the report.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows:

Subject matter

This Regulation establishes the Programme Neighbourhood, Development and International Cooperation Instrument. It lays down the objectives of the Instrument, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding. It also establishes the European Fund for Sustainable Development Plus (the EFSD+) and an External Action Guarantee.

Objectives

The general objective of this Regulation is to lay down the financial framework enabling the Union to uphold and promote its values, principles and fundamental interests worldwide.

The specific objectives of this Regulation are the following:

- contribute to the achievement of the international commitments and objectives that the Union has agreed to, in particular the 2030 Agenda, the SDGs and the Paris Agreement;
- develop a special strengthened relationship with the countries in the eastern and southern neighbourhood of the Union, founded on cooperation, peace and security, mutual accountability and shared commitment to the universal values of democracy, rule of law and respect for human rights, socio-economic integration and environmental protection and climate action;
- pursue the reduction and, in the long term, the eradication of poverty, particularly in least developed countries (LDCs); to enable sustainable social and economic development;
- at global level, support civil society organisations and local authorities, further stability and peace, prevent conflict and promote just and inclusive societies, advance multilateralism, international justice and accountability, and address other global and regional challenges including climate change and environmental degradation as well as foreign policy needs and priorities, as set out in Annex III, including the promotion of confidence building and good neighbourly relations;
- protect, promote and advance human rights, democracy, the rule of law as well as gender and social equality, including in the most difficult circumstances and urgent situations, in partnership with civil society including human rights defenders worldwide.

At least 95% (as opposed to 92 % proposed by the Commission) of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. This Regulation shall contribute to reaching the collective target of achieving 0.2% of the Union's Gross National Income to Least Developed Countries and 0.7% of the Union Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda.

At least 20% of the Official Development Assistance funded under this Regulation, across all programmes, geographic and thematic, annually and over the duration of its actions, shall be ring-fenced for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health, education, nutrition and social protection, particularly to the most marginalised, and with an emphasis on women and children.

At least 85% of the Official Development Assistance funded programmes, geographic and thematic, under this Regulation shall have gender equality and women's and girls' rights and empowerment as a principal or a significant

Budget

The financial envelope for the application of this Regulation for the period 2021-2027 shall be EUR 82 451 million in 2018 prices (EUR 93 154 million in current prices) [100%].

The financial envelope be composed of:

- Geographical programmes: EUR 63 687 million in 2018 prices (EUR 71 954 million in current prices) [77.24%] for geographic programmes;
- Thematic programmes: EUR 9 471 million in 2018 prices (EUR 10 700 million in current prices) [11.49 %] for thematic programmes;
- Rapid response actions: EUR 3 098 million in 2018 prices (EUR 3 500 million in current prices) [3.76%] for rapid response actions.

The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework during the budgetary procedure, after the priorities have been agreed by the Institutions.

Small projects funds

Financing under this Regulation may be provided to small projects funds, aimed at the selection and implementation of projects of limited financial volume. The beneficiaries of a small project fund shall be civil society organisations.

Suspension of assistance

Without prejudice to the provisions on the suspension of aid in agreements with partner countries and regions, where a partner country persistently fails to observe the principles of democracy, the rule of law, good governance, respect for human rights and fundamental

freedoms, or nuclear safety standards, the Commission shall be empowered to adopt delegated acts amending Annex VII-a, by adding a partner country to the list of partner countries for which Union assistance is suspended or partly suspended. In the case of a partial suspension, the programmes for which the suspension applies shall be indicated.

Where the Commission finds that the reasons justifying the suspension of assistance no longer apply, it shall be empowered to adopt delegated acts to amend Annex VII-a in order to reinstate Union assistance.

The Commission shall take due account of relevant European Parliament resolutions in its decision-making.

Evaluation

The mid-term evaluation report shall be undertaken for the specific purpose of improving the application of the Union funding. It shall contain consolidated information from relevant annual reports on all funding governed by this Regulation, including external assigned revenues and contributions to trust funds offering a breakdown of spending by, beneficiary country, use of financial instruments, commitments and payments, as well as by geographic and thematic programme and rapid response action, including funds mobilised from the emerging challenges and priorities cushion.

