

# NDICI-Global Europe

## The new instrument for the EU's international cooperation policy

INTPA/D3, Coordination and oversight of External Financing  
Instruments  
Brussels, 2 March 2022

# NDICI-GE: the most innovative instrument in the new multiannual financial framework



# Heading 6 “Neighbourhood and the World”

**A new framework for funding external action**

# Main features

- As part of the **2021-2027 Multiannual Financial Framework (MFF)**, the Commission adopted legislative proposals for the next generation of external financing instruments on 14 June 2018.
- Following negotiations, the European Council agreed on a total of **EUR 110 597 million (in current prices) for Heading 6 "Neighbourhood and the World"**.
- **The main instrument in Heading 6 is the Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe. Entered into force in June 2021.**
- It is complemented by the **European International Instrument for Nuclear Safety Cooperation (INSC)**. Other instruments within Heading 6 comprise the **Instrument for Pre-accession Assistance (IPA III)**, the **Decision on the Overseas Association, including Greenland (DOAG)**, the **Humanitarian Assistance**, as well as a budget line for Common Foreign and Security Policy.
- This architecture is complemented by an off-budget **European Peace Facility**.

# Structure and amounts

<b>HEADING 6: Neighbourhood and the World</b>	<b>Amounts in current prices (billion euro)</b>
Neighbourhood, Development and International Cooperation Instrument – Global Europe	79.462
Instrument for Pre-accession assistance	14.162
Humanitarian aid	11.569
Common Foreign and Security Policy	2.679
Decision on the Overseas Association including Greenland	0.5
European Instrument for International Nuclear Safety Cooperation	0.3
Other	1.242
Margin	0.684
<b>Total</b>	<b>110.597</b>
European Peace Facility	5.000

# **NDICI – Global Europe**

**A broad financing instrument for the  
Union's international cooperation**

# Guiding principles (1)

## ➤ **Simplification**

- ❑ Address fragmentation of previous external financing instruments: from 10 to 1
- ❑ Paramount achievement: **“Budgetisation” of the EDF**. Condition: budget EDFisation
- ❑ Integration of Neighbourhood with other regions, while preserving specificities (more for more, cross-border cooperation)

## ➤ **Increased democratic scrutiny and transparency**

## ➤ **Enhanced coherence**

- ❑ Within the instrument: interplay between the 3 pillars (geographic, thematic, rapid response). Geographisation and thematic focussed on global actions.
- ❑ With other instruments: external (e.g. security, humanitarian, implementation rules) and internal (e.g. Erasmus+, migration, climate and biodiversity spending targets and mainstreaming)

# Guiding principles (2)

## ➤ Flexibility

### ☐ Financial

- ✓ Cushion
- ✓ Elements of multiannuality: carry-over of unused funds, decommitted funds made available again

### ☐ Substantial

- ✓ Policy-driven but enabling instrument (cf. areas of intervention and cooperation in annexes)
- ✓ No more graduation from country programmes for upper MICs
- ✓ Rapid response pillar
- ✓ DACability threshold



