

Legislative proposal

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 Unions 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 EFSD+ 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.