Democratic accountability

In order to enhance dialogue between the institutions of the Union, in particular the European Parliament, Commission and the EEAS, and to ensure greater transparency and accountability, as well as the expediency in the adoption of acts and measures by the Commission, the European Parliament may invite the Commission and the EEAS to appear before it to discuss the strategic orientations and guidelines for the programming under this Regulation. That dialogue may take place prior to the adoption of delegated acts and of the draft annual budget by the Commission.

The European Parliament shall be fully involved in the design, programming, monitoring and evaluation phases of the instruments in order to guarantee political control and democratic scrutiny and accountability of Union funding in the field of external action.

Entry into force

It is proposed that the Regulation shall apply from 1 January 2021 until 31 December 2027.

Neighbourhood, development and international cooperation instrument 2021-2027

The European Parliament adopted by 420 votes to 146, with 102 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development Cooperation and International Cooperation Instrument.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Objectives

The general objective of the programme "Neighbourhood, Development and International Cooperation Instrument" shall be to provide the financial framework to support the upholding and promotion of the Union's values, principles and fundamental interests worldwide in accordance with the objectives and principles of the Union's external action.

The specific objectives of this Regulation are the following:

- contribute to the achievement of the international commitments and objectives that the Union has agreed to, in particular the 2030 Agenda, the SDGs and the Paris Agreement;
- develop a special strengthened relationship with the countries in the eastern and southern neighbourhood of the Union, founded on cooperation, peace and security, mutual accountability and shared commitment to the universal values of democracy, rule of law and respect for human rights, socio-economic integration and environmental protection and climate action;
- pursue the reduction and, in the long term, the eradication of poverty, particularly in least developed countries (LDCs); to enable sustainable social and economic development;
- at global level, support civil society organisations and local authorities, further stability and peace, prevent conflict and promote just and inclusive societies, advance multilateralism, international justice and accountability, and address other global and regional challenges including climate change and environmental degradation as well as foreign policy needs and priorities, as set out in Annex III, including the promotion of confidence building and good neighbourly relations;
- protect, promote and advance human rights, democracy, the rule of law as well as gender and social equality, including in the most difficult circumstances and urgent situations, in partnership with civil society including human rights defenders worldwide.

Under the new Regulation:

- at least 95% (as opposed to 92 % proposed by the Commission) of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. This Regulation shall contribute to reaching the collective target of achieving 0.2% of the Union's Gross National Income to Least Developed Countries and 0.7% of the Union's Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda;
- at least 20% of the Official Development Assistance funded under this Regulation, across all programmes, geographic and thematic, annually and over the duration of its actions, shall be ring-fenced for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health, education, nutrition and social protection, particularly to the most marginalised, and with an emphasis on women and children;
- at least 85% of the Official Development Assistance funded programmes, geographic and thematic, under this Regulation shall have gender equality and women's and girls' rights and empowerment as a principal or a significant objective.

Budget

The European Parliament has proposed to set the financial framework for the application of the Regulation for the period 2021-2027 at EUR 82 451 million at 2018 prices (EUR 93 154 million at current prices), an increase of EUR 4 billion compared to the European Commission's proposal. The envelope shall be broken down as follows:

- geographical programmes: EUR 63 687 million at 2018 prices (EUR 71 954 million at current prices) [77.24%];
- thematic programmes: EUR 9 471 million at 2018 prices (EUR 10 700 million at current prices) [11.49%]: EU funding for civil society organisations would be increased to EUR 2 390 million, with an additional EUR 500 million for local authorities;
- rapid intervention measures: EUR 3 098 million at 2018 prices (EUR 3 500 million at current prices) [3.76 %].

Parliament proposed that 45% of the funds in the new instrument shall support climate and environmental objectives related to climate, environmental management and protection, biodiversity and combating desertification, and that 30% of the funds shall be devoted to climate change mitigation and adaptation.

Small Project Fund

Financing under this Regulation may be provided to small projects funds, aimed at the selection and implementation of projects of limited financial volume. The beneficiaries of a small project fund shall be civil society organisations.