# Guiding principles (3)

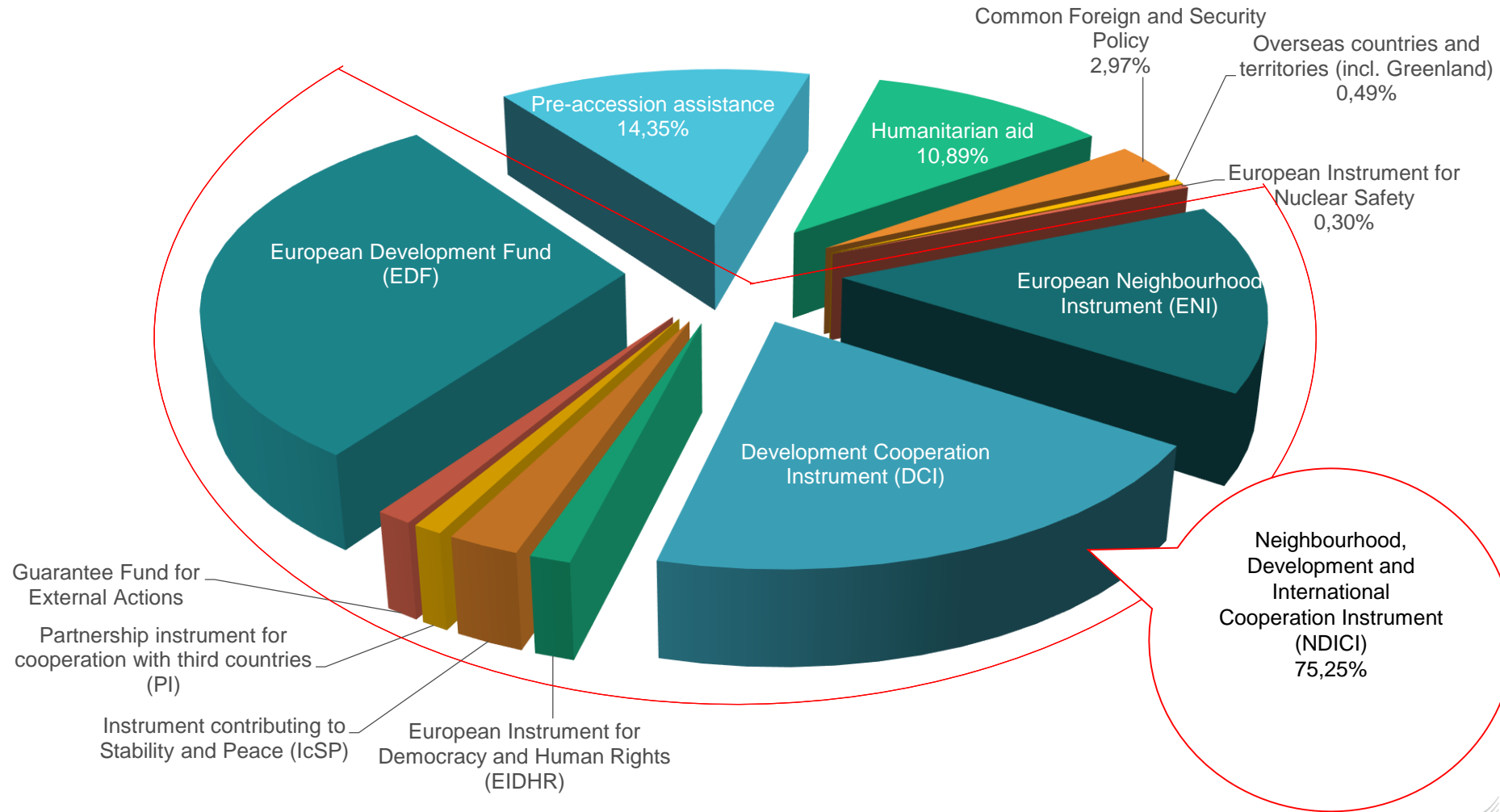
## ☐ Institutional

- ✓ Possibility of various Delegated Acts. First one ever adopted in international cooperation in July 2021
- ✓ Comitology preserved and geopolitical dialogue with the European Parliament

## ➤ **Leverage and impact**

- ☐ Streamlined and scaled-up investment architecture: EFSD+ and External Action Guarantee
- ☐ Reinforced monitoring and indicators, building on SDGs framework

# Simplification



# Global Europe architecture



## Geographic Pillar

- Neighbourhood
- Sub-Saharan Africa
- Asia and the Pacific
- Americas and the Caribbean



## Thematic Pillar

- Human Rights and Democracy
- Civil Society Organisations
- Peace, Stability and Conflict Prevention
- Global Challenges



## Rapid Response Actions

- Crisis Response and Conflict Prevention
- Resilience and linking humanitarian and development actions
- Foreign policy needs and priorities

Erasmus

Investment

Emerging challenges and priorities cushion

# Emerging challenges and priorities cushion

- Unallocated funds that may be used to top-up the geographic, thematic or rapid response pillars, building on the EDF reserve experience. Gives **flexibility** to the instrument.
- To be used to **ensure an adequate response from the Union in case of unforeseen circumstances**; address new needs or new challenges related to crisis and post-crisis situations or migratory pressure, such as those arising at the borders of the EU or its neighbours; and promoting new international or EU-led priorities or initiatives.
- **EUR 9.5 billion**. From which, EUR 1 billion earmarked in the regulation to top-up three thematic programmes, as per Recital 70 of Global Europe: EUR 200 million for Human Rights and Democracy, EUR 200 million for Civil Society Organisations, and EUR 600 million for Global Challenges.
- Information of the EP and Council.
- Already mobilised for vaccines supply, vaccines manufacturing in Africa, Syrian refugees, migration in North Africa and the Global Partnership for Education

# Global Europe envelopes

NDICI-Global Europe envelopes 2021-2027 in current prices			
Neighbourhood, Development and International Cooperation	MFF 2014-2020	MFF 2021-2027	% Difference
Geographic programmes	58.099	<b>60.388</b>	3,9
Neighbourhood	17.859	19.323	8,2
Sub-Saharan Africa	26.336	29.181	10,8
Asia and the Pacific	9.909	8.489	-14,3
Americas and the Caribbean	3.995	3.395	-15,0
Thematic programmes	9.220	<b>6.358</b>	-31,0
Human Rights and Democracy	1.314	1.362	3,7
Civil Society Organisations	1.427	1.362	-4,5
Peace, stability and conflict prevention	712	908	27,5
Global Challenges	5.767	2.726	-52,7
Rapid response	3.439	<b>3.182</b>	-7,5
Emerging challenges and priorities cushion	<i>p.m. 6.869</i>	<b>9.534</b>	
<b>TOTAL</b>	<b>70.758</b>	<b>79.462</b>	<b>12,3</b>

# Key targets (1)

at least **93%**

of funding must qualify as Official Development Assistance according to DAC criteria.

**30%**

of funding for climate-related actions and contribution to the overall MFF biodiversity goals

at least **20%**

of ODA funding for social inclusion and human development, including basic social services

at least **85%**

of new actions with gender equality as a principal or a significant objective, of which at least 5% as a principal objective

indicatively **10%**

of funding for migration and forced displacement-related actions

# Key targets (2)

- **State of the Union speech by President von der Leyen September 2021**
  - ❑ Vaccines: finance the production of **+1 billion** doses and donate **+200 million** doses (along with the 250 million doses already donated)
  - ❑ Climate change: **+4 billion EUR** to spend from NDICI-Global Europe
  - ❑ Biodiversity: **double** the external funding compared to the previous MFF
  - ❑ Create **Global Gateways** with partner countries. Followed by the Joint Communication of December 2021
- **Commissioner Urpilainen**
  - ❑ To spend at least 10% on Education in programmes under her responsibility

# Key targets (3)

- Targets apply to **NDICI-Global Europe as a whole**. All pillars to duly contribute.
- Targets are **complementary and not mutually exclusive**. Wherever possible, the same programme/action should help to reach the fulfilment of more than one target.
- They should be fulfilled **for the overall 2021-27 period**.
- **The Commission will effectively track them during the financial execution of the instrument**, i.e. when specific projects and actions are defined and actually implemented. The annual report will cover progress on the targets.



# The new investment framework

EFSD+ and the External Action Guarantee

# Mobilizing private sector funds

- Funding Gap to reach SDGs
  - USD 2.5 trillion/year (2014 UNCTAD)
- Addis Ababa Action Agenda 2015
- Need Leverage private sector funds.
- New development financing tools (blending, guarantees)
- ‘ Billions to trillions’





# New investment architecture: EFSD+

## ❖ The European Fund for Sustainable Development (EFSD+):

- Financial pillar of the **External Investment Plan (EIP)** to multiply European funds, leverage investments and support access to financing in partner countries.
- **Geographic scope:** Global - it covers all third countries
  - Special attention to LDCs and fragile states
- **Material scope:** full spectrum (both sovereign and private investment), encompassing grants & technical assistance, financial instruments, blending and budgetary guarantees.