Suspension of assistance

In the case of a serious or persistent degradation of democracy, human rights and rule of law in one of the partner countries, support may, by means of a delegated act, be partially or fully suspended. The Commission shall take due account of relevant European Parliament resolutions in its decision-making.

European Fund for Sustainable Development Plus (EFSD+)

The new EFSD+ should support investment as a means of contributing to the achievement of sustainable development objectives by focusing on poverty eradication, conflict prevention and the promotion of peaceful, just and inclusive societies, sustainable economic progress, tackling climate change, environmental degradation, the creation of decent jobs in compliance with relevant ILO standards and economic opportunities, in particular for women, youth and vulnerable people.

It shall also support a stable investment environment, industrialisation, cooperatives, social enterprises, as well as the strengthening of democracy, the rule of law and human rights, the absence of which often reflects the root socio-economic causes of irregular migration and forced displacement.

Democratic accountability

The European Parliament shall be fully involved in the design, programming, monitoring and evaluation phases of the instruments in order to guarantee political control and democratic scrutiny and accountability of Union funding in the field of external action.

Parliament may invite the Commission and the EEAS to appear before it to discuss the strategic orientations and guidelines for the programming under this Regulation.

Neighbourhood, development and international cooperation instrument 2021-2027

The Commission has presented an amended proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument for the period 2021-2027 to support the recovery from the COVID-19 pandemic.

BACKGROUND: in order to contain the COVID-19 outbreak, Member States and third countries have adopted an unprecedented set of measures. These measures have significantly disrupted economic activities.

A sharp contraction of growth in the Union is now forecast for 2020 and is likely to continue into 2021. Recovery risks being very uneven in the different Member States, increasing the divergence between national economies. The different fiscal ability of Member States to provide financial support where it is needed most for recovery and the divergence of national measures endangers the single market.

This exceptional situation calls for a coherent and unified approach at the level of the Union to prevent further deterioration of the economy and to boost a balanced recovery of the economic activity, ensuring continuity and increase in investments for the green and digital transition.

A comprehensive set of measures for economic recovery are needed, requiring substantial amounts of public and private investment to energise the economy, create high-quality jobs and invest in repairing the immediate damage brought by the COVID-19 pandemic.

Targeted changes to the Framework Programme for Research and Innovation and its implementing Specific Programme [Horizon Europe](#), the Neighbourhood, Development and International Cooperation Instrument (NDICI) the European Agricultural Fund for Rural Development ([EAFRD](#)) interventions under the CAP strategic plans are proposed by the Commission as part of the revised proposal for the Multiannual Financial Framework (MFF) for the period 2021-2027, which includes the [EU Recovery Instrument](#).

CONTENT: the main amendments to the Regulation establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI) are intended to:

- enable the implementation of the measures laid down in the proposal for a Regulation establishing an EU Recovery Instrument through the mechanisms for implementing the framework programme for research and innovation;
- enable financing from the EU Recovery Instrument as external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

Trade and economic relations with neighbouring and developing countries, including Western Balkans, countries of the European Neighbourhood and African countries, are of high relevance for the economy in the Union. For that reason, and in line with the global role and

responsibility of the Union as well as its values, financial resources from the Recovery Instrument via NDICI should also be used to provide support for the efforts of those countries to fight the impact of the COVID-19 pandemic and recover from it.

Budgetary implications

The Commission proposes to make available a total of EUR 11 448 million for the increase of the External action guarantee under the Neighbourhood, Development and International Cooperation Instrument. Beneficiaries listed in Annex I of the Instrument for Pre-Accession Assistance (IPA) shall be eligible under such an increase. The additional financing shall be made available through the European Recovery Instrument based on empowerment provided in the new Own Resources Decision.

Under the external action guarantee, the Union may guarantee operations signed between 1 January 2021 and 31 December 2027 up to EUR 130 billion. Up to EUR 70 billion of this amount shall be allocated to operations implementing the measures referred to in the Regulation establishing a European Union Instrument for Recovery to support recovery from the COVID-19 pandemic.

As a general rule, the financial support and the relevant actions carried out by the Commission should be frontloaded by the end of 2024 and, as regards the non-repayable financial support, for at least 60 % of the total, be undertaken by the end of 2022.