### Modalities

- Blending
- Technical Assistance
- Budgetary guarantees supported by the External Action Guarantee

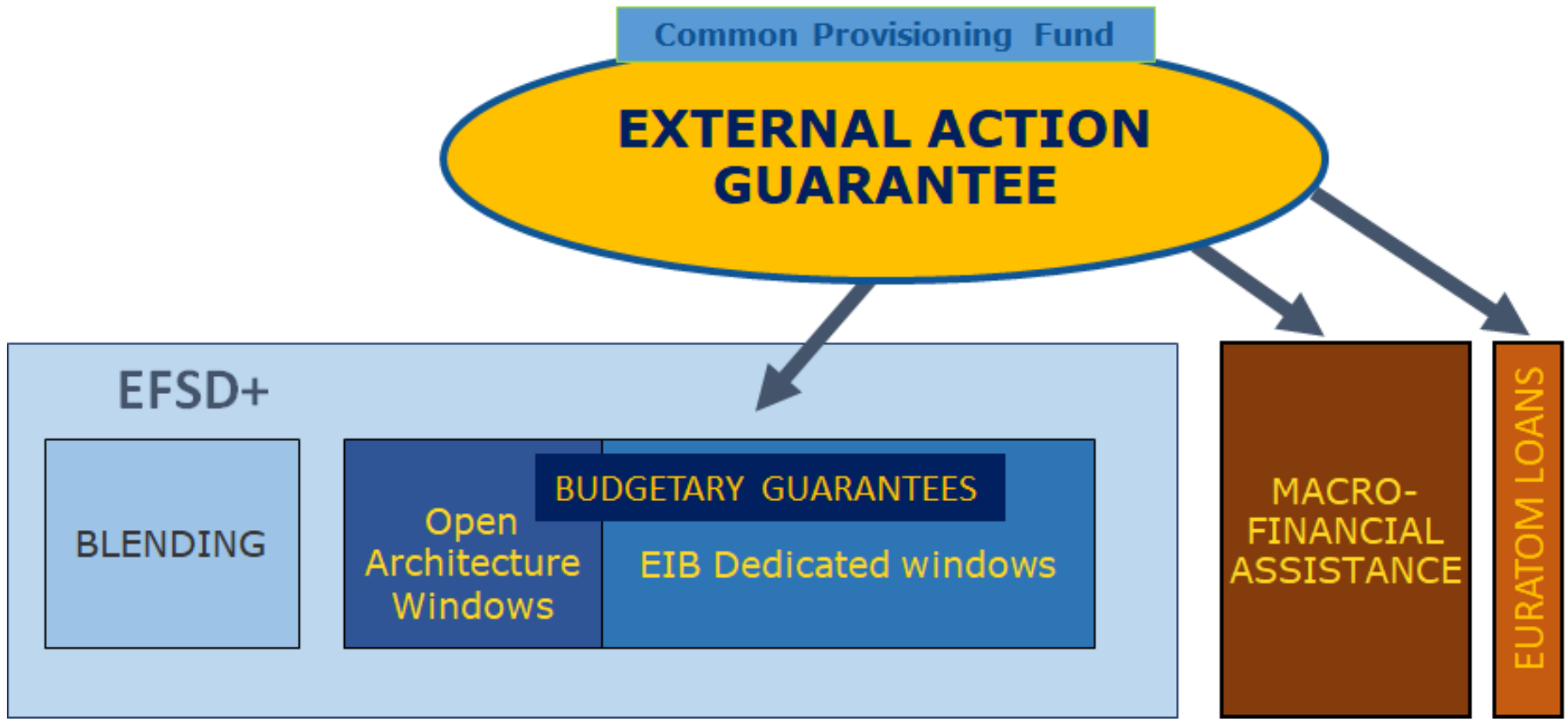
New to programming

# External Action Guarantee under EFSD+

NDICI Programming/ implementation

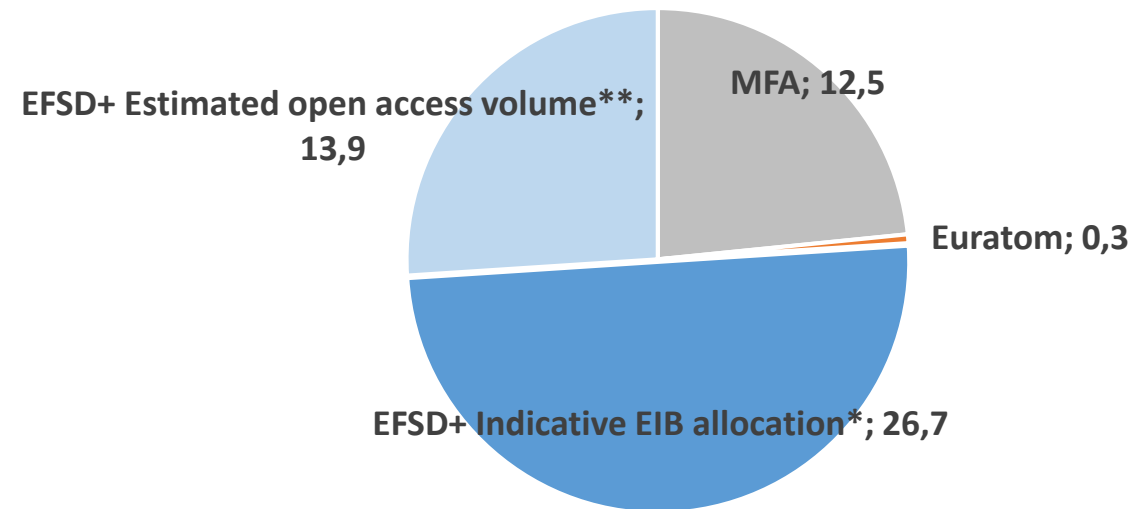
IPA III

EINS



# External Action Guarantee under EFSD+

## External Action Guarantee Distribution EUR 53.4 billion (Approximate volumes TBC)



# Policy first approach to EFSD+

- **Provisioning of the EFSD+ guarantees is subject to programming** for the first time, meaning that all guarantee operations will be implemented under the policy steer of the Commission.
- **Funding comes from the geographic envelopes** and the use of the guarantees are specified when possible in the relevant country MIPs and in all regional MIPs ensuring flexibility and policy coherence.
- The **provisioning rate** is 9% for EIB/sovereign and 50% for the open architecture.
- The amounts for **provisioning will contribute to the overall spending targets of Global Europe**

# Main types of guarantees under EFSD+

## Sovereign & non-commercial sub-sovereign

### Beneficiary:

Government and entities fully backed by state unable to finance themselves in market.

### Examples:

- Large infrastructure projects (e.g. metro, hospital, port)
- Coherence with budget support, MFA.

EIB quasi-exclusivity

## Commercial sub-sovereign

### Beneficiary:

Public entity able to finance themselves in the market.

### Examples:

- Loan to public water and sanitation company.
- Upgrading of capacity of national utility company

Open architecture + EIB

## Private sector

### Beneficiary:

Wide range of private sector companies (e.g. SMEs to large telecommunications company). Similar beneficiaries to EFSD.

### Examples:

- SME credit line.
- Solar off-grid project
- Support to cocoa producers

# IMPLEMENTATION

A two-step process: (1) Programming; (2)  
Financial execution



# Implementation: a two-step process

## (1) Programming (medium- and long-term):

- Decisions adopting a **multi-annual indicative programme (MIP)**, focusing on strategic priorities
- Geo-programming may be based (art. 14) either on a country/regional strategy of a partner country, or a joint EU framework document with MS, or a joint document with a partner country
- Iterative EU Delegations/HQ, **consultations** with Government, CSOs, private sector and other stakeholders



## (2) Yearly planning (financing execution):

- Decisions take the form of annual/multiannual **actions plans, individual measures** (also when no programme) and **special measures**.
- Annual authorisation of expenditure for specific actions (modalities: grants, budget support, technical assistance – also leveraging modalities under EFSD+ to promote investment).