The remaining years after 2024 until the end of the MFF should therefore be used by the Commission to foster the implementation of the relevant actions on the ground and to achieve the expected recovery in the relevant economic and social sectors and promoting resilience and convergence.

Neighbourhood, development and international cooperation instrument 2021-2027

The European Parliament adopted a legislative resolution approving the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument ? Global Europe.

The proposed regulation establishes the Neighbourhood, Development and International Cooperation Instrument (NDICI) ? Global Europe, including the European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee, for the period of the multiannual financial framework (MFF) 2021-2027.

The instrument combines geographical and thematic priorities by merging the majority of the previously existing external financing instruments.

NDICI's objectives

The Instrument's aim is to uphold and promote the EU's fundamental values, principles and world-wide interests, in order to pursue the objectives and apply the principles of the EU's external action.

To this end, the Instrument seeks to:

- contribute to the reduction and, in the long term, the eradication of poverty, consolidate, support and promote democracy, rule of law and respect for human rights, sustainable development and the fight against climate change and address irregular migration and forced displacement, including their root causes;
- contribute to the promotion of multilateralism, the achievement of the international commitments and objectives that the Union has agreed to, in particular the Sustainable Development Goals (SDGs), the 2030 Agenda and the Paris Agreement;
- promote stronger partnerships with third countries, including with the European Neighbourhood based on mutual interests and ownership with a view to fostering stabilisation, good governance and building resilience.

The proposed Regulation has the following specific objectives:

- to support and foster dialogue and cooperation with third countries and regions in the Neighbourhood, in Sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean;
- to develop special strengthened partnerships and enhanced political cooperation with the European Neighbourhood, founded on cooperation, peace and stability and a shared commitment to the universal values of democracy, rule of law and respect for human rights, and aiming at deep and sustainable democracy and progressive socio-economic integration as well as people-to-people contacts;
- at global level: (i) to protect, promote and advance human rights, including gender equality and the protection of human rights defenders; (ii) to support civil society organisations; (iii) to further stability and peace, prevent conflict, thereby contributing to the protection of civilians; (iii) to address other global challenges such as climate change, protection of biodiversity and the environment, as well as migration and mobility;
- to respond rapidly to: situations of crisis, instability and conflict, including those which may result from migratory flows and forced displacement, and hybrid threats; resilience challenges, including natural and man-made disasters, and linking of humanitarian aid and development action; and Union foreign policy needs and priorities.

European Fund for Sustainable Development plus (EFSD+)

The new EFSD+ may, together with the guarantee for external action, support financing and investment operations in the form of grants, budgetary guarantees and financial instruments in partner countries in the geographical areas, as well as operations with beneficiaries of the Instrument for Pre-Accession Assistance III.

Budget

The overall financial envelope for the period 2021-2027 amounts to EUR 79 462 000 000 (in current prices), broken down as follows:

- geographical programmes (neighbourhood, Africa, Caribbean, Pacific): EUR 60 388 000 000;
- thematic programmes (human rights, democracy, civil society organisations, peace, stability, conflict prevention, global challenges): EUR 6

358 000 000;

- rapid reaction operations: EUR 3,182,000,000.

A reserve for emerging challenges and priorities of EUR 9 534 000 000 may increase these amounts.

Declarations by the institutions

The legislative resolution contains a Commission statement on a geopolitical dialogue with the European Parliament. This dialogue should allow for exchanges with the Parliament, whose views on the implementation of the NDICI will be fully taken into account. The dialogue will cover the general orientations for the implementation of the NDICI, including programming prior to the adoption of programming documents, and specific issues such as the use of the reserve for emerging challenges and priorities.

Parliament also states that the suspension of assistance under external financing instruments should be applied when a partner country persists in failing to respect the principles of democracy, the rule of law, good governance or respect for human rights and fundamental freedoms or internationally recognised standards of nuclear safety.

Lastly, Parliament called on the Commission and the European External Action Service (EEAS) to set up a strategic coordination structure composed of all relevant Commission and EEAS services in order to ensure coherence, synergy, transparency and accountability in accordance with the regulation establishing the NDICI.