### EU procedures:

- preparation of the Commission proposal by relevant Commission services.
- submission of the Commission's proposal to NDICI-Global Europe Committee for EU MS opinion (and transmission in parallel to the European Parliament for its information and scrutiny under the Comitology Regulation).
- adoption by the College of Commissioners.

Partnership and  
collegiality

Geopolitical  
Dialogue with  
EP

# Legal framework of programming

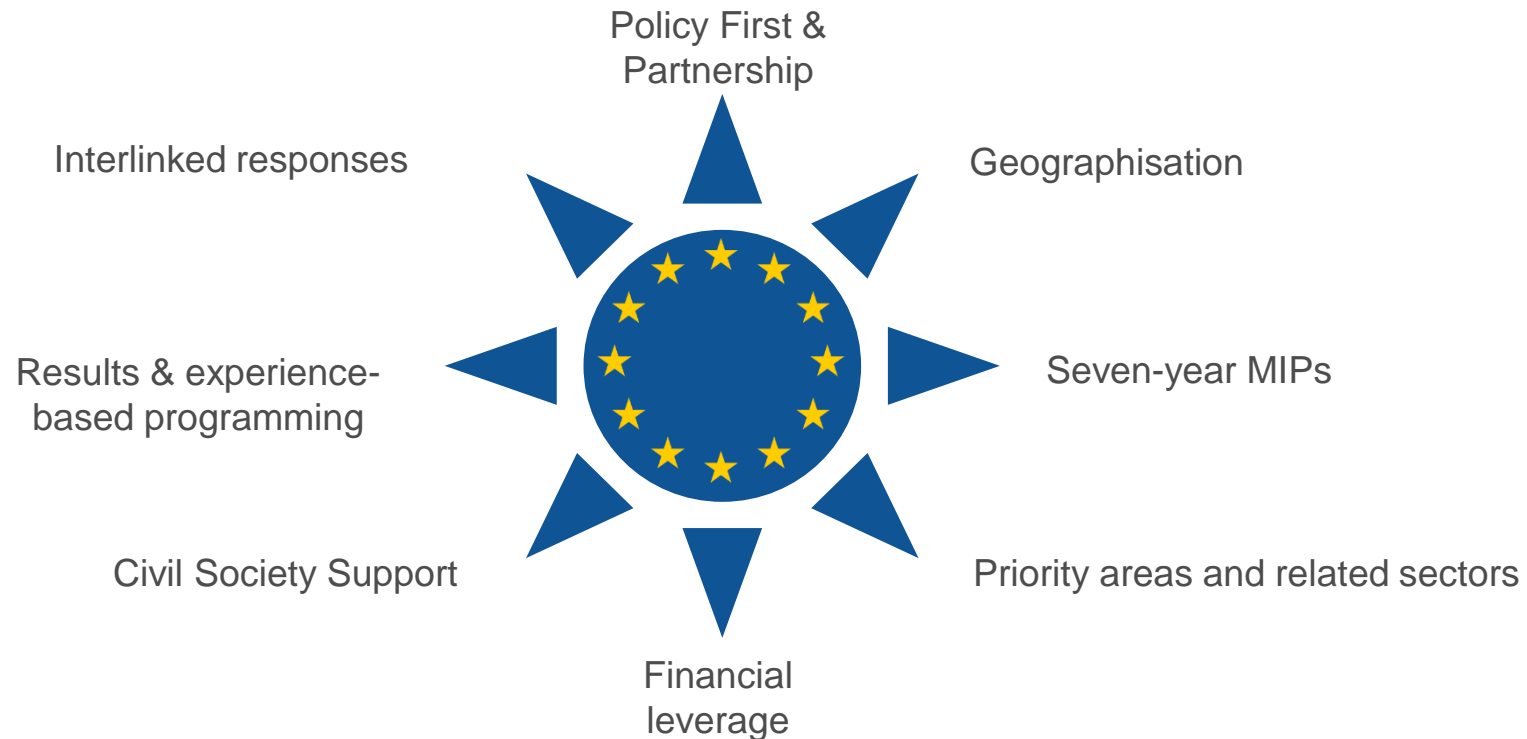
- **Overall MFF:** targets and goals
- **NDICI-Global Europe:** general priorities, principles, allocations, specific targets. The annexes of Global Europe on areas of cooperation/intervention serve as the basis for programming.
- **Delegated Regulation:** A delegated act supplementing those annexes adopted in 2021 (EU) 2021/1530 of 12 July 2021) further frames the programming exercise, setting:

- (a) specific objectives and priority areas of cooperation drawn from the areas of cooperation for the geographic programmes in Annex II, including a prioritisation, for the following sub-regions: Neighbourhood South, Neighbourhood East, West Africa, East and Central Africa, Southern Africa and Indian Ocean, Middle East, Central Asia, South Asia, North and South East Asia, the Pacific, the Americas and the Caribbean;
- (b) indicative thematic targets for the geographic pillar; and
- (c) indicative financial allocations for West Africa, East and Central Africa, Southern Africa and Indian Ocean sub-regions.

# Programming of Global Europe

- Initial **long-term planning 2021-2027** to define priority areas, specific objectives, results, indicators and indicative allocations per country and region.
- **Process completed by the end of 2021** with the adoption of Multi-annual Indicative Programmes by a College's decision.
- Iterations EU Delegations/HQ, **consultations** with Government, EU MS and their agencies and financial institutions, CSOs incl. Women and Youth, Local authorities, private sector, UN/IFIs, EIB/EBRD, other key stakeholders
- **So far, 99 MIPs have been adopted.** All MIPs adopted are published on the INTPA internet: [Global Europe - Programming | International Partnerships \(europa.eu\)](#); except for the Neighbourhood which are available on NEAR internet: [Neighbourhood, Development and International Cooperation Instrument – Global Europe \(NDICI – Global Europe\) \(europa.eu\)](#)

# General guiding Programming principles



Team Europe Initiatives

# Geographisation: what does it mean?

## Subsidiarity principle

- Implementation of EU priorities at the most appropriate level, either country, multi-country, regional / or multi-regional levels
- EU intervention adapted to the local context (“ownership”)
- **Programming process as a communication and policy tool:** importance of the policy dialogue and the coordination of actors at field level (also Team Europe)

## Translates into:

- **Country programming:** need for a strategic and comprehensive EU response in the country MIPs
- **Regional programming** complements country MIPs, serves countries without bilateral MIP, focus on priorities better addressed regionally
- **Thematic programmes** complement geographic ones (focus on global issues)
- **Rapid response** non-programmable, complements geographic and thematic
- **Cushion:** responds to unforeseen needs; possible top-up for NDICI pillars

According to the subsidiarity principle, the most appropriate implementation level for EU priorities will be either country, regional / multi-country or multi-regional.

# Consultations during programming exercise

## European Cluster

EU Member States, including their agencies and development finance institutions, the EIB, other European financial institutions including the EBRD, as well as the EU CSOs and foundations and the EU private sector

=> **Team Europe approach:** consultations with the European cluster to be systematic

**Country ownership,  
Inclusiveness**



**Transparency,  
Flexibility**

## Local cluster

Partner countries governments and also parliaments, CSOs **including** the youth and women, local authorities, traditional authorities when relevant, local private sector  
=> Events with CSOs, incl. women and youth, and local authorities, should be held.

## International Cluster

like-minded third donors/partners, international CSOs, private sector, IFIs, UN agencies, etc.) => EU Delegations to liaise with the UN Resident Coordinator

# The “Team Europe Approach”

Born as an EU response to COVID-19:

- ✓ **In pursuit of Solidarity** with partner countries and global leadership...
- ✓ ...**By combining the resources** of the EU, Member States and their implementing agencies and DFIs, the EIB, the EBRD: **EUR 46 b** (collective firepower)...
- ✓ ... **In the frame of 3 priorities**: humanitarian / health-water-nutrition / socio-economic

It continued beyond COVID-19, in order to:

- ☐ Address **longer term impacts + sustainable recovery**, SDGs, Build Back Better and greener
- ☐ Enhance collective leverage (financial & political) for **greater impact, influence and visibility & enhance multilateralism**

# Team Europe Initiatives

- Overall **commitment to the Team Europe approach** and the number of proposed TEIs continues to increase and includes Member States' driven TEI proposals.
- **126 country TEIs agreed (incl. neighbourhood)** with Member States for further design: for the 109 INTPA countries: 64 in Sub-Saharan Africa, 29 in Americas and the Caribbean, 16 in Asia and the Pacific.
- The main sectors of TEIs logically reflect the general trends of the draft country MIPs presented previously.
- **26 MS are participating in TEIs (incl. neighbourhood)**. Germany, France, the Netherlands and Spain are the most present. France is the most present in Sub-Saharan Africa, Spain in Americas and the Caribbean and France and Germany equally in Asia and the Pacific.
- Of the European Development Financial Institutions, the EIB, AFD, FMO and KfW are the most present.
- There are 23 regional TEIs covering INTPA regions green-lighted.
- Few more regional and some country TEIs still under preparation.
- More information available on our tracker: [Team Europe Initiative tracker](#)



# Geographic programming

- **Geographic pillar plays a key role in**
  - promoting EU values and interests,
  - building strong partnerships with partner countries and regions, including strategic partners,
  - supporting COVID recovery,
  - achieving our geopolitical ambitions
- **Aligned with the SDGs and the UN 2030 Agenda.**
- **Builds on the Team Europe approach started with the COVID Package last year.**
- **It is instrumental in enhancing Europe's leadership and influence in the world.**

# Geographic programming

## **(A) Country MIP (all 7 years duration):**

- Basis for programming;
- Status of Joint Programming;
- Priority areas and indicative sectors of intervention (justification, related SDGs, specific objectives, results & indicators);
- Proposed country Team Europe Initiatives;
- Support measures (incl. support to CSOs);
- Support to investments;
- Indicative financial allocation for 2021-2024.

# Geographic programming

## **(B) Regional (multi-country) MIP (all 7 years duration):**

- To be driven by sub-regional needs, geopolitical dynamics, common interests and priorities, and channeled through the most appropriate groupings;
- Can support cooperation at continental, multi-country/regional or even country level;
- Regional Economic Communities (RECs) to remain essential counterparts for political and policy dialogue and regional integration to remain a core priority;
- Small island states, high-income countries and some others will benefit from regional cooperation programmes.
- Proposed country Team Europe Initiatives; Support measures (incl. support to CSOs); Support to investments;
- Indicative financial allocation for 2021-2027

# Priority areas in MIPs adopted in 2021

- The **Green Deal** features in almost all programming documents
- **Digital agenda** features in over 80% of them
- **Sustainable growth** and decent jobs features in around 70% of them
- **Migration** is covered by more than half of them, both in countries of origin where focus is on addressing root causes, and countries of transit, with actions on border management
- **Governance, peace and security** features in nearly 90% of them
- **Social inclusion and human development** covered in more than 90% of them, in particular **Education**, will be addressed in 85% of programming documents

# Outcome of Global Europe programming (updated 2/22)

- A total of **99 MIPs were adopted** so far:
  - Neighbourhood: 3 country, 1 multi-country and 2 regional MIPs
  - Sub-Saharan Africa: 44 country and 1 regional MIPs
  - Asia and the Pacific: 23 country, 1 multi-country and 1 regional MIPs
  - Americas and the Caribbean: 17 country and 1 regional MIPs
  - ERASMUS+ MIP
  - the 4 thematic programmes (HRD, CSOs, PSCP, GC)

# Outcome of Global Europe programming (updated 2/22)

- **7 countries have a MIP limited to a cooperation facility** with a 2021-2027 allocation:

Costa Rica, Indonesia, Kazakhstan, Malaysia, Seychelles, Thailand and Turkmenistan.

- Mauritius MIP has also an allocation for 7 years due to the small size of the envisaged cooperation.

# Thank you



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